



Oaktree European High Yield Bond Fund

Class CB

a subfund of Oaktree (Lux.) Funds

INVESTMENT POLICY

Oaktree's European high yield bond portfolios invest in bonds of European issuers and the euro-denominated bonds of non-European issuers. Oaktree's high yield bond portfolios do not invest in equity-like securities (such as convertibles and warrants) or emerging market debt, and are un-levered at the fund level. We approach high yield bond investing as long term lenders, not as traders or market timers. We have proven credit analysis methods, which emphasis fundamental, bottom-up investing. We have a disciplined review and control process to support our research efforts.

FUND FACTS

Fund manager	Oaktree Capital Management, L.P./ Shannon Ward, James Turner
Fund manager since	17 Mar. 2015 ¹
Location	London
Fund domicile	Luxembourg
Fund currency	EUR
Close of financial year	30. Sep
Total net assets (in mil.)	448.80
Inception date	17 Mar. 2015 ¹
SICAV Strategy Inception Date	01 Aug. 2003 ¹
Management fee in % p.a.	0.80
Benchmark (BM)	BofA ML Global Non-Financial HY European Issuers ex Russia (TR) (EUR-H)
Unit Class	Category CB (capital growth)
Unit class currency	EUR
ISIN	LU1138670432
Bloomberg ticker	OEHYBCB LX
Valor no.	26082266
WKN number	A14QC1
SEDOL	BYTL5C8
Net asset value (NAV)	105.40
Min. Investment Amount	100
Redemptions	Daily
EU taxation	In scope - tax

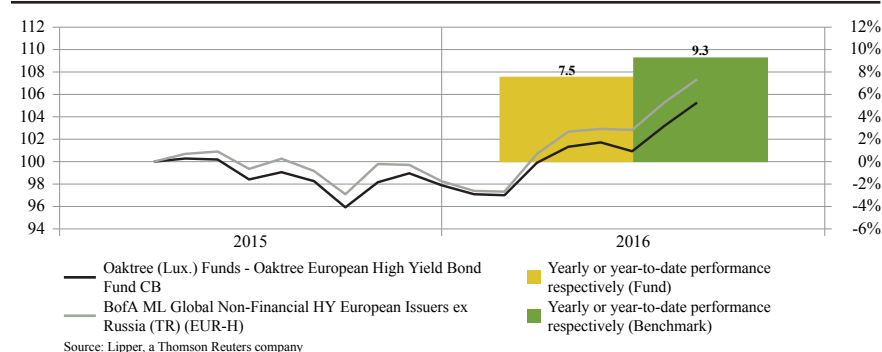
¹ Oaktree has been running a European High Yield SICAV vehicle since 2003. Shannon Ward has been portfolio manager of this strategy since November 2011.

FUND STATISTICS

	1 year	3 years
Annualized volatility in %	5.75	-
Information ratio	-0.67	-
Tracking Error (Ex post)	1.53	-
Maximum drawdown in %	-2.38	-

Maximum drawdown is the most negative cumulative return over a given time period.

NET PERFORMANCE IN EUR (REBASED TO 100) AND YEARLY PERFORMANCE ²

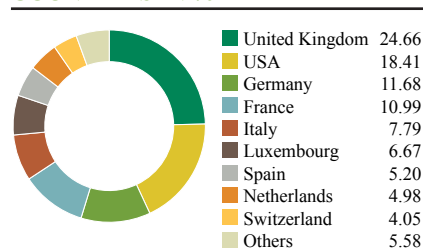


NET PERFORMANCE IN EUR ²

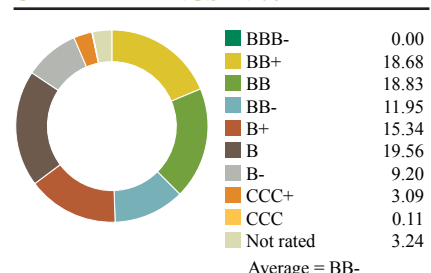
	1 month	3 months	YTD	1 year	3 years	5 years
Fund	2.00	3.50	7.54	7.14	-	-
Benchmark	1.94	4.29	9.25	8.24	-	-

² Historical performance indications and financial market scenarios are no guarantee for current or future performance. Performance indications do not consider commissions levied at subscription and/or redemption.

COUNTRIES IN %



CREDIT RATINGS IN %



DURATION AND YIELD

Gross portfolio yield in %	5.24
Average remaining term to maturity in years	6.88
Modified duration in years	3.09

TOP 10 HOLDINGS IN %

Position	as % of assets
Wind Telecommunication	2.74
Ardagh Packaging	2.73
Numericable	2.73
Unitymedia	2.65
Arcelormittal	2.61
Virgin Media Inc.	2.48
Anglo American	2.38
Tesco	2.38
Altice	2.05
Telecom Italia	2.04
Total	24.79

NUMBER OF HOLDINGS

Fund	146
-------------	------------

Contact

Oaktree Capital Management (UK) LLP
27 Knightsbridge
London SW1X 7LY, United Kingdom
Email: OaktreeLuxFunds@oaktreecapital.com

MARKET COMMENTARY

- The market rallied strongly in July - producing the second highest monthly return of the year to date. What is most surprising is this came the month after the UK voted to leave the European Union. The economic uncertainty that the vote creates appears to have been overridden by the belief that central banks will provide enough stimulus to overcome any potential weakness.
- We lagged the benchmark during the month. In anticipation of potential buying opportunities caused by the Brexit vote we were holding a slightly higher cash balance than usual entering the month, which accounted for all of the underperformance
- The July rally was universal across all rating categories with BB, B and CCC-rated bonds returning 2.53%, 2.21% and 2.69% respectively
- New issuers were still cautious in the early part of the month, although once it was clear the rally was more than just fleeting new issues that had been postponed post the Brexit vote started to come to the market
- Following the “exit” vote we are cautious of adding additional risk to the portfolio while such uncertainty remains. While we still believe over the medium term the European high yield market offers attractive returns compared to other asset classes it is hard to believe there will be no effect from the decision of the UK to leave the EU. It seems logical that the effect will be felt most in the UK, but as the second largest economy in Europe it also seems unlikely it will not have consequences for both the European economic and political landscape which may cause volatility over the forthcoming months as the full effects become clear.

LEGAL INFORMATION

GENERAL

The term “Oaktree” refers to Oaktree Capital Management, L.P.TM or its affiliates, individually or collectively, as the context requires, including Oaktree Capital Management (UK) LLP.

Oaktree makes no representation, and it should not be assumed, that past investment performance is an indication of future results or performance. In addition, there can be no assurance that the Oaktree (Lux.) Funds – Oaktree Global Convertible Bond Fund (the “Fund”) will achieve any stated investment objective. Moreover, wherever there is the potential for profit, there is also the possibility of loss. Any performance information contained herein should be read in conjunction with the footnotes which provide important information related to the calculation of the returns and benchmark information, as applicable. Performance indications do not consider commissions levied at subscription and/or redemption.

An investment in the Fund is speculative and involves a high degree of risk. There can be no assurance that the securities and obligations purchased by the Fund will in fact increase in value, or that the Fund will not incur significant losses. An investment in the Fund is speculative and involves a high degree of risk. A potential investor considering an investment in the Fund should read the separate prospectus of Oaktree (Lux.) Funds (the “Prospectus”) which contains a more complete description of the Fund’s investment practices, restrictions, risks and other factors relevant to a decision to invest. All information contained herein is subject to and qualified in its entirety by the Prospectus. No person has been authorized to make any statement concerning the Fund other than as set forth in the Prospectus, and any such statements, if made, may not be relied upon. Terms used but not defined herein shall have the meanings set forth in the Prospectus. The Prospectus and/or articles of the Fund may be obtained free of charge from MultiConcept Fund Management S.A., 5, rue Jean Monnet, L-2013 Luxembourg.

The information contained herein is unaudited and is being shared with the recipient upon its specific request to help the recipient obtain a better understanding of the investments and performance of the Fund. Certain information contained herein concerning economic trends and performance is based on or derived from information provided by independent third party sources. Oaktree believes that such information is accurate and that the sources from which it has been obtained are reliable; however, they cannot guarantee the accuracy of such information. None of Oaktree, the Management Company, the Registrar and the Transfer Agent, the Central Administration or the Custodian of the Fund (each being defined in the Prospectus) has independently verified any information contained herein and no party makes any representation or warranty as to the accuracy, completeness or reliability of such information or the assumptions on which such information is based. Moreover, independent third party sources cited in this communication are not making any representation or warranty regarding any information attributed to them and shall have no liability to any investor in connection with the use of such information in this communication. Oaktree makes no representation or warranty regarding the accuracy or completeness of the information contained herein or whether it will assist the recipient in connection with your due diligence.

ADVISORY SERVICES AND SECURITIES

Oaktree Capital Management (UK) LLP is located in London and provides investment advisory services and marketing and client support services to and on behalf of Oaktree Capital Management, L.P. It has also been appointed as Global Distributor of the Fund. Oaktree Capital Management (UK) LLP is authorised and regulated by the Financial Conduct Authority (registration number 550908) and its registered office is at 27 Knightsbridge, London SW1X 7LY.

This communication is for informational purposes only and does not constitute an offering of advisory services or any securities. Any such offer may only be made pursuant to the Prospectus, subscription documents and constituent documents in their final form. This communication does not constitute and should not be construed as investment, legal or tax advice, or a recommendation or opinion regarding the merits of investing in the Fund. Any investment should only be made after consultation with independent qualified sources of investment and tax advice.

The source of market data is Credit Suisse.

CS provides no guarantee with regard to its content and completeness and does not accept any liability for losses which might arise from making use of this information. The opinions expressed in this document are those of CS at the time of writing and are subject to change at any time without notice. If nothing is indicated to the contrary, all figures are unaudited. This document is provided for information purposes only and is for the exclusive use of the recipient. It does not constitute an offer or a recommendation to buy or sell financial instruments or banking services and does not release the recipient from exercising his/her own judgment. The recipient is in particular recommended to check that the information provided is in line with his/her own circumstances with regard to any legal, regulatory, tax or other consequences, if necessary with the help of a professional advisor. This document may not be reproduced either in part or in full without the written permission of CS. It is expressly not intended for persons who, due to their nationality or place of residence, are not permitted access to such information under local law. Neither this document nor any copy thereof may be sent, taken into or distributed in the United States or to any U. S. person (within the meaning of Regulation S under the US Securities Act of 1933, as amended). Every investment involves risk, especially with regard to fluctuations in value and return. Investments in foreign currencies involve the additional risk that the foreign currency might lose value against the investor's reference currency. Historical performance indications and financial market scenarios are no guarantee for current or future performance. Performance indications do not consider commissions levied at subscription and/or redemption. Furthermore, no guarantee can be given that the performance of the benchmark will be reached or outperformed.

Investment principal on bonds can be eroded depending on sale price or market price. In addition, there are bonds on which investment principal can be eroded due to changes in redemption amounts. Care is required when investing in such instruments.

Oaktree (Lux.) Funds - Oaktree European High Yield Bond Fund is domiciled in Luxembourg. The representative in Switzerland is ACOLIN Fund Services, Affolternstrasse 56, CH-8050 Zürich. The paying agent in Switzerland is Credit Suisse AG, Zurich.

Subscriptions are only valid on the basis of the current sales prospectus, the bylaws and/or contractual terms and conditions and the most recent annual report (or semi-annual report, if more recent). The prospectus, the Key Investor Information Document (KIID), bylaws and/or the contractual terms and conditions and the annual and semi-annual reports are available free of charge from Credit Suisse Fund Services (Luxembourg) S.A., Luxembourg, from Credit Suisse Funds AG, Zurich or from any branch of Credit Suisse AG in Switzerland as well as from the representative in Switzerland.

Copyright © 2016 Oaktree Capital Management, L.P.TM and/or its affiliates. All rights reserved.