



OAKTREE GLOBAL HIGH YIELD CARBON FOCUS FUND - CLASS RH GBP ACC

A SUBFUND OF OAKTREE (LUX.) FUNDS

FACTSHEET | FEBRUARY 2024

ABOUT OAKTREE

Founded in 1995, Oaktree is a leading global investment management firm focused on alternative markets. Oaktree manages \$189 billion of assets in contrarian, value-oriented, risk-controlled investment strategies. Oaktree's mission is to deliver superior investment results with risk under control and to conduct our business with the highest integrity.

FUND OVERVIEW

Fund Base Currency

GBP

Total Net Assets (in millions)

180.9

SICAV Strategy Inception Date

07 June 2016

Domicile

Luxembourg

Legal Structure

SICAV

Morningstar Category

EAA Fund USD High Yield Bond

Benchmark Name

ICE BofA Non-Financial Dev. Markets HY Constr. (TR) (USD-H)

FUND MANAGERS

Sheldon Stone

43 Years of Experience

David Rosenberg

19 Years of Experience

Madeline Jones

23 Years of Experience

Anthony Shackleton

20 Years of Experience

SHARE CLASS FACTS

Unit Class

RH GBP Acc

Unit Class Currency

GBP

Share Class Inception Date

28 April 2023

ISIN Number

LU2400762170

Bloomberg Ticker

OAHYRGB LX

Valor Number

116862507

WKN Number

A3DELJ

Net Asset Value

107.33

Minimum Investment

0

Redemptions

T-0

Base Management Fee p.a.

1.20%

INVESTMENT OBJECTIVE

The Fund seeks to earn an attractive total return through investment in high yield bonds while managing risk and promoting progress toward a low-carbon economy.

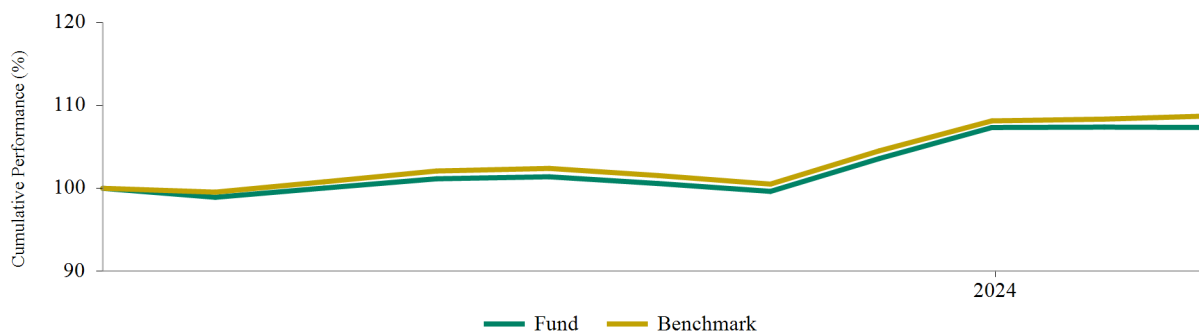
PORTFOLIO COMMENTARY¹

The ICE BofAML Non-Financial Developed Markets High Yield Constrained Index (USD hedged) was up 0.4% for the month, as compared to U.S. investment grade corporate bonds (down 1.4%), the 10-year Treasury (down 2.1%) and the S&P 500 (up 5.3%).

The Global High Yield Carbon Focus portfolio remained broadly diversified by sector and issuer. Roughly 72.2% of the portfolio was allocated to North American high yield bonds, with the balance to European high yield. In terms of industry exposure, Media (9.0%), Telecoms (9.0%) and Basic Industry (8.1%) represented the three largest sectors in the portfolio.

The Fund underperformed its benchmark in February. Some negative attribution resulted from an underweight to the market's highest spread bonds, which outperformed.

The portfolio's WACI was far below that of the benchmark. The gap was most stark in the Energy and Utilities sectors, which had outsized WACIs in the benchmark but far lesser impact on the portfolio.

