



FAAA

Fair Oaks AAA CLO Fund - UCITS ETF EUR Dist.

Marketing communication  
For Institutional and Informed Investors only

## Fund summary

The Fair Oaks AAA CLO Fund ("FAAA", the "Fund") offers exposure to exclusively AAA-rated Collateralised Loan Obligations ("CLOs"), backed by senior secured corporate loans. The Fund is actively managed with a strong emphasis on bottom-up fundamental credit analysis. The Fund seeks to generate attractive risk-adjusted returns by investing in and managing a portfolio of European AAA-rated CLO notes on a long-only and liquid basis. The Fund has no benchmark index.

## Investment case\*

### Attractive returns

CLOs can offer higher returns than other fixed income products

**4.3%**  
Gross current yield (€)<sup>8</sup>

### Resilient asset class

No AAA-rated CLO has ever defaulted (25+ year track record)<sup>1</sup>

**0%**  
Historical default rate<sup>1</sup>

### Access to floating rate debt

Assets pay 3-month Euribor plus a margin

**<0.25 yr**  
Interest rate duration

### Efficient and transparent investment

Flexible trading while offering transparency in a UCITS structure

**Article 8**  
SFDR classification<sup>6</sup>

## Asset allocation<sup>2</sup>

### CREDIT RATING

AAA 100%

### CURRENCY

EUR 100%

## Top 5 holdings<sup>3</sup>

Deal name	Rating	CLO manager	Weight (%)
BECL0 5X B	AAA	Blackrock	4.2%
OCPE 2017-1X ARE	AAA	Onex	3.4%
CGMSE 2018-1X A2A	AAA	Carlyle	3.4%
BLUME 2016-1X BR	AAA	Sound Point	3.4%
DILPK 1X A	AAA	Blackstone	3.4%

## Fund facts (data as at 31-Dec-24)

Tickers	<b>LSE: FAAA Xetra: LAAX</b>
ETF share class	<b>Fair Oaks AAA CLO Fund - UCITS ETF EUR Dist.</b>
Type	<b>Fixed Income ETF</b>
Structure	<b>Actively managed physical ETF</b>
ISIN	<b>LU2785470191</b>
Fund size (AUM)	<b>€148.5 million</b>
NAV per share	<b>€1,013.53</b>
Fund base currency	<b>EUR</b>
Exposure	<b>AAA-rated CLOs</b>
Share class TER p.a. <sup>4</sup>	<b>0.35%</b>
Share class launch date	<b>11-Sep-24</b>
Share class currency	<b>EUR</b>
Share class distribution policy	<b>Quarterly distributions</b>
Target gross return <sup>5</sup>	<b>Euribor + 1.3% p.a.</b>
Securities lending	<b>No</b>
SFDR classification <sup>6</sup>	<b>Article 8</b>

Legal structure	<b>Luxembourg SICAV (Alpha UCITS SICAV)</b>
Domicile	<b>Luxembourg</b>
UCITS	<b>Yes</b>
Investment manager	<b>Fair Oaks Capital Limited ("Fair Oaks")</b>
Management company <sup>7</sup>	<b>Waystone Management Company S.A.</b>
Administrator / custodian	<b>CACEIS Bank, Luxembourg branch</b>
Auditor	<b>Deloitte Audit Sàrl</b>

Number of positions <sup>3</sup>	<b>53</b>
Floating rate <sup>2</sup>	<b>100%</b>
Gross current yield (€) <sup>8</sup>	<b>4.3%</b>

\*Capital is at risk. The value of your investment may go down as well as up and you may not get back the amount you invested. Investors should read the key risks section and disclaimer section on page 4 of this document, KIID and Prospectus prior to investing.

Date of creation: Jan-25

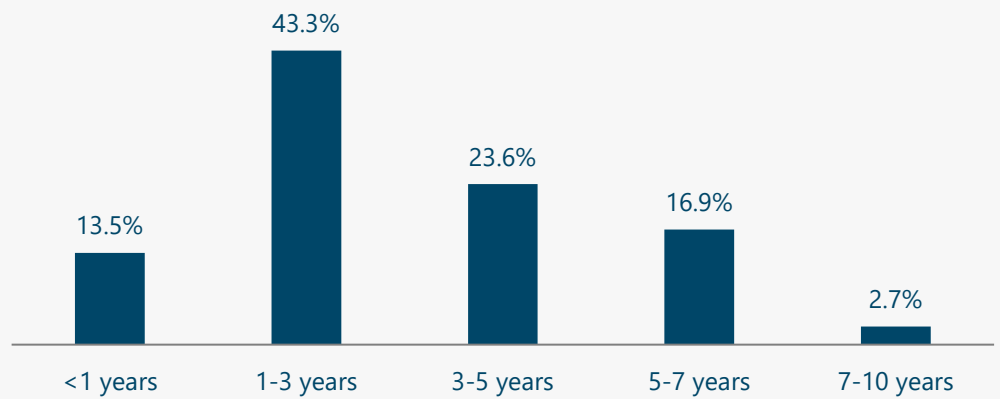
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## Key metrics

Interest rate duration<sup>8</sup> 0.05 yearsSpread duration to maturity<sup>9</sup> 2.8 yearsSpread to maturity (Euribor +)<sup>9,10</sup> 1.3%Maturity profile<sup>8,9</sup>

## Performance

Cumulative Performance FAAA	1m	3m	6m	1y	3y (annualised)	5y (annualised)	Since inception (annualised)
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Performance figures unavailable as share class has less than 12 months performance

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2024													

## Trading information and identifiers

Exchange	Ticker	Currency	Bloomberg ticker	RIC	ISIN	SEDOL	WKN	Dist. policy	Listing date
Deutsche Börse Xetra	LAAA	EUR	LAAA GY	LAAA.DE	LU2785470191	-	A40E6R	Dist.	11-Sep-24
London Stock Exchange	FAAA	EUR	FAAA LN	FAAA.L	LU2785470191	BP4Z094	-	Dist.	26-Sep-24
London Stock Exchange	AAAG	GBP	AAAG LN	AAAG.L	LU2785470191	BPMRHK2	-	Dist.	26-Sep-24

## Registered regions

Austria	Germany	Malta	Sweden
Denmark	Ireland	Netherlands	United Kingdom
Finland	Italy	Norway	
France	Luxembourg	Spain	

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## Footnotes

- 1) S&P's, "Default, Transition, and Recovery: 2023 Annual Global Leveraged Loan CLO Default And Rating Transition Study", 27-Jun-24. S&P's "Default, Transition, and Recovery: 2023 Annual Global Corporate Default And Rating Transition Study", 28-Mar-24.
- 2) Excludes cash and cash-equivalents.
- 3) Based on the current valuation of the assets in the Fund's base currency at month-end. The latest full holdings of the Fund can be obtained from the Investment Manager's website (<https://www.clo-etf.com/faaa-clo-etf/>).
- 4) Share class KIIDs including TERs are available on Investment Manager's website (<https://www.clo-etf.com/faaa-clo-etf/>). In addition to TER, investors in ETF class will be charged a subscription tax (Taxe d'Abonnement) and portfolio transaction costs. The tax treatment of an investment in the ETF class depends on the individual circumstances of an investor and may be subject to change.
- 5) Before TER and other expenses.
- 6) 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. More information is available on the Investment Manager's website (<https://www.clo-etf.com/faaa-clo-etf/>). The decision to invest in the sub-fund should take into account all the characteristics or objectives of the sub-fund as described in its prospectus or any other fund-related document.
- 7) 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.
- 8) Intex and Fair Oaks Capital 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. There is no guarantee that the yield stated will be achieved.
- 9) Intex and Fair Oaks Capital data. Maturity calculated based on expected maturity, assuming a 20% loan prepayment rate.
- 10) Portfolio spread represents discount margin.

## Glossary

**Collateralised Loan Obligation (CLO):** Securities backed by corporate debt assets. Both CLO securities and underlying assets are typically floating-rate, meaning a regular but variable interest payment is received as it is tied to a benchmark rate (typically EURIBOR in Europe and SOFR in the US). CLO securities are issued in multiple classes ranging from rated debt notes (typically AAA to BB/single-B) to first-loss equity notes. The principal and interest received from CLO's assets is allocated sequentially between the classes. The payment of interest and principal to holders of CLO equity notes will only be made from the cash flows received on the CLO's assets after senior ranking classes and expenses of the CLO have been paid, starting from the most senior class outstanding. CLO debt is protected by loss-absorbing junior-ranking notes, while the equity note bears the first risk of default on the CLO's assets.

**Sustainable Finance Disclosure Regulation (SFDR) classification:** Article 8 indicates that the product promotes environmental or social characteristics.

**Total Expense Ratio (TER):** A measure of the total costs per annum associated with managing and operating the product. This primarily consists of management fees and operating expenses such as trustee, custody or registrations costs. Expressed as a percentage of assets under management.

