Alexander Credit Opportunities Fund

Product Disclosure Statement

ARSN 156 026 514
APIR OMF0005AU
Issue Date 22 December 2020

Alexander Funds

Contents

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This Product Disclosure Statement ("PDS") was issued on 22 December 2020. This PDS is for the offer of interests in the Alexander Credit Opportunities Fund ARSN 156 026 514 (referred to throughout this PDS as the "Fund").

The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975) in its capacity as the responsible entity of the Fund (referred to throughout this PDS as the "Responsible Entity", "Equity Trustees", "us" or "we"). The investment Manager is Alexander Funds Management Pty Ltd (ABN 77 136 871 924, AFSL No. 476697) referred to throughout this PDS as "Alexander Funds" or the "Investment Manager". The Administrator of the Fund is Unity Fund Services Pty Ltd and is referred to throughout this PDS as "Unity" or the "Administrator".

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager or any associate, employee, agent or officer of the Responsible Entity, Investment Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider the suitability of the Fund in view of your personal financial circumstances, investment objectives and needs. You may want to seek advice before making an investment decision.

Equity Trustees, the Investment Manager and their employees, associates, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. An investment in the Fund does not represent a deposit with or a liability of Equity Trustees, the Investment Manager or any of their associates. An investment is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety.

The forward looking statements included in this PDS involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Equity Trustees, the Investment Manager, and their officers, employees, agents or associates. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

Past performance is no guarantee of future performance.

In particular, in considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors affecting the Fund are summarised in section 6.

All amounts quoted in this PDS are in Australian dollars ("AUD") unless stated otherwise.

The offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise). If you received this PDS electronically we will provide a paper copy free upon request during the life of this PDS. The PDS is available on www.alexanderfunds.com.au or you can request a copy free of charge by calling Alexander Funds on (03) 9039 5050.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary its position and offers may be accepted on merit at Equity Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise determined by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

Information in this PDS that is not materially adverse is subject to change from time to time. We may update this information. You can obtain any updated information:

- by calling Alexander Funds on (03) 9039 5050; or
- by visiting the website www.alexanderfunds.com.au

A paper copy of the updated information will be provided free of charge on request.

Unless otherwise stated, all fees are inclusive of Goods and Services Tax (GST) and net of any estimated Reduced Input Tax Credits (RITC).

1. Fund at a glance

	Summary	For further information
Name of the Fund	Alexander Credit Opportunities Fund	Section 5
ARSN	156 026 514	Section 5
Fund Benchmark	Bloomberg AusBond Bank Bill Index plus 2% per annum.	Section 5
Investment objective and strategy	The Fund has an absolute return target which means that it aims to produce positive returns in both rising and falling markets as well as a rate of return above the Fund Benchmark. The Fund can invest in the full spectrum of fixed income products that include but are not limited to: corporate bonds, corporate debt, bank bills, commercial paper, loans, hybrid securities, unit trusts, mortgage-backed securities, asset-backed securities, structured credit securities, credit and other derivatives and credit linked notes, and convertible, preference and ordinary shares.	Section 5
The type(s) of investors for whom the Fund would be suitable	The Fund is targeted at high net worth investors, self-managed superfund investors, family offices, financial planners and independent wealth managers.	Section 5
Recommended investment timeframe	The recommended investment horizon for the Fund is three to five years.	Section 5
Minimum initial investment	$25,000	Section 7
Minimum additional investment	$10,000	Section 7
Minimum withdrawal amount	None	Section 7
Minimum balance	$25,000	Section 7
Cut off time for applications and withdrawals	2pm (“Australian Eastern Standard Time”) AEST on the last Business Day of the calendar week.	Section 7
Cooling Off	If a new Unit holder (who is a Retail Client) decides that they do not want the Units issued to them within 14 days of investing in the fund, they will, except for certain situations, receive a refund. Reasonable costs can be deducted from any refund. Adjustment may also be made for any downward unit price movements.	Section 7
Valuation frequency	Weekly	Section 7
Unit pricing	Weekly	Section 7
Applications	Weekly	Section 7
Withdrawals	Weekly	Section 7
Income distribution	The Fund aims to make quarterly distributions, although distributions are not guaranteed. Factors that could affect the payment or level of distributions include a failure by issuers to meet their payment obligations, volatility in the market and losses incurred on the portfolio. Unit holders may reinvest the distributions that they receive in additional Units.	Section 7
Management fees and costs	1.34% per annum of the Fund’s net asset value (“NAV”) including GST and net of RITC.	Section 9
Entry fee/ exit fee	There are no fees on entry and exit.	Section 9
Buy/Sell Spread	As at the date of this PDS, the spreads are +0.25% on entry and -0.25% on exit. These spreads may change depending on the liquidity of the assets within the Fund’s portfolio at that time. Any changes to the spreads after the date of this PDS will be published on Alexander Fund’s website at www.alexanderfunds.com.au	Section 9
Performance fee	For each quarter, 20.5% (including GST) of the Fund’s return (after deducting the Management Fee) over the Fund Benchmark.	Section 9

2. ASIC Benchmarks

The information summarized in the tables in sections 2 and 3 of this PDS, and explained in detail in the identified section references, address key areas as required by ASIC Regulatory Guide 240 applicable to hedge funds and is intended to assist you with analyzing an investment in the Fund. You should read this information together with the detailed explanation of various benchmarks and disclosure principles in this PDS. ASIC required all hedge funds to address the benchmarks and disclosure principles below.

Benchmark	Is the benchmark satisfied?	For further information
Valuation of assets		
This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	The Responsible Entity meets the ASIC Benchmark, except in certain circumstances where the Investment Manager believes that an independent third party valuation cannot effectively be obtained, in which case then the Investment Manager will make a Valuation Recommendation in respect of the asset to the Responsible Entity. The Valuation Recommendation will be determined using a process approved and overseen by the Responsible Entity. If the Valuation Recommendation is rejected by the Responsible Entity, the Responsible Entity will seek to appoint an independent third party valuation services provider to value the asset.	Please refer to page 10 of this PDS for further information.
Periodic reporting		
This benchmark addresses whether the responsible entity of the Fund will provide periodic disclosure of certain key information on an annual and monthly basis.	Yes	Please refer to page 18 of this PDS for further information.

3. Disclosure Principles

	Summary	Section (for further information)
Investment strategy	The Fund aims to achieve positive returns in both rising and falling markets as well as a rate of return above the Fund Benchmark. The strategy to achieve this is based on identifying opportunities within the Australian and global credit markets that offer attractive risk-adjusted returns. The Fund is managed in accordance with certain investment guidelines and risk management processes. Refer to section 5.2 for more information. The specific risks of investing in the Fund are described in section 6.	Section 5.2
Investment Manager	Alexander Funds is a boutique Australian fund manager that specialises in the fixed income credit markets. The business was established in 2009 and aims to provide its clients with stable returns and consistent distributions through investing in a portfolio of fixed income assets.	Section 4
Fund structure	The Fund is an Australian unit trust registered under the Corporations Act as a managed investment scheme. The responsible entity of the Fund is Equity Trustees who has appointed Alexander Funds as investment manager. Equity Trustees may appoint service providers to assist in the ongoing operation, management and administration of the Fund. See section 5.3 for further information on other key service providers, Equity Trustees' role in monitoring the performance of service providers and a diagram of the flow of funds through the Fund.	Section 5.3
Valuation, location and custody of assets	The Responsible Entity has established a valuation policy whereby assets of the Fund are generally valued with input from an independent fund administrator or an independent third party valuation service provider. Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of the assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy will be made available to investors free of charge on request to Equity Trustees. Unity is the administrator of the Fund and provides administrative, accounting, registry and transfer agency services. The Administrator is responsible for calculating the Fund's NAV. J.P. Morgan Chase Bank N.A. (Sydney Branch) ("J.P. Morgan" or " the Custodian") is the custodian of the Fund, which is located in Australia, and holds all of the securities and cash assets of the Fund except for assets in a margin account which are held from time to time by brokers to the Fund.	Section 5.4

	Summary	Section (for further information)
Liquidity	As at the date of this PDS, the Responsible Entity and Investment Manager expect that the Fund would, in ordinary market conditions, be able to realise approximately 70% of the Fund's assets, at the value ascribed to those assets in the most recent calculation of NAV, within 10 days. Trusts containing asset backed structured credit securities or loans represent approximately 30% of the NAV of the Fund as at the date above. These assets cannot reasonably be expected to be realised at the value ascribed to those assets in the most recent calculation of NAV within 10 business days. However, we do expect that these assets would, in ordinary market conditions, be able to be realised at the value ascribed to them in t of the NAV within 90 business days. Depending on the relative attractiveness of these assets, their percentage holding within the overall portfolio will fluctuate. The Investment Manager will disclose on its web site the percentage of assets that fall into this category and cannot be reasonably expected to be realized at the value ascribed to those assets in the most recent calculation of NAV within 10 business days. The Fund has an internal liquidity policy that it will aim to maintain at all times. The Fund targets a minimum of the greater of: • 2% of the Fund's NAV; or • $2 million to be invested in cash, listed ASX assets or AAA rated assets.	Section 5.5 and 6
Leverage	The Fund does not employ leverage.	Section 5.6
Derivatives	The Fund may use derivatives for hedging and investment purposes. The derivatives used by the Fund may include exchange traded derivatives and over-the-counter derivatives (i.e. derivatives which are entered into directly between two parties and not traded on an exchange) and can include instruments such as credit default swaps, interest rate swaps or futures and cross currency swaps. The Fund will use derivatives predominantly for hedging purposes. Where the Fund uses derivatives for investment purposes, it will collateralize the notional exposure of that derivative over and above the cash, listed ASX assets or AAA rated assets level that it is required to maintain for liquidity purposes. Accordingly, the use of derivatives for investment purposes will not generate leverage for the Fund.	Section 5.7 and 6
Withdrawals	Withdrawal requests are processed weekly. Redemption requests must be received by 2.00pm AEST on the last Business Day of the calendar week to be processed at the redemption price to be applied for that week. If that deadline is missed, the Unit price applied will be the redemption price for the following week.	Section 5.8

4. Who is Managing the Fund?

The Responsible Entity

Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975, a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's responsible entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

Equity Trustees' responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has appointed Alexander Funds as the investment manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

The Investment Manager

Alexander Funds is a boutique Australian fund manager that specialises in the fixed income credit markets. The business was established in 2009 and aims to provide its clients with stable returns and consistent distributions through investing in a portfolio of fixed income assets.

