

ALEXANDER CREDIT OPPORTUNITIES FUND

ARSN 156 026 514

CONDENSED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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This condensed financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this condensed financial report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made in respect of Alexander Credit Opportunities Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This condensed financial report covers Alexander Credit Opportunities Fund as an individual entity.

The Responsible Entity of Alexander Credit Opportunities Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:
Level 1, 575 Bourke Street
Melbourne, VIC 3000.

DIRECTORS' REPORT

The directors of Equity Trustees Limited, the Responsible Entity of Alexander Credit Opportunities Fund (the "Fund"), present their report together with the condensed financial statements of the Fund for the half-year ended 31 December 2020. These condensed financial statements have been prepared as it is a disclosing entity under the *Corporations Act 2001*.

Principal activities

The Fund invests in fixed income securities that include corporate bonds, bank loans, hybrids, mortgage-backed and asset-backed securities, and unit trusts in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the half-year ended 31 December 2020.

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2020.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Alexander Funds Management Pty Ltd.
Custodian	JPMorgan Chase Bank, N.A.
Administrator	Unity Fund Services Pty Ltd.
Statutory Auditor	Ernst & Young

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the half-year and up to the date of this report:

Philip D Gentry	Chairman
Harvey H Kalman	(resigned 1 September 2020)
Ian C Westley	(resigned 3 July 2020)
Michael J O'Brien	
Russell W Beasley	(appointed 1 September 2020)

Review and results of operations

During the half-year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 2.97% for the half-year ended 31 December 2020. The Fund's benchmark, Bloomberg AusBond Bank Bill Index plus 2% per annum returned 1.05% for the same period.

DIRECTORS' REPORT (CONTINUED)

Review and results of operations (continued)

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2020	31 December 2019
Operating profit/(loss) for the year (\$'000)	6,423	5,554
Distributions paid and payable (\$'000)	2,731	4,108
Distributions (cents per unit)	1.50	2.25

Significant changes in the state of affairs

Ian C Westley resigned as a director of Equity Trustees Limited on 3 July 2020.

Harvey H Kalman resigned as a director of Equity Trustees Limited on 1 September 2020.

Russell W Beasley was appointed as a director of Equity Trustees Limited on 1 September 2020.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2020.

COVID-19

COVID-19 continues to create market uncertainty as businesses learn to navigate a new landscape. The impact of factors such as the timing, availability and efficacy of a vaccine; the resurgent infection rates around the world; and the potential for domestic outbreaks remains unclear. Australia's strong economic response, along with its successful management of COVID-19, allows for an optimistic outlook for 2021.

The Responsible Entity and Investment Manager closely monitor any developments and their likely impact on the assets of the Fund, noting that the high degree of uncertainty poses substantial challenges in predicting the extent and nature of the overall impact on the Fund. The Investment Manager however, actively manages the financial risks that the Fund is exposed to and the Net Assets of the Fund continue to be valued in accordance with the frequency set out in the Fund's Offer Documents, applying valuation policies reflective of the prevailing market conditions.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
5 March 2021



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Auditor's independence declaration to the directors of Equity Trustees Limited as Responsible Entity for Alexander Credit Opportunities Fund

As lead auditor for the review of the financial report of Alexander Credit Opportunities Fund for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. No contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Luke Slater".

Luke Slater
Partner
5 March 2021

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Note	Half-year ended	
		31 December 2020 \$'000	31 December 2019 \$'000
Investment income			
Interest income from financial assets at fair value through profit or loss		4,840	7,253
Interest income from financial assets at amortised cost		-	10
Distributions income		1,550	1,250
Net foreign exchange gain/(loss)		(101)	(3)
Net gains/(losses) on financial instruments at fair value through profit or loss	4	2,036	(547)
Total investment income/(loss)		8,325	7,963
Expenses			
Interest expense from financial assets at fair value through profit or loss		67	274
Management fees		1,573	1,564
Performance fees		150	464
Custody and administration fees		85	84
Remuneration of auditor		15	16
Other expenses		12	7
Total expenses		1,902	2,409
Operating profit/(loss) for the half-year		6,423	5,554
Finance costs attributable to unit holders			
Distributions to unit holders	8	(2,731)	(4,108)
(Increase)/decrease in net assets attributable to unit holders	7	(3,692)	(1,446)
Profit/(loss) for the half-year		-	-
Other comprehensive income		-	-
Total comprehensive income for the half-year		-	-

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 December 2020 \$'000	30 June 2020 \$'000
Assets			
Cash and cash equivalents		10,202	18,479
Receivables	9	158	187
Due from brokers - receivable for securities sold		21	13,385
Financial assets at fair value through profit or loss	5	236,582	229,701
Margin accounts		-	160
Total assets		246,963	261,912
Liabilities			
Distributions payable	8	1,360	7,063
Payables	10	882	1,048
Due to brokers - payable for securities purchase		-	8,135
Financial liabilities at fair value through profit or loss	6	9	530
Total liabilities (excluding net assets attributable to unit holders)		2,251	16,776
Net assets attributable to unit holders - liability	7	244,712	245,136

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Half-year ended	
	31 December 2020 \$'000	31 December 2019 \$'000
Total equity at the beginning of the financial half-year	-	-
Profit/(loss) for the half-year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the financial half-year	-	-

Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the half-year.