HISTORICAL PERFORMANCE (NET)²CUMULATIVE AND ANNUALISED PERFORMANCE (%)²

| | 1 Month | 3 Months | YTD | 1 Year | 3 Years (p.a) | 5 Years (p.a) | Since Inception (p.a) |
|------------|---------|----------|------|--------|---------------|---------------|-----------------------|
| Fund (Net) | (0.05) | 3.61 | 0.00 | n/a | n/a | n/a | n/a |
| Benchmark | 0.34 | 4.01 | 0.54 | n/a | n/a | n/a | n/a |

ANNUAL PERFORMANCE (%)²

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------|------|------|------|------|------|------|
| Fund (Net) | 0.00 | 7.33 | n/a | n/a | n/a | n/a |
| Benchmark | 0.54 | 8.13 | n/a | n/a | n/a | n/a |

PORTFOLIO CHARACTERISTICS

| | | Portfolio | Benchmark |
|----------------------|--|-----------|-----------|
| Fund Characteristics | Number of Holdings | 316 | 2,325 |
| | Number of Issuers | 208 | 1,061 |
| | Average Price | 93.84 | 92.12 |
| | Average Coupon | 5.51% | 5.68% |
| | Effective Duration | 3.31 | 3.22 |
| | Average Credit Rating (Moody's/S&P) | B1/B+ | B1/B+ |
| Yields and Spreads | Current Yield | 5.88% | 6.19% |
| | Yield to Worst (YTW) | 7.00% | 7.64% |
| | Yield to Maturity (YTM) | 7.10% | 7.77% |
| | Option-Adjusted Spread (OAS) | 290 bps | 357 bps |
| Risk Analysis | Annualized Volatility (1 year/3 year) | n/a | n/a/n/a |
| | Information Ratio (1 year/3 year) | n/a | n/a |
| | Tracking Error (ex post) (1 year/3 year) | n/a | n/a |

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SECTOR DIVERSIFICATION

| | % of Fund |
|------------------------|-----------|
| Communication Services | 19.21 |
| Consumer Discretionary | 17.40 |
| Industrials | 15.16 |
| Materials | 9.29 |
| Financials | 9.26 |
| Information Technology | 7.16 |
| Health Care | 6.85 |
| Consumer Staples | 6.18 |
| Real Estate | 6.04 |
| Utilities | 3.45 |

GEOGRAPHIC DIVERSIFICATION

| | % of Fund | Fund vs Benchmark (%) |
|----------------|-----------|-----------------------|
| United States | 70.61 | 1.99 |
| United Kingdom | 4.90 | (1.35) |
| Germany | 4.55 | 1.14 |
| France | 4.35 | (1.70) |
| Italy | 2.59 | 0.07 |
| Netherlands | 2.58 | 1.09 |
| Luxembourg | 2.39 | 2.30 |
| Canada | 2.30 | (2.30) |
| Spain | 1.58 | (0.79) |
| Other | 4.15 | 1.75 |

CREDIT QUALITY

| | % of Fund | Fund vs Benchmark (%) |
|---------------|-----------|-----------------------|
| Baa/BBB | 1.64 | 1.64 |
| Ba/BB | 42.74 | (9.55) |
| B/B | 49.75 | 11.95 |
| Less Than B/B | 3.57 | (6.33) |
| Not Rated | 2.30 | 2.30 |
| Defaulted | 0.00 | 0.00 |

TOP 10 ISSUERS

| | Industry | % of Fund |
|------------------------------|--------------------------------|-----------|
| Charter Communications Inc | Media | 1.73 |
| Summit Materials Inc | Construction Materials | 1.38 |
| Virgin Media Inc | Media | 1.31 |
| Allied Universal Holdco LLC | Commercial Services & Supplies | 1.25 |
| Iron Mountain Inc | Commercial Services & Supplies | 1.23 |
| Cloud Software Group Inc | Software | 1.22 |
| ADT Inc | Commercial Services & Supplies | 1.11 |
| Service Properties Trust | Hotel & Resort REITs | 1.02 |
| Compass Diversified Holdings | Financial Services | 1.02 |
| QVC Inc | Broadline Retail | 1.00 |
| | | 12.27 |

TOP 10 OVERWEIGHTS BY ISSUER

| | % of Fund | % of Index | % of Relative |
|------------------------------|-----------|------------|---------------|
| Summit Materials Inc | 1.38 | 0.12 | 1.26 |
| Compass Diversified Holdings | 1.02 | 0.00 | 1.02 |
| Block Communications Inc | 0.94 | 0.02 | 0.92 |
| QVC Inc | 1.00 | 0.10 | 0.90 |
| NFP Corp | 0.87 | 0.00 | 0.87 |
| Park Hotels & Resorts Inc | 0.99 | 0.14 | 0.85 |
| Clearway Energy Inc | 0.97 | 0.13 | 0.85 |
| Watco Cos LLC | 0.85 | 0.04 | 0.81 |
| Allied Universal Holdco LLC | 1.25 | 0.46 | 0.79 |
| Open Text Corp | 0.98 | 0.20 | 0.78 |