Alexander Funds has a proven track record of providing its clients with access to opportunities in the fixed income credit markets that they are not able to access directly or through other funds. It invests alongside its clients in every fund that it manages which adds to the level of trust that it has developed with its clients.

The Alexander Funds investment team has decades of experience in the global fixed income credit markets and have experienced managing credit portfolios through a number of business and economic cycles. This gives it the capabilities and the confidence to be able to identify the best relative value credit products in all types of markets.

Key people within Alexander Funds include:

Tim Cox - Executive Chairperson

Tim is the Executive Chairperson of Alexander Funds. Tim was a senior partner at PWC where he was the international markets tax leader and a member of the board of partners. Tim holds a Bachelor of Laws and a Bachelor of Commerce from the University of Melbourne.

Chris Black - Managing Director

Chris is the Managing Director of Alexander Funds and the primary Portfolio Manager of the Fund which comprises the majority of his time. Chris has more than 25 years of experience in the global fixed interest markets. he was Vice President of TD Securities in Toronto, Canada, where he operated a credit trading operation covering North American credits. he joined Development Bank of Singapore in 2002 as Senior Vice President where he ran North American and European Credit Trading before moving back to Australia in late 2006 with Challenger Financial Services. Chris founded Alexander Funds Management (previously Laminar Funds Management) in May 2009. Chris holds a Bachelor of Economics (honours) from Monash University.

Rachel Shirley - Chief Operating Officer

Rachel is the Chief Operating Officer of Alexander Funds. Rachel has been working in fixed income markets for over 20 years. Prior to joining Alexander Funds, Rachel was Vice President, Fixed Income with Lehman Brothers where she managed a portfolio of institutional investors' money within the Australian market. Other roles she has held include Manager with West LB in London and Senior Dealer, Fixed Interest with Westpac Banking Corporation. Rachel holds a Bachelor of Laws and a Bachelor of Economics from Monash University.

Stephen Roberts - Chief Economist

Stephen is the Chief Economist of Alexander Funds. Stephen has 40 years' experience in the finance industry. Over the past 20 years he has been Australian Chief Economist for SBC, UBS, Lehman Brothers and Nomura. he has also worked in portfolio management specialising in strategic asset allocation for Westpac and BT. Stephen graduated from the London School of Economics.

Chris Dalton - Investment Committee Chairperson

Chris chairs the Investment Committee of Alexander Funds. He is the Managing Director of Australia Ratings and has a part-time role as the Chief Executive Officer of the Australian Securitisation Forum, the peak industry association for participants in Australia's securitisation market. From 2000 to 2008, Chris was the Country head of Standard & Poor's for Australia and New Zealand. Chris holds a Bachelor of Economics from Monash University and an MBA from the University of Melbourne.

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Chris Black, Chris Dalton and Stephen Roberts are involved in executing the investment strategy of the Fund. Chris Black is full time and spends the majority of his time executing the investment strategy of the Fund. Chris Dalton and Stephen Roberts are part-time and spend all their time on the Investment Strategy of the Fund.

Alexander Funds has been appointed to provide investment management services to the Fund under an investment management agreement on an exclusive basis. Under the investment management agreement, in summary, Equity Trustees may terminate the agreement at any time by written notice to the Investment Manager if the Investment Manager goes into receivership, administration or liquidation, ceases to carry on business in relation to its activities as an investment manager, if the Investment Manager breaches the agreement which has a material adverse effect on the Fund and the Investment Manager fails to rectify the breach within the required period, or if relevant law requires termination of the agreement. The Investment Manager may also request that Equity Trustees resign as responsible entity of the Fund if it is not satisfied with Equity Trustees' performance, subject to other conditions being met. Any transaction properly entered into prior to termination, claim by the Investment Manager in respect of accrued management fees and expenses incurred in respect of the period to termination or other claim which either the Responsible Entity or the Investment Manager may have against the other will not be affected by termination.

There have been no significant regulatory findings against Alexander Funds or any of its key people.

The Custodian and Administrator

About the Administrator

Unity

Unity is the administrator of the Fund and provides administrative, accounting, unit pricing, registry and transfer agency services. The Administrator is responsible for calculating the Fund's NAV.

For further information, please see section 11.

About the Custodian

J.P. Morgan

J.P. Morgan is the custodian of the Fund, which is located in Australia, and holds all of the securities and cash assets of the Fund, except for assets in a margin account which are held from time to time by brokers to the Fund. For further information, please see section 11.

5. How the Fund Invests

5.1 Investment Objective

The Fund aims to achieve positive returns in both rising and falling markets as well as a rate of return above the Fund Benchmark.

5.2 Investment Strategy

Overview of the Investment Strategy

The Fund was launched in October 2009 and seeks to outperform the Fund Benchmark through an active management approach that focuses on identifying opportunities in the Australian and global credit markets. The recommended investment horizon for investors in the Fund is three to five years.

The Fund has the ability to invest in all forms of fixed income securities, but its focus is on the credit markets, which are part of the fixed income asset class.

The Fund can invest in the full spectrum of fixed income products that include, but are not limited to: corporate bonds; corporate debt; bank bills; commercial paper; loans; hybrid securities; unit trusts, mortgage-backed securities; asset-backed securities; structured credit securities; credit and other derivatives and credit linked notes; and convertible, preference and ordinary shares.

The Investment Strategy of the Fund is based on locating opportunities within the credit markets that offer attractive risk-adjusted returns.

The Investment Manager employs a relative value investment approach that compares the risk-return profiles of different investments within the credit markets to identify opportunities for the Fund. The portfolio management methodology combines a top-down macro framework with a bottom-up selection process. The top-down approach originates with the Investment Committee, which includes senior executives of Alexander Funds and independent members including the chairperson . The Investment Committee sets the maximum risk allowable by the Fund at the Fund's portfolio level, the regional level and on a sector-by-sector basis. The Investment Committee is mandated to take a medium to long-term outlook for all risk factors that will affect the Fund.

The bottom-up credit process is started by the portfolio manager, who presents trade ideas to the Investment Committee. The Investment Committee assesses and approves the trade ideas presented to them with the aim of achieving the best available relative value opportunities for the Fund. In assessing the relevant trade ideas presented to it, and in determining if a proposed trade is in the best interests of the Fund, the Investment Committee will examine a number of aspects of the trade idea, which may include: the price, the level of subordination, the term to maturity, the liquidity, the ratings and the impact on credit and interest rate duration to the portfolio.

The bottom-up process is applied to both single credit exposures and pooled investments. Analysis of single credit exposures involves understanding the credit risk of the issuer as well as considering the appropriate terms of the investment.

For securitisation arrangements, the credit process applies both a qualitative and quantitative assessment of three broad elements of each security: structure; collateral quality; and the role or participation of third parties in the transaction.

As the credit markets are primarily over-the-counter markets, they are often opaque and can be driven by technical factors (such as short-term supply versus demand differences), which can lead to inefficiencies and mispricing of risk. With an extensive network of relationships, the Investment Manager believes it is able to obtain a clearer picture of the credit markets. Drawing on the significant experience of its team in managing all types of fixed income securities and operating in both stable and volatile market conditions, the Investment Manager seeks to identify and take advantage of such inefficiencies and mispricing in the credit markets.

The Fund's investment preferences will be oriented towards opportunistic investments in the credit markets that generate a cash yield, as well as potentially generating capital appreciation, and potential profit-taking as a result of the mispricing of such investments in the market.

Assumptions and Dependencies

The success of the Fund's investment strategy will depend on market conditions and may be influenced by specific risk factors set out in section 6, including but not limited to, asset risks, economic risk, credit risk, market risk, counterparty risk and derivative risks.

Significant Benefits

The Fund is managed by fixed income specialists who have significant experience in the products they invest in. The Investment Manager has access to the wholesale fixed income markets and opportunities that are generally not available to non-institutional investors. It has a global network of relationships in the credit markets, which allows it to get a clearer picture of the relative value of fixed income securities than non-institutional investors.

The Fund aims to provide distributions with relatively low volatility in the unit price.

A Unit holder is entitled to the distributable income (if any) of the Fund. The Fund will distribute the Unit holder's distributable income (if any) on a quarterly basis. Subject to the Constitution, distributions (if any) will generally be paid fourteen Business Days after 31 March, 30 September and 31 December of each year, and two months after 30 June.

The Responsible Entity will determine the exact amount to be distributed.

A Unit holder may also have the benefit of capital gains (or suffer losses) when they dispose of their investments, such as by exiting the Fund or transferring their Units. Unit holders may elect to reinvest their distributions in the Fund.

For more information about redemptions, see Section 7.

