

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>			
A This return/report is for:	<input type="checkbox"/> a multiemployer plan	<input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	<input type="checkbox"/> a single-employer plan	<input checked="" type="checkbox"/> a DFE (specify) <u>E</u>	
B This return/report is:	<input type="checkbox"/> the first return/report	<input type="checkbox"/> the final return/report	
	<input type="checkbox"/> an amended return/report	<input type="checkbox"/> a short plan year return/report (less than 12 months)	
C If the plan is a collectively-bargained plan, check here.	<input type="checkbox"/>		
D Check box if filing under:	<input type="checkbox"/> Form 5558	<input type="checkbox"/> automatic extension	<input type="checkbox"/> the DFVC program
	<input type="checkbox"/> special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan	<u>CLAREANT MULTI-STRATEGY EUROPEAN CREDIT FUND</u>	1b Three-digit plan number (PN) ►	<u>001</u>
		1c Effective date of plan	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)	2b Employer Identification Number (EIN) <u>80-6263676</u> 2c Plan Sponsor's telephone number 2d Business code (see instructions) <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>		
<u>101 BARCLAY STREET</u> <u>NEW YORK, NY 10286</u>	<u>101 BARCLAY STREET</u> <u>NEW YORK, NY 10286</u>		

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE			
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/24/2017</u>	<u>ROGER LI</u>
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1)
a(2) Total number of active participants at the end of the plan year	6a(2)
b Retired or separated participants receiving benefits.....	6b
c Other retired or separated participants entitled to future benefits	6c
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e
f Total. Add lines 6d and 6e	6f
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input type="checkbox"/> Trust	(3) <input type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☐ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection.
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan CLAREANT MULTI-STRATEGY EUROPEAN CREDIT FUND	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 THE BANK OF NEW YORK MELLON	D Employer Identification Number (EIN) 80-6263676	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THE BANK OF NEW YORK MELLON

ONE WALL STREET
NEW YORK, NY 10286

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	1008916	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

ALCENTRA LIMITED

160 QUEEN VICTORIA STREET
LONDON EC4V 4LA GB

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
99	GENERAL PARTNER	140479	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

THE BANK OF NEW YORK MELLON

ONE WALL STREET
NEW YORK, NY 10286

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	ADMINISTRATOR	122157	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

KPMG LLP

LOCKBOX 0511, 1501 N. PLANO ROAD
RICHARDSON, TX 75081

13-5565207

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	65000	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

UNTRACHT EARLY LLC

325 COLUMBIA TURNPIKE, SUITE 202
FLORHAM PARK, NJ 07932

22-3754856

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
49	TAX PREPARATION	23850	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

THE BANK OF NEW YORK MELLON

ONE WALL STREET
NEW YORK, NY 10286

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
	TAX PREPARATION	20000	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div> This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>CLAREANT MULTI-STRATEGY EUROPEAN CREDIT FUND</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>THE BANK OF NEW YORK MELLON</u>	D Employer Identification Number (EIN) <u>80-6263676</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)		
(Complete as many entries as needed to report all participating plans)		
AUTOMOTIVE MACHINISTS PENSION PLAN		
a Plan name		
b Name of plan sponsor	AUTOMOTIVE MACHINISTS PENSION TRUST	c EIN-PN 91-6123687-001
DENVER AREA MEAT CUTTERS & EMPLOYERS PENSION PLAN		
a Plan name		
b Name of plan sponsor	TTEE DENVER MEAT CUTTERS & EMPLOYERS PENSION	c EIN-PN 84-6097461-001
I.B.E.W. LOCAL UNION NO 357 PENSION PLAN A		
a Plan name		
b Name of plan sponsor	TRUSTEES I.B.E.W. LOCAL 357 PENSION TRUST	c EIN-PN 88-6023284-001
OPERATING ENGINEERS PENSION TRUST		
a Plan name		
b Name of plan sponsor	BOARD OF TTEES, OPERATING ENGINEERS PENSION	c EIN-PN 95-6032478-001
INTERNATIONAL PAINTERS AND ALLIED TRADES INDUSTRY PENSION PLAN		
a Plan name		
b Name of plan sponsor	TTEES INT'L PAINTERS & TRADES IND. PENSION	c EIN-PN 52-6073909-001
ROCKY MOUNTAIN UFCW UNIONS AND EMPLOYERS PENSION PLAN		
a Plan name		
b Name of plan sponsor	TTEE ROCKY MTN UNIONS & EMPLOYERS PENSION	c EIN-PN 84-6045986-001
SOUTHERN CALIFORNIA IBEW-NECA PENSION TRUST FUND		
a Plan name		
b Name of plan sponsor	BOARD OF TTEES SOUTHERN CA IBEW-NECA PENSION	c EIN-PN 95-6392774-001
SOUTHERN CALIFORNIA PIPE TRADES RETIREMENT FUND		
a Plan name		
b Name of plan sponsor	SOUTHERN CA PIPE TRADES RETIREMENT FUND	c EIN-PN 51-6108443-001
UFCW - NORTHERN CALIFORNIA EMPLOYERS JOINT PENSION		
a Plan name		
b Name of plan sponsor	TRUSTEES UFCW CA EMPLOYERS JOINT PENSION	c EIN-PN 94-6313554-001
WA-ID LABORERS EMPLOYERS PENSION TRUST		
a Plan name		
b Name of plan sponsor	WA-ID LABORERS EMPLOYERS PENSION TRUST	c EIN-PN 91-6123988-001
WA-ID-MT CARPENTERS EMPLOYERS RETIREMENT TRUST		
a Plan name		
b Name of plan sponsor	WA-ID-MT CARPENTERS EMPLOYERS RETIREMENT	c EIN-PN 91-6123987-001
SOFT DRINK & BREWERY WORKERS UNION, LOCAL		
a Plan name		
b Name of plan sponsor	TTEES SDBWU L812 RETIREMENT FUND	c EIN-PN 13-5660090-001

Part II Information on Participating Plans (to be completed by DFEs)		
(Complete as many entries as needed to report all participating plans)		
PENSION & RETIREMENT PLAN PLUMBERS & PIPEFITTERS UNION NO. 525		
a	Plan name	
b	Name of plan sponsor	PLUMBERS & PIPEFITTERS UNION NO. 525
c	EIN-PN	88-6003864-001
PIPEFITTERS UNION LOCAL 537 PENSION FUND		
a	Plan name	
b	Name of plan sponsor	PIPE & REFRIGERATION FITTERS PENSION FD
c	EIN-PN	04-2760802-001
SAN FRANCISCO CULINARY BARTENDERS & SERVICE EMPLOYEES PENSION PLAN		
a	Plan name	
b	Name of plan sponsor	TTEES SF CUL. BARTENDERS & SVC EMPLOYEES
c	EIN-PN	94-6118925-001
WESTERN PENNSYLVANIA TEAMSTERS AND EMPLOYERS PENSION PLAN		
a	Plan name	
b	Name of plan sponsor	W PA TEAMSTERS & EMPLOYERS PENSION FUND
c	EIN-PN	25-6029946-001
DEFINED BENEFIT PENSION PLAN OF AGC-IUOE LOCAL 701 PENSION TRUST		
a	Plan name	
b	Name of plan sponsor	BOARD OF TTEES AGC-IUOE
c	EIN-PN	93-6075580-001
MICHIGAN CARPENTERS' PENSION FUND		
a	Plan name	
b	Name of plan sponsor	BOARD OF TTEES, MI CARPENTERS' PENSION FUND
c	EIN-PN	38-6233978-001
NEW YORK HOTEL TRADES COUNCIL & HOTEL ASSOCIATION		
a	Plan name	
b	Name of plan sponsor	NY HOTEL TRADES COUNCIL & HOTEL ASSN. OF NY
c	EIN-PN	13-1764242-001
PAINTERS INTERNATIONAL PENSION FUND (US)		
a	Plan name	
b	Name of plan sponsor	INTL PAINTERS & ALLIED TRADES IND. PENSION
c	EIN-PN	52-6073909-001
LABORERS DISTRICT COUNCIL PENSION AND DISABILITY TRUST FUND NO. 2		
a	Plan name	
b	Name of plan sponsor	LABORERS COUNCIL PENSION & DISABILITY TRUST
c	EIN-PN	52-0749130-001
PIPEFITTERS UNION LOCAL 537 PENSION FUND		
a	Plan name	
b	Name of plan sponsor	PIPEFITTERS UNION LOCAL 537 PENSION FUND
c	EIN-PN	51-6030859-001
a	Plan name	
b	Name of plan sponsor	
c	EIN-PN	
a	Plan name	
b	Name of plan sponsor	
c	EIN-PN	

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan CLAREANT MULTI-STRATEGY EUROPEAN CREDIT FUND	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 THE BANK OF NEW YORK MELLON	D Employer Identification Number (EIN) 80-6263676	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	44841538	58303221
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	1277161	2031990
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	156377950	190289878
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)	4579067	5196651
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	5306050	6926392

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	212381766	262748132

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	34096109	25247673
k Total liabilities (add all amounts in lines 1g through 1j)	1k	34096109	25247673

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	178285657	237500459
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Part II Income and Expense Statement

- 2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)	17961384	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		17961384
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	21614023	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	34663267	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-13049244
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	7653128	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		7653128

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		9128550
d Total income. Add all income amounts in column (b) and enter total.....	2d		21693818

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	118178	
(2) Contract administrator fees.....	2i(2)	146010	
(3) Investment advisory and management fees.....	2i(3)	2339796	
(4) Other	2i(4)	979409	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		3583393
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3583393

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		18110425
l Transfers of assets:			
(1) To this plan.....	2l(1)		55001000
(2) From this plan.....	2l(2)		13896623

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **KPMG LLP**

(2) EIN: **13-5565207**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a			
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k			
l Has the plan failed to provide any benefit when due under the plan?	4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☐ No **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

Clareant Multi-Strategy European Credit Fund

(A Series of the Alexander Series Trust)

**Consolidated Financial Statements as of and for the Year Ended December 31, 2016
with Report of Independent Auditors**

Clareant Multi-Strategy European Credit Fund

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Trustee and Unitholders of
Clareant Multi-Strategy European Credit Fund

We have audited the accompanying consolidated financial statements of Clareant Multi-Strategy European Credit Fund (Formerly, Alcentra Multi-Strategy European Credit Fund), a series of the Alexander Series Trust, which comprise the consolidated statement of assets and liabilities, including the consolidated condensed schedule of investments, as of December 31, 2016, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Clareant Multi-Strategy European Credit Fund (Formerly, Alcentra Multi-Strategy European Credit Fund), as of December 31, 2016, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

April 27, 2017

Clareant Multi-Strategy European Credit Fund

Consolidated Statement of Assets and Liabilities

As of December 31, 2016

Assets

Investments in securities, at fair value (cost \$218,659,431)	\$ 195,486,529
Cash	58,303,221
Receivable for investments sold	676,271
Derivative contracts, at fair value	6,926,392
Interest receivable	1,355,719
Total assets	<u>262,748,132</u>

Liabilities

Redemption payable	13,896,621
Payables for investments purchased	8,285,855
Management fees payable	1,818,869
Accrued expenses	226,166
Incentive fees payable	780,869
Derivative contracts, at fair value	239,293
Total liabilities	<u>25,247,673</u>

Net Assets	<u><u>\$ 237,500,459</u></u>
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Net Asset Value per Unit

Class A (18,103,802 units issued and outstanding)	<u><u>\$ 11.2414</u></u>
Class B (3,000,000 units issues and outstanding)	<u><u>\$ 11.3294</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments

As of December 31, 2016

Principal	Description	% of net assets		Fair value
Investments in securities:				
Equity:				
Italy:				
	Consumer Products	0.43	% \$	1,017,002
	Total Netherlands (cost \$0)	0.43		1,017,002
Netherlands:				
	Metals/Mining	0.02		48,933
	Utility	0.03		72,187
	Total Netherlands (cost \$7,697,055)	0.05		121,120
United Kingdom:				
	Energy	0.09		204,980
	Gaming	1.51		3,590,439
	Total United Kingdom (cost \$3,376,474)	1.60		3,795,419
United States:				
	Energy	0.11		263,109
	Total United States (cost \$0)	0.11		263,109
	Total Equity (cost \$11,073,529)	2.19		5,196,650
Corporate Bonds:				
France:				
	Cable	0.43		1,028,750
	Homebuilders/Materials	0.45		1,059,320
	Retail	0.14		341,529
	Total France (cost \$4,396,114)	1.02		2,429,599
Germany:				
	Cable	0.38		904,269
	Manufacturing	0.26		623,707
	Total Germany (cost \$1,852,486)	0.64		1,527,976
Ireland:				
	Telecommunications	0.47		1,106,926
	Total Ireland (cost \$1,134,800)	0.47		1,106,926
Luxembourg:				
	Telecommunications	2.51		5,954,590
	Total Luxembourg (cost \$5,207,798)	2.51		5,954,590

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments (continued)

As of December 31, 2016

Principal	Description	% of net assets		Fair value
Investments in securities:				
Corporate Bonds: (continued)				
Netherlands:				
	Cable	0.14	% \$	331,727
	Metals/Mining	0.04		95,333
	Utility	0.33		776,399
	Total Netherlands (cost \$1,207,724)	0.51		1,203,459
Sweden:				
	Business equipment & services	0.24		575,648
	Chemicals	1.56		3,709,250
	Total Sweden (cost \$4,250,900)	1.80		4,284,898
United Kingdom:				
	Finance	1.12		2,662,577
	Healthcare	0.51		1,209,320
	Retail Stores	1.08		2,571,577
	Utility	0.24		563,317
	Total United Kingdom (cost \$8,480,528)	2.95		7,006,791
United States of America:				
	Energy	0.75		1,773,975
	Finance	0.22		533,096
	Total United States (cost \$2,338,012)	0.97		2,307,071
	Total Bonds (cost \$28,868,362)	10.87		25,821,310
Asset Backed Securities:				
Cayman Islands:				
	Finance	7.13		16,926,578
	Total Cayman Island (cost \$18,028,636)	7.13		16,926,578
Ireland:				
	Diversified	10.20		24,222,793
	Total Ireland (cost \$27,085,574)	10.20		24,222,793
Jersey- Channel Islands:				
	Diversified	1.73		4,107,347
	Total Jersey- Channel Islands (cost \$5,826,622)	1.73		4,107,347
Luxembourg:				
	Diversified	0.63		1,489,901
	Total Luxembourg (cost \$1,522,256)	0.63		1,489,901

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments (continued)

As of December 31, 2016

Investments in securities: (continued)

Asset backed securities (continued):

Netherlands:

Diversified	12.79	%	\$	30,364,023
Total Netherlands (cost \$33,512,289)	12.79			30,364,023

United Kingdom:

Diversified	3.35			7,960,575
Total United Kingdom (cost \$8,091,550)	3.35			7,960,575

Total Asset Backed Securities

(cost \$94,066,927)	35.83			85,071,217
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Loans:

Belgium:

Industrial equipment	0.45			1,065,987
Total Belgium (cost \$1,126,402)	0.45			1,065,987

France:

Chemicals	0.45			1,063,269
Finance	0.42			997,672
Manufacturing	0.43			1,019,426
Retail	3.38			8,024,773
Services	0.44			1,053,451
Technology	0.89			2,113,591
Total France (cost \$19,165,210)	6.01			14,272,182

Germany:

Cable	0.45			1,065,572
Consumer Products	2.23			5,296,243
Gaming	0.45			1,071,745
Healthcare	0.79			1,869,390
Media-other	0.44			1,053,136
Total Germany (cost \$12,449,084)	4.36			10,356,086

Ireland:

Telecommunications	0.39			920,330
Total Ireland (cost \$900,633)	0.39			920,330

Italy:

Consumer Goods- Durable	1.70			4,038,666
Total Italy (cost \$3,323,076)	1.70			4,038,666

Luxembourg:

Diversified	0.44			1,054,292
Total Luxembourg (cost \$1,114,514)	0.44			1,054,292

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments (continued)

As of December 31, 2016

Principal	Description	% of net assets		Fair value
Investments in securities (continued) :				
Loans (continued) :				
Netherlands:				
	Cable	0.45	% \$	1,058,026
	Consumer Products	0.44		1,047,756
	Healthcare	0.44		1,054,824
	Manufacturing	1.59		3,777,214
	Media-Other	0.45		1,067,660
	Metals/Mining	0.15		364,615
	Services	0.65		1,536,643
	Technology	0.44		1,035,740
	Total Netherlands (cost \$9,061,126)	4.61		10,942,478
Spain:				
	Healthcare	0.44		1,054,461
	Leisure	0.45		1,058,273
	Telecommunications	0.44		1,038,225
	Total Spain (cost \$3,325,561)	1.33		3,150,959
Sweden:				
	Chemical, Plastics & Rubber	3.18		7,564,125
	Healthcare	0.45		1,066,881
	Services	0.22		531,647
	Total Sweden (cost \$8,341,441)	3.85		9,162,653
United Kingdom:				
	Chemicals	1.22		2,898,841
	Energy	1.90		4,517,052
	Finance	0.41		966,841
	Gaming	0.52		1,246,920
	Healthcare	0.97		2,300,357
	Retail	1.03		2,450,520
	Telecommunications	0.45		1,060,902
	Total United Kingdom (cost \$16,400,965)	6.50		15,441,433

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments (continued)

As of December 31, 2016

Principal	Description	% of net assets		Fair value
Investments in securities (continued) :				
Loans (continued) :				
	United States of America:			
	Chemicals	0.89	% \$	2,108,372
	Energy	0.79		1,878,300
	Healthcare	0.77		1,817,234
	Paper/packing	0.45		1,067,765
	Technology	0.89		2,120,615
	Total United States of America (cost \$9,442,601)	3.79		8,992,286
	Total Loans (cost \$84,650,613)	33.43		79,397,352
	Total investments in securities (cost \$218,659,431)	82.32	% \$	195,486,529

Forward Foreign Currency Contracts

At December 31, 2016, the Fund held the following forward foreign currency contracts:

Counterparty	Description	Maturity Date	U.S. Dollar Receivable	U.S. Dollar Payable	Unrealized Appreciation
Asset:					
	Unrealized Appreciation:				
	Purchase				
Royal Bank of Scotland Group PLC	148,082,470 U.S. Dollars, sell 134,100,000 Euros	1/17/2017	\$ 148,082,470	\$ (141,156,077)	\$ 6,926,393
Liability:					
	Unrealized Depreciation:				
	Purchase				
Royal Bank of Scotland Group PLC	21,426,093 U.S. Dollars, sell 17,550,000 Pounds	1/17/2017	\$ 21,446,093	\$ (21,665,386)	\$ (239,293)

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Statement of Operations

For the Year Ended December 31, 2016

Investment income

Interest income	\$ 17,961,384
Total investment income	<u>17,961,384</u>

Expenses

Management fee	2,339,796
Other expenses	198,540
Incentive fee	780,869
Professional fees	118,178
Administration fees	<u>146,010</u>
Total expenses	<u>3,583,393</u>

Net investment income	<u>14,377,991</u>
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Net realized and unrealized appreciation/(depreciation) on investments and derivative contracts

Net realized loss on foreign currencies	(654,084)
Net change in unrealized appreciation on investments	6,139,251
Net realized loss on investments	(12,395,160)
Net realized gain on derivative contracts	9,128,550
Net change in unrealized appreciation on derivative contracts	<u>1,513,877</u>
Net realized and unrealized gain on investments and derivative contracts	<u>3,732,434</u>

Net increase in net assets resulting from operations	<u>\$ 18,110,425</u>
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The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Statement of Changes in Net Assets

For the Year Ended December 31, 2016

Increase in Net Assets from Operations

Net investment income	\$ 14,377,991
Net realized loss on foreign currencies	(654,084)
Net change in unrealized appreciation on investments	6,139,251
Net realized loss on investments	(12,395,160)
Net realized gain on derivative contracts	9,128,550
Net change in appreciation on derivative contracts	<u>1,513,877</u>
Net increase in net assets resulting from operations	<u>18,110,425</u>

Increase in Net Assets from Participant Transactions

Proceeds from issuance of units (5,197,372.240 units)	55,001,000
Payments for redemption of units (1,230,702.042 units)	<u>(13,896,621)</u>
Net increase in net assets resulting from Participant Transactions	<u>41,140,379</u>
Total increase in net assets	<u>59,214,802</u>

Net Assets

Beginning of year	<u>178,285,657</u>
End of year	<u>\$ 237,500,459</u>

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2016

Cash flows from operating activities

Net increase in net assets resulting from operations	\$ 18,110,425
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:	
Net change in unrealized appreciation on investments	(6,139,251)
Net change in unrealized appreciation on derivative contracts	(1,513,877)
Net realized loss on investments	12,395,160
Payments on investments purchased	(95,305,098)
Proceeds on sales of investments	54,519,675
Changes in assets and liabilities related to operations:	
Receivable for investments sold	(676,271)
Interest receivable	(78,558)
Payable for investments purchased	(2,812,569)
Management fee payable	1,330,880
Incentive fees payable	640,390
Accrued expenses	(9,223)
Net cash used in operating activities	<u>(19,538,317)</u>

Cash flows from financing activities

Proceeds from issuance of units	55,001,000
Subscriptions received in advance	(22,001,000)
Payments for redemption of units	(13,896,621)
Redemptions payable	<u>13,896,621</u>
Cash provided by financing activities	<u>33,000,000</u>

Net increase in cash	13,461,683
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Cash

Beginning of year	<u>44,841,538</u>
End of year	<u>\$ 58,303,221</u>

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2016

1. Organization and Business

Organization — Clareant Multi-Strategy European Credit Fund (the “MS Fund” and formerly Alcentra Multi-Strategy European Credit Fund) is one series of the Alexander Series Trust (formerly BNY Series Trust), a Delaware statutory trust of which The Bank of New York Mellon, a banking company organized under the laws of the State of New York, is the investment manager, custodian and operating trustee (the “Trustee”). The MS Fund commenced operations on December 12, 2013. BNY Mellon Trust of Delaware, a Delaware banking corporation that is an affiliate of the Trustee, is the corporate service agent and Delaware trustee of the MS Fund (the “Delaware Trustee”). The Trustee and Alcentra Limited (“Alcentra” or the “Manager”), an affiliate of the Trustee, serve as the advisor and sub-advisor to the MS Fund, respectively.