TOP 10 UNDERWEIGHTS BY ISSUER

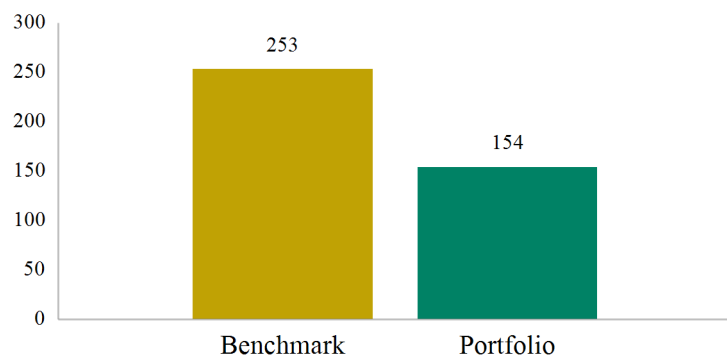
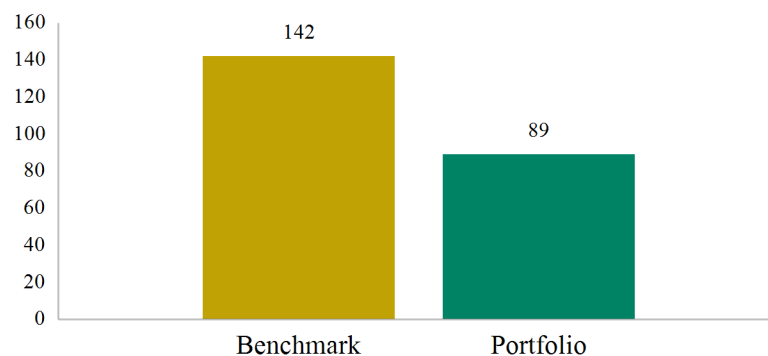
| | % of Fund | % of Index | % of Relative |
|-----------------------------|-----------|------------|---------------|
| TransDigm Group Inc | 0.00 | 1.24 | (1.24) |
| Venture Global LNG Inc | 0.00 | 0.96 | (0.96) |
| DISH Network Corp | 0.00 | 0.68 | (0.68) |
| Cellnex Telecom SA | 0.00 | 0.63 | (0.63) |
| Carnival Corp | 0.29 | 0.85 | (0.56) |
| American Airlines Group Inc | 0.00 | 0.53 | (0.53) |
| Altice USA Inc | 0.40 | 0.88 | (0.49) |
| Caesars Entertainment Inc | 0.00 | 0.45 | (0.45) |
| Equitrans Midstream Corp | 0.00 | 0.44 | (0.44) |
| Vistra Corp | 0.00 | 0.42 | (0.42) |



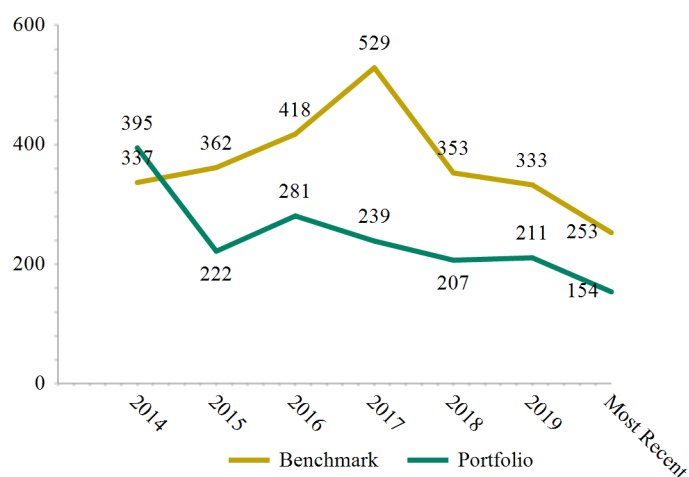
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WTD. AVERAGE CARBON INTENSITY (WACI)³CARBON EMISSIONS PER \$1MM INVESTED⁴TOP 10 CONTRIBUTORS TO PORTFOLIO EMISSIONS⁵