Investment Universe

The Fund can invest in the full spectrum of fixed income products that include, but are not limited to: corporate bonds; corporate debt; bank bills; commercial paper; loans; hybrid securities; unit trusts, mortgage-backed securities; asset-backed securities; structured credit securities; credit and other derivatives and credit linked notes; and convertible, preference and ordinary shares

Regional Exposure

The Fund will target a regional exposure of 50% or greater to Australian and Asian investments. It may also have exposure to North American, European and other investment markets.

Credit Exposure

The Fund will target a portfolio composition with an internal or external rated Investment Grade allocation of 50% or greater. However the Fund may move below the 50% internal or external rated Investment Grade level to take advantage of credit opportunities that are available in the market.

Currency Exposure

The Fund is denominated in Australian dollars. Assets held by the Fund may be denominated in Australian dollars or a foreign currency depending on the type of asset. There are no limits or targets on the amount of foreign currency denominated assets which can be held by the Fund.

The Fund may hedge the currency exposures of any foreign denominated fixed income security depending on the benefits and disadvantages to the Fund. Generally, foreign exchange exposures will be hedged back to Australian dollars.

Interest Rate Duration

The Fund aims to maintain a maximum interest rate duration of one year. The Fund may hedge the interest rate exposure through the use of interest rate swaps and futures depending on the benefits and disadvantages to the Fund.

Risk Management

The Investment Manager employs a risk management process to help reduce the volatility of the Fund's returns. The risk management framework includes limiting the notional exposure of the Fund to any individual company, entity or structured product. The Investment Manager considers and actively monitors risk of loss of the Fund's assets. Value-at-Risk (VAR) processes are also applied to the Fund to ensure that the total portfolio risk is within acceptable limits. VAR is a financial analysis measure used to assess the risk of loss on the portfolio over a specific period of time. This risk management process applies once the Fund has reached the Base Funds Under Management level. If the Fund has funds under management ("FUM") that is less than the Base Funds Under Management level, there is still a risk management process in place, however there are aspects that are different such as concentration limits on individual exposures.

All investments carry risks. More information can be found in section 6 'Managing Risks'.

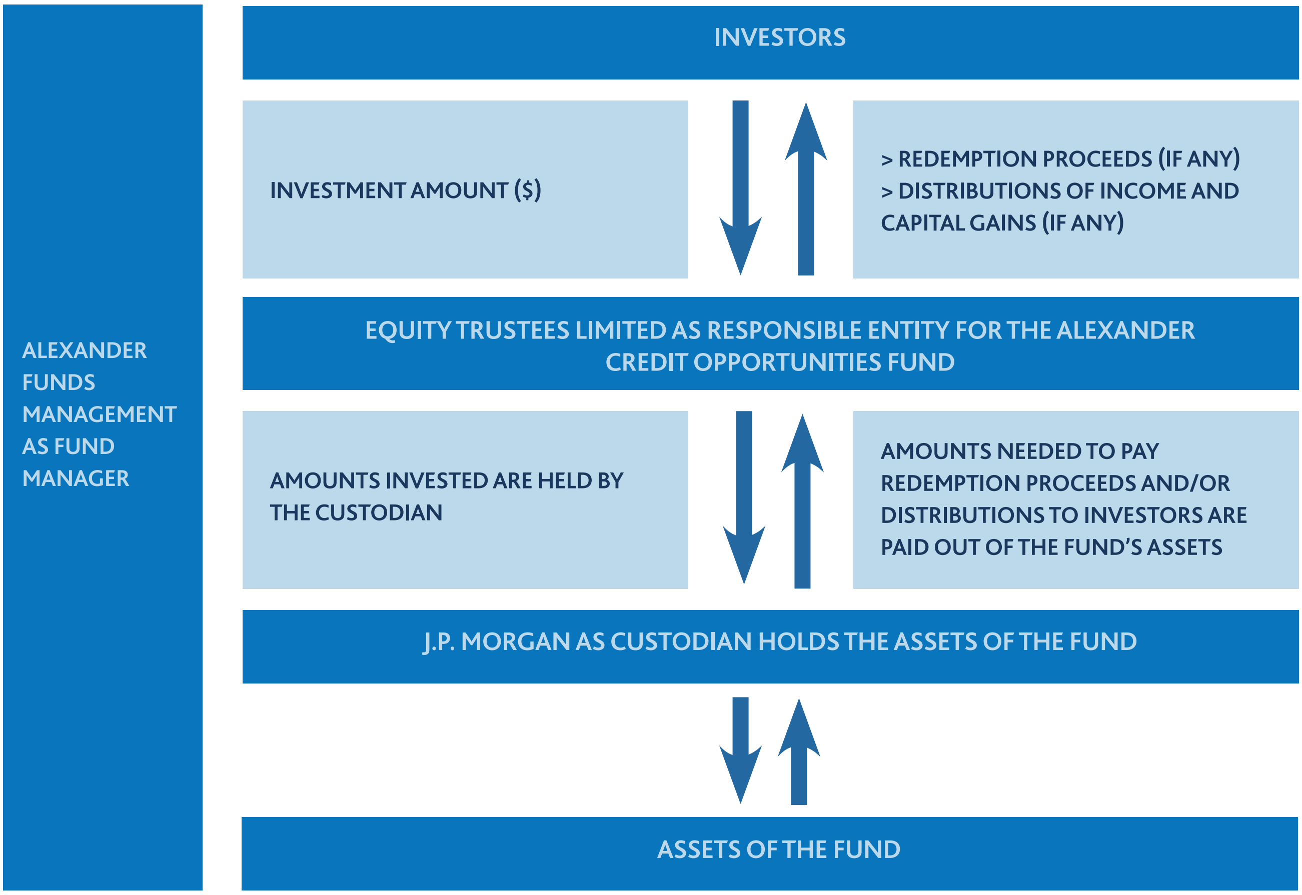
Change in Investment Strategy

The investment strategy may be amended by the agreement of the Investment Manager and the Responsible Entity. Equity Trustees will provide investors with 30 days' notice before implementing a change to the investment strategy of the Fund.

5.3 Fund Structure

The Fund is a registered managed investment scheme. It is a unit trust governed by the Constitution. The Fund comprises assets which are acquired in accordance with its investment strategy. Investors receive units when they invest. In general, each unit represents an individual's interest in the assets of the Fund as a whole, subject to liabilities, however it does not give the investor an interest in any particular asset. The value of a unit in the Fund is determined by reference to the assets and liabilities of the Fund.

Equity Trustees is the responsible entity for the Fund and has appointed Alexander Funds as the investment manager to manage the investments of the Fund on a day-to-day basis. The Responsible Entity has engaged a number of professional service providers to provide a range of investment, administration and back office services to the Fund including custody, administration services, transaction execution and broking. The Responsible Entity has entered into service agreements with the service providers and will, with the assistance of Alexander Funds, regularly monitor the performance of the service providers against service standards set out in the relevant agreements. The service providers and their relationship to the Fund and the flow of funds through the Fund are shown in the diagram below.



As at the date of this PDS, the key service providers to the Fund are:

- Investment Manager: Alexander Funds is responsible for managing the investments of the Fund. For further details on Alexander Funds' role, please refer to section 4. The Investment Manager is located in Australia.
- Custodian: J.P. Morgan is the custodian of the Fund. The Custodian is also located in Australia. The custodian holds all of the securities and cash assets of the Fund (except for assets in a margin account which are held from time to time by brokers to the Fund).
- Administrator: Unity provides certain administrative, accounting, registry and transfer agency services in connection with the Fund. For further details on the Administrator's role, please refer to section 4. The Administrator is located in Australia.
- Brokers: The Responsible Entity may use a wide variety of brokers to enter into transactions associated with fixed income securities, exchange traded derivatives and over-the-counter derivatives. The brokers used by the Responsible Entity will typically be located in Australia but may also include overseas brokers and investment banks depending on the nature of the asset traded.
- Valuation Service Provider: Intercontinental Exchange (ICE) which is a global firm with operations in Australia and Reuters Datascope which has its headquarters in London, United Kingdom. As at the date of this PDS, not all Fund assets are valued by ICE and Reuters Datascope. Please see section 5.4 for more information.
- Auditor: Ernst & Young are the auditors for the Fund. The auditors are responsible for preparing an audit opinion on the annual financial reports for the Fund. The auditors are located in Australia.

Service providers to the Fund may change without prior notice to investors. Investors will be notified of any change to service providers in the regular reports available as described in section 8. Risks relating to the use of third party service providers are outlined in section 6.

5.4 Valuation, Location and Custody of Assets

Most positions are generally valued by the Administrator, which is independent to the Responsible Entity.

The Administrator generally uses market price valuations supplied by third party debt market intermediaries and other third party specialist data providers.

In the event that an existing market price valuation cannot be obtained from an independent third party source, Equity Trustees may seek to appoint an independent third party to undertake a valuation of the asset.

In other cases, where an asset is not exchange traded and an independent third party valuation cannot effectively be obtained, the Investment Manager will make a valuation recommendation in respect of the particular asset to the Responsible Entity, having regard to relevant factors including, but not limited to, the nature of the asset, observable market data, market prices for comparable assets and other valuation techniques ("Valuation Recommendation"). The Valuation Recommendation will include a risk assessment of not relying on an independent valuation of the asset and the conflict of interest that may arise by relying on a valuation prepared by the Investment Manager.

The Valuation Recommendation will be determined using a process approved and overseen by the Responsible Entity. If a Valuation Recommendation is rejected by the Responsible Entity, the Responsible Entity will seek to appoint an independent third party valuation services provider to value the asset.

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of the assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy will be made available to investors free of charge on request to Equity Trustees.

Please refer to section 6 of this PDS for some of the risks associated with the use of related or other non-independent parties to provide valuations.

As at the date of this PDS, the Fund is invested in certain assets that are currently being valued based on a Valuation Recommendation provided by the Investment Manager and approved by the Responsible Entity. As at the date of this PDS, these assets represent approximately 21% of the Fund's net asset value. This figure will change from time to time and will be updated in the monthly material changes report available on the Investment Manager's website.

All of the assets of the Fund will be held by the Custodian (except for assets in a margin account which are held from time to time by brokers to the Fund) who is located in Australia. The assets of the Fund will be located in the country in which the issuer is located.

Neither the Responsible Entity nor the Investment Manager has a specific policy in relation to the geographical location of an asset. The Responsible Entity does not have a specific policy in relation to the custodial arrangements that apply in relation to the Fund.

The Custodian is responsible for holding the assets of the Fund on behalf of the Responsible Entity.

5.5 Liquidity

As at the date of this PDS, the Responsible Entity and Investment Manager expects that the Fund would, in ordinary market conditions, be able to realise approximately 70% of the Fund's assets, at the value ascribed to those assets in the most recent calculation of NAV, within 10 days. Trusts containing asset backed structured credit securities or loans represent approximately 30% of the NAV of the Fund as at the date above. These assets cannot reasonably be expected to be realised at the value ascribed to those assets in the most recent calculation of NAV within 10 business days. However, we do expect that these assets would, in ordinary market conditions, be able to be realised at the value ascribed to them in the most recent calculation of the NAV within 90 business days.

Depending on the relative attractiveness of these assets, the percentage holding of these asset within the overall portfolio will fluctuate. The Investment Manager will disclose on its web site the percentage of assets that fall into this category and that cannot be reasonably expected to be realized at the value ascribed to those assets in the most recent calculation of NAV within 10 business days.

The Investment Manager attempts to mitigate the liquidity risk within the portfolio by ensuring that the Fund has sufficient cash exposure to meet liquidity requirements whether the Liquidity Threshold is met or not. Note that we do not guarantee the liquidity of the Fund's investments.

The Fund has an internal liquidity policy that it will aim to maintain at all times. The Fund targets a minimum of the greater of:

- 2% of the Fund's NAV; or
- $2 million

to be invested in cash, listed ASX assets, or AAA rated assets.

5.6 Leverage

The Fund does not employ leverage.

5.7 Derivatives

The Fund may use derivatives for hedging and investment purposes. The derivatives used by the Fund may include exchange traded derivatives and over-the-counter derivatives (i.e. derivatives which are entered into directly between two parties and not traded on an exchange) and can include instruments such as credit default swaps, interest rate swaps or futures and cross currency swaps.

The Fund will use derivatives predominantly for hedging purposes. This may be to hedge overall market risk at the portfolio level or to specifically hedge credit risk. Broadly speaking, because of the types of assets the Fund invests in, it may not be possible to fully hedge downside risk for a particular investment or asset, therefore, the Fund will generally hedge against systemic risk (i.e. market risk).

The Fund may also use derivatives for investment purposes if it believes that the derivative has better relative value than the physical underlying asset it is linked to. If the Fund was to use derivatives for investment purposes, it will collateralise the notional exposure of that derivative over and above the cash, listed ASX assets, or AAA rated assets level that it is required to maintain for liquidity purposes. Accordingly, the use of derivatives for investment purposes will not generate leverage for the Fund.

When investing in derivatives, the Fund may be required to provide part of the assets of the Fund as margin or collateral to the accounts of the derivative counterparty or broker. Margin or collateral will usually be held in the name of the counterparty or broker. In the event of the counterparty or broker's insolvency, the Fund becomes an unsecured creditor of the insolvent party and the margin or collateral may not be fully recovered.

It is the current intention of Equity Trustees to enter into over-the-counter derivatives on behalf of the Fund.

The Fund has strict criteria for selecting over-the-counter derivative counterparties. The Responsible Entity, on behalf of the Fund, will enter into over-the-counter derivative contracts with counterparties who have the required execution capabilities and relevant market/instruments to achieve cost efficient execution and minimal counterparty risk. The Investment Manager will monitor the counterparty risk with the aim of hedging the counterparty exposure if it believes it is appropriate to do so.

5.8 Withdrawals

Withdrawal requests are processed weekly. Redemption requests must be received by 2.00pm AEST on the last Business Day of the calendar week to be processed at the redemption price to be applied for that week. If that deadline is missed, the Unit price applied will be the redemption price for the following week.

Please see section 7 for further details of applications and withdrawals.

5.9 Suggested Investment Timeframe

The suggested investment timeframe is 3 to 5 years.

5.10 Labour standards and environmental, social and ethical considerations

Alexander Funds align risk considerations with the underlying approach to credit investing. Investment processes take into account key attributes including but not limited to environmental social and governance factors.

5.11 Fund Performance

Fund performance can be obtained by contacting Alexander Funds on (03) 9039 5050. Please note that due to the historical nature of performance information and the volatility of returns, future returns may differ from past returns.

6. Managing Risk

All investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance. Neither Equity Trustees nor Alexander Funds guarantee the liquidity of the Fund's investments, repayment of capital, any rate of return, or the Fund's investment performance. You may lose money by investing in the Fund and your investment in the Fund may not meet your objectives. Future returns may differ from past returns. In addition, neither Equity Trustees nor Alexander Funds offers advice that takes into account your personal financial situation, including advice about whether the Fund is suitable for your circumstances. If you require personal financial advice, you should contact a licensed financial adviser.

Some of the risks associated with an investment in the Fund and how the Investment Manager manages those risks are listed below. There is no guarantee that any risk mitigation measures described below will be effective.

Credit Risk

Credit risk is the loss incurred when the borrower or an issuer of a security fails to pay their principal or interest obligations when they are due. This is the primary risk within the portfolio and it is analysed in many different ways by the Investment Manager. Credit limits, which are set through risk management processes, provide a framework for the amount of credit risk that the Fund can take, and this risk can be supplemented or hedged through the use of tools such as credit derivative products.

Asset Risk

Asset risk is the risk associated with the poor performance of a financial asset in which the Fund invests. The diversification of assets of the Fund by the Investment Manager is intended to reduce this risk.

Economic Risk

Economic risk is the risk that certain events or circumstances may cause a downturn in economic conditions (including the inability of a country to meet its financial obligations, general economic activity, inflation, unemployment levels, and government fiscal, monetary and regulatory policy).

Such economic risk may adversely affect the value and the liquidity of the Fund's investments. Economic risk is interrelated with other types of risks, such as interest rate risk, currency risk and regulatory risk (which are described below).

Concentration Risk

While the amount of FUM within the Fund is small, the portfolio may be invested in a small number of assets. In this way, the Fund may be 'concentrated' and not as diversified across different assets as would be the case if the FUM were larger. If a particular asset declines in value or ceases to produce income for the Fund, the impact of this will be greater where assets are more concentrated.

Currency Risk

The Fund is denominated in Australian dollars, but the portfolio may include investments that are denominated in foreign currency.

Currency risk is the risk that the price of any foreign transactions and therefore, the potential profit or loss, may be affected by any variation in the foreign exchange rate between the time an order to purchase a security denominated in foreign currency is placed and the time the security is sold. Currency risk may be reduced by the use of cross-currency swaps, foreign exchange forwards and spot contracts.

Derivatives Risk

The Fund may invest in derivatives for investment purposes as well as for hedging purposes.

The use of derivatives can lead to losses because of adverse movements in the price or value of the asset, index, rate or instrument underlying a derivative, the failure of a counterparty (as a result of its bankruptcy, insolvency or default), the illiquidity of the instrument, or tax or regulatory constraints.

A decision as to whether, when, and how to use derivatives involves the exercise of specialised skill and judgment and even a well-conceived transaction may be unsuccessful to some degree because of market behaviour or unexpected events. Derivative instruments may be difficult to value, may be illiquid, and may be subject to wide swings in valuation caused by changes in the value of the underlying instrument. The loss on derivative transactions may substantially exceed the initial investment.

Interest Rate Risk

Interest rate risk is the loss incurred by a fixed income security due to a change in the level of interest rates. In general, as interest rates rise, the price of a fixed rate bond or loan will fall. Interest rate risk can be reduced through the use of interest rate swaps and futures contracts.

Liquidity Risk

There is no guaranteed market for the credit products that the Fund invests in. Accordingly, the Fund may need to wait before it is able to liquidate various assets in its portfolio. The market for credit products may lack liquidity because of insufficient trading activity. This may make it difficult or impossible to realise assets in the Fund leading to reduced profits and higher losses for the Fund.

A significant proportion of the Fund's assets are unlisted. The Investment Manager intends to invest predominately in over-the-counter unlisted assets. As at the date of this PDS, there is a market for these products and the Investment Manager conducts an ongoing review of the liquidity of the market on the basis that the valuation of the assets within the Fund accurately reflect where those assets could be sold. As at the date of this PDS, the Responsible Entity and Investment Manager expect that the Fund would, in ordinary market conditions, be able to realise approximately 70% of the Fund's assets, at the value ascribed to those assets in the most recent calculation of NAV, within 10 days. Trusts containing asset backed structured credit securities or loans represent approximately 30% of the NAV of the Fund as at the date above. These assets cannot reasonably be expected to be realised at the value ascribed to those assets in the most recent calculation of NAV within 10 business days. However, we do expect that these assets would, in ordinary market conditions, be able to be realised at the value ascribed to them in the most recent calculation of the NAV within 90 business days.

Depending on the relative attractiveness of these assets, the percentage holding of these asset within the overall portfolio will fluctuate. The Investment Manager will disclose on its web site the percentage of assets that fall into this category and that cannot be reasonably expected to be realized at the value ascribed to those assets in the most recent calculation of NAV within 10 business days.

