



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.

Commentary

The Fund total return was -1.2%¹ (M EUR share class*) in January compared to a -1.0% return for the J.P. Morgan CLOIE USD BBB Index and a -2.7% return for the EUR BBB Corporate Index².

Increasing concerns about the Russian invasion of Ukraine, its implications for Western Europe's political stability, food and energy security, commodity prices and general stress to the financial system pushed the yield of BBB rated European corporate bonds up by 66 bp to 1.31%² (up from 0.34% at the end of 2021). The yield for BB rated European loans increased from 3.2% to 3.5%⁴. CLOs outperformed but were not insulated from these events. The gross yield to expected call of the Fund's portfolio increased from 4.7% to 5.4%.

The trailing 12-month loan default rate fell in the US, from 0.29% to 0.19%, and increased in Europe from 0.62% to 0.82%³ in February. The distressed ratio (loans trading below 80c, a potential indicator of the direction of future defaults) increased marginally from 1.45% to 1.49% in the US and decreased marginally from 0.86% to 0.85%⁴ in Europe.

New issue CLO volumes in February were in line with 2021 (\$14.3 billion worth of new issues in the US, compared with \$15.9 billion in February 2021 and €5.1 billion in Europe, compared to €3.7 billion in February 2021)⁴ although pricing at the end of February and early March saw meaningful widening.

As the current situation in the Ukraine continues to evolve - we would like to provide a brief portfolio update.

FODC does not have any direct exposure to Russian or Ukrainian assets as it only holds North American and Western European domiciled CLOs. Looking at the underlying assets of the CLOs held by the funds, none of the loans are to Russian or Ukrainian borrowers.

Some CLOs in the Fund do hold loans of Western European companies that source and sell some goods from/to Russia, but this is limited to a small percentage of their activity in all cases and thus unlikely to significantly impact their creditworthiness. The main impact is thus expected to result from changes in supply and pricing of raw materials (e.g., oil/gas, metals, grains and cooking oils).

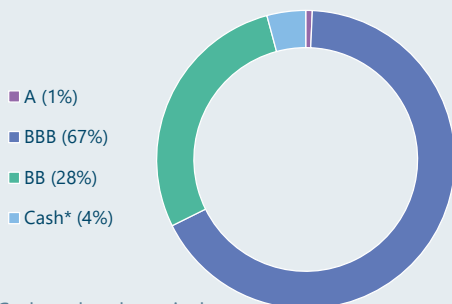
Most of the companies likely to be impacted have already seen input price inflation during the last nine months and generally had success in implementing price increases, and although this may become more difficult in an environment with more extreme price inflation of certain inputs and weaker consumer confidence, we do not expect it to lead to a significant increase in loan defaults.

We will continue to keep you updated as we get more information from portfolio companies and more visibility on the impacts of the invasion.

Top 5 positions¹⁰

Deal name	Rating (M/S/F)	CLO manager	% of NAV
MDPKE 17X D	Baa3/NR/BBB	CSAM	3.1%
ARESE 9X D	Baa2/BBB/NR	Ares Management	2.4%
EGLXY 2018-6X D	Baa2/BBB/NR	PineBridge Investments	2.1%
TIKEH 2015-1X DRR	Baa3/NR/BBB-	Tikehau Capital Europe	2.0%
TIKEH 6X D	Baa3/NR/BBB-	Tikehau Capital Europe	1.8%

Rating breakdown^{10,11}



**Cash and cash equivalents

Please refer to the footnotes the important information on page 3. Past performance is no indication of future results. Inherent in any investment is the potential for loss. *Class M is the initial share class of the Fund with the longest track record, but is no longer available for new investment.