| Company | Sector | Country | Portfolio Weight | Active Weight | WACI Contribution | Contribution to Wtd Ave Carbon Intensity |
|---|------------------------|--------------------------|------------------|---------------|-------------------|--|
| Big River Steel LLC | Basic Materials | UNITED STATES OF AMERICA | 0.45% | 0.40% | 10 | 22.76% |
| Hindalco Industries Ltd | Basic Materials | UNITED STATES OF AMERICA | 0.42% | 0.19% | 7 | 11.19% |
| Summit Materials Inc | Industrial | UNITED STATES OF AMERICA | 1.38% | 1.26% | 19 | 10.30% |
| O-I Glass Inc | Industrial | UNITED STATES OF AMERICA | 0.65% | 0.47% | 10 | 9.94% |
| TransAlta Corp | Utilities | CANADA | 0.31% | 0.25% | 22 | 7.73% |
| Ardagh Group SA | Industrial | IRELAND | 0.70% | 0.40% | 5 | 3.74% |
| Ardagh Metal Packaging Finance USA LLC / Ardagh Metal Packaging Finance plc | Industrial | UNITED STATES OF AMERICA | 0.58% | 0.39% | 4 | 3.11% |
| Albertsons Cos Inc | Consumer, Non-cyclical | UNITED STATES OF AMERICA | 0.92% | 0.49% | 1 | 2.42% |
| Electricite de France SA | Utilities | FRANCE | 0.78% | 0.09% | 2 | 1.96% |
| Accor SA | Consumer, Cyclical | FRANCE | 0.46% | 0.38% | 4 | 1.53% |
| Top 10 Companies | | | 6.64% | | | 74.69% |

WACI TREND OF CURRENT HOLDINGS⁶WACI BY SECTOR⁷

| Sector | Portfolio | Benchmark | Portfolio vs Benchmark |
|------------------------|--------------|--------------|------------------------|
| Basic Materials | 21.3 | 21.6 | (0.2) |
| Communications | 5.5 | 4.8 | 0.6 |
| Consumer, Cyclical | 20.9 | 42.2 | (21.3) |
| Consumer, Non-cyclical | 6.5 | 8.3 | (1.8) |
| Diversified | 0.0 | 1.0 | (1.0) |
| Energy | 0.1 | 60.7 | (60.6) |
| Financial | 9.0 | 3.4 | 5.6 |
| Industrial | 55.2 | 21.4 | 33.8 |
| Technology | 0.5 | 1.0 | (0.5) |
| Utilities | 35.4 | 88.7 | (53.3) |
| Overall | 154.3 | 253.0 | (98.7) |

ENDNOTES

Note: Historical performance indications and financial market scenarios are no guarantee for current or future performance. Not all companies in the Fund's investment universe report carbon data. When reported carbon emissions data is not available, Scope 1 & 2 carbon emissions are estimated using MSCI ESG Research's proprietary carbon estimation model. "WACI" refers to Weighted Average Carbon Intensity.

- ¹ References to fund and index performance are stated on a gross basis, before management fees and any expenses. Net performance of the Fund, after management fees and expenses are available on this factsheet.
- ² Performance indications do not consider commissions levied at subscription and/or redemption but do include the impact of swing pricing procedures implemented by the fund administrator. The fund administrator will implement swing pricing when contributions or redemptions exceed a defined threshold, and this may impact performance as reported at month end.
- ³ Data sourced from MSCI. WACI represents exposure to carbon-intensive companies (based on Scope 1 and Scope 2 GHG emissions), expressed in tons CO₂e/\$M revenue.
- ⁴ Total financed carbon emissions (Scope 1 and Scope 2) for every \$10mm invested, expressed in tons CO₂e. Unit used is metric tons CO₂ as a percentage of Enterprise Value Including Cash. Data sourced from MSCI
- ⁵ Based on WACI as sourced from MSCI.
- ⁶ "Most recent" represents combination of 2020 and 2021 data, based on data availability. Data sourced from MSCI
- ⁷ Data sourced from MSCI.

PERFORMANCE DISCLOSURES

The Fund is launched further to a merger by absorption of White Fleet II – OCM Global High Yield Carbon Focus Fund, which was also managed by Oaktree. The performance prior to the merger is based on investment objectives, an investment policy and investment restrictions which are not materially different to those of the Fund. Furthermore, there is continuity in the investment team and no material change in the level of applicable fees. It should be noted, however, that performance prior to the merger was achieved under a context and circumstances that no longer apply.