The MS Fund's investment objective is to generate attractive risk-adjusted returns through a blend of capital appreciation and current income. The MS Fund's investment strategy will seek to generate absolute net returns to investors (the “Investors”, and each, an “Investor”) by primarily utilizing three separate investment strategies: (i) investing in European senior secured loans (the “European Loan Strategy”); (ii) investing in European structured credit (the “Structured Credit Strategy”); and (iii) investing in special situations (the “Special Situations Strategy” and together with the European Loan Strategy and the European Structured Credit Strategy, the “Strategies”). Each Strategy will generally be managed based upon bottom-up, fundamental research. It should be noted that Alcentra currently expects to initially allocate the MS Fund's assets in approximately equal amounts among the Strategies. However, notwithstanding the foregoing, Alcentra may allocate the MS Fund's assets among the Strategies in any manner that Alcentra deems is consistent with the MS Fund's investment objective, and the MS Fund's assets will not necessarily be invested in each Strategy at all times. The MS Fund is not expected to utilize leverage in pursuing its investment objective. The MS Fund will invest substantially all of its investable assets through one or more subsidiary securitization vehicles which may include one or more companies resident in Luxembourg in the corporate form of a Société à responsabilité limitée (“S.à r.l.”). As of December 31, 2016, the MS Fund held a 100% controlling interest in a wholly owned subsidiary, Alcentra MS S.à r.l. (the “Subsidiary”), which was incorporated on October 25, 2013 and organized under the laws of Luxembourg as a S.à r.l. for an unlimited period subject to the Law of March 22, 2004 on securitization. Alcentra is the investment adviser of the Subsidiary. Alcentra is registered with the U.S. Securities and Exchange Commission as an investment advisor.

The MS Fund shall continue from year to year unless and until dissolved pursuant to the Declaration of Trust.

The notes to the consolidated financial statements contain references to and summary descriptions of various provisions of the supplemental information brochure of the MS Fund dated as of November 2013 (the “Brochure”). Capitalized terms used but not defined herein shall have the meaning assigned to them in the Brochure.

2. Significant Accounting Policies

Basis of Accounting — These consolidated financial statements are stated in United States (“U.S.”) dollars and have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”). Alexander Series Trust has reviewed Financial Accounting Standards Board (“FASB”) ASC Topic 946, Financial Services – Investment Companies Accounting Standards Codification (“ASC 946”), and concluded that the MS Fund meets the criteria of an “investment company,” and therefore, the Fund prepares its financial statements in accordance with investment company accounting as outlined in ASC 946.

Basis of Consolidation — The accompanying consolidated financial statements include the accounts of the MS Fund and its Subsidiary (collectively, the “Fund”). All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates — The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of actual and contingent assets and

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

liabilities at the date of the consolidated financial statements and the reported amounts of income or loss and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the valuation of investments.

Valuation of Investments — Investments are valued at fair value in accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurement*, subject to review by the Trustee. The Fund’s valuations are generally determined as follows:

Investments in Equity Securities - The Fund generally values equity securities listed or traded on a recognized securities exchange or market, or an over-the-counter market, at the last sale price on such exchange or market. To the extent identical securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy otherwise, the securities are categorized as Level 2.

Investments in Corporate Bonds – The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable) and bond spreads. When observable price quotations are not available, fair value is determined based on cash flow models using yield curves, bond or single-name credit default swap spreads, and recovery rates based on collateral values as key inputs. Corporate bonds are generally categorized in Level 2 or Level 3 of the ASC 820 fair value hierarchy.

Investment in Asset Backed Securities (“ABS”) - The Fund generally values ABS based on broker dealer quotes obtained from third-party service providers. When position-specific external price data is not observable, the valuation is based on prices of comparable securities or cash flow models that consider inputs including default rates, conditional prepayment rates, loss severity, expected yield to maturity, and other inputs specific to each security. ABS are categorized in Level 2 of the fair value hierarchy when external pricing data is observable and in Level 3 when external pricing data is unobservable.

Investments in Loans – The fair value of loans is generally estimated based on recently executed transactions and market price quotations (when observable). When quotations are not observable, proprietary valuation models and recovery analysis methods may be employed, which would include a bankruptcy waterfall analysis. Further, leverage levels, yields and cash flows characteristics for industry comparables may be among the observable inputs used to determine fair value. Loans are generally classified in Level 2 or Level 3 of the ASC 820 fair value hierarchy.

Investments in Forwards – Forward contracts are traded in the over-the-counter (“OTC”) market. The fair value of forward contracts is estimated using observable inputs, such as currency exchange rates, applied to notional amounts stated in the applicable contracts. Forward contracts are generally categorized in Level 2 of the ASC 820 fair value hierarchy.

Refer to Note 5 for more information on fair value measurements and disclosures.

Income Taxes — The Fund is considered a partnership under the Internal Revenue Code; therefore no federal income tax provision is necessary. The investors of the fund are individually liable for their share of the Fund’s income. Withholding taxes on foreign dividends are accrued when the related income is earned in an amount the Trustee believes is ultimately payable after any reclaim of taxes withheld. In addition, the Subsidiary has elected to be treated as a Securitization Structure under the Luxembourg law on securitization transactions of March 24, 2014. The Subsidiary does not expect to incur Luxembourg tax liabilities in excess of a de-minimis amount of EUR 3,210, under certain conditions.

Under the provisions of FASB ASC 740, *Income Taxes* (“ASC 740”), the Fund is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. De-recognition of a tax benefit previously

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

recognized results in the Fund recording a tax liability that reduces ending net assets. Based on its analysis, the Fund has determined that it has not incurred a liability for unrecognized tax benefits as of December 31, 2016. However, the Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof. The Fund is subject to examination by U.S. federal and state tax authorities for returns filed since inception.

Investment Transactions, Related Investment Income and Expenses — Investment transactions are accounted for on the trade date. Interest income, adjusted for amortization of premiums and accretion of discounts on investments, is earned from settlement date and is recorded on an accrual basis. Premiums and discounts are amortized using the effective interest rate method. Expenses are recorded on an accrual basis as incurred. Realized gains and losses are reported on the specific identification method. Dividend income is recognized on the ex-dividend date. At December 31, 2016, the Fund's Interest Receivable in the consolidated statement of assets and liabilities includes accrued interest purchased and interest earned, but not yet received, on the Fund's securities held as of the same date.

Foreign Currency Translations — Assets and liabilities denominated in foreign currencies are translated into U.S. dollars equivalents using year-end spot foreign currency exchange rates. Purchases and sales of financial instruments, and their related income and expenses, are translated at the rate of exchange on the respective date of such transactions. The Fund does not isolate that portion of the results of operations from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net unrealized gains or losses from investments and realized gains and losses upon sale of such investments.

Reported net realized foreign currency gains and losses arise from currency gains and losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividend or interest income recorded on the Fund's books and the U.S. dollar equivalents of the amounts actually received or paid. Net unrealized foreign currency gains or losses arise from changes in the fair values of assets and liabilities, other than investments in securities at period end, resulting from change in exchange rates.

Derivative Instruments — The Fund recognizes its derivative instruments as either assets or liabilities in the consolidated statement of assets and liabilities at fair value. The changes in the fair value are included in the consolidated statement of operations during the current period. The Fund is exposed to certain risks relating to its ongoing operations; the primary risks managed by using derivative instruments are for investment purposes. As of December 31, 2016, the only instruments meeting the definition of a derivative instrument held by the Fund are forward foreign currency exchange contracts.

3. Unit Transactions

The interest of each Investor in the Fund will initially be represented by Units comprising equal interests in the Fund without priority or preference over other Units of the Fund ("Units"). Each Investor shall receive one Unit for each dollar of capital contributed to the Fund, and each Unit shall have a par value of \$.001. The Trustee shall have the full power and authority, in its sole discretion, and without any prior authorization or approval of the Investors to establish additional classes ("Classes") of Units, with such rights, preferences, duties and privileges as the Trustee shall from time to time determine, and the Trustee shall have such further powers with respect to the issuance, classification, reclassification, division, and abolishment of Units or any Class of Units as shall be provided in the Declaration of Trust or as otherwise determined by the Trustee in accordance therewith. The NAV per Unit for the Fund (or any Class of Units) means, as of any business day on which the NAV is determined, the quotient of the aggregate NAV of the Fund (or portion thereof attributable to a Class of Units) divided by the number of issued and outstanding Units in the Fund (or Class of Units). The aggregate NAV of the Fund (or Class of Units) means the Fund's (or Class of Units) total assets less its total liabilities as of any business day. In making this determination, NAV includes all profits, gain and losses of the Fund (or relevant Class), whether realized or unrealized.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

Units in the Fund are offered to investors (the “Investors”, and each, an “Investor”) in accordance with the general terms set forth in the Brochure. Subscriptions may be made on the first business day of each calendar quarter. For subscriptions made prior to the Cut-Off Time, the NAV will be determined as of the NAV Determination Time for the immediately preceding calendar quarter. For subscriptions received after the Cut-Off Time, the NAV of the Units will be determined as of the next subsequent NAV Determination Time for the Fund; provided, however, that the Trustee may, in its discretion, waive the Cut-Off Time in the case of any Investor (including, without limitation, Investors that are affiliated with Alcentra or the Trustee). The Cut-Off Time for subscriptions is the third to last business day of each calendar quarter as of 4:00 p.m. Eastern Time.

An Investor will generally be permitted to redeem all or any portion of its Units as of the last business day of each calendar quarter upon ninety (90) days’ prior written notice; provided, however, that redemptions of Units made during the initial 1 year Lock-Up Period immediately following the subscription date of the investment attributable to such Units will be subject to a Redemption Fee of 5% of the amount redeemed, payable to the Fund.

The MS Fund held its initial closing on December 12, 2013, raising aggregate partner subscriptions of \$113,000,000. As of December 31, 2016, the MS Fund had 18,103,802.04 Units of Class A and 3,000,000 Units of Class B issued and outstanding. Class A and Class B Units have the same rights and privileges but are charged management fees at different rates (see Note 9 for more information).

4. Allocation of Net Investment Income/Loss and Incentive Fee

Allocation of Net Profit and Loss — The Net Asset Value (“NAV”) per Unit in each Class will be calculated by dividing the NAV of the Class by the number of outstanding Units of such Class at the relevant date. The NAV per Unit in each series will be determined by taking the NAV of the relevant Class attributed to the relevant series pro-rated by the Units in issue in such series of that Class and adjusting the result for applicable Incentive Fees (as defined below).

Incentive Fee — If, in any Performance Period (as defined below), the NAV of a series of Units equals or exceeds the Threshold Amount (as defined herein), Alcentra will receive an incentive fee (the “Incentive Fee”) for such series equal to 10% of the amount, if any, by which the NAV of such series as of the end of the Performance Period exceeds the NAV of such series as of the beginning of the Performance Period, provided that the aggregate amount in the Loss Carryforward (as defined below) for such series has been recouped. Notwithstanding the foregoing, if the Incentive Fee would cause the NAV of a series of Units to fall below the Threshold Amount for such Performance Period, the Incentive Fee shall be reduced, but not below zero, to the extent required to satisfy the Threshold Amount.

The “Threshold Amount” is the hypothetical NAV of such series of Units calculated as if the NAV of such series of Units as of the previous date an Incentive Fee was paid with respect to such series of Units (or the issuance date if such series of Units has not previously been subject to an Incentive Fee) had increased at a rate equal to 6% per annum compounded annually. The Threshold Amount for a series of Units is calculated on a cumulative basis.

A “Performance Period” will commence, with respect to a series, on the date such series was issued and, thereafter, immediately following the close of the preceding Performance Period, and shall generally end (i) on each fiscal year end, (ii) with respect to an Investor making a complete or partial redemption (with respect to such Investor), on the Redemption Date or (iii) the date on which the Fund dissolves.

For the avoidance of doubt, each series of Units will be accounted for separately for the purpose of determining the Incentive Fee applicable to such series of Units. Accordingly, an Investor that holds Units from more than one series may be subject to the Incentive Fee with respect to one series of Units, but not with respect to another series of Units. The Incentive Fee for any Performance Period will be adjusted pro rata for any subscriptions or redemptions made during such Performance Period, as applicable.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

If an Investor redeems Units other than at the end of a fiscal year, the date of such redemption will be treated as the last day of the Performance Period for the redeemed Units. Accordingly, an Incentive Fee will be calculated on the Units to be redeemed and the redemption proceeds payable to such Investor will be reduced by the amount of the Incentive Fee payable on such Units (as well as by the accrued Management Fee (as defined below) and any other applicable fees and expenses payable on such Units).

