FAIR OAKS INCOME LTD

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 2024 (and may be extended by an additional one-year period), 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.

$217.9 million

2021 Share Class market capitalisation

$246.4 million

Total Company market capitalisation

12–14%

Target total return

Data as at 30-Apr-24

2021 shares

Price per Share	$0.57
NAV per Share	$0.565
Premium / (Discount) to NAV	0.81%
Inception to date NAV return[1]	95.7% (7.0% annualised)
Inception to date price return[1]	98.0% (7.2% annualised)
2021 Share Class market capitalisation	$217.9 million
2021 Shares in issue	382.3 million

Fund facts

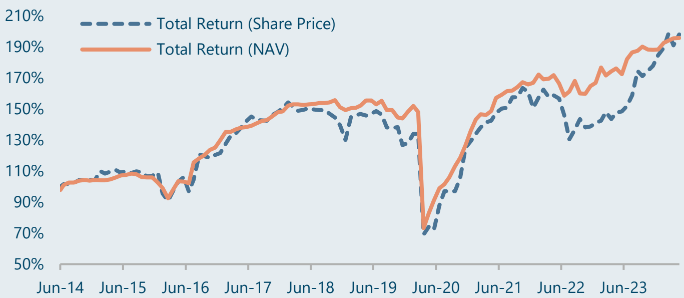
Type of fund	Closed-ended investment fund
Listing and trading	LSE Main Market – SFS
Launch date	12-Jun-14
Launch price	$1 per Ordinary Share
Dividend	Quarterly
Dealing	Daily during LSE opening hours
NAV calculation	As of the last business day of each month
Currency	$ denominated
ISA and SIPP eligible	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

Fund performance[1]

	1 MONTH	3 MONTH	1 YEAR	ITD
2021 SHARE PRICE (FAIR)	+3.64%	+4.41%	+33.99%	+97.96%
2021 NAV (FAIR)	+0.05%	+1.54%	+11.07%	+95.75%
JP MORGAN LEVERAGED LOAN INDEX	+0.64%	+2.59%	+12.14%	+60.72%
JP MORGAN HIGH YIELD INDEX	-0.71%	+1.00%	+9.91%	+50.88%



Contact information

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Signatory of: PRI Principles for Responsible Investment

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Company performance[1]

The 2021 Share NAV was $56.54c at the end of April, marking a +0.05% increase for the month. The 2021 ordinary share closed at a price of $57.00c, up by +3.64% for the month. The 2017 Share NAV stood at $57.92c as of April 30th.

Market commentary

In April, the US loan default rate increased from 1.14% to 1.31%, while the European loan default rate decreased from 1.65% to 1.48%. Additionally, the forward-looking distress ratio increased from 4.95% to 5.01% in the US and decreased from 2.78% to 2.48% in Europe.[2]

CLO equity distributions in April 2024 were the highest since 2016 in the US and since 2019 in Europe.[3] According to Bank of America, this has been largely driven by two factors: first, a significant tightening in the gap between 1M SOFR/Euribor (paid by a large number of loan borrowers) and 3M SOFR/Euribor (paid on CLO liabilities); second, April benefited from semi-annual bond coupons accruing to CLOs, an important aspect considering the increase in US CLOs' bond balances to $12bn (from $1bn in January 2022).[4]

Strong loan technicals (50% of the US loan index and 26% of the European loan index are trading above par)[5] should support loan repricings, reducing interest costs and extending maturities further. While this dynamic is supportive of lower defaults in the future, the inherent decrease in loan spreads has the potential to reduce future CLO equity distributions from recent highs.

Nevertheless, attractive financing spreads, largely set during the positive market conditions of 2021, and upside from CLO refinancing (given recent spread tightening) could offset any decline in weighted average spreads. Moreover, high loan prices increase the value of call options embedded within the CLO control equity, particularly for CLOs beyond their reinvestment periods.

