



Background and investment objective

The investment objective of Fair Oaks Income Ltd (the "Company") is to generate attractive, risk-adjusted returns, principally through income distributions. The Company will implement its investment policy by investing in FOMC III LP ("Fund III") and FOIF II LP ("Fund II").

The investment policy of the Company is to seek exposure to US and European CLOs or other vehicles and structures which provide exposure to portfolios consisting primarily of US and European floating-rate senior secured loans and which may include non-recourse financing.

The Company was admitted to trading on the Specialist Fund Market of the London Stock Exchange (now the Specialist Fund Segment of the Main Market of the London Stock Exchange) on 12 June 2014.

Investment opportunity

The General Partner of the Master Funds (the "GP") believes that diversified portfolios of secured bank loans may provide an attractive risk-return profile when financed with well-structured long-term financing. The GP believes the key to successful investment in secured bank loans is an understanding of, and focus on, the credit quality of the underlying corporate borrowers. To this end, portfolio financing structures (such as CLOs) need to be managed efficiently and effectively in order to enhance returns without introducing any mark-to-market or other non-credit risks.

Fund III has an investment period which ends in June 2025, and a fixed life of five years from the end of the investment period. Fund II had an investment period which ended in June 2021, and a fixed life of five years from the end of the investment period. The Company has an unlimited life but on or before 12 June 2028 an extraordinary general meeting will be proposed to consider a continuation resolution.

\$210.2 million

2021 Share Class market capitalisation

\$238.7 million

Total Company market capitalisation

12–14%

Target total return

Fund performance¹

	1 MONTH	3 MONTH	1 YEAR	ITD
2021 SHARE PRICE (FAIR)	-0.90%	-0.15%	+24.46%	+97.66%
2021 NAV (FAIR)	+1.92%	+3.89%	+9.10%	+103.36%
JP MORGAN LEVERAGED LOAN INDEX	+0.67%	+1.95%	+10.55%	+63.86%
JP MORGAN HIGH YIELD INDEX	+1.75%	+3.76%	+11.44%	+56.56%

Contact information



FAIR OAKS CAPITAL LIMITED
1 Old Queen Street
London SW1H 9JA
IR@fairoakscap.com

James Glass
DEUTSCHE NUMIS
45 Gresham Street
London EC2V 7BF
fairoaks@numis.com

James Shields
PANMURE LIBERUM
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY
james.shields@panmureliberum.com

Signatory of:



Data as at 31-Jul-24

2021 shares

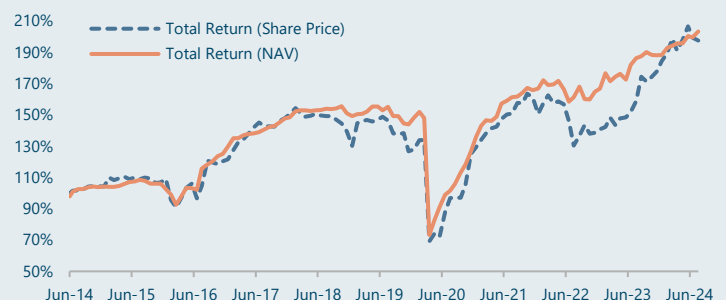
Price per Share	\$0.550
NAV per Share	\$0.567
Premium / (Discount) to NAV	-2.93%
Inception to date NAV return ¹	103.4% (7.3% annualised)
Inception to date price return ¹	97.7% (7.0% annualised)
2021 Share Class market capitalisation	\$210.2 million
2021 Shares in issue	382.2 million

Fund facts

Type of fund	Closed-ended investment fund
Listing and trading	LSE Main Market – SFS
Launch date	12-Jun-14
Launch price	\$1 per Ordinary Share
Dividend	Quarterly
Dealing	Daily during LSE opening hours
NAV calculation	As of the last business day of each month
Currency	\$ denominated
ISA and SIPP eligible	Yes
Management fee	1.00% of NAV p.a.
Performance fee	15% of Fund II/Fund III return once Limited Partners have received, in cash, their original investment plus a 7% annualised return
Catch-up	No
2021 ISIN	GG00BNNLWT35

Service providers

Investment advisor	Fair Oaks Capital Limited
Board of Directors	Fully independent
Administrator	Sanne Fund Services (Guernsey) Limited
Custodian	BNP Paribas Securities Services S.C.A.
Joint brokers	Numis Securities Ltd Liberum Capital Ltd
Auditor	KPMG (Channel Islands) Limited





Company performance¹

The 2021 Share NAV was \$56.66c at the end of July, marking a +1.92% increase for the month. The 2021 ordinary share closed at a price of \$55.00c, down by -0.90% for the month. The 2017 Share NAV stood at \$58.08c as of July 31st.