**Current yield:** Weighted average current coupon of assets held by the portfolio divided by the weighted current market price of the portfolio. Expressed as a percentage. The coupon of a CLO is typically paid quarterly and is tied to a reference rate (typically EURIBOR in Europe and SOFR in the US). Expressed as a percentage.

**Spread to maturity:** The discount margin over the benchmark rate (typically EURIBOR in Europe and SOFR in the US) that equates the present value of the portfolio's cash flows with its market value, if all investments are held to their expected maturities. Expressed as an annual percentage.

**Spread duration to maturity:** Sensitivity of a bond's price to a change in credit spreads, modelled based on expected average life for the invested portfolio. Expressed in years.

**Interest rate duration:** A measure of the responsiveness of an investment's price to changes in interest rates. Expressed in years.

**Total return:** The change in value of an investment over a certain timeframe. It includes any net income (such as dividends) and change in capital value. Typically measured net of any fees. Expressed as a percentage change.

**Undertakings for collective investment in transferable securities (UCITS):** A European regulatory framework for open-ended funds investing in listed securities, authorised and monitored by a regulatory body (such as the Commission de Surveillance du Secteur Financier in Luxembourg or the Central Bank of Ireland in the Republic of Ireland).

**Key investor information document (KIID):** A short, two-page, document containing essential information about a fund, providing investors with an understanding of the key risks and helps them to make an informed investment decision.

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## 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.

**Secondary Market Trading Risk:** There is no guarantee that trading of ETF Shares on stock exchanges shall be possible including in, but not limited to, the following circumstances (i) such listing has not been achieved and/or maintained, (ii) the rules and requirements of any stock exchanges applicable to the listing of ETF Shares have changed or (iii) trading on such stock exchanges is suspended due to market conditions. Notwithstanding the listing of the ETF Shares on one or more stock exchange, there is no guarantee as to the liquidity of the ETF Shares on any stock exchange or as to the correlation of the trading price of ETF Shares on any stock exchange and the Net Asset Value for such ETF Share. On any given stock exchange, ETF Shares may trade at, above or below their Net Asset Value and such trading price may fluctuate in accordance with changes in the daily Net Asset Value, intraday changes in the Net Asset Value and market supply and demand for ETF Shares.

## Disclaimer

### IMPORTANT INFORMATION

**FOR INSTITUTIONAL AND INFORMED INVESTORS ONLY. THE FUND'S ETF SHARES MAY NOT BE OFFERED TO RETAIL INVESTORS WHO ARE BASIC INVESTORS, OR TO RETAIL INVESTORS ON AN EXECUTION ONLY BASIS, IN EACH CASE AS PRESCRIBED IN THE EUROPEAN MIFID TEMPLATE.**

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**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 product will be able to achieve its investment objective, policy or strategy or avoid substantial losses. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment.**

The classes of ETF Shares (hereafter the "ETF Shares") referenced in this document are issued by Fair Oaks AAA CLO Fund (the "Sub-Fund"), a sub-fund of Alpha UCITS SICAV (the "Company"), a public limited liability company incorporated as an investment company with variable capital under the laws of Luxembourg and registered pursuant to part I of the act dated 17 December 2010 on undertakings for collective investment. This document should be read in conjunction with the prospectus (which is only available in English), the relevant supplement and the Key Investor Information Document (KIID) relating to the Sub-Fund and its ETF Shares (together the "Offering Documents"). Any offer or subscription for ETF Shares may only be made on the basis of such Offering Documents. The indicative intra-day net asset value of the Sub-Fund is available at <https://www.solactive.com>

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## Disclaimer (continued)

Investors may not create or redeem ETF Shares of the Sub-Fund directly with the Company. Only Authorised Participants may trade directly with the Sub-Fund. Investors must buy and sell ETF Shares on the secondary market, being those stock exchanges on which the ETF Shares trade, although certain investors may be able to create/redeem through Authorized Participants. Please refer to the Offering Documents for further details. There can be no guarantee that an active trading market for ETF Shares will develop or be maintained on such exchanges or that those exchange listings will be maintained.

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

### ADDITIONAL INFORMATION

**Notice to Swiss investors:** The distribution of the Sub-Fund is restricted exclusively to qualified investors in accordance with art. 10 para. 3 of the Swiss Collective Investment Schemes Act. 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. The domicile of the Sub-Fund is Luxembourg. For interested parties, the Offering Documents, 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: RBC 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.