



FAIR OAKS
DYNAMIC CREDIT

Fund Summary

The Fair Oaks Dynamic Credit Fund (the "Fund") offers global access to senior secured corporate loans through investments in Collateralised Loan Obligations ("CLOs"). The Fund is actively managed with a strong emphasis on bottom-up fundamental credit analysis. The Fund primarily seeks exposure to investment-grade rated CLO securities on a long-only basis and with no leverage used at fund level.

Fund Commentary

The Fund generated a positive monthly return of +0.15% in December and +5.89% in 2017¹. There were no changes in the Fund's portfolio in the month.

Fair Oaks Dynamic Credit generated positive returns every month in 2017 and in thirteen out of fifteen months since inception. The annualised volatility of daily returns is 1.1% since inception, demonstrating the Fund's strong risk-adjusted performance. CLO securities continue to offer attractive risk-adjusted relative value compared to other corporate credit strategies. As at 29-Dec, the spread for Euro BBB rated CLOs of 250 bps compared favourably to 22 bps for Euro investment grade debt². Euro BB rated CLOs spread of 500 bps compared favourably to Euro high yield spread of 346 bps³.

According to S&P, global CLO volume in 2017 reached \$138.1 billion from 255 deals compared to \$90.4 billion from 196 deals in 2016. CLO refinancing and reset activity grew even more strongly, to \$163bn in the US⁴ and €25bn in Europe⁵ in 2017. Market participants expect similar primary issuance levels for 2018 with European issuance of €25 billion and US issuance of \$110 billion⁵.

1 Performance on M EUR Class

2 Source: JP Morgan, Primary EUR- CLO BBB Spread to 6M Euribor; iTraxx Europe Main On The Run (3Y) Unfunded JP Morgan CDS Spread Mid

3 Source: Primary EUR- CLO BB Spread to 6M Euribor; JP Morgan Euro HY Summary Spread to Worst

4 Source: S&P- 2018 US CLO Outlook

5 Source: BNP

Technical Detail

Legal Structure	Luxembourg SICAV Alpha UCITS SICAV
Domicile	Luxembourg
Launch Date	13/09/2016
Fund Size	€452.5m
Dealing	Weekly (Wednesdays)
Valuations	Daily Non-Dealing and Weekly Dealing NAVs
Return Profile	L+4-5% p.a. (net target returns)
Base Currency	€ denominated
Investment Manager	Fair Oaks Capital Limited
Management Company	MDO Management Company S.A.
Administrator / Custodian	RBC Investor Services Bank S.A.
Auditor	Ernst & Young S.A.

Top 5 Positions

Deal Name	Rating (M/S/F)	Par Amount
OCPE 2017-1X D	Baa2/BBB/NR	€ 10,000,000
HARVT 18X D	Baa2/BBB/NR	€ 10,000,000
SPAUL 8X D	Baa2/NR/NR	€ 10,000,000
CGMSE 2015-2X CR	Baa3/BBB/NR	€ 9,750,000
SPAUL 4 CRR	Baa3/NR/BBB	€ 9,500,000

Portfolio Metrics

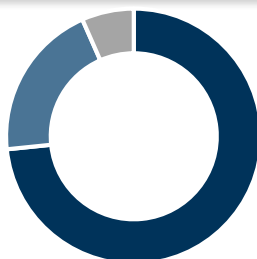
No. of positions:	93
Expected average life:	4.6 yr
Expected yield ⁵ :	4.5%
Floating rate (%):	100%
Fixed rate (%):	0%
Annualised Return ⁶ :	5.0%
Annualised Volatility (Daily Returns) ⁶ :	1.1%

⁵ Gross expected yield of investments in currency of investment

⁶ Representative of M EUR Class since inception. Data for other classes available on request

Rating Breakdown

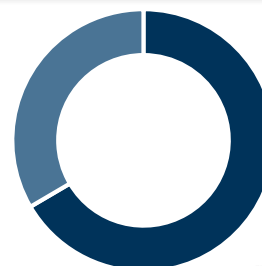
- BBB (73%)
- BB (20%)
- Cash* (7%)



*Cash and cash equivalents

Geographic Breakdown

- EUR (67%)
- USD (33%)



