



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's monthly performance in September was flat¹ while the European High Yield index was down -0.14% and the European Leveraged Loan index was up +0.73%². Year-to-date, the Fund has outperformed the European High Yield index (+1.03% return vs -0.07% for the index)². In addition, the Fund's year-to-date daily volatility was 0.53%¹ versus 2.08% volatility for the JP Morgan European High Yield index².

Bank loan fundamentals continue to be supportive with the US and European loan default rates falling to 1.81% and 0.11% respectively³. European bank loans spreads tightened from Euribor+4.45% to Euribor+4.32% and European high yield bond spread-to-worst tightened from Bund+4.13% to Bund+4.05%⁴.

CLO total new issuance YTD stood at \$128 billion while volume from refinancings and resets stood at \$133 billion⁵. Issuance levels are higher than the same period in 2017, which saw new issuance total \$96.8 billion and refinancings and resets total \$151.0 billion⁵.

For the first time since January 2018, European new issue BBB CLO spreads have tightened, falling from Euribor+3.20% in August to Euribor+3.18% in September⁵. New issue spreads, however, are almost at their 52-week wide (European BBB CLO spreads ranged from Euribor+2.35% to Euribor+3.20%)⁵. Primary European single A CLO spreads are also close to their 52-week high, standing at Euribor+2.23% in September 2018 (range of Euribor+1.55% to Euribor+2.30%)⁵.

The Fund's six new investments in September were single A and BBB European notes. The total number of positions in the portfolio increased to 112, offering exposure to over 1,490 underlying senior secured bank loan issuers⁶.

1. Performance and volatility of daily returns (M EUR Class).

2. JPMorgan European high yield index and Credit Suisse Western European loan index, as of 28-Sep-18.

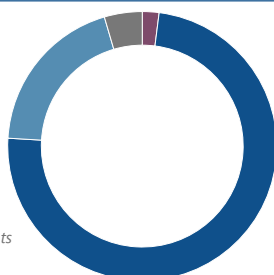
Top 5 positions

Deal Name	Rating (M/S/F)	Par Amount
ARES 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
OCPE 2017-1X D	Baa2/BBB/NR	€ 10,000,000

Rating breakdown

- A (2%)
- BBB (74%)
- BB (20%)
- Cash* (5%)

*Cash and cash equivalents



Technical detail

Legal Structure	Luxembourg SICAV-Alpha UCITS SICAV
Domicile	Luxembourg
Launch Date	13/09/2016
Fund Size	€619.2m
Dealing	Weekly (Wednesdays)
Valuations	Daily Non-Dealing and Weekly Dealing NAVs
Return Profile	Libor+4% 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.

3. S&P/LSTA Leveraged Loan Index and S&P European Leveraged Loan Index default rates by principal amount, as of 28-Sep-18.

4. S&P ELLI Index, discounted spread (3 year) and JP Morgan Euro HY Index, spread-to-worst. Data as of 28-Sep-18.

5. JPMorgan. 52-week period is from 29-Sep-17 to 28-Sep-18.

6. Intex.

Portfolio metrics

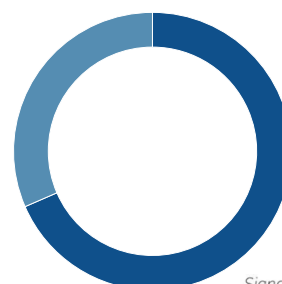
No. of positions:	112
Expected average life:	4.5 yr
Yield to expected call ⁵ :	Libor+3.72%
Floating rate (%):	100%
Fixed rate (%):	0%
Annualised return ⁶ :	3.6%
Annualised volatility (daily returns) ⁶ :	1.0%

5. Weighted average yield to expected call of investments, excluding fund fees and expenses.

6. Representative of M EUR Class share price since inception. Net of fees.

Geographic breakdown

- EUR (68%)
- USD (32%)



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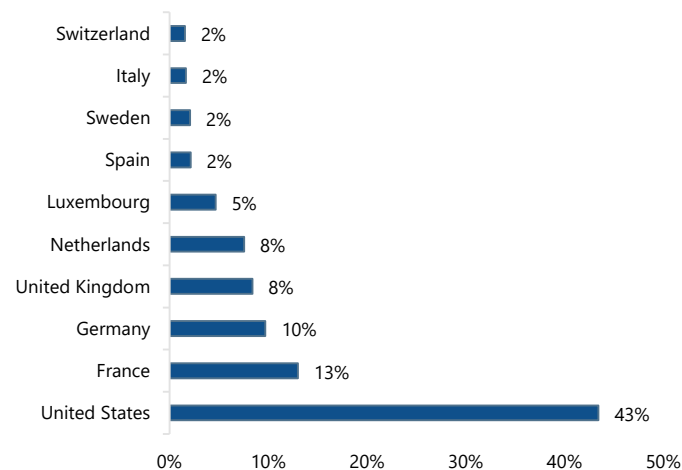


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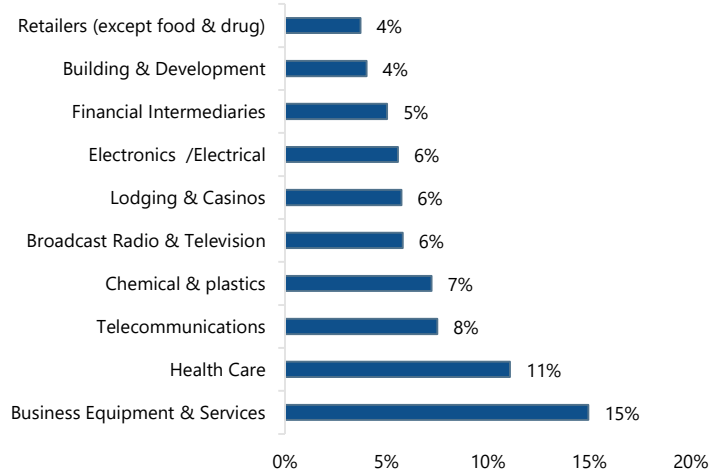
1 Albemarle Street
London W1S 4HA
IR@fairoakscap.com



Look-through geographic breakdown (top 10)¹



Look-through industry diversification (top 10)¹



Share class performance²

	NAV (28-Sep-18)	Total Return Monthly	Total Return 2018 YTD	Total Return ITD (Since Class Launch)	ISIN	Bloomberg Ticker	SEDOL
Class M GBP	1085.65	0.08%	1.71%	8.57%	LU1344623613	FODCFMG	BD4GCV2
Class M EUR	1072.41	0.00%	1.03%	7.24%	LU1344623373	FODCFME	BD4GCX1
Class E EUR	1065.13	-0.02%	0.79%	6.51%	LU1344621674	FODCFEE	BD4GCL9
Class E GBP	1078.76	0.06%	1.42%	7.88%	LU1344621831	FODCFEG	BD4GCN1
Class E2 GBP	1005.59	0.06%	1.44%	4.11%	LU1628743905	FODCFE2G	-
Class E USD	1108.10	0.17%	2.66%	10.81%	LU1344621757	FODCFEU	BD4GCM0
Class E CHF	1051.26	-0.06%	0.35%	5.13%	LU1344621914	FODCFEC	BD4GCP3
Class N EUR	995.25	-0.02%	0.79%	6.35%	LU1539542248	FODCFNE	BD72S50
Class O EUR	1020.20	-0.04%	0.58%	4.40%	LU1570265261	FODCFOE	-
Class P GBP	997.78	0.05%	1.35%	4.36%	LU1590456338	FODCFPG	BDRXFB8
Class D ILS	5126.75	-0.03%	0.46%	2.54%	LU1577731786	FODCFDS	-
Class A EUR	1021.87	-0.04%	0.54%	2.19%	LU1344614893	FODCFAE	-
Class A GBP	1011.44	0.04%	1.20%	1.14%	LU1344615270	FODCFAG	-
Class L2 GBP	1004.57	0.04%	1.26%	2.73%	LU1683328667	FODCFL2G	-

Monthly performance (M EUR Class)²

									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				2018	ITD
+0.38%	+0.25%	+0.16%	-0.24%	+0.24%	-0.13%	+0.06%	+0.31%	0.00%				+1.03%	+7.24%
Maximum weekly return:			+1.00%			% Positive or unchanged weeks:						+77.45%	
Largest weekly drawdown:			-0.20%			Average weekly return (positive or unchanged weeks):						+0.11%	
						Average weekly return (negative weeks):						-0.06%	

1. Based on total gross assets in underlying bank loan portfolios. Source: Intex.
2. Fair Oaks Capital; NAVs calculated net of fees.





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FAIR OAKS
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1 Albemarle Street
London W1S 4HA
IR@fairoakscap.com

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