



**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 made ten additional investment in January and now comprises investments in 47 securities. Inflows to the Fund in January increased the Fund size to €170m.

The proportion of the fund invested in BB rated securities increased to 27% at month end, due to timing of investments, and is expected to be below 25% in February.

CLO new issuance started the year slowly with only two new issues in the US and one in Europe<sup>1</sup>. CLO repricing activity continued, with 18 transactions in the US and 4 in Europe<sup>1</sup>. These are driven primarily by lower AAA CLO spreads in both the primary and secondary markets due to continued demand from US, European and Asian investors.

Secondary trading activity was above average in both the US and Europe, particularly for BBB, BB and B rated CLO securities<sup>2</sup>. As a result of the quiet primary market and the number of opportunities in the secondary market, nine of the ten investments made by the fund in January were in the secondary market, compared to 43% of investments made in 2016.

Sources: <sup>1</sup> J.P. Morgan; <sup>2</sup> Citi;

## Top 5 Positions

Deal Name	Rating (M/S/F)	Par Amount
ARESE 8X D	Baa2/BBB/-	€6,200,000
CADOG 6 XD	Baa3/-/BBB	€6,000,000
OZLME 1X E	Ba2/BB/-	€5,600,000
SPAUL 7X D	Baa2/BBB/-	€5,000,000
Euro-Galaxy III BBB	-/BBB/BBB	€5,000,000

## Share Class Performance

	NAV (31-01-17)	Jan-17	ITD (Since class launch)	ISIN	Bloomberg Ticker	SEDOL
Class M GBP	1013.07	1.14%	1.31%	LU1344623613	FODCFMG	BD4GCV2
Class M EUR	1013.10	1.06%	1.31%	LU1344623373	FODCFME	BD4GCX1
Class E EUR	1011.72	1.04%	1.17%	LU1344621674	FODCFEE	BD4GCL9
Class E GBP	1013.08	1.13%	1.31%	LU1344621831	FODCFEG	BD4GCN1
Class E USD	1017.25	1.20%	1.73%	LU1344621757	FODCFEU	BD4GCM0
Class E CHF	1008.64	0.95%	0.86%	LU1344621914	FODCFEC	BD4GCP3
Class N EUR	1011.26	1.04%	1.13%	LU1539542248	FODCFNE	BD72S50



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CAPITAL

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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	€170.2m
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.

## Portfolio Metrics