Market commentary

In July, the US loan default rate remained unchanged at 0.92% and the European loan default rate decreased from 1.29% to 0.79%, as the restructuring default of food retailer Casino dropped out of the 12m rolling calculation. The forward-looking distress ratio increased from 5.64% to 5.83% in the US and from 3.06% to 3.68% in Europe.²

Technical conditions continued to be positive for control CLO equity investors in July. CLO refinancing and reset volumes reached record levels in July, with the US hitting a 40-month high at \$28.2bn and Europe reaching a 33-month high at €4.0bn.³ Notably, some CLO refinancings with a shorter weighted average life priced with a AAA spread of 107 bps in Europe and 99 bps in the US.⁴ A continuation of these conditions may enable the refinancing of the liabilities of CLOs issued at relatively tight pricing in 2021.

We expect continued strong demand for CLOs for two key reasons. First, quarterly CLO coupon payments in July provide investors with capital that may be reinvested. The average coupon stands at 7.4% in the US and 5.9% in Europe, equating to \$14.5bn and €2.8bn of quarterly interest payments, respectively.⁵ Second, additional support is provided by new sources of capital such as US CLO ETFs, which have experienced more than \$8.4bn of inflows since the beginning of the year.⁶

Despite macroeconomic volatility, there has been limited negative impact on the CLO market at the start of August. As Japanese bank investors have historically represented a stable investor base in AAA CLOs, natural concerns could stem from the unwinding of the Yen carry trade. However, we have not seen any new significant sellers emerge in the CLO secondary market. Moreover, Bank of America continues to consider CLO AAA spreads attractive compared to Japanese corporate investment-grade spreads and expects Japanese bank demand for CLOs to remain healthy.⁷

Company update

The Master Fund received \$17.2 million worth of quarterly distributions in July, or \$3.15c per 2021 Share, compared to \$22.3 million in April 2024 and \$21.1 million in July 2023. The decline in distributions compared to the previous quarter is primarily due to seasonality, an increasing AAA amortization rate for deals beyond their reinvestment period and HLM 13A-18 SUB paying expenses related to its partial refinancing completed in May. Note that Fair Oaks Loan Funding V is scheduled to make its first distribution in October 2024.

The Company remains focused on actively exploring refinancing and reset opportunities, while optimally positioning the portfolio to withstand potential periods of volatility. Given the positive outlook for loan fundamentals, current loan and CLO equity valuations and increasing probability of CLO refinancings/resets, we believe the Fund continues to represent an attractive investment opportunity.

Quarterly analysis

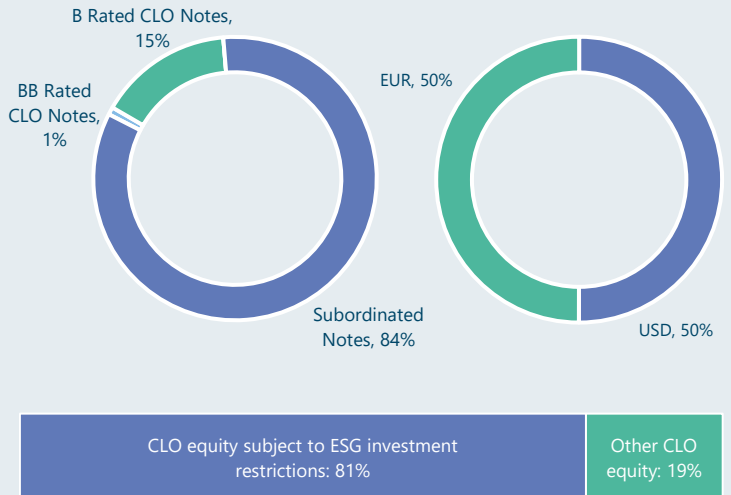
This report contains an update of the quarterly analysis that we introduced in the July 2022 monthly report.

Top 10 issuers and portfolio data⁹

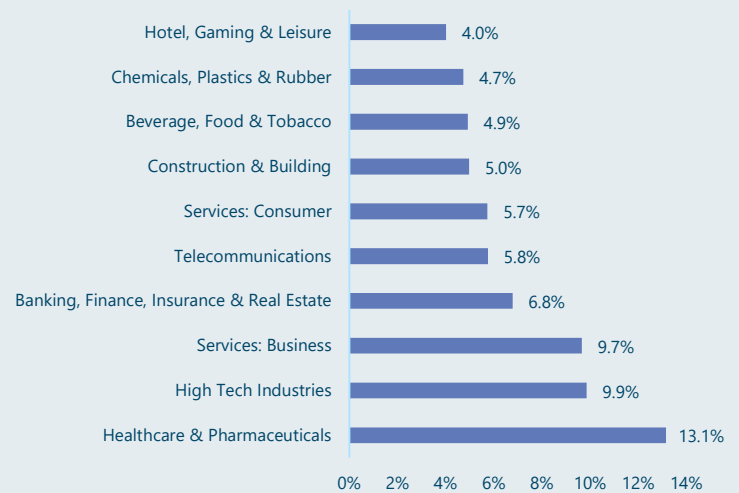
ISSUER	COMPANY RATING (S&P)	% GROSS ⁹	MOODY'S INDUSTRY CLASSIFICATION	COUNTRY
Virgin Media	B+	0.88%	Media: Broadcasting & Subscription	United Kingdom
Asurion	B+	0.64%	Banking, Finance, Insurance & Real Estate	United States
Ineos US	BB	0.63%	Chemicals, Plastics & Rubber	United States
McAfee	B-	0.61%	High Tech Industries	United States
Refresco	B+	0.58%	Beverage, Food & Tobacco	Netherlands
Groupe Inovie	B-	0.51%	Healthcare & Pharmaceuticals	France
Sitel Worldwide	BB-	0.49%	Services: Business	Luxembourg
TTD	B	0.48%	Services: Business	Germany
Ammega Group B.V.	B	0.48%	Capital Equipment	Netherlands
Altice France	CCC+	0.48%	Telecommunications	France
TOTAL NUMBER OF ISSUERS IN THE PORTFOLIO:				1,125
WEIGHTED AVERAGE ASSET SPREAD⁹:				3.65%
WEIGHTED AVERAGE COST OF CLO FINANCING⁹ (SOFR / EURIBOR+):				2.00%

