



**FAIR OAKS**  
HIGH GRADE

## FUND SUMMARY

The Fund offers global access to AAA and AA rated notes of European and US Collateralised Loan Obligations ("CLOs"), on a long-only basis and with no leverage used at fund level.

CLOs are structured products backed by diversified portfolios of senior secured bank loans and managed by specialist managers. CLO debt securities (including AAA and AA rated notes) benefit from incremental protection from the loss-absorbing equity and junior-ranking debt.

Fair Oaks believes that AAA and AA rated CLOs offer significant relative value compared to corporate bonds and other asset-backed securities. According to Standard & Poor's, in the period 1996 to 2018, the cumulative default rate for AAA and AA rated global CLOs was 0.0%<sup>1</sup>.

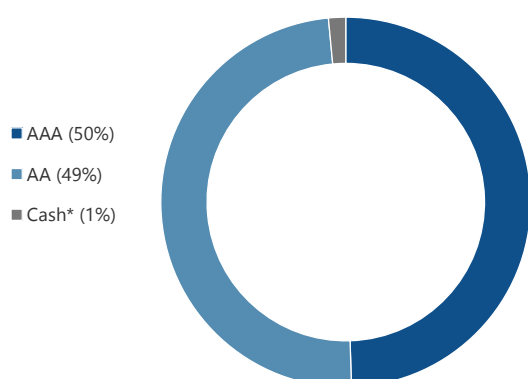
## INVESTMENT STRATEGY

Fair Oaks' strategy is to identify attractive risk-adjusted investment opportunities in AAA and AA rated CLOs via a combination of detailed credit analysis, in-depth structural and documentation review and rigorous manager due diligence. Fair Oaks seeks to optimise returns through active security selection and asset allocation across geographies and rating categories.

## TOP 5 POSITIONS<sup>3</sup>

| Deal name          | Rating (M/S/F) | CLO Manager           | % of NAV |
|--------------------|----------------|-----------------------|----------|
| OCPE 2017-2X A     | Aaa/AAA/NR     | Onex Credit Partners  | 4.7%     |
| PRVD 1X B1         | Aa2/AA/NR      | Permira Debt Managers | 4.6%     |
| MKSE 1X B          | Aa2/AA/NR      | Mackay Shields        | 4.4%     |
| MRLPK 1X A1A       | Aaa/NR/AAA     | GSO Capital Partners  | 4.4%     |
| JUBIL 2015-16X A1R | Aaa/AAA/NR     | Alcentra              | 4.0%     |

## RATING BREAKDOWN<sup>3</sup>



\*Cash and cash equivalents

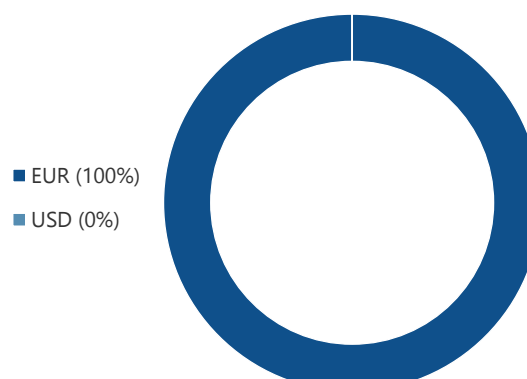
## FUND FACTS

|                                  |  |
|----------------------------------|--|
| Legal structure                  | Luxembourg SICAV-Alpha UCITS SICAV   |
| Domicile                         | Luxembourg   |
| Launch date                      | 16/09/2019   |
| Fund size                        | €158.7 m   |
| Dealing                          | Daily  |
| Valuations                       | Daily dealing NAVs   |
| Target gross return <sup>2</sup> | Euribor + 1.7% p.a.<br>(see share class KIIDs for TER details <sup>2</sup> ) |
| Base currency                    | EUR  |
| Investment manager               | Fair Oaks Capital Limited ("Fair Oaks")                                      |
| Management company               | MDO Management Company S.A.  |
| Administrator / custodian        | RBC Investor Services Bank S.A.  |
| Auditor                          | Deloitte Audit Sàrl  |

## PORTFOLIO METRICS

|  |                 |
|--|-----------------|
| Number of positions:   | 39              |
| Yield to maturity <sup>4</sup> :<br>(based on expected average life of 4.8 years)      | Euribor + 1.96% |
| Yield to expected call <sup>4</sup> :<br>(based on expected average life of 3.5 years) | Euribor + 2.22% |
| Floating rate (%):   | 100%            |
| Fixed rate (%):  | 0%              |