Further, the Fund has an internal liquidity policy that it will aim to maintain at all times. The Fund targets a minimum of the greater of:

- 2% of the Fund's NAV; or
- $2 million

to be invested in cash, listed ASX assets or AAA rated assets.

However, there is a risk that in the event of market shocks and other extreme events impacting financial markets, assets of the Fund could not be realised within a short time frame and liquidity of the Fund would be impacted. Where the Fund is illiquid (as defined in the Corporations Act), an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

Fund Risk

Fund risk primarily relates to the risk that the Fund could terminate, that fees and expenses could change, or that the Responsible Entity or Investment Manager could be replaced.

Market Risk

Market risk is the risk that the value of the Fund's assets will decrease due to movements in markets caused by factors such as the stock market, political climate, legal and tax conditions, commodity prices and environmental events.

Regulatory and Tax Risk

This is the risk that a government, regulator or operator of a securities or asset exchange makes tax or regulatory changes that have an adverse impact on the value of securities within the portfolio or the ability of the Fund to trade the assets.

Inflation Risk

This is the risk that inflation will undermine the performance of the Fund. This is not a significant risk because the Fund primarily invests in assets that have floating rate coupons. If inflation rises, the floating rate coupon on these assets generally also increases.

Offshore Investment Risk

This is the risk that the laws and regulations in jurisdictions outside of Australia where some assets of the Fund may be held or transactions conducted, are different to Australian laws. This could have an impact on the value of the Fund's assets as well as the ability to deal in some of the Fund's assets or to enforce obligations owed by the issuers of such assets.

Manager Risk and Key Person Risk

Manager risk is the risk that the Fund may not achieve its objectives due to the Investment Manager stepping outside the boundaries of its mandate.

Personnel within the Investment Manager's team may also change from time to time. This risk is reduced as the portfolio manager within the Investment Manager's team is the majority owner of Alexander Funds.

Counterparty Risk

Counterparty risk is the risk that a counterparty will fail to perform contractual obligations under a contract for example, at a time when the contract is in-the-money. Counterparty risk arises when the Fund enters into a contract, particularly derivative contracts. The Investment Manager monitors counterparty risk and may hedge the counterparty exposure if it believes it is appropriate to do so.

Service Provider Risk

There is a risk that third party service providers to the Fund, including the custodian and fund administrators, may not perform their obligations in accordance with their contractual or legal obligations and cause loss to the Fund.

To minimise this risk, the Responsible Entity will monitor the performance of third party service providers with the assistance of Alexander Funds against their contractual obligations on a periodic basis.

Related Party Transactions and Conflict of Interest Risk

Related party transactions involve risks of conflict of interest because related parties are often in a position to influence the decision of whether the benefit is provided to them, and the terms of its provision. Transactions where a conflict of interest is present also involves risk as parties may act in favour of another interest other than the interest of the Fund.

Under the investment management agreement, the Investment Manager may invest in, deal with or engage the services of the Investment Manager's related bodies corporate engaged in separate business activities which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business and on arm's length terms. All transactions will be effected by the Investment Manager at market rates or at no charge, and in accordance with the Corporations Act.

Further, there may be circumstances where the Investment Manager may assist issuers in structuring and marketing fixed income products. The Investment Manager may cause the Fund to invest in such fixed income products and related assets where it considers that the investment is appropriate for the Fund's portfolio. Such investments involve conflict of interest as the Investment Manager will be advising both the issuer and the Fund.

The Fund also invests in other funds of which the Investment Manager is the trustee. The Investment Manager receives fees in its capacity as trustee of those funds. The fees charged are on arm's length terms.

The Investment Manager has a policy on proposed or potential related party transactions, to ensure that any actual or potential conflicts of interest are identified and appropriately dealt with. A copy of the Investment Manager's policy on related party transactions is available by contacting the Investment Manager on (03) 9039 5050.

The Responsible Entity has a Conflict of Interests policy in place to comply with its legislative obligations and to establish formal procedures in relation to identifying, avoiding and managing conflicts of interest. A summary of this policy is available at www.eqt.com.au.

Related Party Valuation Risk

As set out in section 5.4 of this PDS, in some cases valuations may be undertaken by the Investment Manager providing a Valuation Recommendation to the Responsible Entity for approval. The presence of related parties and potential conflicts of interest may increase the risk that such valuations do not reflect the value at which the asset can be realised.

Valuation Risk

Where investments of the Fund are not exchange traded, these investments may be valued by reference to observable market data, market prices for comparable assets or other valuation factors (including, in some cases, valuation by the Investment Manager). These prices may not reflect the value at which these investments can be realised, which may be lower or higher than the value reflected in the unit price of the Fund.

7. Investing and Withdrawing

Initial Applications

Investors can acquire units by completing an application form. The minimum investment amount for the Fund is $25,000. The Responsible Entity may accept lower amounts at its discretion.

To invest directly please complete the Application Form accompanying this PDS and either send your original Application Form to:

Alexander Credit Opportunities Fund
C/- One Registry Services
PO Box R1479
Royal Exchange NSW 1225Or email your completed application to alexander@oneregistryservices.com.au

Or complete the online Application Form (please go to *https://oneregistry.formcorp.co/the-alexander-credit-opportunities-fund/* for further instructions)

Application money should be transferred to the bank account or BPay details shown in the Application Form or by cheque sent to the above address. Units will not be allotted until Application monies have been cleared. Please note that cash will not be accepted.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price, in general terms, is equal to the NAV of the Fund, divided by the number of units on issue, plus the buy spread.

Unit prices are calculated weekly (i.e. the last Business Day of a calendar week). However, Equity Trustees may determine the price on another day, or more or less often than weekly.

Applications can be made at any time. The cutoff time for applications is 2pm AEST on the last business day of the calendar week. The Application Price for applications received by the cutoff time, which are accepted, will be determined on that business day and the Application Price for that calendar week will apply. Applications received after the cutoff time will not be processed until the following week.

The buy spread may reduce the number of units which an investor receives when applying for units. See the 'Buy/Sell spread' information in section 9 for further information.

The Application Price will vary as the market value of assets in the Fund rises or falls.

Additional Applications

You can make additional investments into the Fund at any time by sending us confirmation of your additional investment amount together with a completed Additional Application Form to:

Alexander Credit Opportunities Fund
C/- One Registry Services
PO Box R1479
Royal Exchange NSW 1225
Facsimile: +61 2 8580 5790
Or email a copy to *alexander@oneregistryservices.com.au*

Alternatively, additional applications can be made online.

The minimum additional investment into the Fund is $10,000, or as otherwise agreed.

Terms and Conditions for Applications

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. There is no interest earned on application money.

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

Cooling Off Period

If you are a Retail Client, you may have a right to 'cool off' in relation to an investment in the Fund within 14 days of the earlier of:

- Confirmation of the investment being received or available; or
- the end of the fifth day after the units are issued or sold.

A Retail Client may exercise this right by sending a notice in writing to Equity Trustees at:

Equity Trustees Limited
GPO Box 2307
Melbourne VIC 3001 Australia

A Retail Client is entitled to a refund of their investment adjusted for any increase or decrease in the relevant application price between the time we process your application and the time we receive the notification from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment.

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund before the start of or during the 14 day period; this could include selling part of your investment or switching it to another product.

The right to cool off may not apply if you are an indirect investor, even if you are a Retail Client. Indirect investors should seek advice from their IDPS Operator or consult the IDPS Guide or similar type document as to whether cooling off rights apply.

Making a Withdrawal

Subject to the redemption limitations described in this PDS, investors of the Fund can withdraw all or a portion of their investment by written request to:

Alexander Credit Opportunities Fund
C/- One Registry Services
PO Box R1479
Royal Exchange NSW 1225

Or email a written request to alexander@oneregistryservices.com.au

There is no minimum redemption amount. Refer below for 'Terms and conditions for withdrawals'. All withdrawal requests must be signed by the investor(s) and withdrawals will only be paid directly to the unit holder's bank account held in the name of the unit holder with an Australian domiciled bank. Withdrawal payments will not be made to third parties.

The price at which units are withdrawn is determined in accordance with the Constitution ("Withdrawal Price"). The Withdrawal Price, in general terms, is equal to the NAV of the Fund, divided by the number of units on issue, less the sell spread.

Withdrawal requests must be received by 2pm AEST on the last business day of the calendar week. The Withdrawal Price for withdrawal requests received by the cutoff time, which are accepted, will be determined for that business day on the following business day and the Withdrawal Price for that calendar week will apply. Withdrawal requests received after the cutoff time will be processed using the following calendar week's Withdrawal Price.

The sell spread may reduce the amount which an investor receives on withdrawal. See the 'Buy/Sell spread' information in section 9 for further information.

The Withdrawal Price will vary as the market value of assets, referable to the Fund, rise or fall.

Access to Funds

When the Fund is 'liquid' (see below), the Responsible Entity must make a decision as to whether or not to accept the redemption request within 20 Business Days of receipt of the relevant redemption request. The Responsible Entity may notify the Unit holders as to whether or not it has decided to accept the redemption request. Redemption payments must be made by the Responsible Entity within 30 days of receipt of the request, or longer if the Responsible Entity has received aggregate redemption requests that, if accepted, would exceed the Available Liquid Resources of the Fund at the time. These aggregate redemption requests are grouped in redemption batches. In these circumstances, the Responsible Entity may decide that it will redeem redemption batches on a first-in first-out basis once the Available Liquid Resources of the Fund exceed the aggregate redemption requests in that redemption batch.

If any redemption batch is not processed within 90 days, the Responsible Entity must call a meeting of Unit holders within 21 days to vote on a special resolution to terminate and wind up the Fund.