In order to calculate the Incentive Fee, the Fund will maintain a memorandum loss recovery account for each series of Units (a “Loss Carryforward”), the opening balance of which will be zero. At the end of each Performance Period and before giving effect to any redemptions, any decrease in the NAV of the series of Units for that Performance Period (prior to the accrual of the Incentive Fee for such period) will be added to the Loss Carryforward for that series and any increase in the NAV of the series for that Performance Period (prior to the accrual of the Incentive Fee for such period) will be subtracted. The balance in the Loss Carryforward will never be reduced below zero for any Performance Period. The Loss Carryforward will be reduced proportionately for any redemptions, dividends or distributions. Any Loss Carryforwards that exist with respect to a Investor at a time when the Investor makes a partial redemption will be reduced proportionately. Total Incentive Fees incurred by the Fund for the year ended December 31, 2016 was \$780,869 all of which was payable as of December 31, 2016.

5. Fair Value Measurements

The Fund follows the provisions of ASC 820-10, which defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure of fair value measurements. ASC 820-10 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Fund to assume that the portfolio investment is sold in a principal market to market participants, or in the absence of a principal market, the most advantageous market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820-10, the Fund has considered its principal market as the market in which the Fund exits its portfolio investments with the greatest volume and level of activity. ASC 820-10 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. In accordance with ASC 820-10, these inputs are summarized in the three broad levels listed below:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Fund has established valuation policies and procedures to ensure that the valuation techniques for the Fund’s investments are fair, consistent and verifiable. The fair value of the Fund’s investments is reviewed quarterly.

The Fund designates a Valuation Committee (the “Committee”) to oversee the valuation process of the Fund’s investments. The Committee is responsible for developing the Fund’s written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies. The Committee meets quarterly, or more frequently as needed, to determine the valuations of the Fund’s investments.

For investments categorized in Level 3 of the fair value hierarchy, the fair value of the Fund’s investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Fund may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If the Fund was required to liquidate a portfolio investment in a forced or liquidation sale, it could realize significantly less than the value at which the Fund has recorded it. In addition, changes in the market environment and other events

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the valuations currently assigned.

See Note 2 for further information on how investment valuations are determined.

The following is a summary of the fair value measurements used as of December 31, 2016:

Assets

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investments				
Common Stock	-	3,581,393	1,615,258	5,196,651
Corporate Bonds	-	25,044,911	776,399	25,821,310
Asset Backed Securities	-	81,022,237	4,048,979	85,071,216
Loans	-	68,239,380	11,157,971	79,397,351
Total	\$ -	\$ 177,887,921	\$ 17,598,607	\$ 195,486,528

Derivative contracts

Forward foreign currency exchange contracts	\$ -	\$ 6,926,393	\$ -	\$ 6,926,393
Total Derivative Assets contracts	\$ -	\$ 6,926,393	\$ -	\$ 6,926,393

Liabilities

	Level 1	Level 2	Level 3	Total
Derivative contracts				
Forward foreign currency exchange contracts	\$ -	\$ 239,293	\$ -	\$ 239,293
Total Derivative Liability contracts	\$ -	\$ 239,293	\$ -	\$ 239,293

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

The following table presents information about the Fund's Level 3 assets measured at fair value as of December 31, 2016:

	Equities	Bonds	Loans	Asset Backed	Total
Beginning balance, January 1, 2016	\$ -	\$ 3,534	\$ 865,444	\$ 1,090,000	\$ 1,958,978
Purchases	-	-	6,261,984	1,575,798	7,837,782
Sales	(5,039)	-	-	-	(5,039)
Paydowns	-	-	(761,506)	-	(761,506)
Net unrealized appreciation/depreciation	(2,795,956)	772,865	1,281,644	(551,816)	(1,293,263)
Realized gains ⁽¹⁾	-	-	-	-	-
Net realized gains (losses) ⁽¹⁾	(58,902)	-	4,101,512	-	4,042,610
Payment-in-kind interest income	-	-	26,820	3,024,997	3,051,817
Transfers into/out of Level 3	4,475,155	-	(617,927)	(1,090,000)	2,767,228
Balance as of December 31, 2016	<u>\$ 1,615,258</u>	<u>\$ 776,399</u>	<u>\$ 11,157,971</u>	<u>\$ 4,048,979</u>	<u>\$ 17,598,607</u>
Net unrealized gains/losses from investments held as of December 31, 2016	<u>\$ (58,902)</u>	<u>\$ -</u>	<u>\$ 4,101,512</u>	<u>\$ -</u>	<u>\$ 4,042,610</u>

⁽¹⁾ Realized and unrealized gains and losses are all included in net gain (loss) on investments and foreign currencies in the consolidated statement of operations.

Refer to the Fund's Consolidated Condensed Schedule of Investments for more information.

Transfers between levels, if any, are recognized at the end of the period in which the transfers occur. For the year ended December 31, 2016, securities transferred from Level 2 to Level 3 because of lack of observable market data due to decrease in market activity for these securities. Previously, observable market data in the form of the purchase price was being used in the valuation of the securities.

The following table summarizes the valuation techniques and significant unobservable inputs used for the Fund's investments that are categorized within Level 3 of the fair value hierarchy as of December 31, 2016:

Assets	Assets at Fair Value	Valuation technique	Unobservable Inputs
Asset Backed Securities	\$ 4,048,979	Cash flow projections.	Probability of recovery. Probability of repayment.
Bonds	776,399	Cash flow projections.	Probability of recovery. Probability of repayment.
Equities	1,615,257	Probability factors.	Discount for lack of marketability. Targeted IRR assumptions.
Loans	19,717,558		
Total	\$ 26,158,193		Implied discount margins.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

6. Derivative Instruments

The Fund entered into forward foreign currency exchange contracts to hedge against foreign currency exchange rate risk on its non-U.S. dollar denominated investment securities or to facilitate settlement of foreign denominated portfolio transactions. When entering into a forward foreign currency exchange contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. Forward foreign currency exchange contracts involve elements of market risk in excess of the amount reflected in the consolidated statement of assets and liabilities. The Fund bears the risk of an unfavorable change in the foreign exchange rate underlying the forward foreign currency contract. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

The contracts are marked-to-market daily based upon forward foreign exchange rates and the change in value, if any, is recorded as a net change in unrealized gain or loss on derivative contract in the consolidated statement of operations. When a forward foreign currency exchange contract is extinguished, through either delivery or offset by entering into another forward foreign currency exchange contract, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value of the contract at the time it was extinguished.

The following tables provide the description, the financial statement location and the amounts of derivative financial instruments as of and for the period ended December 31, 2016. The amounts in the table exclude the effects of cash received or posted as collateral and therefore are not representative of the Fund's overall net exposure. Derivative Instruments Categorized by Risk Exposure:

Fair Values of Derivative Instruments as of December 31, 2016		
Asset Derivatives		
Risk Exposure	Statement of Assets and Liabilities Location	Fair Value
Foreign Exchange	Derivative contracts, at fair value	\$ 6,926,392
Liability Derivatives		
Risk Exposure	Statement of Assets and Liabilities Location	Fair Value
Foreign Exchange	Derivative contracts, at fair value	\$ 239,293

The following table summarizes the net gain (loss) on derivatives recognized in income for the year ended December 31, 2016:

The Effect of Derivative Instruments on the Statement of Operations For the Year Ended December 31, 2016		
Description	Net Realized Gain on Derivative Contracts	Net Change in Unrealized Appreciation
Forward Foreign Currency Exchange Contracts	\$ 9,128,550	\$ 1,513,877

For the year ended December 31, 2016, the volume of the Fund's derivative activities based on the notional amount of the derivative contracts held at December 31, 2016 is presented below:

Description	Long	Short
Foreign Exchange:		
Forward Foreign Currency Exchange Contracts*	\$ -	\$ 169,508,563

* Short exposure represents contracts to sell foreign currencies and buy the U.S. dollar.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

The Fund has elected not to offset derivative contracts assets and liabilities in the Statement of Assets and Liabilities. The following table provides disclosure regarding the potential effect of offsetting recognized assets and liabilities presented in the Statement of Assets and Liabilities had the Fund elected to offset:

Counterparty	Financial Derivative Assets		Financial Derivative Liabilities		Net Market Value of Derivatives	Collateral (Received)/Posted	Net Exposure ^(a)
	Forward Currency Contracts	Foreign Contracts	Forward Currency Contracts	Foreign Contracts			
Royal Bank of Scotland							
Group PLC	\$	6,926,393	\$	(239,293)	\$ 6,687,100	\$ -	\$ 6,687,100

^(a) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity.

7. Investment Risk Factors and Concentration of Investments

The Fund may maintain positions in financial instruments as determined by its investment management strategy. The investment portfolios may include debt, equity and derivative contracts.

The Fund's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which they invest. The significant types of financial risks which the Fund is exposed to are market risk, limited liquidity of investments, counterparty risk, credit risk, currency risk, and risks associated with the Eurozone.

The Manager determines and manages the Fund's asset allocation. Achieving the desired investment objectives involves taking risks. The Manager exercises judgment based on analyses, research and risk management techniques when executing investment decisions. The Manager also monitors the portfolio for divergence from target asset allocations and may recalibrate the composition of the portfolio as required.

The risks to which the Fund is exposed to include, without limitation, the following:

Market Risk — The market price of investments may significantly fluctuate during the period of investment. Investments may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of an investment may decline due to general market conditions which are not specifically related to such investment, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Limited Liquidity of Investments — The Fund intends to invest in investments that are not readily marketable. Illiquid investments may trade at a discount from comparable, more liquid investments, and at times there may be no market at all for such investments. Subordinate investments may be less marketable, or in some instances illiquid, because of the absence of registration under federal securities laws, contractual restrictions on transfer, the small size of the market and the small size of the issue (relative to issues of comparable interests). As a result, the Fund may encounter difficulty in selling its investments.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

Concentration Risk — The Fund may invest a high percentage of its assets in specific sectors of the market in order to achieve a potentially greater investment return. As a result, the Fund's investments may be more susceptible to economic, political, and regulatory developments in a particular sector of the market, positive or negative, and may result in increased volatility of the Fund's investment balances as a result.

Counterparty Risk — The participants in the markets in which the Fund invests are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the applicable contract (whether or not such dispute is bona fide) or because of a credit or liquidity problem, causing the Fund to potentially suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

Currency Risk — Commitments to the Fund are denominated in U.S. Dollars but the Fund will make investments and receive returns denominated in other currencies. As the Fund is not required to cover currency risk through hedging, changes in currency exchange rates may adversely affect the value of investments, interest and dividends received by the Fund, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by the Fund. In addition, the Fund will incur costs in converting investment principal and income from one currency to another.

Risks Associated with the Eurozone — Since the Fund will primarily invest in companies that conduct a material part of their business in the United Kingdom and other countries in Europe, the Fund's investments and its investment performance will be affected by economic or financial events relating to the Euro or the Eurozone.

Credit Risk — There are no restrictions on the credit quality of the investments in which the Fund intends to invest. Investments may be deemed by nationally recognized rating agencies to have substantial vulnerability to default in payment of interest and/or principal. Some investments may have low quality ratings or be unrated. Lower rated and unrated investments have major risk exposure to adverse conditions and are considered to be predominantly speculative. Generally, such investment offer a higher return potential than higher rated investments, but involve greater volatility of price and greater risk of loss of income and principal.

