



**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.

## COMMENTARY

The Fund's total return was +0.44% in November (see performance table) taking the year-to-date performance to +4.09%<sup>1</sup>. The European BBB Corporate Bond index and the European High Yield index were down -0.46% and up +1.15% respectively in the month<sup>2</sup>.

Global CLO new issuance totaled \$12.8 billion in the month bringing year-to-date volume to \$142.8 billion (vs. \$155.8 billion a year ago)<sup>3</sup>. In Europe, CLO new issuance reached a new post-crisis record with year-to-date issuance of €29.0 billion compared to total new issuance of €27.0 billion in 2018<sup>3</sup>. European BBB new issue spreads widened from +390bps to +433bps in November while European BBs widened from +725bps to +755bps<sup>3</sup>.

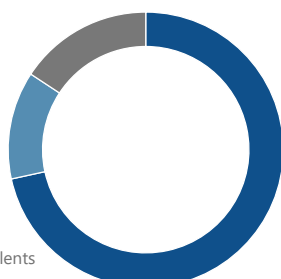
We believe that the Fund's current conservative positioning will allow it to take advantage of opportunities in primary and secondary markets. At the end of November, BBB European CLO notes were offering a yield pick-up of 3.52% compared to the European BBB 5-7 year corporate bond index, the highest level in over three years, highlighting the strong relative value of CLO debt<sup>4</sup>.

## TOP 5 POSITIONS<sup>6</sup>

Deal Name	Rating (M/S/F)	Par Amount
VOYE 1X D	Baa2/NR/BBB	€ 13,425,000
ARESE 9X D	Baa2/BBB/NR	€ 13,400,000
OZLME 4X D	Baa2/NR/BBB-	€ 12,000,000
EGLXY 2018-6X D	Baa2/BBB/NR	€ 12,000,000
ALME 4X DR	Baa2/NR/BBB	€ 11,500,000

## RATING BREAKDOWN<sup>6</sup>

- BBB (72%)
- BB (13%)
- Cash\* (16%)



\*Cash and cash equivalents

## FUND FACTS

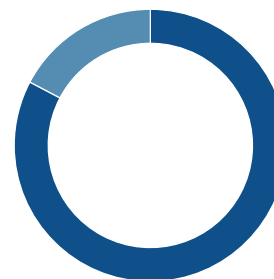
Legal Structure	Luxembourg SICAV-Alpha UCITS SICAV
Domicile	Luxembourg
Launch Date	13/09/2016
Fund Size	€521.0m
Dealing	Weekly (Wednesdays)
Valuations	Daily Non-Dealing and Weekly Dealing NAVs
Target gross return <sup>5</sup>	Euribor +5% p.a. (see share class KIIDs for TER details <sup>5</sup> )
Base Currency	EUR
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.

## PORTFOLIO METRICS

No. of positions:	73
Expected average life:	3.7yr
Yield to expected call <sup>7</sup> :	Libor+4.65%
Floating rate (%):	100%
Fixed rate (%):	0%

## GEOGRAPHIC BREAKDOWN<sup>6</sup>

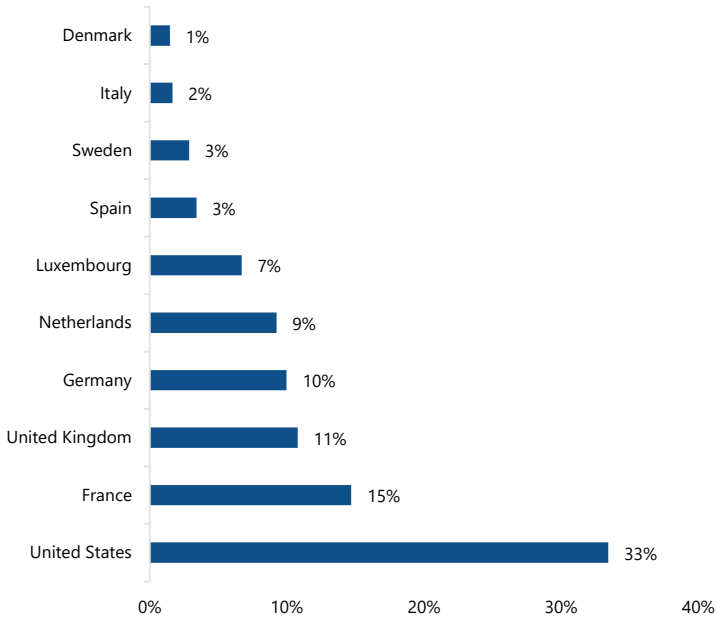
- EUR (83%)
- USD (17%)



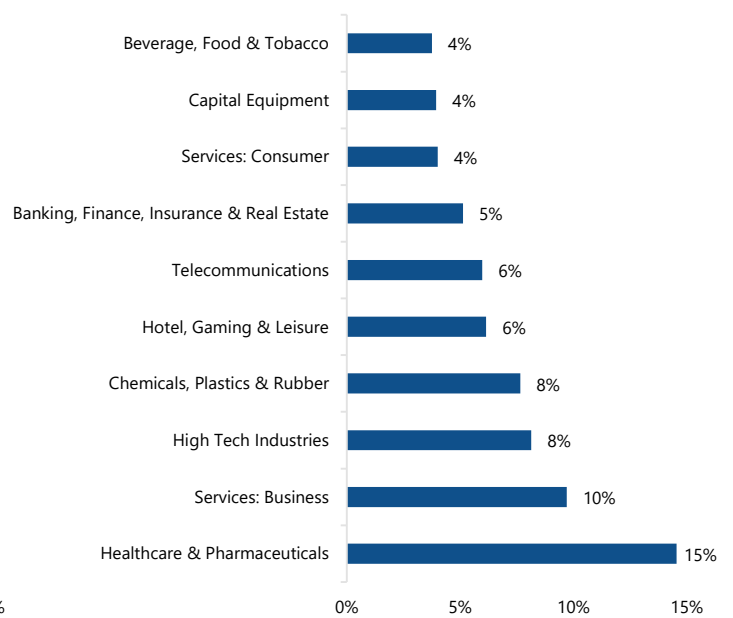


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### LOOK-THROUGH GEOGRAPHIC BREAKDOWN (TOP 10)<sup>8</sup>



### LOOK-THROUGH INDUSTRY DIVERSIFICATION (TOP 10)<sup>8,9</sup>



### SHARE CLASS PERFORMANCE<sup>10</sup>

	LAUNCH DATE	ISIN	BLOOMBERG TICKER	NAV (29-Nov-19)	TOTAL RETURN MONTHLY	TOTAL RETURN 2019 YTD	ANNUALISED RETURN (SINCE CLASS LAUNCH)	ANNUALISED DAILY VOLATILITY (SINCE CLASS LAUNCH)
Class M EUR	Oct-16	LU1344623373	FODCFME	1,081.14	0.47%	4.42%	<b>2.51%</b>	<b>1.48%</b>
Class E EUR	Sep-16	LU1344621674	FODCFEE	1,070.03	0.44%	4.13%	<b>2.15%</b>	<b>1.47%</b>
Class L EUR	Nov-18	LU1344622219	FODCFLE	1,005.78	0.43%	3.89%	<b>0.58%</b>	<b>2.22%</b>
Class A EUR	Aug-17	LU1344614893	FODCFAE	1,023.50	0.41%	3.88%	<b>1.01%</b>	<b>1.49%</b>
Class N EUR	Dec-16	LU1539542248	FODCFNE	967.85	0.45%	4.11%	<b>2.26%</b>	<b>1.49%</b>
Class O EUR	Mar-17	LU1570265261	FODCFOE	990.54	0.42%	3.79%	<b>1.62%</b>	<b>1.47%</b>
Class S EUR	Sep-19	LU1892528388	FODCFSE	1,011.63	-	-	-	-
Class E GBP	Sep-16	LU1344621831	FODCFEG	1,097.04	0.53%	5.12%	<b>2.95%</b>	<b>1.48%</b>
Class E2 GBP	Jun-17	LU1628743905	FODCFE2G	982.64	0.52%	4.38%	<b>2.22%</b>	<b>1.50%</b>
Class L2 GBP	Sep-17	LU1683328667	FODCL2G	981.30	0.51%	4.87%	<b>1.83%</b>	<b>1.72%</b>
Class A GBP	Dec-17	LU1344615270	FODCFAG	1,019.36	0.52%	4.24%	<b>0.98%</b>	<b>1.62%</b>
Class P GBP	Apr-17	LU1590456338	FODCFPG	975.19	0.52%	5.02%	<b>2.28%</b>	<b>1.46%</b>
Class E USD	Sep-16	LU1344621757	FODCFEU	1,151.07	0.62%	6.85%	<b>4.51%</b>	<b>1.48%</b>
Class A USD	Aug-19	LU1344622219	FODCAU	1,004.96	-	-	-	-
Class S USD	-	-	-	-	-	-	-	-
Class E CHF	Sep-16	LU1344621914	FODCFEC	1,049.37	0.41%	3.62%	<b>1.52%</b>	<b>1.47%</b>
Class D ILS	May-17	LU1577731786	FODCFDS	5,145.70	0.44%	4.16%	<b>1.15%</b>	<b>1.46%</b>
Class Q SEK	Oct-18	LU1886619987	FODCFQE	9,996.75	0.44%	4.05%	<b>-0.03%</b>	<b>2.41%</b>