Fund facts

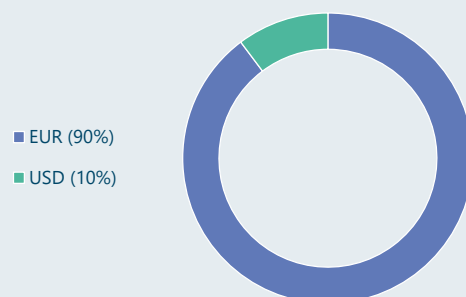
Data as of 28-Feb-22

Legal structure	Luxembourg SICAV-Alpha UCITS SICAV
Domicile	Luxembourg
Launch date	13-Sep-16
Fund size	€558.0m
Dealing	Weekly (Wednesdays)
Valuations	Daily non-dealing and weekly dealing NAVs
Target gross return ⁹	Euribor + 5% p.a. (see share class KIIDS for TER details)
Base currency	EUR
Investment manager	Fair Oaks Capital Limited ("Fair Oaks")
Management company	Waystone Management Company S.A.
Administrator / custodian	RBC Investor Services Bank S.A.
Auditor	Deloitte Audit Sàrl

Portfolio metrics

Number of positions:	103
Yield to maturity ⁶ : (based on expected average life of 6.3 years)	+5.1%
Yield to expected call ⁶ : (based on expected average life of 2.9 years)	+5.4%
Floating rate:	100%
CLOs with ESG Investment Criteria ⁷ :	40%

Currency breakdown^{10,11}





Share class performance¹⁴

	LAUNCH DATE	ISIN	BLOOMBERG TICKER	NAV (28-Feb-22)	TOTAL RETURN MONTHLY	TOTAL RETURN 2022 YTD	ANNUALISED RETURN (SINCE CLASS LAUNCH)	ANNUALISED DAILY VOLATILITY (SINCE CLASS LAUNCH)
Class M EUR	Oct-16	LU1344623373	FODCFME	1,125.17	-1.18%	-0.81%	+2.21%	9.17%
Class E EUR	Sep-16	LU1344621674	FODCFEE	1,106.13	-1.20%	-0.84%	+1.87%	9.14%
Class L EUR	Nov-18	LU1344622219	FODCFLE	1,033.88	-1.22%	-0.88%	+1.03%	11.80%
Class A EUR	Aug-17	LU1344614893	FODCFAE	1,048.23	-1.18%	-0.88%	+1.04%	9.96%
Class N EUR	Dec-16	LU1539542248	FODCFNE	937.52	-1.20%	-0.84%	+1.95%	9.37%
Class O EUR	Mar-17	LU1570265261	FODCFOE	953.58	-1.22%	-0.88%	+1.45%	9.61%
Class R EUR	Dec-19	LU1892529196	FODCFRE	1,006.25	-1.29%	-1.04%	+0.28%	14.24%
Class R2 EUR	-	LU1892529519	-	-	-	-	-	-
Class S EUR	Sep-19	LU1892528388	FODCFSE	1,023.41	-1.22%	-0.89%	+0.97%	13.64%
Class S2 EUR	-	LU1892528628	-	-	-	-	-	-
Class E GBP	Sep-16	LU1344621831	FODCFEG	1,139.06	-1.17%	-0.75%	+2.42%	9.22%
Class E2 GBP	Jun-17	LU1628743905	FODCE2G	957.98	-1.83%	-1.42%	+1.87%	9.91%
Class L GBP	Nov-19	LU1344622482	FODCFLG	1,037.46	-1.18%	-0.79%	+1.62%	14.10%
Class L2 GBP	Sep-17	LU1683328667	FODCL2G	956.86	-1.19%	-0.79%	+1.68%	10.17%
Class A GBP	Dec-17	LU1344615270	FODCFAG	1,052.35	-1.14%	-0.77%	+1.22%	10.49%
Class T GBP	Jul-21	LU2349357983	FODCFTG	1,003.43	-	-	-	-
Class E USD	Sep-16	LU1344621757	FODCFEU	1,223.51	-1.16%	-0.76%	+3.78%	9.16%
Class L USD	Feb-20	LU1344622300	FODCFLU	1,023.72	-1.17%	-0.78%	+1.14%	13.98%
Class A USD	Aug-19	LU1344615197	FODCAU	1,057.87	-1.14%	-0.79%	+2.22%	13.26%
Class R USD	Dec-19	LU1892529279	FODCFRU	1,032.77	-1.26%	-0.95%	+1.46%	14.26%
Class R2 USD	-	LU1892529600	-	-	-	-	-	-
Class S USD	Dec-19	LU1892528461	FODCFSU	1,055.24	-1.18%	-0.80%	+2.43%	14.18%
Class S2 USD	-	LU1892528891	-	-	-	-	-	-
Class E CHF	Sep-16	LU1344621914	FODCFEC	1,073.53	-1.22%	-0.91%	+1.31%	9.15%
Class A CHF	Feb-20	LU1344615353	FODCFAC	991.42	-1.21%	-0.95%	-0.42%	13.98%
Class R CHF	Dec-19	LU1892529436	FODCFRC	997.02	-1.32%	-1.10%	-0.13%	14.26%
Class R2 CHF	-	LU1892529782	-	-	-	-	-	-
Class S CHF	Dec-19	LU1892528545	FODCFSC	1,018.21	-1.24%	-0.95%	+0.82%	14.26%
Class S2 CHF	-	LU1892528974	-	-	-	-	-	-
Class D ILS	May-17	LU1577731786	FODCFDS	5,280.24	-1.26%	-0.98%	+1.15%	9.86%
Class Q SEK	Oct-18	LU1886619987	FODCFQS	10,304.54	-1.20%	-0.83%	+0.91%	11.76%