In general, the ratings of nationally recognized rating organizations represent the opinions of these agencies as to the quality of the securities they rate. Such ratings, however, are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of the relevant securities. It is also possible that a rating agency might not change its rating of a particular investment or borrower on a timely basis to reflect subsequent events. The Manager may use these ratings as initial criteria for the selection of portfolio assets for the Fund but is not required to utilize them.

8. Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. The Fund expects the risk of future obligations under these indemnifications to be remote.

9. Related Party Transactions

Management Fee

The Fund will pay to the Trustee a quarterly management fee in advance (the "Management Fee") as of the first calendar day of each fiscal quarter prior to any distributions to Investors in respect of their Units equal to 0.275% (or 1.1% annually) of the NAV of each Investor's Units. Notwithstanding the foregoing, if at any time an Investor's

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

aggregate capital contributions to the Fund and, if applicable, Clareant European Credit Opportunities Fund, (the “ECOF Fund”) (a series of the Trust and an entity affiliated with the Fund), as reduced by any redemptions from the Fund, equals or exceeds \$50 million, the quarterly Management Fee charged in respect of such Investor’s Units of the Fund and the ECOF Fund will be 0.25% (or 1.0% annually) (the “Reduced Management Fee”). For the avoidance of doubt, the positive or negative performance of the Investor’s Units will be excluded for purposes of determining whether the Reduced Management Fee will apply. The Reduced Management Fee will be adjusted pro rata to the extent that the Reduced Management Fee applies for a period that is less than a calendar quarter.

The Trustee may, in its sole discretion, elect to reduce or waive all or a portion of the Management Fee with respect to any Investor, including, without limitation, Investors who are affiliated with the Trustee, through a discount, rebate or other means, without prior notice to or the consent of any other Investor. No such waiver or reduction shall entitle any other Investor to such terms, rebate or waiver.

The Trustee may agree to pay a portion of the Management Fee to Alcentra under the Sub-Advisory Agreement. Total Management Fees incurred by the Fund for the year ended December 31, 2016 was \$2,339,796 of which \$1,818,869 was payable as of December 31, 2016.

Custodian

In the normal course of business, all of the Fund’s money balances and security positions are held in custody with the Bank of New York Mellon.

Administrative Service Fees

The Fund has entered into administrative agreements with Bank of New York Mellon to provide administrative services to the MS Fund and its Subsidiary. For the year ended December 31, 2016, the Fund incurred administrative service fees of \$146,010 at the Subsidiary level, of which \$23,878 was payable as of December 31, 2016. The Fund does not incur administrative fees at the MS Fund level, as such charges are paid out of the Management Fee and the Fund shall not pay fees in addition to the Management Fee in connection to such services at the MS Fund level.

Placement Agent

The Fund has entered into an agreement with an affiliated placement agent, MBSC Securities Corporation (a U.S. registered broker dealer), and may enter into agreements with non-affiliated third-party placement agents, with respect to the sale of Units. Commissions or fees payable under these arrangements, if any, are expected to be the sole responsibility of the Trustee. The Fund is not expected to have any obligation with respect thereto.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

10. Financial Highlights

The following table presents the Fund's per Unit operating performance for the period. Per Unit operating performance is calculated for each Class of units taken as a whole.

	Class A	Class B
Investors' interest per Unit, beginning of year	\$ 10.3980	\$ 10.4292
Net increase in Investors' interest per Unit resulting from operations:		
Net investment income	0.6976	0.7415
Net gain on investments	0.1490	0.1587
Net increase in Investors' interest per Unit resulting from operations	0.8466	0.9002
Investors' interest per Unit, end of year	\$ 11.2446	\$ 11.3294
 Total return before incentive allocation	 8.52 %	 8.63 %
Incentive allocation	(0.36)	-
Total return after incentive allocation	8.16%	8.63 %
 Ratios to average net assets(a,b):		
Net investment income	6.41%	6.86%
Total expenses	1.67 %	1.27%

(a) Ratios of net investment income and expenses to average Investors' interests for each Class of Units for the year. The ratios are based on the weighted average Investors' interests for each Class of Units taken as a whole. The ratios for an individual unitholder may vary due to the timing of unit transactions.

(b) Class A Units and Class B Units are charged management fee at a quarterly rate of 0.275% (1.1% annually) and 0.25% (1.0% annually), respectively.

11. Subsequent Events

The Trustee and the Managers have evaluated the possibility of subsequent events existing in the Fund's consolidated financial statements through April 27, 2017 and to their knowledge, there have been no subsequent events that occurred during the period from January 1, 2017 to April 27, 2017 that would require disclosure in the Fund's consolidated financial statements as of December 31, 2016 and for the year then ended.

For the period January 1, 2017 through April 27, 2017, the Fund accepted capital contributions of \$0 and had requests for capital withdrawals of \$21,235,721.

Clareant Multi-Strategy European Credit Fund

(A Series of the Alexander Series Trust)

**Consolidated Financial Statements as of and for the Year Ended December 31, 2016
with Report of Independent Auditors**

Clareant Multi-Strategy European Credit Fund

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Trustee and Unitholders of
Clareant Multi-Strategy European Credit Fund

We have audited the accompanying consolidated financial statements of Clareant Multi-Strategy European Credit Fund (Formerly, Alcentra Multi-Strategy European Credit Fund), a series of the Alexander Series Trust, which comprise the consolidated statement of assets and liabilities, including the consolidated condensed schedule of investments, as of December 31, 2016, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Clareant Multi-Strategy European Credit Fund (Formerly, Alcentra Multi-Strategy European Credit Fund), as of December 31, 2016, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

April 27, 2017

Clareant Multi-Strategy European Credit Fund

Consolidated Statement of Assets and Liabilities

As of December 31, 2016

Assets

Investments in securities, at fair value (cost \$218,659,431)	\$ 195,486,529
Cash	58,303,221
Receivable for investments sold	676,271
Derivative contracts, at fair value	6,926,392
Interest receivable	1,355,719
Total assets	<u>262,748,132</u>

Liabilities

Redemption payable	13,896,621
Payables for investments purchased	8,285,855
Management fees payable	1,818,869
Accrued expenses	226,166
Incentive fees payable	780,869
Derivative contracts, at fair value	239,293
Total liabilities	<u>25,247,673</u>

Net Assets	<u><u>\$ 237,500,459</u></u>
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Net Asset Value per Unit

Class A (18,103,802 units issued and outstanding)	<u><u>\$ 11.2414</u></u>
Class B (3,000,000 units issues and outstanding)	<u><u>\$ 11.3294</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments

As of December 31, 2016

Principal	Description	% of net assets		Fair value
Investments in securities:				
Equity:				
Italy:				
	Consumer Products	0.43	% \$	1,017,002
	Total Netherlands (cost \$0)	0.43		1,017,002
Netherlands:				
	Metals/Mining	0.02		48,933
	Utility	0.03		72,187
	Total Netherlands (cost \$7,697,055)	0.05		121,120
United Kingdom:				
	Energy	0.09		204,980
	Gaming	1.51		3,590,439
	Total United Kingdom (cost \$3,376,474)	1.60		3,795,419
United States:				
	Energy	0.11		263,109
	Total United States (cost \$0)	0.11		263,109
	Total Equity (cost \$11,073,529)	2.19		5,196,650
Corporate Bonds:				
France:				
	Cable	0.43		1,028,750
	Homebuilders/Materials	0.45		1,059,320
	Retail	0.14		341,529
	Total France (cost \$4,396,114)	1.02		2,429,599
Germany:				
	Cable	0.38		904,269
	Manufacturing	0.26		623,707
	Total Germany (cost \$1,852,486)	0.64		1,527,976
Ireland:				
	Telecommunications	0.47		1,106,926
	Total Ireland (cost \$1,134,800)	0.47		1,106,926
Luxembourg:				
	Telecommunications	2.51		5,954,590
	Total Luxembourg (cost \$5,207,798)	2.51		5,954,590

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments (continued)

As of December 31, 2016

Principal	Description	% of net assets		Fair value
Investments in securities:				
Corporate Bonds: (continued)				
Netherlands:				
	Cable	0.14	% \$	331,727
	Metals/Mining	0.04		95,333
	Utility	0.33		776,399
	Total Netherlands (cost \$1,207,724)	0.51		1,203,459
Sweden:				
	Business equipment & services	0.24		575,648
	Chemicals	1.56		3,709,250
	Total Sweden (cost \$4,250,900)	1.80		4,284,898
United Kingdom:				
	Finance	1.12		2,662,577
	Healthcare	0.51		1,209,320
	Retail Stores	1.08		2,571,577
	Utility	0.24		563,317
	Total United Kingdom (cost \$8,480,528)	2.95		7,006,791
United States of America:				
	Energy	0.75		1,773,975
	Finance	0.22		533,096
	Total United States (cost \$2,338,012)	0.97		2,307,071
	Total Bonds (cost \$28,868,362)	10.87		25,821,310
Asset Backed Securities:				
Cayman Islands:				
	Finance	7.13		16,926,578
	Total Cayman Island (cost \$18,028,636)	7.13		16,926,578
Ireland:				
	Diversified	10.20		24,222,793
	Total Ireland (cost \$27,085,574)	10.20		24,222,793
Jersey- Channel Islands:				
	Diversified	1.73		4,107,347
	Total Jersey- Channel Islands (cost \$5,826,622)	1.73		4,107,347
Luxembourg:				
	Diversified	0.63		1,489,901
	Total Luxembourg (cost \$1,522,256)	0.63		1,489,901

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments (continued)

As of December 31, 2016

Investments in securities: (continued)

Asset backed securities (continued):

Netherlands:

Diversified	12.79	%	\$	30,364,023
Total Netherlands (cost \$33,512,289)	12.79			30,364,023

United Kingdom:

Diversified	3.35			7,960,575
Total United Kingdom (cost \$8,091,550)	3.35			7,960,575

Total Asset Backed Securities

(cost \$94,066,927)	35.83			85,071,217
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Loans:

Belgium:

Industrial equipment	0.45			1,065,987
Total Belgium (cost \$1,126,402)	0.45			1,065,987

France:

Chemicals	0.45			1,063,269
Finance	0.42			997,672
Manufacturing	0.43			1,019,426
Retail	3.38			8,024,773
Services	0.44			1,053,451
Technology	0.89			2,113,591
Total France (cost \$19,165,210)	6.01			14,272,182

Germany:

Cable	0.45			1,065,572
Consumer Products	2.23			5,296,243
Gaming	0.45			1,071,745
Healthcare	0.79			1,869,390
Media-other	0.44			1,053,136
Total Germany (cost \$12,449,084)	4.36			10,356,086

Ireland:

Telecommunications	0.39			920,330
Total Ireland (cost \$900,633)	0.39			920,330

Italy:

Consumer Goods- Durable	1.70			4,038,666
Total Italy (cost \$3,323,076)	1.70			4,038,666

Luxembourg:

Diversified	0.44			1,054,292
Total Luxembourg (cost \$1,114,514)	0.44			1,054,292

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments (continued)

As of December 31, 2016

Principal	Description	% of net assets		Fair value
Investments in securities (continued) :				
Loans (continued) :				
Netherlands:				
	Cable	0.45	% \$	1,058,026
	Consumer Products	0.44		1,047,756
	Healthcare	0.44		1,054,824
	Manufacturing	1.59		3,777,214
	Media-Other	0.45		1,067,660
	Metals/Mining	0.15		364,615
	Services	0.65		1,536,643
	Technology	0.44		1,035,740
	Total Netherlands (cost \$9,061,126)	4.61		10,942,478
Spain:				
	Healthcare	0.44		1,054,461
	Leisure	0.45		1,058,273
	Telecommunications	0.44		1,038,225
	Total Spain (cost \$3,325,561)	1.33		3,150,959
Sweden:				
	Chemical, Plastics & Rubber	3.18		7,564,125
	Healthcare	0.45		1,066,881
	Services	0.22		531,647
	Total Sweden (cost \$8,341,441)	3.85		9,162,653
United Kingdom:				
	Chemicals	1.22		2,898,841
	Energy	1.90		4,517,052
	Finance	0.41		966,841
	Gaming	0.52		1,246,920
	Healthcare	0.97		2,300,357
	Retail	1.03		2,450,520
	Telecommunications	0.45		1,060,902
	Total United Kingdom (cost \$16,400,965)	6.50		15,441,433