## GEOGRAPHIC BREAKDOWN<sup>3</sup>





FAIR OAKS  
HIGH GRADE

## SHARE CLASS PERFORMANCE<sup>5</sup>

|              | LAUNCH DATE | ISIN         | BLOOMBERG TICKER | NAV (30-Jun-20) | TOTAL RETURN MONTHLY | TOTAL RETURN 2020 YTD | ANNUALISED RETURN (SINCE CLASS LAUNCH) | ANNUALISED DAILY VOLATILITY (SINCE CLASS LAUNCH) |
|--------------|-------------|--------------|------------------|-----------------|----------------------|-----------------------|--|--|
| Class E EUR  | Sep-19      | LU2009875944 | FOHGCEE          | 994.23          | -                    | -                     | -                                      | -  |
| Class E2 EUR | Jan-20      | LU2009876322 | FOHGE2E          | 997.79          | -                    | -                     | -                                      | -  |
| Class M EUR  | Sep-19      | LU2009877999 | FOHGCME          | 994.65          | -                    | -                     | -                                      | -  |
| Class M2 EUR | Sep-19      | LU2017805941 | FOHGM2E          | 994.15          | -                    | -                     | -                                      | -  |
| Class M GBP  | Sep-19      | LU2009878294 | FOHGMG           | 998.65          | -                    | -                     | -                                      | -  |
| Class M USD  | Sep-19      | LU2009878021 | FOHGCMU          | 1,012.19        | -                    | -                     | -                                      | -  |
| Class M SEK  | Sep-19      | LU2017805867 | FOHGCMS          | 9,938.83        | -                    | -                     | -                                      | -  |

## FOOTNOTES

- (1) Standard & Poor: 2018 Annual Global Leveraged Loan CLO Default And Rating Transition Study.  
 (2) Target gross return is before Fund expenses and management fees. Share class KIIDs including TERs are available on Management Company's MDO website (<http://www.mdo-manco.com/en/fund-documents>).  
 (3) Based on the current valuation of the assets in the Fund's base currency at month-end. Due to rounding errors, the percentages in rating breakdown and geographic breakdown may not sum to 100%. Geographic breakdown of CLO investments excludes cash balance.  
 (4) Weighted average yield of investments, before Fund fees and expenses. Note the expected call timing might be unrealistic for some shorter-dated notes in the current market environment.  
 (5) NAVs calculated net of fees. Performance information is not yet available as they do not have a full 12-month track record.

## DISCLAIMER:

FOR INSTITUTIONAL AND WELL-INFORMED INVESTORS ONLY. NO OTHER PERSONS SHOULD RELY ON THE INFORMATION CONTAINED WITHIN THIS REPORT.

This report relates to the Fair Oaks High Grade Credit Fund (the "Sub-Fund"), a sub-fund of Alpha UCITS SICAV. In making any investment in the Sub-Fund, investors should rely solely on the Prospectus and the Key Investor Information Document (available from the Investment Manager, Fair Oaks Capital Limited) and not any information set out in this report. The distribution of this report in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this report may come should inform themselves about and observe any such restrictions. In particular this report is not for distribution in or into the United States or Canada.

**Important Risk Disclaimers: Past performance is no indication of future results. Inherent in any investment is the potential for loss. Target returns and distributions are hypothetical targets only and are neither guarantees nor predictions or projections of future performance. There can be no assurance that such targeted returns will be achieved or that the Sub-Fund will be able to implement its investment strategy, achieve its investment objective or avoid substantial losses.**

Swiss Investors: The distribution of the Sub-Fund is restricted exclusively to qualified investors in accordance with art. 10 para.3 of the Swiss Collective Investment Schemes Act. This report constitutes marketing information. Investment in investment funds is subject to market risks. Past performance results are no indication of future results. Performance results referring to a period of less than twelve months are no reliable indicator for future results due to the short comparison period. Issuance and redemption commissions are not included in the performance figures. For interested parties, the Prospectus, Key Investor Information Documents (KIID), the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the Swiss representative and paying agent in Switzerland: RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich.

This report has been communicated by Fair Oaks Capital Limited, 1 Albemarle Street, London W1S 4HA, authorised and regulated in the UK by the Financial Conduct Authority, FRN No. 604090.

## CONTACT INFORMATION:



FAIR OAKS  
CAPITAL

1 Albemarle Street  
London W1S 4HA  
[IR@fairoakscap.com](mailto:IR@fairoakscap.com)

Signatory of:

