



## 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 generated a net return of +0.43% in February.<sup>1</sup> The JP Morgan European BBB Corporate Bond Index and the High Yield Index returned +0.66% and +1.27%, respectively.<sup>2</sup>

The portfolio's current gross EUR yield is 6.5%<sup>3</sup>, with an expected gross yield to maturity of 6.0%. This compares to yields to maturity of 3.0% for the JP Morgan European BBB Corporate Bond Index and 5.9% for the European High Yield Index.<sup>2</sup>

As of the end of February, the Fund generated returns of +1.4% in 2025 with an annualised volatility of 1.1%<sup>1</sup>. In comparison, the JP Morgan European BBB Corporate Bond Index returned +1.2% with a 2.3% annualised volatility.<sup>2</sup> Rate volatility in the first week of March significantly impacted the JP Morgan European BBB Corporate Index, reducing its return to +0.4%<sup>4</sup>, while the Fund's year-to-date return increased to +1.5%.<sup>1</sup> Fair Oaks has previously highlighted the potential effects of interest rate volatility and the benefits of floating-rate CLOs in reducing such risks.

In February, Fair Oaks attended the Structured Finance Association Conference, during which investors highlighted the relative value of Europe compared to the US, where spreads have reached historical tightness. The Fund is 100% invested in European CLOs and continues to favour this allocation given the 36 bps spread pick-up of European BBB CLOs vs US BBB CLOs.<sup>5</sup>

The European primary CLO market was particularly active in February with net issuance reaching a record monthly high. More broadly, investor appetite for floating-rate assets is seen in continued CLO ETF inflows, totalling \$3bn during February and pushing their AUM above \$30bn.<sup>6</sup> While AAA CLO ETFs still account for the majority of total assets, ETF inflows targeting mezzanine CLO debt have grown significantly, amassing over 28% of the total inflows in 2024.<sup>7</sup>

Fair Oaks believes the fund remains an appealing opportunity for fixed income investors and an attractive alternative to loans. Interest rate volatility, impacted by infrastructure spending plans, reinforces our view that floating-rate assets offer advantages over duration-sensitive investment-grade and high-yield corporate bonds. Furthermore, the Thames Water Utilities' "distressed exchange"<sup>8</sup> has highlighted the idiosyncratic risk in credit portfolios. The overcollateralization of CLO debt can provide protection against such credit events given a CLO's loss-absorbing junior notes.

## Top 5 positions<sup>13</sup>

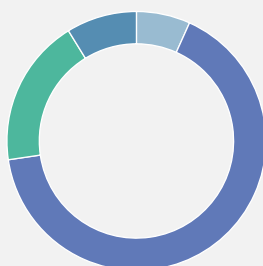
Deal name	Rating	CLO manager	% of NAV
VOYE 8X D	BBB	Voya	2.1%
WILPK 1X C	A	Blackstone	1.7%
NEUBE 2021-2X D	BBB	Neuberger Berman	1.7%
SNDPE 6X D	BBB	Sound Point	1.7%
PLMER 2022-1X D	BBB	Palmer Square	1.7%

**TOTAL NUMBER OF ISSUERS IN THE PORTFOLIO:** 623

**LARGEST LOAN ISSUER (% MARKET VALUE):** 0.95%

## Portfolio rating breakdown<sup>12,13</sup>

- A (7%)
- BBB (66%)
- BB (19%)
- Cash\* (9%)



\*Cash and cash equivalents.

Please refer to the footnotes and disclaimer section of this document. 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-25

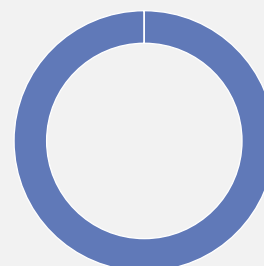
Legal structure	Luxembourg SICAV-Alpha UCITS SICAV
Domicile	Luxembourg
Launch date	13-Sep-16
Fund size	€518.1m
Dealing	Daily
Valuations	Daily dealing NAVs
Target gross return <sup>9</sup>	Euribor + 5% p.a. (see share class KIIDS for TER details)
Base currency	EUR
SFDR classification <sup>10</sup>	Article 8
Investment manager	Fair Oaks Capital Limited ("Fair Oaks")
Management company <sup>11</sup>	Waystone Management Company S.A.
Administrator / custodian	CACEIS Bank, Luxembourg branch
Auditor	Deloitte Audit Sàrl

## Portfolio metrics

Number of positions:	111
Floating rate:	100%
Current yield <sup>14</sup> :	6.5%
Yield to maturity <sup>15</sup> :	6.0% (4.9 year duration)