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Condensed Schedule of Investments (continued)

As of December 31, 2016

Principal	Description	% of net assets		Fair value
Investments in securities (continued) :				
Loans (continued) :				
United States of America:				
	Chemicals	0.89	% \$	2,108,372
	Energy	0.79		1,878,300
	Healthcare	0.77		1,817,234
	Paper/packing	0.45		1,067,765
	Technology	0.89		2,120,615
	Total United States of America (cost \$9,442,601)	3.79		8,992,286
	Total Loans (cost \$84,650,613)	33.43		79,397,352
Total investments in securities (cost \$218,659,431)		82.32	% \$	195,486,529

Forward Foreign Currency Contracts

At December 31, 2016, the Fund held the following forward foreign currency contracts:

Counterparty	Description	Maturity Date	U.S. Dollar Receivable	U.S. Dollar Payable	Unrealized Appreciation
Asset:					
	Unrealized Appreciation:				
	Purchase				
Royal Bank of Scotland Group PLC	148,082,470 U.S. Dollars, sell 134,100,000 Euros	1/17/2017	\$ 148,082,470	\$ (141,156,077)	\$ 6,926,393
Liability:					
	Unrealized Depreciation:				
	Purchase				
Royal Bank of Scotland Group PLC	21,426,093 U.S. Dollars, sell 17,550,000 Pounds	1/17/2017	\$ 21,446,093	\$ (21,665,386)	\$ (239,293)

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Statement of Operations

For the Year Ended December 31, 2016

Investment income

Interest income	\$ 17,961,384
Total investment income	<u>17,961,384</u>

Expenses

Management fee	2,339,796
Other expenses	198,540
Incentive fee	780,869
Professional fees	118,178
Administration fees	<u>146,010</u>
Total expenses	<u>3,583,393</u>

Net investment income	<u>14,377,991</u>
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Net realized and unrealized appreciation/(depreciation) on investments and derivative contracts

Net realized loss on foreign currencies	(654,084)
Net change in unrealized appreciation on investments	6,139,251
Net realized loss on investments	(12,395,160)
Net realized gain on derivative contracts	9,128,550
Net change in unrealized appreciation on derivative contracts	<u>1,513,877</u>
Net realized and unrealized gain on investments and derivative contracts	<u>3,732,434</u>

Net increase in net assets resulting from operations	<u>\$ 18,110,425</u>
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The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Statement of Changes in Net Assets

For the Year Ended December 31, 2016

Increase in Net Assets from Operations

Net investment income	\$ 14,377,991
Net realized loss on foreign currencies	(654,084)
Net change in unrealized appreciation on investments	6,139,251
Net realized loss on investments	(12,395,160)
Net realized gain on derivative contracts	9,128,550
Net change in appreciation on derivative contracts	<u>1,513,877</u>
Net increase in net assets resulting from operations	<u>18,110,425</u>

Increase in Net Assets from Participant Transactions

Proceeds from issuance of units (5,197,372.240 units)	55,001,000
Payments for redemption of units (1,230,702.042 units)	<u>(13,896,621)</u>
Net increase in net assets resulting from Participant Transactions	<u>41,140,379</u>
Total increase in net assets	<u>59,214,802</u>

Net Assets

Beginning of year	<u>178,285,657</u>
End of year	<u>\$ 237,500,459</u>

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2016

Cash flows from operating activities

Net increase in net assets resulting from operations	\$ 18,110,425
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:	
Net change in unrealized appreciation on investments	(6,139,251)
Net change in unrealized appreciation on derivative contracts	(1,513,877)
Net realized loss on investments	12,395,160
Payments on investments purchased	(95,305,098)
Proceeds on sales of investments	54,519,675
Changes in assets and liabilities related to operations:	
Receivable for investments sold	(676,271)
Interest receivable	(78,558)
Payable for investments purchased	(2,812,569)
Management fee payable	1,330,880
Incentive fees payable	640,390
Accrued expenses	(9,223)
Net cash used in operating activities	<u>(19,538,317)</u>

Cash flows from financing activities

Proceeds from issuance of units	55,001,000
Subscriptions received in advance	(22,001,000)
Payments for redemption of units	(13,896,621)
Redemptions payable	<u>13,896,621</u>
Cash provided by financing activities	<u>33,000,000</u>

Net increase in cash	13,461,683
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Cash

Beginning of year	<u>44,841,538</u>
End of year	<u>\$ 58,303,221</u>

The accompanying notes are an integral part of these consolidated financial statements.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2016

1. Organization and Business

Organization — Clareant Multi-Strategy European Credit Fund (the “MS Fund” and formerly Alcentra Multi-Strategy European Credit Fund) is one series of the Alexander Series Trust (formerly BNY Series Trust), a Delaware statutory trust of which The Bank of New York Mellon, a banking company organized under the laws of the State of New York, is the investment manager, custodian and operating trustee (the “Trustee”). The MS Fund commenced operations on December 12, 2013. BNY Mellon Trust of Delaware, a Delaware banking corporation that is an affiliate of the Trustee, is the corporate service agent and Delaware trustee of the MS Fund (the “Delaware Trustee”). The Trustee and Alcentra Limited (“Alcentra” or the “Manager”), an affiliate of the Trustee, serve as the advisor and sub-advisor to the MS Fund, respectively.

The MS Fund's investment objective is to generate attractive risk-adjusted returns through a blend of capital appreciation and current income. The MS Fund's investment strategy will seek to generate absolute net returns to investors (the “Investors”, and each, an “Investor”) by primarily utilizing three separate investment strategies: (i) investing in European senior secured loans (the “European Loan Strategy”); (ii) investing in European structured credit (the “Structured Credit Strategy”); and (iii) investing in special situations (the “Special Situations Strategy” and together with the European Loan Strategy and the European Structured Credit Strategy, the “Strategies”). Each Strategy will generally be managed based upon bottom-up, fundamental research. It should be noted that Alcentra currently expects to initially allocate the MS Fund's assets in approximately equal amounts among the Strategies. However, notwithstanding the foregoing, Alcentra may allocate the MS Fund's assets among the Strategies in any manner that Alcentra deems is consistent with the MS Fund's investment objective, and the MS Fund's assets will not necessarily be invested in each Strategy at all times. The MS Fund is not expected to utilize leverage in pursuing its investment objective. The MS Fund will invest substantially all of its investable assets through one or more subsidiary securitization vehicles which may include one or more companies resident in Luxembourg in the corporate form of a Société à responsabilité limitée (“S.à r.l.”). As of December 31, 2016, the MS Fund held a 100% controlling interest in a wholly owned subsidiary, Alcentra MS S.à r.l. (the “Subsidiary”), which was incorporated on October 25, 2013 and organized under the laws of Luxembourg as a S.à r.l. for an unlimited period subject to the Law of March 22, 2004 on securitization. Alcentra is the investment adviser of the Subsidiary. Alcentra is registered with the U.S. Securities and Exchange Commission as an investment advisor.

The MS Fund shall continue from year to year unless and until dissolved pursuant to the Declaration of Trust.

The notes to the consolidated financial statements contain references to and summary descriptions of various provisions of the supplemental information brochure of the MS Fund dated as of November 2013 (the “Brochure”). Capitalized terms used but not defined herein shall have the meaning assigned to them in the Brochure.

2. Significant Accounting Policies

Basis of Accounting — These consolidated financial statements are stated in United States (“U.S.”) dollars and have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”). Alexander Series Trust has reviewed Financial Accounting Standards Board (“FASB”) ASC Topic 946, Financial Services – Investment Companies Accounting Standards Codification (“ASC 946”), and concluded that the MS Fund meets the criteria of an “investment company,” and therefore, the Fund prepares its financial statements in accordance with investment company accounting as outlined in ASC 946.

Basis of Consolidation — The accompanying consolidated financial statements include the accounts of the MS Fund and its Subsidiary (collectively, the “Fund”). All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates — The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of actual and contingent assets and

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

liabilities at the date of the consolidated financial statements and the reported amounts of income or loss and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the valuation of investments.

Valuation of Investments — Investments are valued at fair value in accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurement*, subject to review by the Trustee. The Fund’s valuations are generally determined as follows:

Investments in Equity Securities - The Fund generally values equity securities listed or traded on a recognized securities exchange or market, or an over-the-counter market, at the last sale price on such exchange or market. To the extent identical securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy otherwise, the securities are categorized as Level 2.

Investments in Corporate Bonds – The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable) and bond spreads. When observable price quotations are not available, fair value is determined based on cash flow models using yield curves, bond or single-name credit default swap spreads, and recovery rates based on collateral values as key inputs. Corporate bonds are generally categorized in Level 2 or Level 3 of the ASC 820 fair value hierarchy.

Investment in Asset Backed Securities (“ABS”) - The Fund generally values ABS based on broker dealer quotes obtained from third-party service providers. When position-specific external price data is not observable, the valuation is based on prices of comparable securities or cash flow models that consider inputs including default rates, conditional prepayment rates, loss severity, expected yield to maturity, and other inputs specific to each security. ABS are categorized in Level 2 of the fair value hierarchy when external pricing data is observable and in Level 3 when external pricing data is unobservable.

Investments in Loans – The fair value of loans is generally estimated based on recently executed transactions and market price quotations (when observable). When quotations are not observable, proprietary valuation models and recovery analysis methods may be employed, which would include a bankruptcy waterfall analysis. Further, leverage levels, yields and cash flows characteristics for industry comparables may be among the observable inputs used to determine fair value. Loans are generally classified in Level 2 or Level 3 of the ASC 820 fair value hierarchy.

Investments in Forwards – Forward contracts are traded in the over-the-counter (“OTC”) market. The fair value of forward contracts is estimated using observable inputs, such as currency exchange rates, applied to notional amounts stated in the applicable contracts. Forward contracts are generally categorized in Level 2 of the ASC 820 fair value hierarchy.

Refer to Note 5 for more information on fair value measurements and disclosures.

Income Taxes — The Fund is considered a partnership under the Internal Revenue Code; therefore no federal income tax provision is necessary. The investors of the fund are individually liable for their share of the Fund’s income. Withholding taxes on foreign dividends are accrued when the related income is earned in an amount the Trustee believes is ultimately payable after any reclaim of taxes withheld. In addition, the Subsidiary has elected to be treated as a Securitization Structure under the Luxembourg law on securitization transactions of March 24, 2014. The Subsidiary does not expect to incur Luxembourg tax liabilities in excess of a de-minimis amount of EUR 3,210, under certain conditions.

Under the provisions of FASB ASC 740, *Income Taxes* (“ASC 740”), the Fund is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. De-recognition of a tax benefit previously

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

recognized results in the Fund recording a tax liability that reduces ending net assets. Based on its analysis, the Fund has determined that it has not incurred a liability for unrecognized tax benefits as of December 31, 2016. However, the Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof. The Fund is subject to examination by U.S. federal and state tax authorities for returns filed since inception.

