



IFM Alternative Fixed Income Fund



Industry Funds Management (IFM) specialises in the management of investment products across debt, listed equity, infrastructure and private equity, with clients and teams located in three of the four largest pension markets in the world. It is differentiated via a compelling ownership structure and philosophical alignment, genuinely focused on the investor.

IFM has a strong track record in the design and management of debt portfolios with a specialisation in adding value through credit. Credit offers very attractive risk-adjusted returns and can provide useful portfolio diversification, but it needs its own clear focus and a specialist skill set.

Investment options

The IFM Alternative Fixed Income Fund (AFIF) is one of the longest running Australian pure credit funds. It is structured to enable investors to tailor their interest rate risk exposure by investing in either or a combination of:

- ◇ AFIF Long (benchmarked to the UBS Composite Bond Index, duration around 3.5 years)
- ◇ AFIF Short (benchmarked to the UBS Bank Bill Index, duration around 0.12 years).

AFIF Long and AFIF Short both invest in the same underlying diversified portfolio of Australian focused credit assets and have the same credit risk profiles, the only difference is their duration.

Investors have flexibility to switch between the two funds to alter their duration positions while maintaining the same underlying strategic credit exposure.

IFM's approach to fixed income

In managing fixed income, IFM combines bottom-up and macro elements with strong risk management. Portfolios are structured to achieve:

- ◇ Diversification across industry sectors, issuers and types of securities or instruments
- ◇ Mix of investment grade and sub-investment grade credit, such that the overall portfolio is of investment grade credit quality averaging a minimum rating of BBB-
- ◇ Management and minimisation of interest rate risk relative to benchmark with no active duration management.

Benefits of investing with IFM

- ◇ Experienced team with a strong track record
- ◇ Accessible, transparent and trustworthy
- ◇ Closely aligned to needs of superannuation and 'not for profit' investors
- ◇ Specialists in credit management
- ◇ Strong focus on managing risk
- ◇ Flexible fixed income solutions
- ◇ Very competitive fees.

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Key features

- ◇ Open end wholesale unit trust
- ◇ Diversified portfolio of debt investments
- ◇ Aims to outperform the benchmark by 1% p.a. after fees over rolling three year periods
- ◇ Benchmarked to UBS Composite Bond Index (AFIF Long), UBS Bank Bill Index (AFIF Short)
- ◇ Income distributed or reinvested half yearly
- ◇ Flexibility to tailor interest rate risk exposure (with ability to transfer unitholdings between AFIF Long and AFIF Short)

The minimum investor commitment for the IFM Alternative Fixed Income Fund is \$5 million.

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