The Responsible Entity need not give effect to a redemption request in respect of Units having an aggregate redemption price of less than the minimum application amount or some other amount determined by the Responsible Entity, unless the redemption request relates to the balance of the Unit holder's holding. The Responsible Entity may treat a redemption request to relate to the balance of the Unit holder's holding where compliance with the redemption request would result in the Unit holder holding Units with an aggregate redemption price of less than the minimum holding amount or some other amount determined by the Responsible Entity.

If the Responsible Entity increases the minimum holding amount, the Responsible Entity may, after giving 30 days' notice to a Unit holder with an aggregate redemption price of less than the then current minimum holding amount, redeem that Unit holder's holding without the need for a redemption request.

Redemptions can be paid by electronic funds transfer into your nominated bank account. In some circumstances, the Constitution may allow for an investor's redemption proceeds to be taken to include a component of distributable income.

The Responsible Entity will advise investors of any changes to redemption rights as soon as reasonably practical after such changes occur.

Terms and Conditions for Withdrawals

Once your withdrawal request is received, your instruction may be acted on without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

Equity Trustees and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, you will be required to re-send the documents.

Neither Equity Trustees nor the Administrator shall be responsible for any mis-delivery or non-receipt of any facsimile. Facsimiles sent to the Administrator shall only be effective when actually received by the Administrator.

When you are withdrawing, you should take note of the following:

- Equity Trustees are not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.
- Equity Trustees may contact you to check your details before processing your withdrawal form. This may cause a delay in finalizing payment of your withdrawal money. No interest is payable for any delay in finalizing payment of your withdrawal money.
- If Equity Trustees cannot satisfactorily identify you as the withdrawing investor, Equity Trustees may refuse or reject your withdrawal request or payment of your withdrawal proceeds will be delayed. Equity Trustees is not responsible for any loss you consequently suffer.
- As an investor who is withdrawing, you agree that any payment made according to instructions received by post or courier, email or fax, shall be a complete satisfaction of our obligations, despite any facts or circumstances such as the payment being made without your knowledge or authority.
- You agree that if the payment is made according to these terms, you and any person claiming through or under you, shall have no claim against Equity Trustees about the payment.
- The Constitution allows Equity Trustees to make payment up to 30 days after receipt of the redemption request (which may be extended in certain circumstances).
- Equity Trustees can deny a withdrawal request where accepting the request would cause the relevant fund to cease to be liquid or where that fund is not liquid (as defined in the Corporations Act). When a fund is not liquid, an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

A fund will be liquid as defined by the Corporations Act if at least 80% of the value of its assets are able to be liquidated in 90 days at the value ascribed to them in the latest NAV liquid assets (generally cash and marketable securities).

Distributions

The Fund usually distributes income quarterly following the end of September, December, March and June. Distributions are calculated on the last day of period end, and are normally paid to investors within 14 Business Days of the period end although the distributions may take longer. The June distribution may take up to two months. Equity Trustees may amend the distribution frequency without notice.

An investor's share of any distributable income is calculated in accordance with the Constitution and is generally based on the number of units held by the investor at the end of the distribution period, and the distributable income.

Investors can have their distribution reinvested or paid to a nominated bank account. Investors who do not indicate a preference will have their distributions automatically reinvested immediately after the period end.

Valuation of the Fund

The value of the investments of the Fund is generally determined weekly but may be more frequently in accordance with the Constitution. Generally, investments will be valued at the most recent available market value but other valuation methods and policies may be applied by Equity Trustees or the Administrator if appropriate. The value of a unit in the Fund is determined on the value of the investments in the Fund (after taking into account any liabilities of the Fund), in accordance with the Constitution of the Fund. For example, the Application Price of a unit in the Fund is based on the NAV of the Fund, divided by the number of units on issue, plus an allowance for a buy spread. At the date of this PDS, the Buy spread is 0.25%.

Joint Account Operation

For joint accounts, each signatory must sign withdrawal requests. Please ensure both signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants.

Authorised Signatories

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- requesting income distribution instructions to be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online account access to your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify Equity Trustees from and against any losses, liabilities, actions, proceedings, account claims and demands arising from instructions received from your authorised representatives; and
- you agree that any instructions received from your authorised representative shall be complete satisfaction of our obligations, even if the instructions were made without your knowledge or authority.

Electronic Instructions

If an investor instructs Equity Trustees by electronic means, such as facsimile, email or internet, the investor releases Equity Trustees from, and indemnifies Equity Trustees against, all losses and liabilities arising from any payment or action Equity Trustees makes based on any instruction (even if not genuine) that Equity Trustees receives by an electronic communication bearing the investor's investor code and which appears to indicate to Equity Trustees that the communication has been provided by the investor for example, a signature which is apparently the investor's and that of an authorised signatory for the investment or an email address which is apparently the investor's. The investor also agrees that neither they, nor anyone claiming through them, has any claim against Equity Trustees or the Fund in relation to such payments or actions. There is a risk that a fraudulent withdrawal request can be made by someone who has access to an investor's investor code and a copy of their signature or email address.

8. Keeping Track of Your Investment

Enquiries

If you have any questions regarding the Fund you can call Alexander Funds on (03) 9039 5050 or visit www.alexanderfunds.com.au.

Complaints resolution

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472
Post: Equity Trustees Limited
GPO Box 2307, Melbourne VIC 3001
Email: compliance@eqt.com.au

We will acknowledge receipt of the complaint as soon as possible and in any case within 3 days of receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:
Online: www.afca.org.au
Phone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

Reports

Equity Trustees will make the following statements available to all investors:

- A transaction confirmation statement, showing a change in your unit holding (provided when a transaction occurs or on request).
- Quarterly Unit holding statements that will detail the number of Units held.
- Quarterly income distribution statements detailing the number of Units held and the amount of the distribution (if any).
- The Fund's annual audited accounts for each period ended 30 June.
- Annual distribution, tax and confirmation of holdings statements for each period ended 30 June.
- Annual report detailing each of the following:
  - the actual allocation to each asset type;
  - the liquidity profile of the portfolio assets as at the end of the period;
  - the maturity profile of the liabilities as at the end of the period;
  - the derivative counterparties engaged (including capital protection providers);
  - the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) as at the end of the period; and
  - the key service providers if they have changed since the latest report given to investors, including any change in their related party status.

The latest annual report will be available online from www.eqt.com.au/insto

The following information will be emailed to investors monthly and will be available on the Alexander Funds website:

- the current total NAV of the Fund and the redemption value of a unit as at the date the NAV was calculated; and
- the monthly or annual investment returns over at least a five-year period.

The following information will be available on Alexander Funds website:

- key service providers if they have changed since the last report given to investors, including any change to their related party status; and
- updates for each of the following matters since the last report:
  - the net return on the Fund's assets after fees, costs and taxes;
  - any material change in the Fund's risk profile
  - any material change in the Fund's strategy; and
  - any change in the individuals playing a key role in investment decisions for the Fund.

By applying to invest in the Fund, you agree that, to the extent permitted by law, any periodic information which is required to be given to you under the Corporations Act or ASIC policy can be given to you by making that information available on Equity Trustees' or Alexander Fund's website.

If and when the Fund has 100 or more direct investors it will be classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity the Fund will be subject to regular reporting and disclosure obligations. Investors would have a right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report lodged with ASIC ("Annual Report");
- any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and
- any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required to.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained from or inspected at an ASIC office.

9. Fees and Other Costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and Costs Summary

Alexander Credit Opportunities Fund		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs[1]		
Management fees and costs The fees and costs for managing your investment	1.34% of the NAV of the Fund	The management fees component of management fees and costs are accrued weekly and paid from the Fund monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Fund as they are incurred. The management fees component of management fees and costs can be negotiated. Please see “Differential fees” in the “Additional Explanation of Fees and Costs” for further information.
Performance fees Amounts deducted from your investment in relation to the performance of the product	0.49% of the NAV of the Fund[2]	Performance fees are calculated weekly and paid quarterly in arrears from the Fund and reflected in the unit price.
Transaction costs The costs incurred by the scheme when buying or selling assets	0.00% of the NAV of the Fund	Transaction costs are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread. Any transaction costs at the interposed vehicle level are reflected in the value of the Fund’s investment in the relevant interposed vehicle, and therefore reflected in the unit price.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Not applicable	Not applicable
Contribution fee The fee on each amount contributed to your investment	Not applicable	Not applicable

Alexander Credit Opportunities Fund		
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	0.25% upon entry and 0.25% upon exit	These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption.
Withdrawal fee The fee on each amount you take out of your investment	Not applicable	Not applicable
Exit fee The fee to close your investment	Not applicable	Not applicable
Switching fee The fee for changing investment options	Not applicable	Not applicable

[1] All fees quoted above are inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC). See below for more details as to how the relevant fees and costs are calculated.

[2] This represents the performance fee of the Fund which is payable as an expense of the Fund to the Investment Manager.

Additional Explanation of Fees and Costs

Management fees and costs

The management fees and costs include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 1.33% p.a. of the NAV of the Fund is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued weekly and paid from the Fund monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

The indirect costs and other expenses component 0.01% p.a. of the NAV of the Fund may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests. The indirect costs and other expenses component are variable and reflected in the unit price of the Fund as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager. The indirect costs and other expenses component is based on the relevant costs incurred during the financial year ended 30 June 2020.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Equity Trustees' website at www.eqt.com.au/insto where they are not otherwise required to be disclosed to investors under law.

Performance fees

Performance fees include amounts that are calculated by reference to the performance of the Fund. The performance fees for the Fund are 0.49% of the NAV of the Fund. The performance fee figure that is disclosed in the Fees and Costs Summary is generally based on an average of the performance fees over the previous five financial years, where each performance fee relevant to the Fund is averaged and totalled to give the performance fees for the Fund.