Investment Transactions, Related Investment Income and Expenses — Investment transactions are accounted for on the trade date. Interest income, adjusted for amortization of premiums and accretion of discounts on investments, is earned from settlement date and is recorded on an accrual basis. Premiums and discounts are amortized using the effective interest rate method. Expenses are recorded on an accrual basis as incurred. Realized gains and losses are reported on the specific identification method. Dividend income is recognized on the ex-dividend date. At December 31, 2016, the Fund's Interest Receivable in the consolidated statement of assets and liabilities includes accrued interest purchased and interest earned, but not yet received, on the Fund's securities held as of the same date.

Foreign Currency Translations — Assets and liabilities denominated in foreign currencies are translated into U.S. dollars equivalents using year-end spot foreign currency exchange rates. Purchases and sales of financial instruments, and their related income and expenses, are translated at the rate of exchange on the respective date of such transactions. The Fund does not isolate that portion of the results of operations from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net unrealized gains or losses from investments and realized gains and losses upon sale of such investments.

Reported net realized foreign currency gains and losses arise from currency gains and losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividend or interest income recorded on the Fund's books and the U.S. dollar equivalents of the amounts actually received or paid. Net unrealized foreign currency gains or losses arise from changes in the fair values of assets and liabilities, other than investments in securities at period end, resulting from change in exchange rates.

Derivative Instruments — The Fund recognizes its derivative instruments as either assets or liabilities in the consolidated statement of assets and liabilities at fair value. The changes in the fair value are included in the consolidated statement of operations during the current period. The Fund is exposed to certain risks relating to its ongoing operations; the primary risks managed by using derivative instruments are for investment purposes. As of December 31, 2016, the only instruments meeting the definition of a derivative instrument held by the Fund are forward foreign currency exchange contracts.

3. Unit Transactions

The interest of each Investor in the Fund will initially be represented by Units comprising equal interests in the Fund without priority or preference over other Units of the Fund ("Units"). Each Investor shall receive one Unit for each dollar of capital contributed to the Fund, and each Unit shall have a par value of \$.001. The Trustee shall have the full power and authority, in its sole discretion, and without any prior authorization or approval of the Investors to establish additional classes ("Classes") of Units, with such rights, preferences, duties and privileges as the Trustee shall from time to time determine, and the Trustee shall have such further powers with respect to the issuance, classification, reclassification, division, and abolishment of Units or any Class of Units as shall be provided in the Declaration of Trust or as otherwise determined by the Trustee in accordance therewith. The NAV per Unit for the Fund (or any Class of Units) means, as of any business day on which the NAV is determined, the quotient of the aggregate NAV of the Fund (or portion thereof attributable to a Class of Units) divided by the number of issued and outstanding Units in the Fund (or Class of Units). The aggregate NAV of the Fund (or Class of Units) means the Fund's (or Class of Units) total assets less its total liabilities as of any business day. In making this determination, NAV includes all profits, gain and losses of the Fund (or relevant Class), whether realized or unrealized.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

Units in the Fund are offered to investors (the “Investors”, and each, an “Investor”) in accordance with the general terms set forth in the Brochure. Subscriptions may be made on the first business day of each calendar quarter. For subscriptions made prior to the Cut-Off Time, the NAV will be determined as of the NAV Determination Time for the immediately preceding calendar quarter. For subscriptions received after the Cut-Off Time, the NAV of the Units will be determined as of the next subsequent NAV Determination Time for the Fund; provided, however, that the Trustee may, in its discretion, waive the Cut-Off Time in the case of any Investor (including, without limitation, Investors that are affiliated with Alcentra or the Trustee). The Cut-Off Time for subscriptions is the third to last business day of each calendar quarter as of 4:00 p.m. Eastern Time.

An Investor will generally be permitted to redeem all or any portion of its Units as of the last business day of each calendar quarter upon ninety (90) days’ prior written notice; provided, however, that redemptions of Units made during the initial 1 year Lock-Up Period immediately following the subscription date of the investment attributable to such Units will be subject to a Redemption Fee of 5% of the amount redeemed, payable to the Fund.

The MS Fund held its initial closing on December 12, 2013, raising aggregate partner subscriptions of \$113,000,000. As of December 31, 2016, the MS Fund had 18,103,802.04 Units of Class A and 3,000,000 Units of Class B issued and outstanding. Class A and Class B Units have the same rights and privileges but are charged management fees at different rates (see Note 9 for more information).

4. Allocation of Net Investment Income/Loss and Incentive Fee

Allocation of Net Profit and Loss — The Net Asset Value (“NAV”) per Unit in each Class will be calculated by dividing the NAV of the Class by the number of outstanding Units of such Class at the relevant date. The NAV per Unit in each series will be determined by taking the NAV of the relevant Class attributed to the relevant series pro-rated by the Units in issue in such series of that Class and adjusting the result for applicable Incentive Fees (as defined below).

Incentive Fee — If, in any Performance Period (as defined below), the NAV of a series of Units equals or exceeds the Threshold Amount (as defined herein), Alcentra will receive an incentive fee (the “Incentive Fee”) for such series equal to 10% of the amount, if any, by which the NAV of such series as of the end of the Performance Period exceeds the NAV of such series as of the beginning of the Performance Period, provided that the aggregate amount in the Loss Carryforward (as defined below) for such series has been recouped. Notwithstanding the foregoing, if the Incentive Fee would cause the NAV of a series of Units to fall below the Threshold Amount for such Performance Period, the Incentive Fee shall be reduced, but not below zero, to the extent required to satisfy the Threshold Amount.

The “Threshold Amount” is the hypothetical NAV of such series of Units calculated as if the NAV of such series of Units as of the previous date an Incentive Fee was paid with respect to such series of Units (or the issuance date if such series of Units has not previously been subject to an Incentive Fee) had increased at a rate equal to 6% per annum compounded annually. The Threshold Amount for a series of Units is calculated on a cumulative basis.

A “Performance Period” will commence, with respect to a series, on the date such series was issued and, thereafter, immediately following the close of the preceding Performance Period, and shall generally end (i) on each fiscal year end, (ii) with respect to an Investor making a complete or partial redemption (with respect to such Investor), on the Redemption Date or (iii) the date on which the Fund dissolves.

For the avoidance of doubt, each series of Units will be accounted for separately for the purpose of determining the Incentive Fee applicable to such series of Units. Accordingly, an Investor that holds Units from more than one series may be subject to the Incentive Fee with respect to one series of Units, but not with respect to another series of Units. The Incentive Fee for any Performance Period will be adjusted pro rata for any subscriptions or redemptions made during such Performance Period, as applicable.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

If an Investor redeems Units other than at the end of a fiscal year, the date of such redemption will be treated as the last day of the Performance Period for the redeemed Units. Accordingly, an Incentive Fee will be calculated on the Units to be redeemed and the redemption proceeds payable to such Investor will be reduced by the amount of the Incentive Fee payable on such Units (as well as by the accrued Management Fee (as defined below) and any other applicable fees and expenses payable on such Units).

In order to calculate the Incentive Fee, the Fund will maintain a memorandum loss recovery account for each series of Units (a “Loss Carryforward”), the opening balance of which will be zero. At the end of each Performance Period and before giving effect to any redemptions, any decrease in the NAV of the series of Units for that Performance Period (prior to the accrual of the Incentive Fee for such period) will be added to the Loss Carryforward for that series and any increase in the NAV of the series for that Performance Period (prior to the accrual of the Incentive Fee for such period) will be subtracted. The balance in the Loss Carryforward will never be reduced below zero for any Performance Period. The Loss Carryforward will be reduced proportionately for any redemptions, dividends or distributions. Any Loss Carryforwards that exist with respect to a Investor at a time when the Investor makes a partial redemption will be reduced proportionately. Total Incentive Fees incurred by the Fund for the year ended December 31, 2016 was \$780,869 all of which was payable as of December 31, 2016.

5. Fair Value Measurements

The Fund follows the provisions of ASC 820-10, which defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure of fair value measurements. ASC 820-10 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Fund to assume that the portfolio investment is sold in a principal market to market participants, or in the absence of a principal market, the most advantageous market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820-10, the Fund has considered its principal market as the market in which the Fund exits its portfolio investments with the greatest volume and level of activity. ASC 820-10 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. In accordance with ASC 820-10, these inputs are summarized in the three broad levels listed below:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Fund has established valuation policies and procedures to ensure that the valuation techniques for the Fund’s investments are fair, consistent and verifiable. The fair value of the Fund’s investments is reviewed quarterly.

The Fund designates a Valuation Committee (the “Committee”) to oversee the valuation process of the Fund’s investments. The Committee is responsible for developing the Fund’s written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies. The Committee meets quarterly, or more frequently as needed, to determine the valuations of the Fund’s investments.

For investments categorized in Level 3 of the fair value hierarchy, the fair value of the Fund’s investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Fund may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If the Fund was required to liquidate a portfolio investment in a forced or liquidation sale, it could realize significantly less than the value at which the Fund has recorded it. In addition, changes in the market environment and other events

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the valuations currently assigned.

See Note 2 for further information on how investment valuations are determined.

The following is a summary of the fair value measurements used as of December 31, 2016:

Assets

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Investments				
Common Stock	-	3,581,393	1,615,258	5,196,651
Corporate Bonds	-	25,044,911	776,399	25,821,310
Asset Backed Securities	-	81,022,237	4,048,979	85,071,216
Loans	-	68,239,380	11,157,971	79,397,351
Total	\$ -	\$ 177,887,921	\$ 17,598,607	\$ 195,486,528

Derivative contracts

Forward foreign currency exchange contracts	\$ -	\$ 6,926,393	\$ -	\$ 6,926,393
Total Derivative Assets contracts	\$ -	\$ 6,926,393	\$ -	\$ 6,926,393

Liabilities

	Level 1	Level 2	Level 3	Total
Derivative contracts				
Forward foreign currency exchange contracts	\$ -	\$ 239,293	\$ -	\$ 239,293
Total Derivative Liability contracts	\$ -	\$ 239,293	\$ -	\$ 239,293

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

The following table presents information about the Fund's Level 3 assets measured at fair value as of December 31, 2016:

	Equities	Bonds	Loans	Asset Backed	Total
Beginning balance, January 1, 2016	\$ -	\$ 3,534	\$ 865,444	\$ 1,090,000	\$ 1,958,978
Purchases	-	-	6,261,984	1,575,798	7,837,782
Sales	(5,039)	-	-	-	(5,039)
Paydowns	-	-	(761,506)	-	(761,506)
Net unrealized appreciation/depreciation	(2,795,956)	772,865	1,281,644	(551,816)	(1,293,263)
Realized gains ⁽¹⁾	-	-	-	-	-
Net realized gains (losses) ⁽¹⁾	(58,902)	-	4,101,512	-	4,042,610
Payment-in-kind interest income	-	-	26,820	3,024,997	3,051,817
Transfers into/out of Level 3	4,475,155	-	(617,927)	(1,090,000)	2,767,228
Balance as of December 31, 2016	<u>\$ 1,615,258</u>	<u>\$ 776,399</u>	<u>\$ 11,157,971</u>	<u>\$ 4,048,979</u>	<u>\$ 17,598,607</u>
Net unrealized gains/losses from investments held as of December 31, 2016	<u>\$ (58,902)</u>	<u>\$ -</u>	<u>\$ 4,101,512</u>	<u>\$ -</u>	<u>\$ 4,042,610</u>

⁽¹⁾ Realized and unrealized gains and losses are all included in net gain (loss) on investments and foreign currencies in the consolidated statement of operations.

Refer to the Fund's Consolidated Condensed Schedule of Investments for more information.

Transfers between levels, if any, are recognized at the end of the period in which the transfers occur. For the year ended December 31, 2016, securities transferred from Level 2 to Level 3 because of lack of observable market data due to decrease in market activity for these securities. Previously, observable market data in the form of the purchase price was being used in the valuation of the securities.