Footnotes

- (1) Fair Oaks' data. Performance is of M EUR and is net of fees. The M Share Class is the earliest share class with the longest track record (M GBP shares launched Sep-16 and M EUR shares launched in Oct-16) and is no longer available for new investment.
- (2) Source: JP Morgan
- (3) Source: S&P Global Market Intelligence. Euro and US loan index lagging 12-month loan default rate based on Principal Amount.
- (4) Source: S&P Global Market Intelligence.
- (5) Source: Bloomberg
- (6) Source: Intex. Weighted average yield of portfolio, before Fund fees expenses and currency hedging. Call is assumed one year after the end of each CLO's reinvestment period. Note the expected call timing might be unrealistic for some shorter-dated notes in the current market environment.
- (7) The proportion of the fund's investments which include ESG-focused investment criteria is being reported as per Article 8 of EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").
- (8) Based on the par value of loans to issuers in the underlying bank loan portfolios. This analysis excludes recent purchases that have not settled in the reporting month. Source: Intex. Data as of 28-Feb-22.
- (9) Target gross return is before Fund expenses and management fees. Share class KIID's including TERs are available on Management Company's Waystone website (<https://www.waystone.com/our-funds/waystone-management-company-lux-s-a/>).
- (10) Based on the current valuation of the assets in the Fund's base currency at month-end.
- (11) Due to rounding errors, the percentages may not sum to 100%. Currency breakdown of CLO investments excludes cash balance.
- (12) Based on Moody's classification of the loan issuers. This analysis excludes recent purchases that have not settled in the reporting month. Data as of 28-Feb-22.
- (13) Fair Oaks' data. Performance is from the launch of M EUR and is net of fees. The M Share Class is the earliest share class with the longest track record (M GBP shares launched Sep-16 and M EUR shares launched in Oct-16) and is no longer available for new investment.
- (14) NAVs calculated net of fees. Share classes R2 and S2 have not launched as of the reporting month.

Please refer to the footnotes the important information on page 3. Past performance is no indication of future results. Inherent in any investment is the potential for loss.



Disclaimer:

CLASS S AND CLASS R SHARES ARE AVAILABLE TO RETAIL INVESTORS. ALL OTHER SHARE CLASSES AVAILABLE TO INSTITUTIONAL AND WELL-INFORMED INVESTORS. NO OTHER PERSONS SHOULD RELY ON THE INFORMATION CONTAINED WITHIN THIS REPORT.

This report relates to the Fair Oaks Dynamic 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, achieves its investment objective or avoid substantial losses.

Swiss Investors: 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

