



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 invested €18m in eight investments in February, of which three were top-ups of existing positions, bringing the total number of investments in the fund to 52. Inflows to the Fund in February increased the Fund size to €192m.

CLO new issuance accelerated from the low \$1.4bn of global volume seen in January to \$9.0bn in February, in line with the average issuance volume in the second half of 2016¹. The refinancing of older CLOs set a new record in February with 37 US transactions and 5 European transactions refinanced¹. This activity is largely driven by the continued tightening of US AAA-rated CLO liabilities with AAA new issue spreads falling from Libor +1.39% in January to Libor + 1.33% in February¹.

Secondary trading activity was below average in February² as market participants focused more on new issue. The investment manager nevertheless continued to find attractive investment opportunities in both markets during February and the Fund retains a balance between investments made in the primary (48%) and secondary (52%) markets.

Sources: ¹ J.P. Morgan; ² Citi

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
OZLME 1X E	Ba2/BB/-	€5,600,000
SPAUL 7X D	Baa2/BBB/-	€5,000,000
EGLXY 2013-3X DR	-/BBB/BBB	€5,000,000

Share Class Performance

	NAV (28-02-17)	Feb-17	2017 YTD	ITD (Since class launch)	ISIN	Bloomberg Ticker	SEDOL
Class M GBP	1016.57	0.34%	1.49%	1.66%	LU1344623613	FODCFMG	BD4GCV2
Class M EUR	1016.27	0.31%	1.38%	1.63%	LU1344623373	FODCFME	BD4GCX1
Class E EUR	1014.49	0.27%	1.32%	1.45%	LU1344621674	FODCFEE	BD4GCL9
Class E GBP	1016.12	0.30%	1.43%	1.61%	LU1344621831	FODCFEG	BD4GCN1
Class E USD	1020.76	0.35%	1.55%	2.08%	LU1344621757	FODCFEU	BD4GCM0
Class E CHF	1011.02	0.24%	1.19%	1.10%	LU1344621914	FODCFEC	BD4GCP3
Class N EUR	1014.03	0.27%	1.32%	1.40%	LU1539542248	FODCFNE	BD72S50



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Signatory of:



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This report has been communicated by Fair Oaks Capital Limited, 67-68 Jermyn Street, London SW1Y 6NY, authorised and regulated in the UK by the Financial Conduct Authority, FRN No.604090.

Technical Detail

Legal Structure	Luxembourg SICAV Alpha UCITS SICAV
Domicile	Luxembourg
Launch Date	13/09/2016
Fund Size	€192.5m
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.

Portfolio Metrics