The following table summarizes the valuation techniques and significant unobservable inputs used for the Fund's investments that are categorized within Level 3 of the fair value hierarchy as of December 31, 2016:

Assets	<u>Assets at Fair Value</u>	<u>Valuation technique</u>	<u>Unobservable Inputs</u>
Asset Backed Securities	\$ 4,048,979	Cash flow projections.	Probability of recovery. Probability of repayment.
Bonds	776,399	Cash flow projections.	Probability of recovery. Probability of repayment. Discount for lack of marketability.
Equities	1,615,257	Probability factors.	Targeted IRR assumptions.
Loans	19,717,558		
Total	<u>\$ 26,158,193</u>		Implied discount margins.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

6. Derivative Instruments

The Fund entered into forward foreign currency exchange contracts to hedge against foreign currency exchange rate risk on its non-U.S. dollar denominated investment securities or to facilitate settlement of foreign denominated portfolio transactions. When entering into a forward foreign currency exchange contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. Forward foreign currency exchange contracts involve elements of market risk in excess of the amount reflected in the consolidated statement of assets and liabilities. The Fund bears the risk of an unfavorable change in the foreign exchange rate underlying the forward foreign currency contract. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

The contracts are marked-to-market daily based upon forward foreign exchange rates and the change in value, if any, is recorded as a net change in unrealized gain or loss on derivative contract in the consolidated statement of operations. When a forward foreign currency exchange contract is extinguished, through either delivery or offset by entering into another forward foreign currency exchange contract, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value of the contract at the time it was extinguished.

The following tables provide the description, the financial statement location and the amounts of derivative financial instruments as of and for the period ended December 31, 2016. The amounts in the table exclude the effects of cash received or posted as collateral and therefore are not representative of the Fund's overall net exposure. Derivative Instruments Categorized by Risk Exposure:

Fair Values of Derivative Instruments as of December 31, 2016		
Asset Derivatives		
Risk Exposure	Statement of Assets and Liabilities Location	Fair Value
Foreign Exchange	Derivative contracts, at fair value	\$ 6,926,392
Liability Derivatives		
Risk Exposure	Statement of Assets and Liabilities Location	Fair Value
Foreign Exchange	Derivative contracts, at fair value	\$ 239,293

The following table summarizes the net gain (loss) on derivatives recognized in income for the year ended December 31, 2016:

The Effect of Derivative Instruments on the Statement of Operations For the Year Ended December 31, 2016		
Description	Net Realized Gain on Derivative Contracts	Net Change in Unrealized Appreciation
Forward Foreign Currency Exchange Contracts	\$ 9,128,550	\$ 1,513,877

For the year ended December 31, 2016, the volume of the Fund's derivative activities based on the notional amount of the derivative contracts held at December 31, 2016 is presented below:

Description	Long	Short
Foreign Exchange:		
Forward Foreign Currency Exchange Contracts*	\$ -	\$ 169,508,563

* Short exposure represents contracts to sell foreign currencies and buy the U.S. dollar.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

The Fund has elected not to offset derivative contracts assets and liabilities in the Statement of Assets and Liabilities. The following table provides disclosure regarding the potential effect of offsetting recognized assets and liabilities presented in the Statement of Assets and Liabilities had the Fund elected to offset:

Counterparty	Financial Derivative Assets		Financial Derivative Liabilities		Net Market Value of Derivatives	Collateral (Received)/ Posted	Net Exposure ^(a)
	Forward Foreign Currency Contracts	Forward Foreign Currency Contracts	Forward Foreign Currency Contracts	Forward Foreign Currency Contracts			
Royal Bank of Scotland							
Group PLC	\$ 6,926,393	\$ (239,293)	\$ 6,687,100	\$ -	\$ 6,687,100		

^(a) Net Exposure represents the net receivable/(payable) that would be due from/to the counterparty in the event of default. Exposure from financial derivative instruments can only be netted across transactions governed under the same master agreement with the same legal entity.

7. Investment Risk Factors and Concentration of Investments

The Fund may maintain positions in financial instruments as determined by its investment management strategy. The investment portfolios may include debt, equity and derivative contracts.

The Fund's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which they invest. The significant types of financial risks which the Fund is exposed to are market risk, limited liquidity of investments, counterparty risk, credit risk, currency risk, and risks associated with the Eurozone.

The Manager determines and manages the Fund's asset allocation. Achieving the desired investment objectives involves taking risks. The Manager exercises judgment based on analyses, research and risk management techniques when executing investment decisions. The Manager also monitors the portfolio for divergence from target asset allocations and may recalibrate the composition of the portfolio as required.

The risks to which the Fund is exposed to include, without limitation, the following:

Market Risk — The market price of investments may significantly fluctuate during the period of investment. Investments may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of an investment may decline due to general market conditions which are not specifically related to such investment, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Limited Liquidity of Investments — The Fund intends to invest in investments that are not readily marketable. Illiquid investments may trade at a discount from comparable, more liquid investments, and at times there may be no market at all for such investments. Subordinate investments may be less marketable, or in some instances illiquid, because of the absence of registration under federal securities laws, contractual restrictions on transfer, the small size of the market and the small size of the issue (relative to issues of comparable interests). As a result, the Fund may encounter difficulty in selling its investments.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

Concentration Risk — The Fund may invest a high percentage of its assets in specific sectors of the market in order to achieve a potentially greater investment return. As a result, the Fund's investments may be more susceptible to economic, political, and regulatory developments in a particular sector of the market, positive or negative, and may result in increased volatility of the Fund's investment balances as a result.

Counterparty Risk — The participants in the markets in which the Fund invests are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the applicable contract (whether or not such dispute is bona fide) or because of a credit or liquidity problem, causing the Fund to potentially suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

Currency Risk — Commitments to the Fund are denominated in U.S. Dollars but the Fund will make investments and receive returns denominated in other currencies. As the Fund is not required to cover currency risk through hedging, changes in currency exchange rates may adversely affect the value of investments, interest and dividends received by the Fund, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by the Fund. In addition, the Fund will incur costs in converting investment principal and income from one currency to another.

Risks Associated with the Eurozone — Since the Fund will primarily invest in companies that conduct a material part of their business in the United Kingdom and other countries in Europe, the Fund's investments and its investment performance will be affected by economic or financial events relating to the Euro or the Eurozone.

Credit Risk — There are no restrictions on the credit quality of the investments in which the Fund intends to invest. Investments may be deemed by nationally recognized rating agencies to have substantial vulnerability to default in payment of interest and/or principal. Some investments may have low quality ratings or be unrated. Lower rated and unrated investments have major risk exposure to adverse conditions and are considered to be predominantly speculative. Generally, such investment offer a higher return potential than higher rated investments, but involve greater volatility of price and greater risk of loss of income and principal.

In general, the ratings of nationally recognized rating organizations represent the opinions of these agencies as to the quality of the securities they rate. Such ratings, however, are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of the relevant securities. It is also possible that a rating agency might not change its rating of a particular investment or borrower on a timely basis to reflect subsequent events. The Manager may use these ratings as initial criteria for the selection of portfolio assets for the Fund but is not required to utilize them.

8. Indemnifications

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. The Fund expects the risk of future obligations under these indemnifications to be remote.

9. Related Party Transactions

Management Fee

The Fund will pay to the Trustee a quarterly management fee in advance (the "Management Fee") as of the first calendar day of each fiscal quarter prior to any distributions to Investors in respect of their Units equal to 0.275% (or 1.1% annually) of the NAV of each Investor's Units. Notwithstanding the foregoing, if at any time an Investor's

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

aggregate capital contributions to the Fund and, if applicable, Clareant European Credit Opportunities Fund, (the “ECOF Fund”) (a series of the Trust and an entity affiliated with the Fund), as reduced by any redemptions from the Fund, equals or exceeds \$50 million, the quarterly Management Fee charged in respect of such Investor’s Units of the Fund and the ECOF Fund will be 0.25% (or 1.0% annually) (the “Reduced Management Fee”). For the avoidance of doubt, the positive or negative performance of the Investor’s Units will be excluded for purposes of determining whether the Reduced Management Fee will apply. The Reduced Management Fee will be adjusted pro rata to the extent that the Reduced Management Fee applies for a period that is less than a calendar quarter.

The Trustee may, in its sole discretion, elect to reduce or waive all or a portion of the Management Fee with respect to any Investor, including, without limitation, Investors who are affiliated with the Trustee, through a discount, rebate or other means, without prior notice to or the consent of any other Investor. No such waiver or reduction shall entitle any other Investor to such terms, rebate or waiver.

The Trustee may agree to pay a portion of the Management Fee to Alcentra under the Sub-Advisory Agreement. Total Management Fees incurred by the Fund for the year ended December 31, 2016 was \$2,339,796 of which \$1,818,869 was payable as of December 31, 2016.

Custodian

In the normal course of business, all of the Fund’s money balances and security positions are held in custody with the Bank of New York Mellon.

Administrative Service Fees

The Fund has entered into administrative agreements with Bank of New York Mellon to provide administrative services to the MS Fund and its Subsidiary. For the year ended December 31, 2016, the Fund incurred administrative service fees of \$146,010 at the Subsidiary level, of which \$23,878 was payable as of December 31, 2016. The Fund does not incur administrative fees at the MS Fund level, as such charges are paid out of the Management Fee and the Fund shall not pay fees in addition to the Management Fee in connection to such services at the MS Fund level.

Placement Agent

The Fund has entered into an agreement with an affiliated placement agent, MBSC Securities Corporation (a U.S. registered broker dealer), and may enter into agreements with non-affiliated third-party placement agents, with respect to the sale of Units. Commissions or fees payable under these arrangements, if any, are expected to be the sole responsibility of the Trustee. The Fund is not expected to have any obligation with respect thereto.

Clareant Multi-Strategy European Credit Fund

Notes to Consolidated Financial Statements (*continued*)

For the Year Ended December 31, 2016

10. Financial Highlights

The following table presents the Fund's per Unit operating performance for the period. Per Unit operating performance is calculated for each Class of units taken as a whole.

	Class A	Class B
Investors' interest per Unit, beginning of year	\$ 10.3980	\$ 10.4292
Net increase in Investors' interest per Unit resulting from operations:		
Net investment income	0.6976	0.7415
Net gain on investments	0.1490	0.1587
Net increase in Investors' interest per Unit resulting from operations	0.8466	0.9002
Investors' interest per Unit, end of year	\$ 11.2446	\$ 11.3294
 Total return before incentive allocation	8.52 %	8.63 %
Incentive allocation	(0.36)	-
Total return after incentive allocation	8.16%	8.63 %
 Ratios to average net assets(a,b):		
Net investment income	6.41%	6.86%
Total expenses	1.67 %	1.27%

(a) Ratios of net investment income and expenses to average Investors' interests for each Class of Units for the year. The ratios are based on the weighted average Investors' interests for each Class of Units taken as a whole. The ratios for an individual unitholder may vary due to the timing of unit transactions.

(b) Class A Units and Class B Units are charged management fee at a quarterly rate of 0.275% (1.1% annually) and 0.25% (1.0% annually), respectively.

11. Subsequent Events

The Trustee and the Managers have evaluated the possibility of subsequent events existing in the Fund's consolidated financial statements through April 27, 2017 and to their knowledge, there have been no subsequent events that occurred during the period from January 1, 2017 to April 27, 2017 that would require disclosure in the Fund's consolidated financial statements as of December 31, 2016 and for the year then ended.

For the period January 1, 2017 through April 27, 2017, the Fund accepted capital contributions of \$0 and had requests for capital withdrawals of \$21,235,721.