Please refer to the footnotes for the important information on page 8. Past performance is no indication of future results. Inherent in any investment is the potential for loss. Copyright © 2024 Fair Oaks Capital Ltd. All rights reserved.

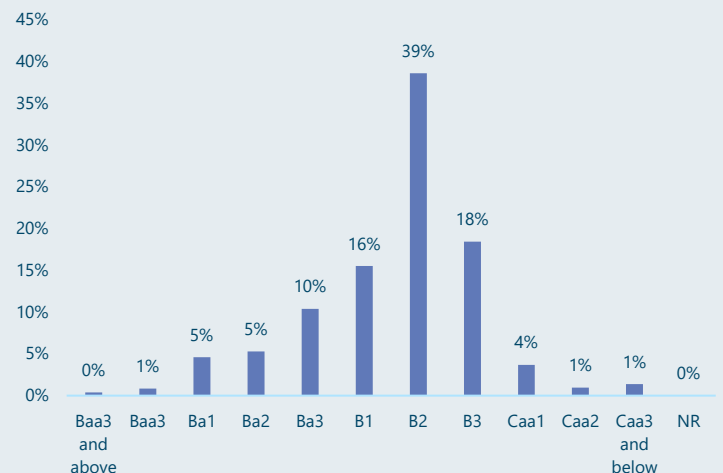
CLO portfolio rating and currency breakdown (Jul-24)⁸



Industry diversification by Moody's (top 10)⁸



Rating breakdown^{8,11}





Fund holdings (Jul-24)

CLO CONTROL EQUITY^{12,13}

Nominal amount ¹⁴	Current market valuation ¹⁵	Deal name	Reinvestment end date	% Defaults ¹⁶	% CCC (S&P) ¹⁷	% CCC (Moody's) ¹⁷	Loans trading below 80c ^{18,19}	Weighted average collateral bid price ¹⁹	Last cash payment (annualised yield on current market price) ²⁰	Relevant OC test cushion ²¹
USD Equity										
\$20,755,535	2.0%	AWPT 2017-6A SUB	2021	0.00%	14.40%	9.46%	6.12%	\$95.1	-	3.28%
\$27,541,663	21.0%	ALLEG 2017-2A SUB	2023	0.86%	10.70%	15.00%	9.28%	\$94.7	41.7%	1.22%
\$27,132,423	30.0%	POST 2018-1A SUB	2023	1.62%	8.60%	7.50%	6.09%	\$95.7	42.0%	1.70%
\$17,958,200	23.0%	ARES 2015-35RA SUB	2023	0.10%	8.50%	9.10%	5.31%	\$96.1	53.2%	0.97%
\$19,943,963	12.0%	WELF 2018-1A SUB	2023	1.03%	12.42%	9.64%	9.68%	\$94.0	90.5%	0.01%
\$20,721,000	30.0%	SHACK 2018-12A SUB	2023	0.22%	10.18%	8.10%	6.84%	\$95.7	52.9%	2.72%
\$17,923,665	26.0%	HLM 13A-18 SUB	2023	1.56%	6.90%	4.60%	6.56%	\$95.9	35.9%	0.57%
\$18,704,156	44.0%	AIMCO 2017-AA SUB	2026	0.25%	3.70%	4.10%	2.14%	\$98.4	32.3%	2.10%
\$20,030,300	43.0%	WELF 2021-2X SUB	2026	0.00%	8.61%	7.00%	6.26%	\$96.3	35.8%	2.62%
\$20,695,096	64.0%	ALLEG 2021-1X SUB	2026	0.17%	5.46%	7.20%	5.41%	\$97.4	29.9%	4.67%
\$16,922,150	66.0%	ROCKT 2021-2X SUB	2026	0.12%	6.70%	9.50%	5.93%	\$95.9	30.1%	3.81%
\$25,245,242	21.0%	MARNR 2017-4A SUB	2026	0.40%	5.26%	5.27%	4.59%	\$97.0	41.2%	2.27%
Weighted average²⁴	30.9%			0.48%	7.38%	6.88%	5.85%	\$96.4	38.8%	2.58%
EUR Equity										
€20,540,800	59.2%	FOAKS 1X SUB ²²	2025	0.00%	2.60%	2.60%	1.54%	€98.5	29.2%	4.45%
€34,479,200	42.5%	FOAKS 2X SUB ²²	2025	0.00%	3.20%	3.40%	0.85%	€98.5	24.6%	3.96%
€25,676,000	58.4%	FOAKS 3X SUB ²²	2026	0.00%	2.00%	3.65%	0.99%	€98.7	26.3%	4.93%
€20,540,800	76.8%	FOAKS 4X SUB ²²	2026	0.00%	n.a.	1.80%	1.12%	€98.5	23.4%	5.15%
€19,513,760	87.2%	FOAKS 5X SUB ²²	2028	0.00%	0.00%	n.a.	0.00%	€99.6	n.a.	5.25%
Weighted average²⁴	61.8%			0.00%	1.84%	2.86%	0.85%	€98.8	25.7%	4.78%
Total weighted average²⁴	41.4%			0.24%	4.90%	4.79%	3.31%	\$97.6	33.0%	3.70%

Cash and cash equivalents²³: \$19,480,034



Fund holdings (Jul-24)

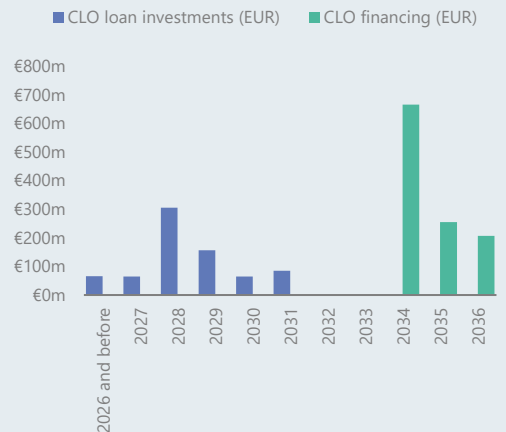
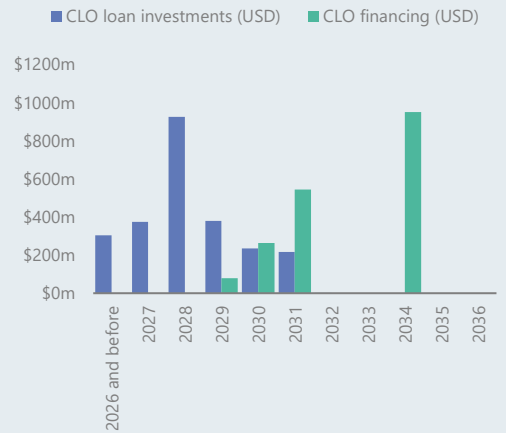
CLO MEZZANINE													
Nominal amount ¹³	Current market valuation ¹⁴	Deal name	Reinvestment end date	Original rating	Current rating	% Defaults ¹⁶	% CCC (S&P) ¹⁷	% CCC (Moody's) ¹⁷	Loans trading below 80c ^{18,19}	Weighted average collateral bid price ¹⁹	Coupon	Current yield (based on current market price)	Relevant OC test cushion ²¹
USD													
\$3,177,220	62.8%	DRSLF 2017-49A F	2022	B	Mezz	1.25%	7.62%	5.24%	5.88%	\$96.2	SOFR+7.81%	20.84%	0.01%
\$3,453,500	63.0%	DRSLF 2017-53A F	2023	B	Mezz	2.10%	8.27%	n.a.	6.54%	\$95.3	SOFR+7.76%	20.74%	1.00%
\$3,798,850	64.8%	SYMP 2018-19A F	2023	B	Mezz	0.12%	12.80%	12.60%	9.29%	\$95.3	SOFR+7.40%	19.59%	0.28%
\$2,762,800	96.3%	MDPK 2016-20A FR	2023	B	Mezz	0.96%	7.40%	8.86%	8.39%	\$95.3	SOFR+8.41%	14.20%	2.08%
\$3,962,891	95.3%	HLM 13X-2018 F	2023	B	Mezz	1.56%	6.90%	4.60%	6.56%	\$95.9	SOFR+7.91%	13.87%	0.57%
\$6,216,300	90.5%	OCT39 2018-3A F	2023	B	Mezz	0.50%	7.12%	8.06%	5.57%	\$96.0	SOFR+8.26%	14.96%	1.60%
\$2,762,800	97.5%	APID 2018-18A F	2023	B	Mezz	0.78%	6.20%	5.80%	4.19%	\$97.5	SOFR+8.34%	13.97%	1.38%
Weighted average²⁴	81.8%					0.97%	7.82%	7.46%	6.48%	\$96.0	SOFR+8.34%	16.22%	1.09%
EUR													
€1,753,687	92.3%	OHECP 2015-4X FR	2022	B	Mezz	1.91%	n.a.	4.09%	2.48%	€97.1	Euribor+6.10%	10.61%	3.05%
€2,935,475	99.0%	EGLXY 2018-6X F	2022	B	Mezz	0.69%	n.a.	10.62%	7.19%	€95.1	Euribor+5.90%	9.70%	5.60%
€1,434,150	98.6%	FOAKS 2X ER ²²	2025	BB	Mezz	0.00%	3.20%	3.40%	0.85%	€98.5	Euribor+5.91%	9.73%	3.96%
€3,741,360	98.8%	FOAKS 4X F ²²	2026	B	Mezz	0.00%	n.a.	1.80%	1.12%	€98.5	Euribor+9.25%	13.09%	5.15%
Weighted average²⁴	97.7%					0.53%	3.20%	5.08%	3.14%	€97.2	Euribor+7.21%	11.16%	4.76%
Total weighted average²⁴	86.4%					0.83%	7.51%	6.62%	5.38%	\$96.4		14.56%	2.29%



Largest exposures in top 10 sectors (CLO equity investments, Jul-24)

	Exposure, %	Currency	Moody's/S&P Rating	Maturity	Spread
Healthcare & Pharmaceuticals	13.1%				
Groupe Inovie	0.51%	EUR	B3/B-	2028	4.0%
Nidda Healthcare	0.43%	EUR	B3/B	2025/2026	3.5%
Biogroup - LCD	0.43%	EUR	B3/B-	2028	3.5%
High Tech Industries	9.9%				
McAfee	0.61%	USD	B1/B-	2029	3.3% - 3.5%
Precise	0.47%	EUR	B3/B	2026	3.3% - 4.0%
Genesys Telecommunications	0.47%	USD	B2/B	2027	3.5% - 4.3%
Services: Business	9.7%				
Sitel Worldwide	0.49%	USD	B2/BB-	2028	3.8% - 3.9%
TTD	0.48%	EUR	B2/B	2029	4.0%
Techem Verwaltungsgesellschaft 675 MBH	0.43%	EUR	B1/B+	2029	3.8%
Banking, Finance, Insurance & Real Estate	6.8%				
Asurion	0.64%	USD	Ba3/B+	2026/2029	3.4% - 5.4%
Foncia Groupe	0.36%	EUR	B2/B-	2028	3.5%
Paysafe	0.28%	USD	B2/B	2028	2.9% - 3.0%
Telecommunications	5.8%				
Altice France	0.48%	USD	Caa1/CCC+	2025/2029	2.8% - 5.5%
Lorca Holdco	0.45%	EUR	Ba3/BB	2027	3.5%
Claranet International	0.40%	EUR	B3/B-	2028	4.5%
Services: Consumer	5.7%				
Verisure	0.34%	EUR	B1/B+	2028	3.0%
Poseidon	0.33%	EUR	B2/B+	2030	5.0%
Eagle	0.32%	EUR	B3/B-	2028	3.8%
Construction & Building	5.0%				
Timber Servicios Empresariales	0.42%	EUR	B3/B	2029	4.9%
Hestiafloor 2	0.35%	EUR	B2/B	2027	3.3%
Tarkett	0.35%	EUR	B2/B+	2028	3.4%
Beverage, Food & Tobacco	4.9%				
Refresco	0.58%	USD	B1/B+	2029	3.8%
IRB	0.27%	USD	B2/B+	2027	2.9%
Biscuit International	0.26%	EUR	B3/B-	2027	4.0%
Chemicals, Plastics & Rubber	4.7%				
Ineos US	0.63%	USD	Ba3/BB	2027/2031	2.6% - 4.0%
Akzo Nobel S. C.	0.47%	EUR	B2/B+	2028	3.5%
Ineos Enterprises	0.45%	EUR	Ba3/BB	2030	4.0%
Hotel, Gaming & Leisure	4.0%				
Etraveli Group	0.36%	EUR	NR/NR	2028	4.5%
UFC	0.27%	USD	Ba3/B+	2026	3.0%
Entain	0.26%	USD	Ba1/BB-	2029	2.8% - 3.3%

CLO loan and financing maturity profile⁸





CLO financing (CLO equity investments, Jul-24)

Deal name	AAA spread ²⁵	Average cost of financing ²⁵	Callable as of	Reinvestment end date	Maturity date
AWPT 2017-6A SUB	1.54%	4.30%	15-Jul-19	15-Oct-21	15-Jul-29
ALLEG 2017-2A SUB	1.39%	2.06%	17-Jan-20	17-Jan-23	17-Jan-31
POST 2018-1A SUB	1.31%	1.98%	16-Apr-20	16-Apr-23	16-Apr-31
ARES 2015-35RA SUB	1.28%	2.10%	15-Jul-20	15-Jul-23	15-Jul-30
WELF 2018-1A SUB	1.36%	2.09%	17-Jul-20	17-Jul-23	17-Jul-31
SHACK 2018-12A SUB	1.33%	2.02%	20-Jul-20	20-Jul-23	20-Jul-31
HLM 13A-18 SUB	1.13%	1.80%	13-Dec-24	15-Oct-23	15-Oct-30
AIMCO 2017-AA SUB	1.31%	1.87%	20-Apr-23	20-Apr-26	20-Apr-34
WELF 2021-2X SUB	1.46%	2.07%	15-Jul-23	15-Jul-26	15-Jul-34
ALLEG 2021-1X SUB	1.40%	1.94%	20-Jul-23	20-Jul-26	20-Jul-34
ROCKT 2021-2X SUB	1.42%	1.95%	20-Jul-23	20-Jul-26	20-Jul-34
MARNR 2017-4A SUB	1.44%	2.04%	26-Oct-23	26-Oct-26	26-Oct-34
FOAKS 1X SUB	0.85%	1.76%	15-Oct-22	15-Jul-25	15-Apr-34
FOAKS 2X SUB	0.88%	1.69%	15-Nov-22	15-Oct-25	15-Apr-34
FOAKS 3X SUB	1.00%	1.80%	19-May-23	15-Apr-26	15-Oct-34
FOAKS 4X SUB	0.97%	1.87%	15-Jul-23	15-Jul-26	15-Jan-35
FOAKS 5X SUB	1.48%	2.29%	10-Nov-25	10-Nov-28	15-Oct-36

SOFR+1.36%

Master Fund's weighted average AAA spread

vs.

SOFR+1.41%

Current US AAA primary spread²⁶

Euribor+1.03%

Master Fund's weighted average AAA spread

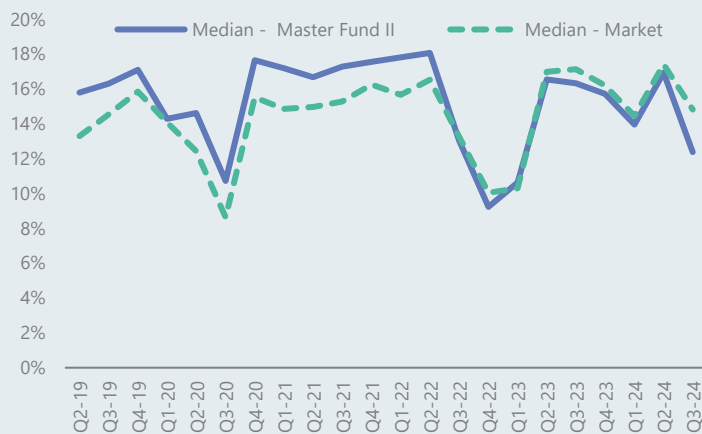
vs.

Euribor+1.32%

Current Euro AAA primary spread²⁶

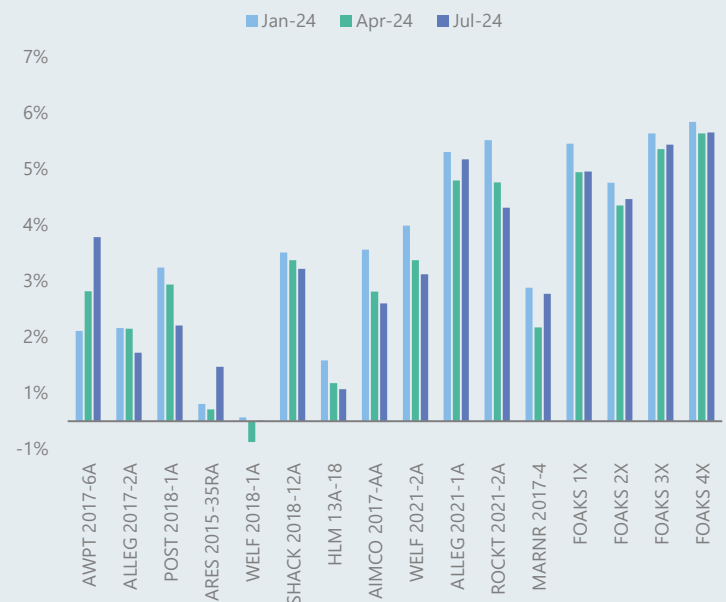
CLO historical distributions (CLO equity investments, Jul-24)

Annualised US equity distribution (over par)²⁷



Master Fund received \$17.2 million worth of distributions this quarter, equivalent to \$3.15 cents per 2021 share.

Over-collateralisation test headroom²⁸





Modelled gross returns of CLO equity positions, assuming 2% default rate compared to current default rates, 0.92% and 0.79%² in the US and Europe, respectively.

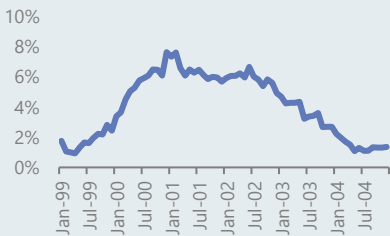
19.7%
Gross return to maturity²⁹

27.2%
Gross return to call²⁹

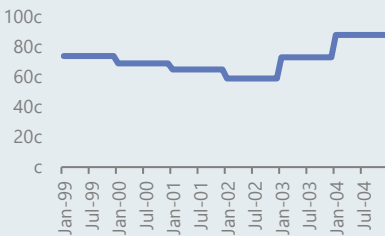
Fair Oaks Income – “Dot-com” Scenario – Modelled gross returns, +10% (based on share price), +9% (based on NAV)³⁰

Key assumptions

Default vector



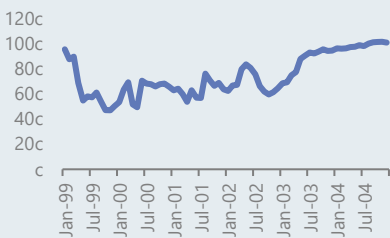
Recovery rate



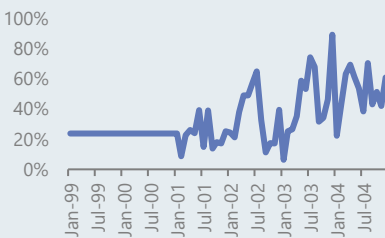
CCC exposure



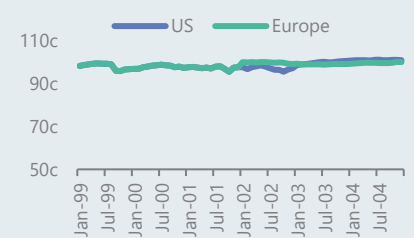
CCC price



Prepayment rate



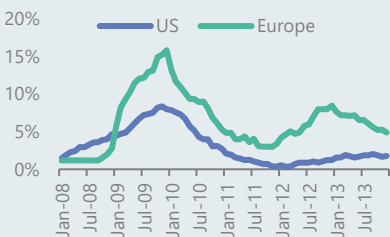
Reinvestment price



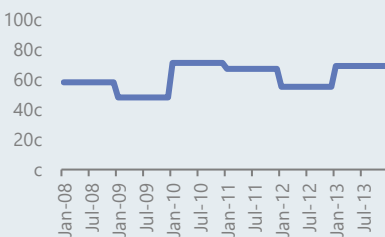
Fair Oaks Income – “GFC” Scenario – Modelled gross returns, +2% (based on share price), +2% (based on NAV)³⁰

Key assumptions

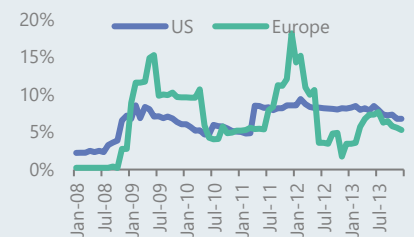
Default vector



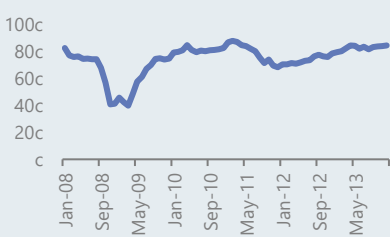
Recovery rate



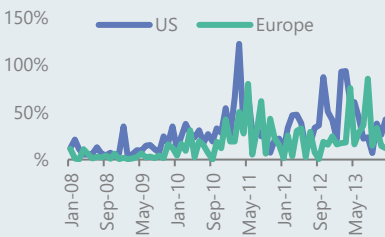
CCC exposure



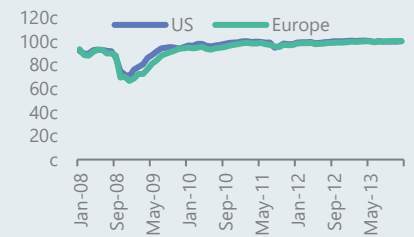
CCC price



Prepayment rate



Reinvestment price





Footnotes

All references to "Fund II" are to "FOIF II LP", Master Fund II. All references to "Fund III" are to "FOMC III LP", Master Fund III.

- 1) Price and NAV returns includes reinvestment of dividends. Inception to date NAV return based on initial NAV as of June 2014 and includes share performance prior to the re-designation of the shares in 2017 and 2021. Net of fund expenses and fees.
- 2) Pitchbook LCD as at 31-Jul-24. Morningstar US Leveraged Loan Index and European Leveraged Loan Index lagging 12-month loan default rate based on principal amount and distress ratio based on issuer count and defined as loans trading below 80c.
- 3) Pitchbook LCD as at 31-Jul-24. Only actively managed BSL CLOs.
- 4) Pitchbook LCD as at 19-Jul-24 and 16-Jul-24.
- 5) JP Morgan US and Euro CLOIE Indices. Balance and weighted average coupon of all CLO tranches as at 15-Apr-24.
- 6) Bloomberg as at 31-Jul-24.
- 7) Bank of America as at 07-Aug-24.
- 8) Intex. Portfolio currency and rating breakdown based on latest NAV, original ratings and currency denominations of all CLO investments, excluding cash. Industry diversification and rating breakdown based on Moody's sectors and ratings and loan par value weighted by Fund III's ownership of Income Notes.
- 9) Intex. Based on loan par value weighted by Master Fund III's proportional ownership of Income Notes.
- 10) Intex. Based on CLO liability spreads weighted by Master Fund III's proportional ownership of Income Notes.
- 11) Based on Moody's company ratings. Due to rounding errors, the percentages may not sum to 100%.
- 12) Table excludes the sub-fee notes and any investments in CLO warehouses held in the portfolio.
- 13) Vehicles managed by the General Partner own a majority of the CLO equity in the transaction.
- 14) Includes the Company's proportional ownership of investments held by Master Fund II and Master Fund III.
- 15) Valuations are independently sourced by a third-party service provider, except for valuations for FOLF 1X SUB, FOLF 2X SUB, FOLF 3X SUB, FOLF 4X SUB, FOLF 5X SUB and their respective Z and M (fee) notes which are provided by Wollemi Investments I LP.
- 16) Intex. Balance of defaulted assets as of latest trustee report.
- 17) Intex. CCC+, CCC and CCC- rated assets (S&P) and Caa1, Caa2 and Caa3 rated assets (Moody's). Based on loan facility rating from the rating agencies, Moody's and S&P.
- 18) Intex. Based on current loan balance of the respective CLO.
- 19) Based on month-end prices from Markit but where prices are not available, we may use the latest price from the monthly trustee reports to calculate the weighted average.
- 20) Distributions received from fee notes are included in the calculation.
- 21) Intex. Based on latest available trustee report. Difference between latest available value and threshold for BB over-collateralization test for CLO subordinated notes and relevant over-collateralisation test for mezzanine investments.
- 22) Fair Oaks Capital acts as CLO manager for the deal.
- 23) Total includes cash at Fair Oaks Income Limited. The cash balance is pro-forma for the latest dividend announced.
- 24) Weighted averages are by market value except for current market valuation and coupon which are weighted by par value. Weighted average calculation uses the Bloomberg EUR/USD foreign exchange rate on 31-Jul-24 (1.083).
- 25) Intex. Spreads are shown over SOFR/Euribor.
- 26) JP Morgan as at 31-Jul-24. AAA primary spreads.
- 27) Intex and Barclays as at 31-Jul-24. Annualised quarterly distribution over par amount of equity. Includes majority equity positions only.
- 28) Intex as at 31-Jul-24.
- 29) Intex as at 31-Jul-24. Assuming 2% annual default rate after 12m, linear increase from 0.92% to 2% in year 1. 70c recovery rate, 25% prepayment rate, reinvestment in new loans with 4% spread at 98.5c during year 1, 99c subsequently. Call scenario assumes loans are called at 97.5c. Other assumptions available on request.
- 30) Fair Oaks analysis based on FAIR portfolio as of 31-Jul-24. Analysis based on Intex. Additional details and modelling assumptions available on request.

Important information:

The Net Asset Value and the portfolio valuations contained in this report are estimates and are based on unaudited estimated valuations. The final Net Asset Value and portfolio valuations of the Company may be materially different from the estimated values, which should only be taken as indicative values which have been provided for information only and upon which no reliance should be placed. The level of default for each portfolio holding is expressed as at a particular date and so may increase in the future. Actual results, performance or achievements may differ materially from estimated results, performance or achievements. Except as required by applicable law, the Company expressly disclaims any obligation to update or revise such estimates to reflect any change in expectations, new information, subsequent events or otherwise. This document is for information purposes only and is not an offer to invest. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions. Inception to date performance figures include share performance prior to the re-designation of the Company's initial share class in 2017 and are calculated by reference to the estimated NAV on 12 June 2014, the date of admission to trading of the Company's initial share class. Due to applicable legal restrictions, electronic versions of these materials are not directed at, or accessible by, US Persons (as defined in Regulation S under the US Securities Act of 1933) or persons located in the United States, Australia, Canada, Japan, the EEA (except the UK, Luxembourg, Sweden and Finland) or South Africa, or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

Past performance is no indication of future results. Inherent in any investment is the potential for loss. 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 Company (or the master fund in which it invests) will be able to implement its investment strategy, achieves its investment objective or avoid substantial losses.

Neither the Company nor any class of shares of the Company has been approved by the Swiss Financial Market Supervisory Authority ("FINMA") for offering to non-qualified investors pursuant to Art. 120 para. 1 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA"). In addition, the Company has not and does not intend to appoint a Swiss representative or a Swiss paying agent for the shares of the Company offered in Switzerland. Accordingly, the shares of the Company may only be offered or advertised and this document may only be made available, in Switzerland to qualified investors within the meaning of CISA who are not high-net-worth individuals (or private investment structures established for high-net-worth individuals) having opted out to professional client status under Art. 5 para. 1 of the Swiss Federal Act on Financial Services. Investors in the shares of the Company do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA in connection with the approval for offering.