## Portfolio currency breakdown<sup>12,13</sup>

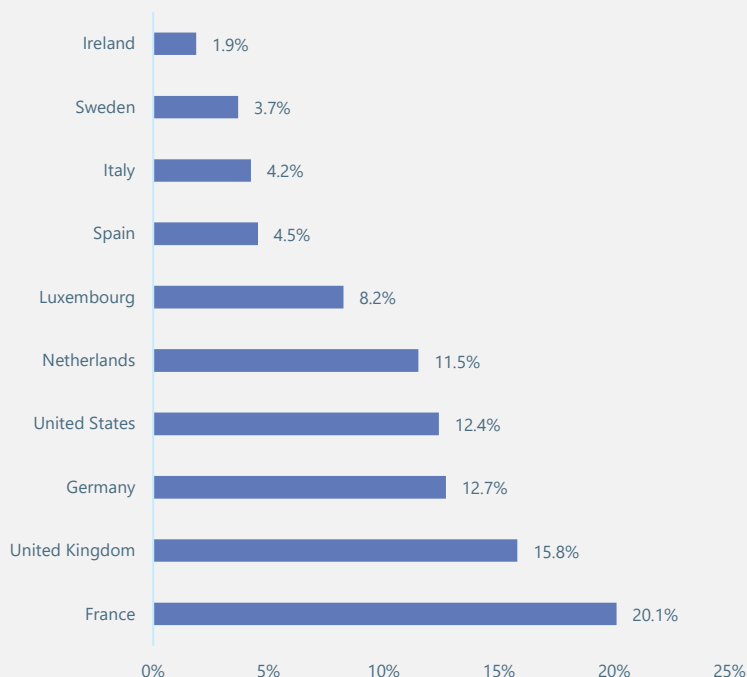
- EUR (100%)
- USD (0%)



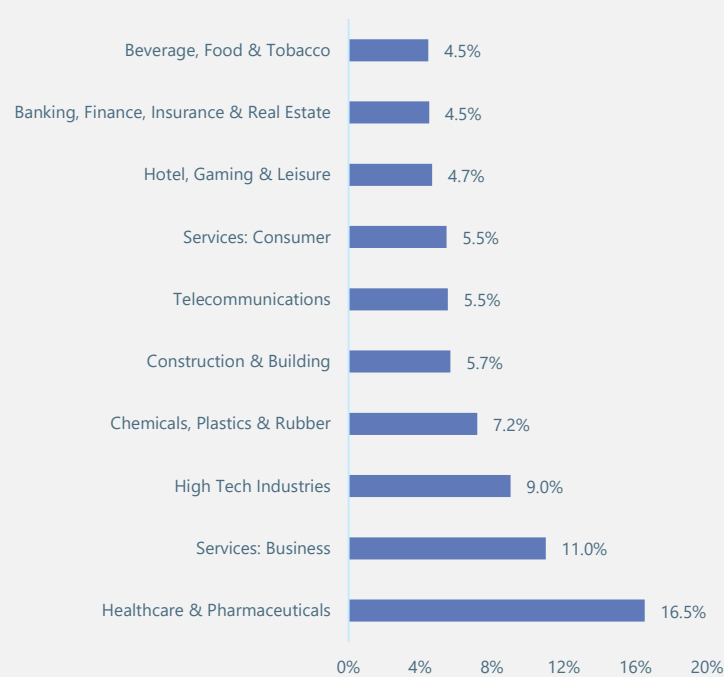
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### Look-through geographic breakdown (top 10)<sup>16</sup>



### Look-through industry diversification (top 10)<sup>16,17</sup>



### Monthly performance<sup>18</sup>

									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	Sep-19	Oct-19	Nov-19	Dec-19	2019	ITD
+1.55%	-0.07%	+1.29%	+0.93%	+0.74%	-0.32%	0.45%	-0.06%	+0.17%	-0.80%	+0.47%	+0.72%	+5.17%	+8.89%
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
+1.92%	-1.13%	-27.19%	+6.44%	+16.06%	+4.29%	-1.27%	+2.31%	+0.75%	+0.21%	+3.49%	+0.78%	+0.53%	+9.46%
Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2021	ITD
+0.95%	-0.15%	-0.03%	+0.67%	+0.37%	+0.38%	+0.49%	+0.15%	+0.06%	+0.40%	+0.17%	+0.10%	+3.63%	+13.44%
Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	2022	ITD
+0.37%	-1.18%	-0.12%	-0.35%	-5.51%	-3.24%	-1.40%	4.25%	-6.01%	-0.02%	+2.80%	+1.19%	-9.31%	+2.87%
Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	2023	ITD
+4.40%	+0.99%	-2.10%	+2.88%	0.00%	+1.55%	+3.08%	+1.36%	-0.03%	-0.26%	+3.02%	+0.53%	+16.35%	+19.69%
Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	2024	ITD
+4.68%	+0.90%	+0.72%	+1.04%	+0.80%	+0.90%	+0.69%	+0.56%	+0.72%	+0.71%	+0.56%	+0.58%	+13.56%	+35.92%
Jan-25	Feb-25											2025	ITD
+0.97%	+0.43%											+1.40%	+37.82%

