



**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

Further inflows to the Fund during March saw the total fund size increase to €250m. The Fund invested €41m in 10 investments in March, taking the total number of investments in the fund to 61.

Continued strength in the CLO market saw strong new primary issuance (\$10 billion globally) and refinancing of existing deals continuing at a record pace (\$26 billion globally) in March<sup>1</sup>. Trading activity in the secondary CLO market was also robust in March with average volume seen in Europe and slightly below average volume in the US.

The exposure to BB rated notes contributed to the positive return for the month: although there is no EUR denominated CLO index, the JP Morgan post-crisis BB USD rated CLO index returned +1.7% in the month vs +0.9% for the JP Morgan post-crisis BBB USD rated CLO index<sup>2</sup>. This positioning has increased volatility marginally (annualised daily volatility for the BBB USD index was 1.3% in March vs 2.8% for the BB USD index, with the BB index, for example, experiencing a +0.88% daily return on 28-Mar).

Source: <sup>1</sup> Citi, <sup>2</sup> JP Morgan

## Technical Detail

Legal Structure	Luxembourg SICAV Alpha UCITS SICAV
Domicile	Luxembourg
Launch Date	13/09/2016
Fund Size	€250.2m
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
CADOG 6 XD	Baa3/-/BBB	€8,000,000
ARESE 8X D	Baa2/BBB/-	€6,200,000
DRYD 2017-51X D	Baa2/BBB/-	€6,000,000
ACLO 3X D	Baa2/BBB/-	€5,700,000
OZLME 1X E	Ba2/BB/-	€5,600,000

## Portfolio Metrics

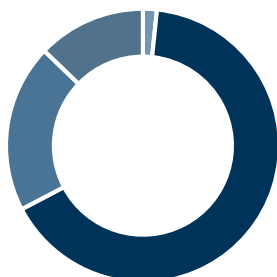
No. of positions:	61
Expected average life:	4.3yrs
Expected yield <sup>3</sup> :	4.5%
Floating rate (%):	100%
Fixed rate (%):	0%
Annualised Volatility <sup>4</sup> :	1.7%
Annualised Return <sup>4</sup> :	6.1%

<sup>3</sup> Gross expected yield of investments in currency of investment

<sup>4</sup> Representative of M EUR Class since inception. Data for other classes available on request

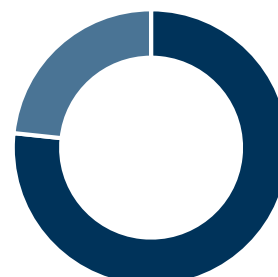
## Rating Breakdown

- A (2%)
- BBB (66%)
- BB (20%)
- Cash\* (13%)



## Geographic Breakdown

- EUR (77%)
- USD (23%)



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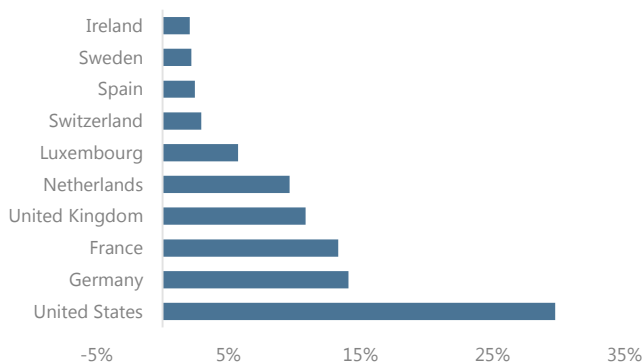
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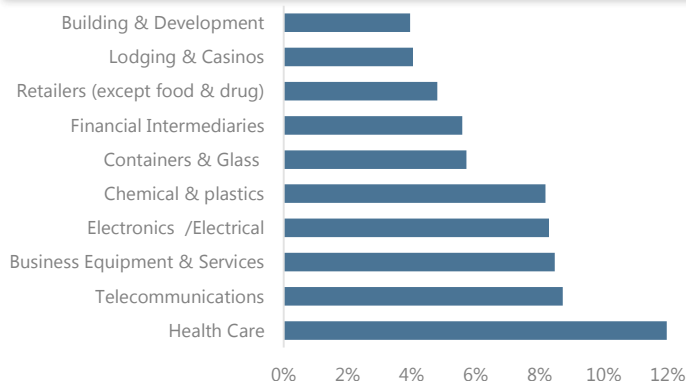


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### Look-Through Geographic Breakdown (Top 10)<sup>1</sup>



### Look-Through Industry Diversification (Top 10)<sup>1</sup>



<sup>1</sup> Based on total gross assets in underlying bank loan portfolios

### Share Class Performance

	NAV (31-Mar-17)	Total Return Mar-17	Total Return 2017 YTD	Total Return ITD (Since class launch)	ISIN	Bloomberg Ticker	SEDOL
Class M GBP	1030.08	1.33%	2.84%	3.01%	LU1344623613	FODCFMG	BD4GKY2
Class M EUR	1029.32	1.28%	2.68%	2.93%	LU1344623373	FODCFME	BD4GCX1
Class E EUR	1027.19	1.25%	2.59%	2.72%	LU1344621674	FODCFEE	BD4GCL9
Class E GBP	1029.34	1.30%	2.75%	2.93%	LU1344621831	FODCFEG	BD4GCN1
Class E USD	1034.91	1.39%	2.95%	3.49%	LU1344621757	FODCFEU	BD4GCM0
Class E CHF	1023.05	1.19%	2.40%	2.31%	LU1344621914	FODCFEC	BD4GCP3
Class N EUR	1026.73	1.25%	1.32%	1.40%	LU1539542248	FODCFNE	BD72S50
Class O EUR	1010.99	1.10%	1.10%	1.10%	LU1570265261	FODCFOE	-

### Monthly Performance (M EUR Class)

	Oct-16	Nov-16	Dec-16	2016	ITD
	-0.45%	-0.03%	0.73%	0.25%	<b>0.25%</b>
Jan-17	Feb-17	Mar-17	2017		ITD
1.06%	0.31%	1.28%	2.68%	<b>2.93%</b>	
Daily Volatility:	1.7%	Maximum Daily Return:	0.53%	% Positive or Unchanged Days:	68.80%
Sharpe Ratio:	1.89	Largest Daily Drawdown:	-0.35%	Average Daily Return (Positive or Unchanged Days):	0.06%
				Average Daily Return (Negative Days):	-0.05%

Based on M EUR Class since inception unless otherwise stated – Data for other classes available on request



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