



Fund summary

The Fund offers 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%¹.

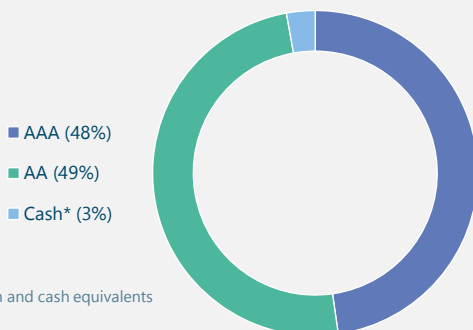
Investment strategy

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 positions³

| Deal name | Rating (M/S/F) | CLO manager | % of NAV |
|--------------------|----------------|---------------------------|----------|
| OCPE 2017-2X A | Aaa/AAA/NR | Onex Credit Partners | 3.1% |
| PRVD 1X B1 | Aa2/AA/NR | Permira Debt Managers | 3.1% |
| MRLPK 1X A1A | Aaa/NR/AAA | GSO Capital Partners | 3.0% |
| BABSE 2014-1X B1RR | Aa2/NR/AA | Babson Capital Management | 2.9% |
| MKSE 1X B | Aa2/AA/NR | Mackay Shields | 2.9% |

Rating breakdown³



*Cash and cash equivalents

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Fund facts

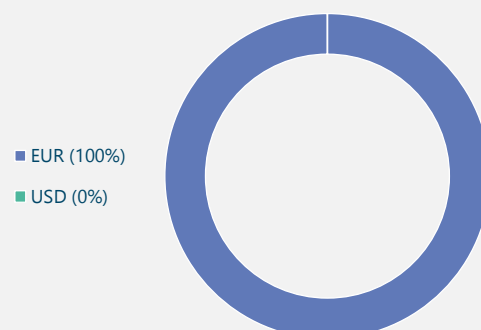
Data as of 29-Jan-21

| | |
|----------------------------------|---|
| Legal structure | Luxembourg SICAV-Alpha UCITS SICAV |
| Domicile | Luxembourg |
| Launch date | 16-Sep-19 |
| Fund size | €239.7m |
| Dealing | Daily |
| Valuations | Daily dealing NAVs |
| Target gross return ² | Euribor + 1.7% p.a. (see share class KIDS for TER details ²) |
| 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: | 62 |
| Yield to maturity ⁴ : (based on expected average life of 4.3 years) | 1.25% |
| Yield to expected call ⁴ : (based on expected average life of 2.9 years) | 1.25% |
| Floating rate: | 100% |
| Euribor floor (at zero): | 100% |

Currency breakdown³





Monthly performance⁵

| | | | | | | | | Sep-19 | Oct-19 | Nov-19 | Dec-19 | 2019 | ITD |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | | | | | | -0.10% | -0.28% | +0.02% | -0.13% | -0.50% | -0.50% |
| Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | 2020 | ITD |
| +0.51% | +0.16% | -9.46% | +5.82% | +2.93% | +0.64% | +0.04% | +0.69% | +0.06% | +0.17% | +0.71% | +0.09% | +1.69% | +1.18% |
| Jan-21 | | | | | | | | | | | | 2021 | ITD |
| +0.13% | | | | | | | | | | | | +0.13% | +1.32% |

Share class performance⁶

| | LAUNCH DATE | ISIN | BLOOMBERG TICKER | NAV (29-Jan-21) | TOTAL RETURN MONTHLY | TOTAL RETURN 2021 YTD | ANNUALISED RETURN (SINCE CLASS LAUNCH) |
|--------------|-------------|--------------|------------------|--------------------|-------------------------|--------------------------|--|
| Class C EUR | Sep-19 | LU2009875514 | FOHGCE | 1,015.92 | +0.14% | +0.14% | +1.18% |
| Class E EUR | Sep-19 | LU2009875944 | FOHGCEE | 1,013.16 | +0.13% | +0.13% | +0.96% |
| Class E2 EUR | Jan-20 | LU2009876322 | FOHGE2E | 1,009.95 | +0.13% | +0.13% | +1.58% |
| Class M EUR | Sep-19 | LU2009877999 | FOHGCME | 1,014.04 | +0.14% | +0.14% | +1.02% |
| Class M2 EUR | Sep-19 | LU2017805941 | FOHGM2E | 1,007.68 | +0.14% | +0.14% | +1.17% |
| Class E GBP | Jun-20 | LU2009876165 | FOHGCEG | 1,020.81 | | | |
| Class M GBP | Sep-19 | LU2009878294 | FOHGCMG | 1,020.84 | +0.18% | +0.18% | +1.52% |
| Class M SEK | Sep-19 | LU2017805867 | FOHGCMS | 10,144.76 | +0.16% | +0.16% | +1.05% |
| Class M USD | Sep-19 | LU2009878021 | FOHGCMU | 1,036.47 | +0.20% | +0.20% | +2.65% |

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) Fair Oaks' data. Performance is from the launch of E EUR and is net of fees. The E Euro Share Class is the earliest Euro share class with the longest track record (M EUR shares also launched on the same day) and is no longer available for new investment.
(6) NAVs calculated net of fees. Performance information is not available for some share classes as they do not have a full 12-month track record.

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