



## 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

In April, the Fund invested €41m in seven new investments, as it invested the cash balance from the end of March, €14m net inflows in the month and the proceeds of one sale. The total number of investments in the portfolio increased to 67. Six of the seven new investments in April were made in the primary market. As at the end of April, the Fund is exposed, on a look-through basis, to 1,339 senior secured bank loan issuers.

The CLO primary market continued to see strong issuance (\$12bn globally) and continued refinancing of 2013-2015 vintage transactions (\$23bn globally) in April<sup>1</sup>. Pricing on AAA-rated CLO liabilities was stable in Europe and continued to tighten in the US in April. AAA notes account for 60-65% of the CLO capital structure so tight AAA pricing is a primary driver of CLO equity returns and thus CLO issuance levels. For other CLO notes, the sustained high primary issuance supply appeared to exceed demand in April, leading to widening in new issue pricing. This was most notable in the BBB and BB rated tranches.

The fund's cash balance at the beginning of April was 13%. Existing cash plus cash from inflows and sale proceeds have been primarily invested in new issues at more favourable levels than were available in March. The Fund's cash balance as at the end of April stands at 4%.

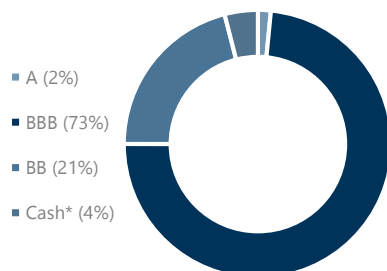
Marginally negative mark to market in existing positions was offset by carry resulting in flat performance in April, after March's strong gains.

Source: <sup>1</sup> JP Morgan

## Top 5 Positions

Deal Name	Rating (M/S/F)	Par Amount
OCPE 2017-1X D	Baa2/BBB/-	€ 10,000,000
CADOG 5X DR	Baa2/BBB/-	€ 9,250,000
CADOG 6X D	Baa3/-/BBB	€ 8,000,000
APID 2017-26X C	Ba3/-/-	€ 7,500,000
ARESE 8X D	Baa2/BBB/-	€ 6,200,000

## Rating Breakdown



\*Cash includes Government Bonds

## Technical Detail

Legal Structure	Luxembourg SICAV Alpha UCITS SICAV
Domicile	Luxembourg
Launch Date	13/09/2016
Fund Size	€264.3m
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.

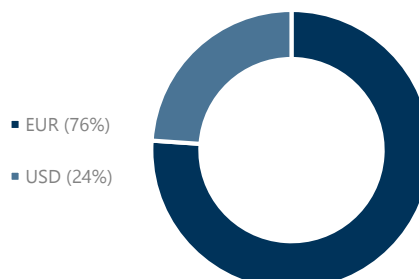
## Portfolio Metrics

No. of positions:	67
Expected average life:	4.4 yrs
Expected yield <sup>3</sup> :	4.5%
Floating rate (%):	100%
Fixed rate (%):	0%
Annualised Volatility <sup>4</sup> :	1.6%
Annualised Return <sup>4</sup> :	5.3%

<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

## Geographic Breakdown



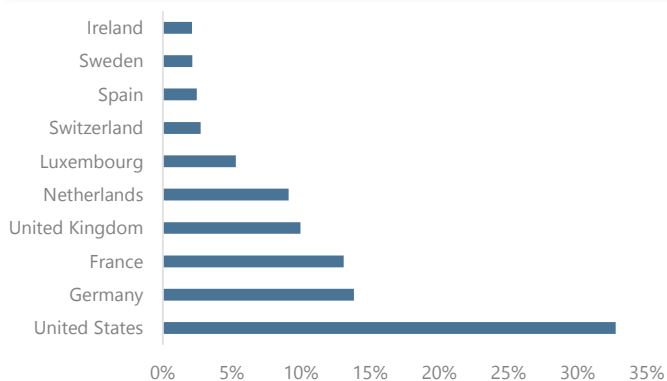
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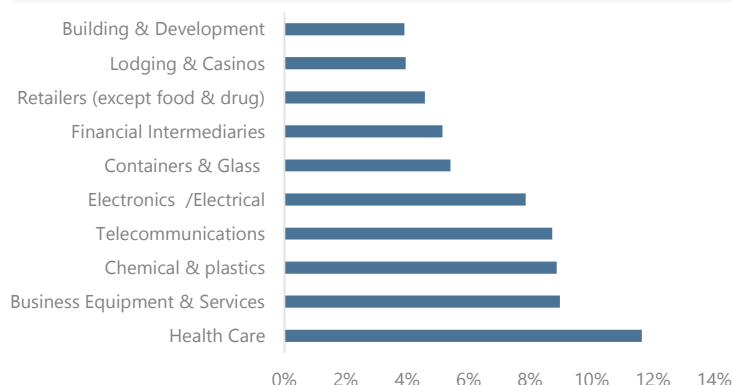


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DYNAMIC CREDIT

## 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 (28-Apr-17)	Total Return Apr-17	Total Return 2017 YTD	Total Return ITD (Since class launch)	ISIN	Bloomberg Ticker	SEDOL
Class M GBP	1030.79	0.07%	2.91%	3.08%	LU1344623613	FODCFMG	BD4GKY2
Class M EUR	1029.61	0.03%	2.71%	2.96%	LU1344623373	FODCFME	BD4GCX1
Class E EUR	1027.75	0.00%	2.59%	2.72%	LU1344621674	FODCFEE	BD4GCL9
Class E GBP	1029.75	0.04%	2.79%	2.97%	LU1344621831	FODCFEG	BD4GCN1
Class E USD	1035.96	0.10%	3.06%	3.60%	LU1344621757	FODCFEU	BD4GCM0
Class E CHF	1022.65	-0.04%	2.36%	2.27%	LU1344621914	FODCFEC	BD4GCP3
Class N EUR	1026.74	0.00%	2.59%	2.67%	LU1539542248	FODCFNE	BD72S50
Class O EUR	1010.76	-0.02%	1.08%	1.08%	LU1570265261	FODCFOE	-

## 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	2017	ITD
1.06%	0.31%	1.28%	0.03%	2.71%	2.96%

<b>Daily Volatility:</b>	1.6%	<b>Maximum Daily Return:</b>	0.53%	<b>% Positive or Unchanged Days:</b>	67.83%
<b>Sharpe Ratio:</b>	2.03	<b>Largest Daily Drawdown:</b>	-0.35%	<b>Average Daily Return (Positive or Unchanged Days):</b>	0.05%
				<b>Average Daily Return (Negative Days):</b>	-0.05%

Based on M EUR Class since inception unless otherwise stated, data for other classes available on request



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