A performance fee is payable to the Investment Manager where the investment performance of the Fund exceeds the performance of the Bloomberg AusBond Bank Bill Index plus 2% per annum. The performance fee is 20.5% of this excess, calculated weekly and paid quarterly in arrears from the Fund and calculated based on the NAV of the Fund over the relevant period.

No Performance Fee is payable until any accrued underperformance (in dollar terms) from prior periods has been made up (this feature is sometimes referred to as a High Water Mark).

Please note that the performance fees disclosed in the Fees and Costs Summary is not a forecast as the actual performance fee for the current and future financial years may differ. The Responsible Entity cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark. Based on the performance of the Fund as at the date of this PDS for the financial year ending 30 June 2021, the Investment Manager expects that the performance fee payable in respect of this financial year will be lower than the performance fee for the previous financial year (as shown in Fees and Costs Summary table above).

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be. Information on current performance fees will be updated from time to time and available at **www.eqt.com.au/insto**.

Performance fee example

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this example in determining whether to invest in the Fund.

Assume the following:

- The Fund's return for a period is 6% after management fees and costs have been deducted but adding back any distributions made during the relevant period.

- The Fund's Benchmark return is 4% over the same period.
- The High Water Mark is set at zero
- The Fund's NAV is $50,000

The Fund's return above the Benchmark is 2% (6% - 4%) for the period. The performance fee is calculated as 20.5% x 2% x $50,000 = $205 for that period.

If the Fund's return is lower than the Fund's Benchmark, a performance fee is not charged but a negative performance fee is recorded. Any negative performance fee recorded during the performance period must be netted before the Investment Manager becomes entitled to a performance fee in the future.

Please note that the example is used for illustrative purposes only and does not forecast future performance. The actual Fund returns may be materially different from what is shown in this example. This example may help investors decide if the Fund is a suitable investment. No content in this section is investment advice. Investors should speak to their financial adviser before investing in the Fund.

Please note that the performance fee and cumulative outperformance is set on a Fund basis as a whole and not on a unit basis. This means that the performance fee calculation does not take into account the particular timing of the issue of particular units during the performance period during which the performance fee is calculated.

Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Fund will incur when buying or selling assets of the Fund. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor. The Buy Spread is paid into the Fund as part of an application and the Sell Spread is left in the Fund as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.25% upon entry and 0.25% upon exit. The dollar value of these costs based on an application or a withdrawal of $25,000 is $62.50 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and www.eqt.com.au/insto will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Fund's assets and are reflected in the Fund's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Fund are 0.32% p.a. of the NAV of the Fund, which is based on the relevant costs incurred during the financial year ended 30 June 2020.

However, actual transaction costs for future years may differ.

Can the fees change?

Yes, all fees can change without investor consent. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly. We will generally provide investors with at least 30 days' notice of any proposed increase to the management fees component of management fees and costs.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients. Please contact the Investment Manager on (03) 9039 5050 for further information.

Taxation

Please refer to Section 10 of the Product Disclosure Statement for further information on taxation.

Example of annual fees and costs for an investment option

This table gives an example of how the ongoing annual fees and costs in the investment option for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – Alexander Credit Opportunities Fund		
BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR		
Contribution Fees	Nil	For every additional $5,000 you put in, you will be charged $0
Plus Management fees and costs	1.34% p.a.	**And**, for every $50,000 you have in the Alexander Credit Opportunities Fund you will be charged or have deducted from your investment $670 each year
Plus Performance fees	0.49% p.a.	**And**, you will be charged or have deducted from your investment $245 in performance fees each year

EXAMPLE – Alexander Credit Opportunities Fund		
Plus Transaction costs	0.00% p.a.	**And**, you will be charged or have deducted from your investment $0 in transaction costs
Equals Cost of Alexander Credit Opportunities Fund		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs of: $915* **What it costs you will depend on the investment option you choose and the fees you negotiate.**

* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

This example assumes the $5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the $50,000 balance only.

Warning: If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.

ASIC provides a fee calculator on www.moneysmart.gov.au, which you may use to calculate the effects of fees and costs on account balances. The performance fees stated in this table are generally based on the average performance fee for the Fund.

The indirect costs and other expenses component of management fees and costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

10. Taxation

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Fund. This information assumes that an investor holds their units in the Fund on capital account, and not on revenue account or as trading stock. The information should be used as a guide only and does not constitute professional tax advice. We recommend that investors seek their own taxation advice before making any investment decisions.

It is recommended that investors seek their own professional advice, specific to their own circumstances of the taxation implications of investing in the Fund.

Taxation Treatment of the Fund

General

The Fund is an Australian resident trust estate for Australian tax purposes.

On the basis that the Fund has distributable income and investors are presently entitled to all of the Fund's distributable income (which is the Responsible Entity's intention), and that the Fund is not a public trading trust, the Fund should be taxed as a flow-through trust. This means that investors should be taxed on their share of the Fund's net taxable income, and the Fund should not be subject to Australian income tax.

In the case where the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the tax loss to investors. however, the tax loss may be carried forward by the Fund for offset against taxable income of the Fund in subsequent years, subject to the operation of the trust loss rules.

Deemed Capital Gains Tax ("CGT") election

An eligible Managed Investment Trust (MIT) may make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments (including equities and units in other trusts, but excluding derivatives and foreign exchange contracts).

The Fund has not made the election for deemed capital account treatment. As such, the Fund holds its eligible investments on revenue account. On this basis, the realised gains of the Fund will be income or revenue gains and not capital gains.

Taxation of Financial Arrangements ("TOFA")

The Fund will not elect into the TOFA rules. Accordingly, TOFA will only apply to the Fund where it exceeds the net asset threshold in the TOFA rules (currently assets of $100 million at the end of the Fund's initial year, or $100 million at the end of the previous Financial year, in respect of subsequent years).

If TOFA applies to the Fund, the rules may apply to certain "financial arrangements" held by the Fund. Broadly, the TOFA regime seeks to recognise "sufficiently certain" returns from such financial arrangements on an accruals basis for tax purposes rather than on a realisation basis. Where returns from financial arrangements (including derivatives) are not "sufficiently certain" they will continue to be recognised on a realisation basis. It is not intended that any specific TOFA tax timing elections (which may alter the timing of recognition of gains and loss for tax purposes) will be made.

If TOFA applies to the Fund, the Administrator and the Investment Manager of the Fund will assist the Responsible Entity regarding compliance with the TOFA rules.

Taxation of Australian Resident Investors

Distributions

Each Australian resident investor will be subject to taxation on their proportionate share of the net taxable income derived by the Fund. Such income will retain its character as it flows through the Fund and may include amounts of Australian franked and unfranked dividends, interest and other income, foreign income and capital gains. Generally, an Australian resident investor's entitlement (share) of the net income of a Fund for a year of income, including amounts that are received in a subsequent year of income or which are reinvested, forms part of their assessable income for that year.

Investors who become entitled to a distribution from the Fund in respect of a financial year will receive an annual tax statement detailing all relevant taxation information concerning distributions including entitlement to franking credits and foreign income tax offsets, and any return of capital.

If an investor's share of the net income of the Fund includes an amount that consists of discount capital gains derived by the Fund, the investor needs to first 'gross up' the discount capital gain (in essence, to take account of the reduction in the capital gain that the Fund obtained). However, individual, trust and complying superannuation fund investors may then be entitled, in determining the net capital gain that is to be included in their assessable income, to the discount capital gain concessions. Further, investors may be able to offset other capital losses they may have against their share of the capital gains included in the net income of the Fund (after grossing up any discount capital gains).

Under current practice, distributions of non-assessable amounts are generally not subject to tax in the hands of investors holding their units on capital account. Broadly, the receipt of certain non-assessable amounts will generally reduce the cost base of the Australian resident investor's units in the Fund for CGT purposes. This results in either an increased capital gain, or a reduced capital loss, upon the subsequent disposal of the investor's units in the Fund. However, in certain circumstances, such amounts may be assessable to an investor rather than giving rise to a CGT cost base adjustment. Investors should have regard to the ATO's views expressed in ATOID 2011/58 and any further ATO pronouncements on this issue, and seek professional advice if necessary.

To the extent that the distributed non-assessable amounts consist of the discount capital gain concession, no adjustment to the cost base or reduced cost base of the underlying investment in that Fund should be required. However, investors that are companies and complying superannuation funds may not receive all or part of the benefit of the discount capital gains concessions. This is because companies are not entitled to the discount concession, and the discount concession rate which applies to complying superannuation funds Vs lower than that which applies to trusts and individuals.

An investor may receive their share of the net income of the Fund through distributions made during the year or where they have made a large withdrawal from the Fund, in which case their withdrawal proceeds may include a component of distributable income. In addition, because Australian investors can move into and out of the Fund at different points in time, there is the risk that taxation liabilities, in respect of gains that have benefited past investors, may have to be met by subsequent investors.

Disposal of Units by Australian Resident Investors

If an Australian resident investor transfers or redeems their units in the Fund, this will constitute a disposal of the units for tax purposes. For investors that hold their units in the Fund on capital account, a capital gain or loss on the disposal may arise and the investor will need to calculate their capital gain or loss having regard to their own particular facts and circumstances.

Certain investors (such as individuals, trusts and complying superannuation funds) may be eligible to apply a CGT discount to any gain arising on the disposal of units that they held for at least twelve months (excluding both the dates of application and redemption or transfer).

Resident individuals and trusts may apply a CGT discount of 50%, while resident complying superannuation funds may apply a CGT discount of 33 1/3%. No CGT discount is available to companies.

