



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's total return was -0.10% in August (see performance table) taking the year to date performance to +4.35%¹. The JP Morgan European Leveraged Loan index was up +0.29% in August while the High Yield index was up +0.75%².

Global CLO new issuance was limited to \$7.4 billion in August compared to \$15.6 billion last month and \$14.7 billion in August 2018³. Euro AAA CLO spreads tightened from 113.5bps in July to 107.5bps in August, while US primary AAA spreads remained unchanged at 136.5bps³.

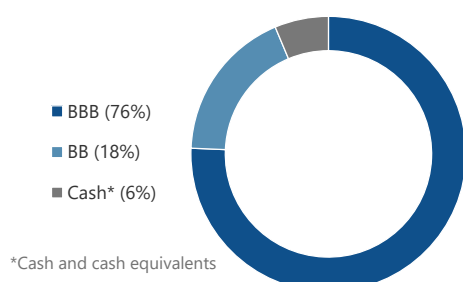
There has been an increasing focus on the value of CLO Euribor floors in the [press](#)⁴ (which we first highlighted in our July Reflections piece available [here](#)) and the attractive return profile they provide to investors given current negative yields in many government and high grade corporate markets.

We continue to believe that the relative value of CLO debt is very compelling and that it is supported by the very strong historical fundamental performance of CLO mezzanine notes, even at times of broader market stress. To emphasize this point, our latest Reflections [piece](#) focuses on the resilience of current CLO structures.

TOP 5 POSITIONS⁵

Deal Name	Rating (M/S/F)	Par Amount
VOYE 1X D	Baa2/NR/BBB	€ 13,425,000
ARESE 9X D	Baa2/BBB/NR	€ 13,400,000
OZLME 4X D	Baa2/NR/BBB-	€ 12,000,000
EGLXY 2018-6X D	Baa2/BBB/NR	€ 12,000,000
ALME 4X DR	Baa2/NR/BBB	€ 11,500,000

RATING BREAKDOWN



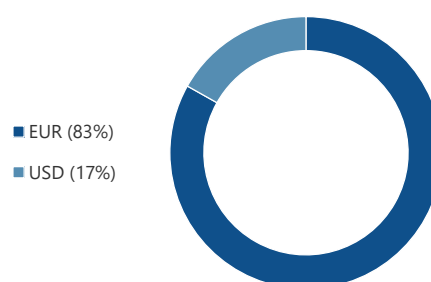
FUND FACTS

Legal Structure	Luxembourg SICAV-Alpha UCITS SICAV
Domicile	Luxembourg
Launch Date	13/09/2016
Fund Size	€513.8m
Dealing	Weekly (Wednesdays)
Valuations	Daily Non-Dealing and Weekly Dealing NAVs
Return Profile	Libor+4% 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

No. of positions:	81
Expected average life:	3.9yr
Yield to expected call ⁶ :	Libor+4.70%
Floating rate (%):	100%
Fixed rate (%):	0%

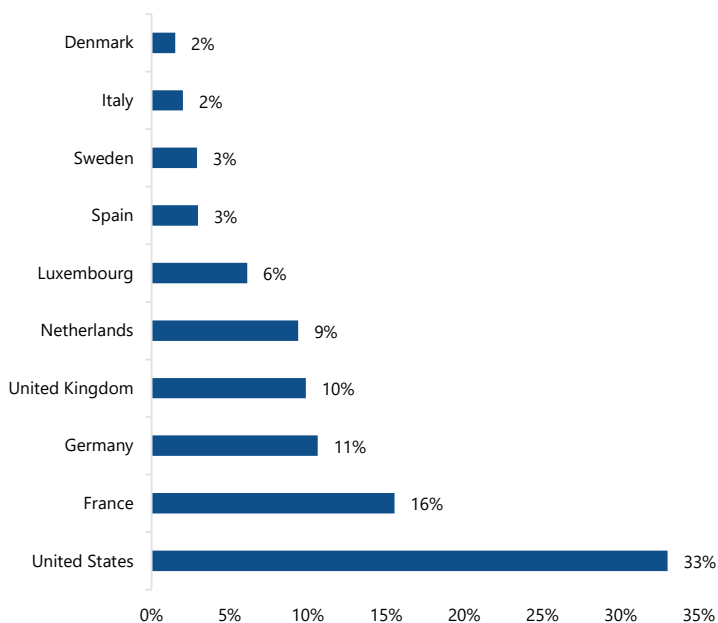
GEOGRAPHIC BREAKDOWN



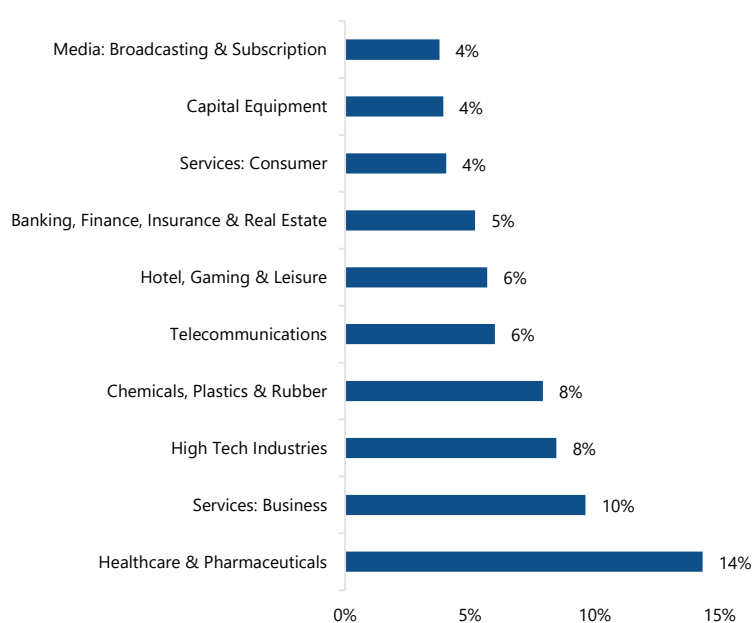


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LOOK-THROUGH GEOGRAPHIC BREAKDOWN (TOP 10)⁷