The benchmark shown for carbon and sustainability metrics is same as that for performance: ICE BofA Non-Financial Dev. Markets HY Constr. (TR) (USD-H).

The Sub-fund is actively managed. While the Sub-fund has a reference benchmark, it is actively managed by implementing Oaktree's investment philosophy and process. Oaktree is aware of the benchmark's composition and characteristics but has an ample degree of freedom to deviate from it.

SUSTAINABILITY DISCLOSURES

EU Sustainable Finance Disclosure Regulation ("SFDR").

The Fund seeks to earn an attractive total return through investment in high yield bonds while managing risk and promoting progress to a low-carbon economy. As such, the Fund is classified as an Article 8 financial product under SFDR.

With the exception of non-core investments for certain specific purposes such as hedging and cash management, every investment will be in an issuer that satisfies at least one of the following criteria:

- characterized by low-carbon intensity; or
- characterized by high-carbon intensity, but:
 - with credible decarbonization plans, or
 - receptive to engagement; or
- providing solutions that enable the mitigation of climate change.

An issuer is classified by Oaktree as characterized by low or high carbon intensity depending on whether its carbon intensity (or, in the absence of that data, the weighted average carbon intensity ("WACI") of the relevant industry or sub-industry group) is lower or higher than the WACI of the ICE BofA Merrill Lynch Non-Financial Developed Markets High Yield 2% Constrained Index. All carbon intensity data, for this purpose, is calculated based on Scope 1 & 2 GHG emissions per \$1m revenue.

The Fund does not currently commit to alignment with the objectives of the Paris Agreement. It will reassess this if, in the future, reliable and accepted means for measuring and verifying alignment are developed for the high yield asset class. Additionally, Oaktree is not aware of a viable or appropriate Paris-aligned or climate transition benchmark. Accordingly, the designated benchmark is not Paris-aligned. The benchmark is also not aligned to the Fund's sustainable investment objective and, therefore, is not designated as a "reference benchmark" for the purposes of Article 8 of SFDR.

All issuers are also subjected to an environmental, social and governance ("ESG") review, which is intended to ensure they do not significantly harm any environmental or social objectives and they follow good governance practises. Issuers subject to certain ESG shortcomings will be subject to enhanced due diligence and Oaktree expects to engage with them regarding those shortcomings.

Oaktree may rely on one or more third-party data providers to provide carbon intensity figures and other data and information to assist with applying the carbon underwriting criteria and ESG review.

EU Taxonomy Regulation ("Taxonomy")

The Fund is expected to be in scope of the Taxonomy. The rules detailing how to measure whether an economic activity is environmentally sustainable under Article 3 of the Taxonomy are still in flux, and there is a lack of reliable data available to perform the calculations required. Accordingly, the Fund does not commit to make a minimum proportion of investments which are Taxonomy-aligned.

Notes to Investors

Any decisions taken by Oaktree regarding classification and the applicable disclosure requirements under SFDR and the Taxonomy are based on a good faith assessment by it and based on information available to it and market practise as discerned by it at the time any such decision is made.

The requirements of SFDR, and in particular the boundaries between the different categories of financial products are not free from doubt and may change over time and, therefore, adjustments to the Fund's classification may be made owing to the uncertainties in the regime. Additionally, the investment process supporting the Fund's investment program requires data from third party sources pertaining to ESG matters. Changes to the Disclosure Regulation or the ability of service providers to supply that data may also drive changes to the Fund's classification. There is, therefore, a risk that the Fund's classification under SFDR may change in the future. Should the classification of the Fund change, this may result in the Fund producing appropriately modified disclosures.

Investors should be aware that SFDR is:

- a disclosure regime and should not be relied on as a product labelling regime or as imposing additional obligations other than disclosure requirements in relation to ESG matters; and
- together with the Taxonomy, subject to ongoing uncertainties and evolution in material regards as underlying rules and guidance is finalised, or is issued, over time.

Owing to differences in the terminologies used as between SFDR and the Taxonomy, it is possible that an investment that, in Oaktree's opinion, is a sustainable investment under SFDR does not pursue any economic activities that qualify as environmentally sustainable under the Taxonomy.

The Fund's sustainable investment objective, and the incorporation of sustainability considerations in the investment guidelines and process, may compete with the Fund's objective of earning an attractive total return. There is no assurance that the Fund will achieve its dual objectives. See the Prospectus for more information on the Fund's sustainability approach, including its disclosures under SFDR and Taxonomy.

LEGAL INFORMATION

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