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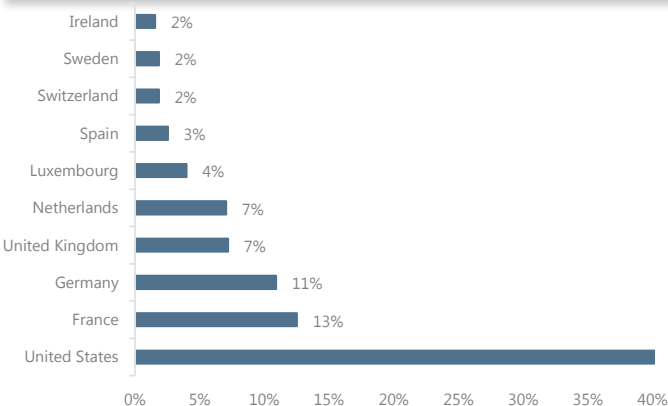
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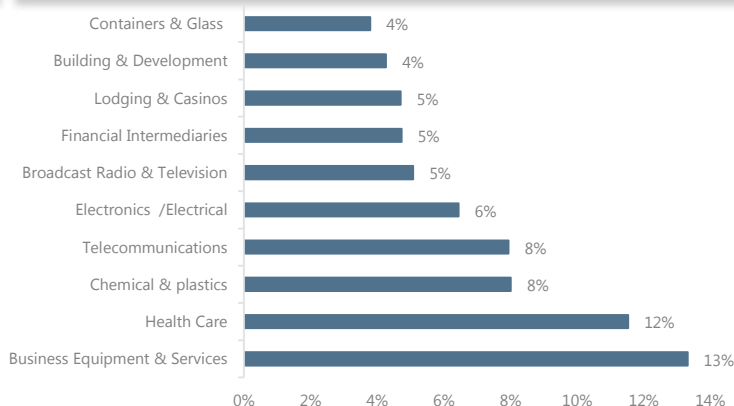


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Look-Through Geographic Breakdown (Top 10)¹



Look-Through Industry Diversification (Top 10)¹



¹ Based on total gross assets in underlying bank loan portfolios

Share Class Performance

	NAV (29-Dec-17)	Total Return Monthly	Total Return 2017 YTD	Total Return ITD (Since class launch)	ISIN	Bloomberg Ticker	SEDOL
Class M GBP	1067.44	0.21%	6.57%	6.74%	LU1344623613	FODCFMG	BD4GCV2
Class M EUR	1061.50	0.15%	5.89%	6.15%	LU1344623373	FODCFME	BD4GCX1
Class E EUR	1056.75	0.13%	5.54%	5.68%	LU1344621674	FODCFEE	BD4GCL9
Class E GBP	1063.65	0.19%	6.18%	6.37%	LU1344621831	FODCFEG	BD4GCN1
Class E2 GBP	1015.03	0.19%	2.65%	2.65%	LU1628743905	FODCFE2G	-
Class E USD	1079.34	0.33%	7.37%	7.93%	LU1344621757	FODCFEU	BD4GCM0
Class E CHF	1047.56	0.03%	4.85%	4.76%	LU1344621914	FODCFEC	BD4GCP3
Class N EUR	1011.08	0.13%	5.46%	5.55%	LU1539542248	FODCFNE	BD72S50
Class O EUR	1037.92	0.10%	3.79%	3.79%	LU1570265261	FODCFOE	-
Class P GBP	1016.48	0.18%	2.99%	2.99%	LU1590456338	FODCFPG	BDRXFB8
Class D ILS	5103.16	0.14%	2.06%	2.06%	LU1577731786	FODCFDS	-
Class A EUR	1016.39	0.10%	1.64%	1.64%	LU1344614893	FODCFAE	-
Class L2 GBP	1014.50	0.16%	1.45%	1.45%	LU168328667	FODCFL2G	-

Monthly Performance (M EUR Class)

	Oct-16	Nov-16	Dec-16	2016	ITD								
	-0.45%	-0.03%	0.73%	0.25%	0.25%								
Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017	ITD
1.06%	0.31%	1.28%	0.03%	0.34%	0.26%	0.36%	0.54%	0.35%	0.55%	0.52%	0.15%	5.89%	6.15%

Maximum Weekly Return: +1.00%

Largest Weekly Drawdown: -0.20%

% Positive or Unchanged Weeks: 82.54%

Average Weekly Return (Positive or Unchanged Weeks): +0.13%

Average Weekly Return (Negative Weeks): -0.06%



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Signatory of:



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