Maximum weekly return: +9.51%

Largest weekly drawdown: -15.16%

% Positive or unchanged weeks:

75.41%

Average weekly return (positive or unchanged weeks):

+0.37%

Average weekly return (negative weeks):

-0.78%



## Share class performance<sup>19</sup>

	LAUNCH DATE	ISIN	BLOOMBERG TICKER	NAV (28-Feb-25)	TOTAL RETURN MONTHLY	TOTAL RETURN 2025 YTD	ANNUALISED RETURN (SINCE CLASS LAUNCH)	ANNUALISED DAILY VOLATILITY (SINCE CLASS LAUNCH)
Class A CHF	Feb-20	LU1344615353	FODCFAC	1,114.90	+0.17%	+0.78%	+2.18%	+10.06%
Class A EUR	Aug-17	LU1344614893	FODCFAE	1,248.91	+0.37%	+1.22%	+2.99%	+8.24%
Class A GBP	Dec-17	LU1344615270	FODCFAG	1,305.85	+0.43%	+1.32%	+3.77%	+8.52%
Class A USD	Aug-19	LU1344615197	FODCAU	1,342.18	+0.51%	+1.49%	+5.44%	+9.58%
Class A2 EUR	Nov-23	LU1758468752	FODCA2E	1,093.59	+0.29%	+1.12%	+12.24%	+1.84%
Class A2 GBP	Nov-23	LU1758468919	FODCA2G	1,094.92	+0.51%	+2.00%	+12.71%	+1.59%
Class D ILS	May-17	LU1577731786	FODCFDS	6,218.54	+0.42%	+1.23%	+2.85%	+8.21%
Class E EUR	Sep-16	LU1344621674	FODCFEE	1,341.96	+0.41%	+1.35%	+3.55%	+7.82%
Class E USD	Sep-16	LU1344621757	FODCFEU	1,562.43	+0.54%	+1.60%	+5.43%	+7.91%
Class E2 GBP	Jun-17	LU1628743905	FODCE2G	1,024.89	+0.54%	+1.89%	+3.49%	+8.28%
Class K EUR	Apr-24	LU2605922207	FODCKEU	1,070.87	+0.38%	+1.28%	+8.02%	+1.13%
Class L EUR	Nov-18	LU1344622219	FODCFLE	1,244.89	+0.39%	+1.31%	+3.57%	+9.08%
Class L2 GBP	Sep-17	LU1683328667	FODCL2G	1,020.04	+0.52%	+1.83%	+3.40%	+8.38%
Class M EUR	Oct-16	LU1344623373	FODCFME	1,378.24	+0.43%	+1.40%	+3.89%	+7.84%
Class N EUR	Dec-16	LU1539542248	FODCFNE	957.44	+0.41%	+1.34%	+3.03%	+7.96%
Class O EUR	Mar-17	LU1570265261	FODCFOE	994.23	+0.39%	+1.31%	+2.50%	+8.52%
Class Q SEK	Oct-18	LU1886619987	FODCFQS	12,396.48	+0.35%	+1.21%	+3.45%	+9.09%
Class S EUR	Sep-19	LU1892528388	FODCFSE	1,230.82	+0.39%	+1.30%	+3.92%	+9.71%
Class S USD	Dec-19	LU1892528461	FODCFSU	1,337.76	+0.53%	+1.56%	+5.71%	+9.89%

## Registered regions

One or more share classes of the sub-fund are available in the following regions:

Austria	Germany	Netherlands	Switzerland
Denmark	Ireland	Singapore	United Kingdom
Finland	Italy	Spain	
France	Luxembourg	Sweden	

## Footnotes

- 1) Fair Oaks Capital 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 are no longer available for new investment.
- 2) JP Morgan as at 28-Feb-25. European Corporates BBB 3-5 maturity Index, Euro High Yield Index.
- 3) Fair Oaks' data. Based on the net asset value of CLO holdings. This analysis excludes cash, cash-equivalents and recent primary transactions. Before Fund fees, expenses and currency hedging.
- 4) JP Morgan as at 07-Mar-25. European Corporates BBB 3-5 maturity Index.
- 5) JP Morgan as at 28-Feb-25. Primary EUR CLO BBB spread to Euribor, Primary USD CLO BBB spread to SOFR.
- 6) Bank of America, "Securitization Weekly", 03-Mar-25.
- 7) Fair Oaks Capital data as at 28-Feb-25.
- 8) Moody's Ratings, "Rating Action: Moody's Ratings deems Thames Water's restructuring to be a distressed exchange", 25-Feb-25.
- 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-managed-funds/>).
- 10) The Fund promotes environmental or social characteristics and is subject to enhanced sustainability disclosures within the meaning of Article 8 of the Regulation (EU) 2019/2088 on Sustainability-related disclosures in the financial sector. The Investment Manager sources environmental and social scores from a reputable third-party evaluation service, for the issuers of corporate loans held by the CLOs in which the Fund invests or considers investing. The Fund has weighted average environmental and social scores which are each above the average for the corporate loan market.
- 11) The management company, Waystone Management Company S.A., has the right to terminate the Fund's marketing arrangements upon notice or in certain other limited circumstances.