LOOK-THROUGH INDUSTRY DIVERSIFICATION (TOP 10)^{7,8}



SHARE CLASS PERFORMANCE⁹

	ISIN	BLOOMBERG TICKER	NAV (30-Aug-19)	TOTAL RETURN MONTHLY	TOTAL RETURN 2019 YTD	TOTAL RETURN ITD (SINCE CLASS LAUNCH)	ANNUALISED RETURN (SINCE CLASS LAUNCH)	ANNUALISED DAILY VOLATILITY (SINCE CLASS LAUNCH)
Class M GBP	LU1344623613	FODCFMG	1106.88	0.01%	5.31%	10.69%	3.49%	1.49%
Class M EUR	LU1344623373	FODCFME	1082.88	-0.06%	4.59%	8.29%	2.78%	1.88%
Class E EUR	LU1344621674	FODCFEE	1072.58	-0.10%	4.38%	7.26%	2.40%	1.88%
Class E GBP	LU1344621831	FODCFEG	1100.26	0.31%	5.43%	10.03%	3.28%	1.45%
Class E2 GBP	LU1628743905	FODCFE2G	989.55	0.00%	5.10%	5.76%	2.57%	1.53%
Class E USD	LU1344621757	FODCFEU	1146.63	0.15%	6.43%	14.66%	4.74%	1.49%
Class E CHF	LU1344621914	FODCFEC	1053.21	-0.15%	4.00%	5.32%	1.77%	1.48%
Class N EUR	LU1539542248	FODCFNE	977.52	-0.10%	4.35%	7.00%	2.56%	1.51%
Class O EUR	LU1570265261	FODCFOE	993.57	-0.12%	4.10%	4.77%	1.90%	1.50%
Class P GBP	LU1590456338	FODCFPG	982.13	-0.02%	5.01%	6.01%	2.52%	1.48%
Class D ILS	LU1577731786	FODCFDS	5155.73	-0.08%	4.36%	3.11%	1.36%	1.49%
Class A EUR	LU1344614893	FODCFAE	1026.27	-0.10%	4.17%	2.63%	1.27%	1.53%
Class A GBP	LU1344615270	FODCFAG	1019.21	-0.01%	4.22%	1.92%	1.12%	1.67%
Class L2 GBP	LU1683328667	FODCL2G	988.30	-0.04%	4.87%	4.10%	2.07%	1.78%
Class Q SEK	LU1886619987	FODCFQE	10019.69	-0.11%	4.29%	0.20%	NM	NM
Class Q EUR	LU1902638607	FODCFQS	1010.71	-0.11%	4.24%	1.07%	NM	NM
Class L EUR	LU1344622219	FODCFLE	1008.80	-0.12%	4.20%	0.88%	NM	NM



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MONTHLY PERFORMANCE (M EUR CLASS)¹⁰

									Oct-16	Nov-16	Dec-16	2016	ITD
									-0.45%	-0.03%	+0.73%	+0.25%	+0.25%
Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017	ITD
+1.06%	+0.31%	+1.28%	+0.03%	+0.34%	+0.26%	+0.36%	+0.54%	+0.35%	+0.55%	+0.52%	+0.15%	+5.89%	+6.15%
Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018	ITD
+0.38%	+0.25%	+0.16%	-0.24%	+0.24%	-0.13%	+0.06%	+0.31%	0.00%	+0.12%	-0.51%	-3.07%	-2.46%	+3.54%
Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19					2019	ITD
+1.55%	-0.07%	+1.29%	+0.93%	+0.74%	-0.32%	0.45%	-0.06%					+4.59%	+8.29%

Maximum weekly return: +1.26%

Largest weekly drawdown: -2.17%

% Positive or unchanged weeks: +71.62%

Average weekly return (positive or unchanged weeks): +0.14%

Average weekly return (negative weeks): -0.14%

FOOTNOTES:

(1) Weighted average performance of the EUR share classes as of 30-Aug-19.

(2) JP Morgan European Leveraged loan index and European High Yield index as of 30-Aug-19.

(3) JP Morgan CLO new issuance and primary spreads of European and US CLOs. Data as of 30-Aug-19.

(4) FT article: The corner of the bond market that won't go negative, published: 19-Aug-19.

(5) Based on current valuation of the assets in the Fund's currency. Data as of 30-Aug-19.

(6) Weighted average yield to expected call of investments, excluding fund fees and expenses.

(7) Based on total gross assets in underlying bank loan portfolios. Source: Intex. Data as of 30-Aug-19.

(8) Based on Moody's classification of the loan issuers. Data as of 30-Aug-19.

(9) NAVs calculated net of fees.

(10) Fair Oaks data as at 30-Aug-19. Performance is from the launch of M EUR and is net of fees. The M EUR Share Class is the earliest share class with the longest track record which is no longer available for new investment.

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