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MONTHLY PERFORMANCE (M EUR CLASS)<sup>11</sup>

NB. Class M shares are currently closed for investment, see footnote for details

									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%
Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018	ITD
+0.38%	+0.25%	+0.16%	-0.24%	+0.24%	-0.13%	+0.06%	+0.31%	0.00%	+0.12%	-0.51%	-3.07%	-2.46%	+3.54%
Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	2019		ITD
+1.55%	-0.07%	+1.29%	+0.93%	+0.74%	-0.32%	0.45%	-0.06%	+0.17%	-0.80%	+0.47%	+4.42%		+8.11%

Maximum weekly return:	+1.26%	% Positive or unchanged weeks:	+70.19%
Largest weekly drawdown:	-2.17%	Average weekly return (positive or unchanged weeks):	+0.14%
		Average weekly return (negative weeks):	-0.17%

FOOTNOTES:

- (1) Average performance of the EUR share classes, weighted by closing number of shares as of 29-Nov-19.
- (2) Source: JP Morgan; European BBB 5-7 year corporate bond index and European High Yield index as of 29-Nov-19.
- (3) JP Morgan CLO new issuance report as of 29-Nov-19.
- (4) Source: JP Morgan; European primary BBB CLO spreads and European BBB 5-7 year corporate bond index.
- (5) Target gross return is before fund expenses and management fees. Share class KIIDs including TERs are available on the Management Company's (MDO) website (<http://www.mdo-manco.com/en/fund-documents>).
- (6) Based on the current valuation of the assets in the Fund's base currency at month-end. Geographic breakdown of CLO investments excludes cash balance.
- (7) Weighted average yield to expected call of investments, excluding fund fees and expenses.
- (8) Based on total gross assets in underlying bank loan portfolios. Source: Intex. Data as of 29-Nov-19.
- (9) Based on Moody's classification of the loan issuers. Data as of 29-Nov-19.
- (10) NAVs calculated net of fees. Past performances of Class A USD, S EUR and S USD are not shown until the share classes have a one year performance record.
- (11) Fair Oaks' data. Performance is from the launch of M EUR and is net of fees. The M Share Class is the earliest share class with the longest track record (M GBP shares launched Sep-16 and M EUR shares launched in Oct-16) and is no longer available for new investment.

CONTACT INFORMATION:



FAIR OAKS  
CAPITAL

1 Albemarle Street  
London W1S 4HA  
[IR@fairoakscap.com](mailto:IR@fairoakscap.com)

Signatory of:



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