Please refer to the footnotes and disclaimer section of this document. 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.

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## Footnotes (continued)

- 12) Based on the current valuation of the assets in the Fund's base currency and current rating at month-end.
- 13) Due to rounding errors, the percentages may not sum to 100%. Currency breakdown of CLO investments excludes cash balance.
- 14) Fair Oaks' data. Based on the market value of CLO holdings. This analysis excludes cash, cash-equivalents and recent primary transactions. Before Fund fees, expenses and currency hedging.
- 15) Intex. Yield and modified duration of portfolio to expected maturity, assuming a 20% loan prepayment rate. This analysis excludes cash, cash-equivalents and recent primary transactions. Before Fund fees, expenses and currency hedging.
- 16) Intex. 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.
- 17) Based on available Moody's classification of the loan issuers. This analysis excludes recent purchases that have not settled in the reporting month.
- 18) 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 share class launched Sep-16 and M EUR share class launched in Oct-16) and are no longer available for new investment.
- 19) NAVs calculated net of fees. Performance information is not yet available for some share classes (Class K EUR) as they do not have a full 12-month track record. Share classes R2 and S2 have not launched as of the reporting month.

## Key risks

The following risks may affect the Sub-Fund. Full details of all risks the Sub-Fund is exposed to are provided in the Prospectus and KIID.

**CLO valuation:** The value of a CLO may be affected by a number of factors, including: credit spreads, changes in the performance or the market's perception of the underlying assets backing the security and changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses.

**CLO liquidity:** The secondary market for CLOs may not be as liquid as the secondary market for corporate debt. As a result, the Investment Manager could find it more difficult to sell these investments or may be able to sell them only at prices lower than if they were more widely traded. It may be difficult to establish accurate prices for such investments for the purposes of calculating the Sub-fund's Net Asset Value. Therefore, prices realised upon the sale of such investments may be lower than the prices used in calculating the Sub-fund's Net Asset Value.

**Dependence on Managers of CLOs:** The performance of the Sub-fund's investments in CLOs will depend in part upon the performance and operational effectiveness of the managers of the CLOs.

## 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 (which is only available in English) and the Key Investor Information Document (available, only in English, 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. Returns may increase or decrease as a result of currency fluctuations. 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. Classes that are denominated in a currency other than the base currency of the Fund will engage in currency hedging at a share class level. All costs and gains/losses incurred from such hedging transactions will be borne by relevant class share. Investors should read the key risks section, characteristics, objectives and disclaimer section of this document, KIID and Prospectus for information prior to investing. Full details of all risks the Sub-Fund is exposed to are provided in the Prospectus and KIID.

**ESG Disclaimer:** Fair Oaks Capital's investment process routinely integrates environmental, social, and governance factors into all investment decisions, ensuring that sustainability characteristics are considered in alignment with Article 8 and the firms responsible investing guidelines. Please visit our website for further information: <https://fairoakscap.com/corporate-responsibility/>

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FAIR OAKS  
DYNAMIC CREDIT

## Disclaimer (continued)

For further information regarding the Prospectus, please visit: <https://fairoakscap.com/our-funds/fair-oaks-dynamic-credit-fund-fodc/>

For further information regarding the KIID, please visit: <https://www.waystone.com/our-funds/waystone-managed-funds/>

For further information regarding certification, please visit: <https://www.unpri.org/signatory-directory/fair-oaks-capital/2208.article>

Information about investor rights is available here (in English only): <https://fairoakscap.com/summary-of-investor-rights/>

*This report has been communicated by Fair Oaks Capital Limited, 1 Old Queen Street, London SW1H 9JA, authorised and regulated in the UK by the Financial Conduct Authority, FRN: 604090.*

## ADDITIONAL INFORMATION

**Notice to 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: CACEIS Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich.

**Notice to UK investors:** The Fund is authorised overseas and not in the United Kingdom. The UK Financial Ombudsman Service is unlikely to consider complaints related to the Fund, its management company, or its custodian. Claims for losses related to the management company or custodian are unlikely to be covered under the UK Financial Services Compensation Scheme. Prospective investors should seek financial advice before investing and refer to the Fund's prospectus for more information.

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