Tax File Number ("TFN") and Australian Business Number ("ABN")

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus applicable levies, on gross payments including distributions of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld.

By quoting their TFN or ABN, the investor authorises Equity Trustees to apply it in respect of all the investor's investments with Equity Trustees. If the investor does not want to quote their TFN or ABN for some investments, Equity Trustees should be advised.

Australian Taxation of Non-Resident Investors

Tax on Income

Australian withholding tax may be withheld from distributions of Australian source income and gains paid to a non-resident investor. The various components of the net income of the Fund, which will be regarded as having an Australian source, may include dividends paid by Australian companies, Australian sourced interest and Australian sourced other income and gains.

We recommend that non-resident investors seek independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant Double Taxation Agreement/ Exchange of Information Agreement ("EOI") between Australia and their country of residence.

Disposal of Units by Non-Resident Investors

Based on the Fund's investment profile, generally non-resident investors holding their units on capital account should not be subject to Australian capital gains tax on the disposal of units in the Fund unless the units are capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the non-resident holds their units on revenue account. We recommend that non-resident investors seek independent tax advice in relation to the tax consequences of the disposal of their units.

11. Other Important Information

Consents

Alexander Funds has given and, at the date of this PDS, has not withdrawn, their written consent:

- to be named in this PDS as the Investment Manager of the Fund; and
- to the inclusion of the statements made about them, the Fund and the tables and statistical information, which are attributed to them, in sections 1, 2, 3, 4, 5, 6 and 8.

Alexander Funds has not otherwise been involved in the preparation of this PDS and have not caused or otherwise authorised the issue of this PDS. Alexander Funds and their employees and officers do not accept any responsibility arising in any way for errors or omissions from this PDS, other than in relation to the statements for which it has provided its consent.

The Administrator

Unity has been appointed as the Fund's Administrator to perform certain administrative, accounting, unit pricing, registrar and transfer agency services for the Fund.

Unity has not been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. Unity has not independently verified the information contained in this PDS and, accordingly, accepts no responsibility for the accuracy or completeness of the information. Unity does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.

The Custodian

The Fund has appointed J.P. Morgan as the Custodian of the Fund, holding all of the securities and cash assets of the Fund except for assets in a margin account which are held from time to time by brokers to the Fund. J.P. Morgan has not been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. J.P. Morgan has not independently verified the information contained in this PDS and, accordingly, accepts no responsibility for the accuracy or completeness of the information. J. P. Morgan does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.

Non-Listing of Units

The units of the Fund are not listed on any stock exchange and no application will be made to list the units of the Fund on any stock exchange.

Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate the Fund (if it provides investors with notice) in accordance with the Constitution and the Corporations Act. Upon termination, and after conversion of the assets of the Fund into cash and payment of, or provision for, all expenses (including anticipated expenses) and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata among all investors according to the number of units they hold in the Fund.

Equity Trustees' Legal Relationship with You

Equity Trustees' responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Constitution of the Fund, as well as the Corporations Act and general trust law. The Constitution of the Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the Responsible Entity of the Fund, and investors.

Equity Trustees may amend the Constitution if it considers that the amendment will not adversely affect investors' rights. Otherwise, the Constitution may be amended by way of a special resolution of investors.

To the extent that any contract or obligation arises in connection with the acceptance by Equity Trustees of an application or reliance on this PDS by an investor, any amendment to the Constitution may vary or cancel that contract or obligation. Further, that contract or obligation may be varied or cancelled by a deed executed by Equity Trustees with the approval of a special resolution of investors, or without that approval if Equity Trustees considers the variation or cancellation will not materially and adversely affect investor's rights.

A copy of the Constitution of the Fund is available, free of charge, on request to Equity Trustees.

Compliance Plan

Equity Trustees has prepared and lodged a compliance plan for the Fund with ASIC. The compliance plan describes the procedures used by Equity Trustees to comply with the Corporations Act and the Constitution of the Fund. Each year the compliance plan for the Fund is audited and the audit report is lodged with ASIC.

Unit Pricing Discretions Policy

Equity Trustees has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy (such as records of any discretions which are outside the scope of, or inconsistent with, the unit pricing policy) will be made available to investors free of charge on request to Equity Trustees.

Indemnity

Equity Trustees, as the responsible entity of the Fund, is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers in the proper performance of its duties in relation to the Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Subject to the law, Equity Trustees may retain or pay out from the assets of the Fund any sum necessary to affect such an indemnity.

Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC

Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing investors until such time as the information is provided.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

Equity Trustees shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

The Constitution

The Fund is governed by the Constitution. The Constitution sets out how the Fund must operate and, together with the PDS, the Corporations Act and other laws, regulates the Responsible Entity's legal relationship with investors. If you invest in the Fund, you agree to be bound by the terms of the PDS and the Constitution. You can request a copy of the Constitution, free of charge on request to Equity Trustees. Please consider these documents before investing in the Fund.

Equity Trustees may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Corporations Act.

Your privacy

The Australian Privacy Principles contained in the Privacy Act 1988 (Cth) ("Privacy Act") regulate the way in which we collect, use, disclose, and otherwise handle your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Investment Manager and Administrator directly, we may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

The types of third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to "opt out" of such communications by contacting us using the contact details below.

In addition to the above information, Equity Trustees' Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of Equity Trustees' Privacy Policy are available at www.eqt.com.au. You can also request a copy by contacting Equity Trustees' Privacy Officer on +61 3 8623 5000 or by email to privacy@eqt.com.au.

Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to an investor of the Fund on request, to the extent Equity Trustees is satisfied that such information is required to enable the investor to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("U.S."), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents and U.S controlling persons that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Common Reporting Standard ("CRS")

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

12. Glossary of Important Terms

ABN
Australian Business Number.

Administrator or Unity
Unity Fund Services Pty Ltd.

AFSL
Australian Financial Services Licence.

AML/CTF
Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

Application Form
The Application Form accompanying this PDS, used by investors who wish to subscribe for units directly in the Fund.

ASIC
Australian Securities and Investments Commission.

Australian iTraxx Index
A credit default swap index published by Bloomberg under the Bloomberg ticker ITRXAAE.

Available Liquid Resources
Cash or assets that can be converted into cash in the short term, less the aggregate of actual and potential liabilities (including any redemption requests preceding the relevant redemption batch that remains unpaid or outstanding), that the Responsible Entity reasonably determines it will need to satisfy the Fund's commitments in the short to medium term.

Bps
Basis points.

Business Day
Any day (except any weekend) on which banks are open for general banking business in Sydney and Melbourne, Australia.

Buy/Sell Spread
The difference between the Application Price and Withdrawal Price of units in the Fund, which reflects the estimated transactions costs associated with buying and selling the assets of the Fund, when investors invest in or withdraw from the Fund.

Constitution
The Constitution of the Fund which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Fund.

Corporations Act
The Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time.

CRS
Common Reporting Standards

Custodian or J.P. Morgan
J.P. Morgan Chase Bank N.A. (Sydney Branch).

Derivatives
Generally, a derivative is a financial contract whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index. Derivatives may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indexes. Examples include options contracts, futures contracts, options on futures contracts, swap agreements (including, but not limited to, long and short credit default swaps and forward swap spread locks) and options on swap agreements.

Distribution
The amount that is paid to investors after the end of a distribution period. This generally includes any income and realised capital gains.

FATCA
Foreign Account Tax Compliance Act

FUM
Funds under management.

Fund
Alexander Credit Opportunities Fund (ARSN 156 026 514).

Fund Benchmark
The return on the Bloomberg Ausbond Bank Bill Index plus 2%.

GST
Goods and Services Tax.

Hedge
The practice of undertaking one investment activity in order to protect against loss in another. While hedges can reduce potential losses, they can also reduce potential profits

High Water Mark
The highest cumulative outperformance of the Fund over the Benchmark at the end of any quarter.

IDPS
Investor-Directed Portfolio Service or investor-directed portfolio service-like managed investment scheme. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers.

IDPS Operator
The entity responsible for operating an IDPS.

Indirect Investor
A person who invests indirectly in units in a fund through an IDPS.

Investment Committee
The Investment Committee of Alexander Funds.

Investment Grade
A general term that refers to entities and/or securities that have an internal or external credit rating of BBB- or higher. Issuers of investment grade securities are considered to have a strong capacity to meet their payment obligations (although no assurance can be given about this matter).

Investment Manager
Alexander Funds Management Pty Ltd.

Investment Strategy
The strategy that the Investment Manager adopts for investing the assets of the Fund.

Licence
Australian financial services licence issued by ASIC under section 913B of the Corporations Act.

Liquidity
The ability of an investment to be easily and quickly converted into cash.

Management Fee
The fees associated with an investment in the Fund.

Net Asset Value (NAV)

The value of assets of the Fund less the value of the liabilities of the Fund.

PDS

This Product Disclosure Statement, issued by Equity Trustees.

Performance Fee

The performance fee payable to the Investment Manager for outperforming the Fund Benchmark.

Portfolio

The total assets of the Fund.

Responsible Entity

Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975).

Retail Client

Persons or entity which is a retail client as defined under section 761G of the Corporations Act.

RITC

Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits on behalf of the Fund, where applicable, to reduce the GST cost to the Fund.

TFN

Tax File Number.

Unit

A unit of the Fund.

US person

A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:

(a)any citizen of, or natural person resident in, the US, its territories or possessions; or

(b)any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or

(c)any agency or branch of a foreign entity located in the US; or

(d)a pension plan primarily for US employees of a US Person; or

(e)a US collective investment vehicle unless not offered to US Persons; or

(f)any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or

(g)any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or

(h)any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or

(i)any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.

VAR

Predicted worst-case loss at a specific confidence level over a certain period of time.