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Alexander Credit Opportunities Fund
Condensed statement of cash flows
For the half-year ended 31 December 2020

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended	
	31 December 2020 \$'000	31 December 2019 \$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	160,387	71,766
Payments for purchase of financial instruments at fair value through profit or loss	(160,524)	(96,795)
Interest income received from financial assets at fair value through profit or loss	4,840	7,252
Interest income received from financial assets at amortised cost	-	10
Distributions received	1,557	1,646
Interest expense paid from financial assets at fair value through profit or loss	(67)	(274)
Management and performance fees paid	(1,549)	(2,026)
Custody and administration fees paid	(118)	(63)
Audit fees paid	(23)	(32)
Other expenses paid	10	(37)
Margin call received/(paid)	160	-
Net cash inflow/(outflow) from operating activities	4,673	(18,553)
Cash flows from financing activities		
Proceeds from applications by unit holders	17,063	33,301
Payments for redemptions by unit holders	(23,809)	(17,001)
Distributions paid to unit holders	(6,103)	(5,340)
Net cash inflow/(outflow) from financing activities	(12,849)	10,960
Net increase/(decrease) in cash and cash equivalents	(8,176)	(7,593)
Cash and cash equivalents at the beginning of the half-year	18,479	14,982
Effect of foreign currency exchange rate changes on cash and cash equivalents	(101)	(3)
Cash and cash equivalents at the end of the half-year	10,202	7,386
Non-cash operating and financing activities		
Issue of units under the distribution reinvestment plan	2,331	1,573

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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1 GENERAL INFORMATION

These condensed financial statements cover Alexander Credit Opportunities Fund (“the Fund”) as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 29 October 2009 and will terminate in accordance with the provisions of the Fund’s Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the “Responsible Entity”). The Responsible Entity’s registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The condensed financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in fixed income securities that include corporate bonds, bank loans, hybrids, mortgage-backed, asset-backed securities and unit trusts in accordance with the Product Disclosure Statement and the provisions of the Fund’s Constitution.

The condensed financial statements were authorised for issue by the directors on the date the Directors’ declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the condensed financial statements.

2 BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The directors are satisfied that the Fund has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

In preparing the financial statements for the Fund, the Responsible Entity and Investment Manager considered the current and ongoing impact that the COVID-19 pandemic has on the Fund, including reviewing the Fund’s assets and liabilities in light of COVID-19 to ensure valuations remain appropriate. Fund operations, liquidity and risk management were also monitored during the half-year with no material concerns.

At the date of issuing the condensed financial statements, an estimate of future impact on the Fund’s investments cannot be made. Actual economic events and conditions in the future may materially differ from those estimated by the Fund at the reporting date.

Significant accounting policies

The accounting policies applied in these condensed financial statements are the same as those applied to the Fund’s financial statements for the year ended 30 June 2020.

i. New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

ii. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been early adopted in preparing these condensed financial statements.

None of these are expected to have a material effect on the condensed financial statements of the Fund.

3 FAIR VALUE MEASUREMENT

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets/liabilities at fair value through profit or loss (see Note 5 and Note 6)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements.

a. Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

b. Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

3 FAIR VALUE MEASUREMENT (CONTINUED)

b. Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

Investments in unlisted unit trusts are recorded at the fair value per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as: liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

c. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 December 2020 and 30 June 2020.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2020				
Financial assets				
Asset backed securities	-	118,441	-	118,441
Corporate bonds	-	27,686	-	27,686
Unit trusts	-	-	90,061	90,061
Other listed fixed income securities	390	-	-	390
Options	4	-	-	4
Total financial assets	394	146,127	90,061	236,582
Financial liabilities				
Futures	9	-	-	9
Total financial liabilities	9	-	-	9

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2020				
Financial assets				
Asset backed securities	-	153,872	-	153,872
Corporate bonds	-	20,896	-	20,896
Unit trusts	-	-	54,174	54,174
Other listed fixed income securities	681	-	-	681
Options	78	-	-	78
Total financial assets	759	174,768	54,174	229,701
Financial liabilities				
Futures	14	-	-	14
Swaps	-	516	-	516
Total financial liabilities	14	516	-	530

3 FAIR VALUE MEASUREMENT (CONTINUED)

d. Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period (30 June 2020: nil).

e. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2020 by class of financial instrument.

	Unit trusts \$'000
Opening balance - 31 December 2019	37,305
Purchases	25,025
Sales	(8,786)
Distributions	(1,521)
Reinvestment	750
Gains/(losses) recognised in the condensed statement of comprehensive income	1,401
Closing balance – 30 June 2020*	54,174
Purchases	45,850
Sales	(11,000)
Distributions	(1,550)
Gains/(losses) recognised in the condensed statement of comprehensive income	2,587
Closing balance – 31 December 2020*	90,061

* Includes unrealised gains/(losses) recognised in profit or loss attributable to balances held at the end of the reporting period.

3 FAIR VALUE MEASUREMENT (CONTINUED)

e. Fair value measurements using significant unobservable inputs (level 3) (continued)

i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements. See Note 3(b) above for the valuation techniques adopted.

Description	Fair value \$'000	Unobservable inputs	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
As at 31 December 2020				
Investment in unit trusts	90,061	Discount for lack of liquidity	5% - 15%	Increased / (decreased) discount for lack of liquidity by +/-5% and +/- 10% would (decrease) / increase fair value by \$4,503,438.
As at 30 June 2020				
Investment in unit trusts	54,174	Discount for lack of liquidity	5% - 15%	Increased / (decreased) discount for lack of liquidity by +/-5% and +/-10% would (decrease) / increase fair value by \$2,709,090.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

ii. Valuation processes

The level 3 investments comprise investment in two unit trusts. The valuation techniques used to derive the fair value of the unit trusts is as follows:

- The fair value of the unit trust, which invests in a loan asset, is based on third party pricing (IDC pricing) available for the underlying loan asset plus accrued interest.
- The fair value of the unit trust which invests in an invoice market trust is based on the underlying face value of the short dated invoices held by this invoice market trust plus accrued interest.

f. Financial instruments not carried at fair value

The carrying value of cash and cash equivalents, receivables and payable approximate their fair values due to their short-term nature.

Net assets attributable to unit holders' carrying value differ from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior reporting periods.

4. NET GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gains/(losses) recognised in relation to financial assets and liabilities at fair value through profit or loss:

	Half-year ended	
	31 December 2020 \$'000	31 December 2019 \$'000
Financial assets		
Net realised gain/(loss) on financial assets at fair value through profit or loss	30	(948)
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	1,990	421
Net gains/(losses) on financial instruments held at fair value through profit or loss	2,020	(527)
Financial liabilities		
Net realised gain/(loss) on financial liabilities at fair value through profit or loss	11	12
Net unrealised gain/(loss) on financial liabilities at fair value through profit or loss	5	(32)
Net gains/(losses) on financial liabilities at fair value through profit or loss	16	(20)
Total net gains/(losses) on financial instruments at fair value through profit or loss	2,036	(547)

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	31 December 2020 \$'000	30 June 2020 \$'000
Options	4	78
Asset backed securities	118,441	153,872
Corporate bonds	27,686	20,896
Unit trusts	90,061	54,174
Other listed fixed income securities	390	681
Total financial assets at fair value through profit or loss	236,582	229,701

6. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	31 December 2020 \$'000	30 June 2020 \$'000
Futures	9	14
Swaps	-	516
Total financial liabilities at fair value through profit or loss	9	530

7. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS - LIABILITY

Movements in the number of units and net assets attributable to unit holders during the half-year were as follows:

	31 December 2020 Units '000	Half-year ended		31 December 2019 \$'000
		31 December 2020 \$'000	31 December 2019 Units '000	31 December 2019 \$'000
Opening balance	184,526	245,136	171,949	233,271
Applications	12,695	17,063	24,241	33,301
Redemptions	(17,604)	(23,510)	(12,184)	(16,653)
Reinvestment of distributions	1,749	2,331	1,155	1,573
Increase/(decrease) in net assets attributable to unit holders	-	3,692	-	1,446
Closing balance	181,366	244,712	185,161	252,938

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

8. DISTRIBUTIONS TO UNIT HOLDERS

The distributions declared during the half-year were as follows:

	31 December 2020 \$'000	Half-year ended		31 December 2019 CPU
		31 December 2020 CPU	31 December 2019 \$'000	31 December 2019 CPU
Distributions				
September	1,371	0.75	1,331	0.75
December (payables)	1,360	0.75	2,777	1.50
Total distributions	2,731	1.50	4,108	2.25

9. RECEIVABLES

	As at 31 December 2020 \$'000	30 June 2020 \$'000
GST receivable	158	180
Distributions receivable	-	7
Total receivables	158	187

10. PAYABLES

	As at 31 December 2020 \$'000	30 June 2020 \$'000
Management fees payable	273	260
Performance fees payable	161	-
Administration fees payable	51	76
Audit fees payable	2	10
Redemptions payable	387	686
Other payables	8	16
Total payables	882	1,048

11. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No significant events have occurred since the end of the half-year which would impact on the financial position of the Fund as disclosed in the condensed statement of financial position as at 31 December 2020 or on the results and cash flows of the Fund for the half-year ended on that date.

12. CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2020 and 30 June 2020.

DIRECTORS' DECLARATION

In the opinion of the directors of the Responsible Entity:

- a. The condensed financial statements and notes set out on pages 4 to 16 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
- b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
5 March 2021



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Independent auditor's review report to the unitholders of Alexander Credit Opportunities Fund

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Alexander Credit Opportunities Fund (the "Fund"), which comprises the condensed statement of financial position as at 31 December 2020, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Fund is not in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all



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significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Luke Slater

Luke Slater
Partner
Melbourne
5 March 2021