



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 eight additional investments in November, mainly in the primary market. The total portfolio now comprises investments in 39 securities, offering exposure to 1,157 senior secured bank loans.

CLO issuance accelerated further in both the US and European markets in November with combined volume of \$13.2bn, the highest monthly new issuance volume since mid-2015¹. There was an additional \$12.0bn of US CLO refinancing activity¹ as managers rushed to reprice and extend CLOs before US risk retention rules become effective in late December 2016. CLO debt primary spreads, particularly at the AAA level, tightened moderately in both the US and European markets during November, supporting the strong issuance levels. Early forecasts for the CLO market in 2017 suggest continued strong demand for CLO debt securities, supporting a similar level of new volume to 2016 (c.\$65bn in the US and c.€20bn in Europe)².

Secondary market CLO trading volumes were relatively stable in the US and increased significantly in Europe³, reflecting the continued interest in floating rate securities with attractive yields.

Sources: ¹JP Morgan; ²Morgan Stanley, Citi, Bank of America Merrill Lynch and Nomura; ³Citi

Top 5 Positions

Deal Name	Rating (M/S/F)	Par Amount
CADOG 6X D	Baa3/-/ BBB	€6,000,000
BECL0 2X D	Baa2/BBB/-	€5,000,000
ARESE 2X D	Baa2/BBB/-	€5,000,000
OZLME 1X D	Baa2/BBB/-	€4,900,000
SNDPT 2015-3A D	Baa3/-/-	\$5,100,000

Share Class Performance

	NAV (30-11-16)	Nov-16	2016 YTD	ISIN	Bloomberg Ticker	SEDOL
Class M GBP	994.10	0.03%	-0.59%	LU1344623613	FODCFMG	BD4GCV2
Class M EUR	995.17	-0.03%	-0.48%	LU1344623373	FODCFME	BD4GCX1
Class E EUR	994.39	-0.05%	-0.56%	LU1344621674	FODCFEE	BD4GCL9
Class E GBP	994.65	-0.01%	-0.54%	LU1344621831	FODCFEG	BD4GCN1
Class E USD	996.81	0.05%	-0.32%	LU1344621757	FODCFEU	BD4GCM0
Class E CHF	993.05	-0.10%	-0.70%	LU1344621914	FODCFEC	BD4GCP3



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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	€131.5m
Dealing	Weekly (Wednesdays)
Valuations	Daily Non-Dealing and Weekly Dealing NAVs
Return Profile	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

