SYZ ASSET MANAGEMENT



OYSTER MONTHLY REPORT

For professional, qualified and institutional investors

September 2017

OYSTER GLOBAL HIGH YIELD C SGD HP

Investment objective

The fund's objective is to provide investors with capital growth by investing mainly in high yield bonds issued by companies globally. The fund employs a bottom-up approach based on credit analysis and risk control discipline. The core of the portfolio consists of BB and B rated bonds with opportunistic allocation to selective CCC and non-rated issues. The key investment criteria considered are: positive free cash flow combined with deleveraging, sound management, good asset protection, strong competitive position and access to capital. The portfolio is broadly diversified with the goal of reducing the overall portfolio's volatility.

Fund facts

Manager	Seix Investment Advisors LLC, Michael Kirkpatrick, James Fitzpatrick
Dividend policy	Accumulation
Last NAV	SGD 217.71
Fund size	SGD 243.7 mn
Fund type	Bonds
Investment zone	World
Recommended invest. horizon	At least 5 years
Share class currency	SGD
Inception date	01.12.2011
Index	BofA ML Global High Yield Constrained Index
Legal structure	Luxembourg SICAV - UCITS
Registration	AT, BE, CH, DE, ES FR, GB, LU, NL, SG (QI)

Risk/Return profile

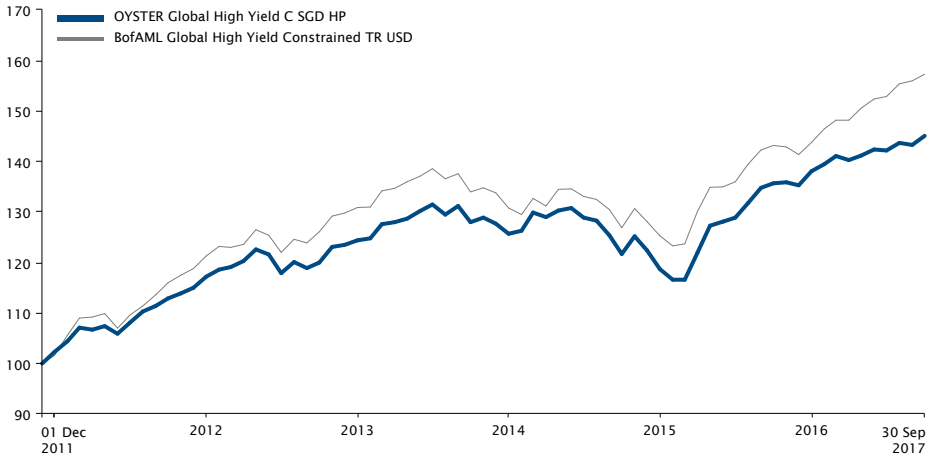
◄ Lower risk — Higher risk ►

Typically lower rewards — Typically higher rewards

1	2	3	**4**	5	6	7

Sources: OYSTER Sicav, KIID

Performance & risk measures



	Fund	Index
Calendar year performance		
2017 YTD	+5.1%	+9.3%
2016	+16.3%	+14.8%
2015	-5.5%	-4.2%
2014	+1.1%	-0.1%
2013	+6.1%	+8.0%
2012	+14.6%	+19.3%
-		
Annualised risk measures		
Volatility	+6.3%	+6.2%
Sharpe ratio	0.6	0.8
Information ratio	-0.7	-
-		
Duration	3.8	-
Yield to maturity	+5.6%	-

	Fund	Index
Cumulative performance		
1M	+1.3%	+0.8%
3M	+2.1%	+2.9%
6M	+3.5%	+6.1%
1Y	+7.0%	+9.8%
3Y	+13.4%	+17.4%
5Y	+28.6%	+35.6%
Since inception	+45.1%	+57.3%
-		
Annualised performance		
3Y	+4.3%	+5.5%
5Y	+5.2%	+6.3%
Since inception	+6.6%	+8.1%

Sources: OYSTER Sicav, Morningstar. Past performance does not guarantee or predict future performance. Annualised risk measures based on 3-year monthly returns if more than 3-year history or 1-year if less than 3-year history.

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Administrative information

Central Administration	RBC Investor Services Bank S.A.
Transfer agent	RBC Investor Services Bank S.A.
Custodian Bank	RBC Investor Services Bank S.A.
Auditor	PwC Luxembourg
Management company	SYZ Asset Management (Luxembourg) S.A.

Fees

Subscription fee	Max 1.0%
Redemption fee	Max 1.0%
Management fee	Max 1.20%
Performance fee	-

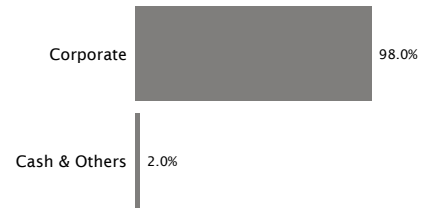
Sources: OYSTER Sicav, KIID

Dealing information

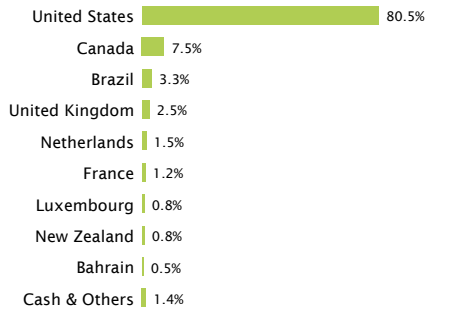
Liquidity	Daily
Cut-off time	TD 12:00 Luxembourg
Minimum initial investment	-
Settlement	TD+3
ISIN code	LU0688633766
CH Security Nr	14031983
Bloomberg	OGHYSGD LX

Portfolio Breakdown

Asset allocation



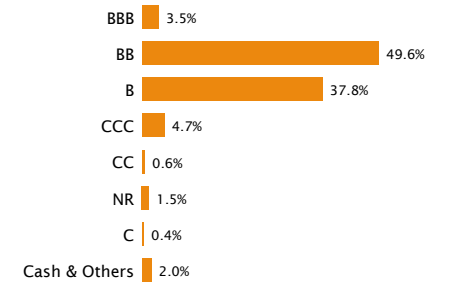
By country



Top 10

1011778 BC 5% 17-15.10.25 144A	1.4%
ISTAR FIN 6.5% 16-01.07.21	1.2%
MGM RESORTS 7.75%12-15.3.22	1.2%
MEG ENERGY 7% 13-31.03.24	1.0%
QUICKEN LN 5.75% 15-1.5.25 144A	1.0%
ISTAR FIN 7.125% 15.2.18 (RTA)	1.0%
NATIONSTAR 6.5% 13-1.8.18 SR	1.0%
ENSCO PLC 8% 17-31.01.24	1.0%
DAVITA HP 5% 15-01.05.25	0.9%
CAESARS ENT 11% 14-01.10.21	0.9%
	10.6 %

By rating



By maturity

Less than 1 year	2.4%
Between 1 and 3 years	9.7%
Between 3 and 5 years	28.0%
Between 5 and 7 years	22.7%
Between 7 and 10 years	29.7%
More than 10 years	5.6%
Cash & Others	2.0%

By sector

Energy	20.6%
Consumer, Cyclical	19.6%
Financial	18.7%
Communications	13.7%
Consumer, Non-cyclical	11.9%
Technology	4.2%
Basic Materials	4.2%
Industrial	4.0%
Utilities	1.1%
Cash & Others	2.0%

Source: OYSTER Sicav

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Manager Comment

HIGHLIGHTS

· Despite an increase in US Treasury yields, the Bank of America Merrill Lynch USD Global High Yield Index rose in September

· Energy was the best-performing sector as the oil price firmed up and bond prices more accurately reflected issuers' fundamentals

· The fund outperformed, with its long-held positions in energy, finance and transportation boosting its relative return

	Fund	Index
Cumulative performance		
1M	+1.3%	+0.8%
2017 YTD	+5.1%	+9.3%

MARKET REVIEW

After some market softness, tightening spreads offset the negative effects of rising Treasury yields in September and the index rose. This positive momentum was fuelled by strength in the equity markets as concerns about the macroeconomic backdrop receded. With oil back above $50/bbl, the prices of energy bonds firmed up. Indeed, energy was the best-performing industry over the month, while telecommunications and retail lagged.

FUND REVIEW

The fund outperformed its benchmark in September. This was largely due to its overweight and favourable security selection in energy (Ensco, MEG Energy, Pride International). Strong security selection in financials (iStar), transportation (General Motors) and utilities (Linn Energy) also boosted its relative return. Its modest cash position in a rising market offset these positive effects to a certain extent, however. The manager reduced the fund's exposure to higher yielding CCC-rated positons in September as they have risen in value, hitting his price target. He upgraded the fund's energy exposure by selling down an aggressive issuer (EP Energy) and buying Antero, a higher-quality energy company. As cash is generated from the tendering of bonds, during the month the manager tried to buy the same names as some existing holdings in the new issue market provided they were properly priced. He did this for iStar and Viking. One of the fund's holdings, Toys R Us, defaulted during the month. However, the manager expects it to continue to pay its coupon. Ultimately, the manager believes the bonds are worth par, a view that is reinforced by the fact that they are currently trading at a price of 95.

OUTLOOK

Fundamentals are still improving in the credit markets and defaults have fallen again. The manager will continue to look for opportunities to update the fund's quality. However, with the market moving higher, he believes that taking a defensive position is the wisest strategy at present.

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