Company update

All investments made their scheduled distributions in April. The Master Fund received $22.3 million worth of quarterly distributions in April, or $3.85c per 2021 Share, compared to $18.0 million in January 2024 and $20.5 million in April 2023.

In a market environment characterised by higher-for-longer rates and a preference for conservative risk positioning, floating-rate products are expected to continue to outperform fixed-rate assets. We believe this market environment, the attractiveness of performing secondary CLO equity in the portfolio and an improved outlook for loan fundamentals make the Fund a compelling investment opportunity.

Quarterly analysis

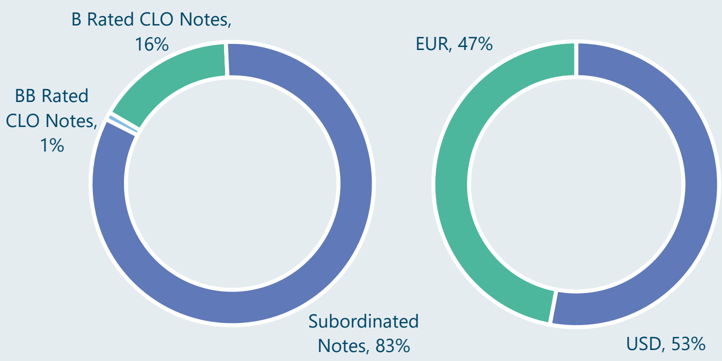
This report contains an update of the quarterly analysis that we introduced in the July 2022 monthly report.

Top 10 issuers and portfolio data[7]

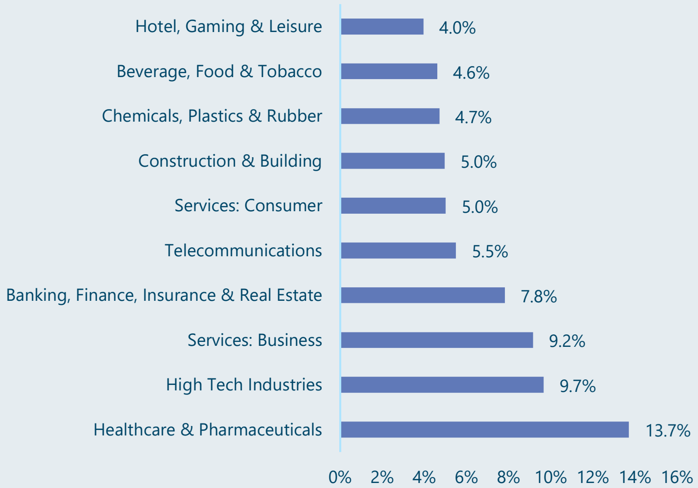
ISSUER	COMPANY RATING (S&P)	% GROSS[7]	MOODY'S INDUSTRY CLASSIFICATION	COUNTRY
Virgin Media	B+	0.82%	Media: Broadcasting & Subscription	United Kingdom
Ineos US	BB	0.62%	Chemicals, Plastics & Rubber	United States
Asurion	B+	0.59%	Banking, Finance, Insurance & Real Estate	United States
Refresco	B+	0.51%	Beverage, Food & Tobacco	Netherlands
Altice France	CCC+	0.50%	Telecommunications	France
Groupe Inovie	B-	0.46%	Healthcare & Pharmaceuticals	France
ION Trading Technologies	B-	0.44%	Banking, Finance, Insurance & Real Estate	Luxembourg
Filtration Group	B	0.44%	Capital Equipment	United States
McAfee	B-	0.43%	High Tech Industries	United States
Paysafe	B	0.43%	Banking, Finance, Insurance & Real Estate	United Kingdom

TOTAL NUMBER OF ISSUERS IN THE PORTFOLIO:	**1,133**
WEIGHTED AVERAGE ASSET SPREAD[7]:	**3.64%**
WEIGHTED AVERAGE COST OF CLO FINANCING[8] (SOFR / EURIBOR+):	**1.97%**

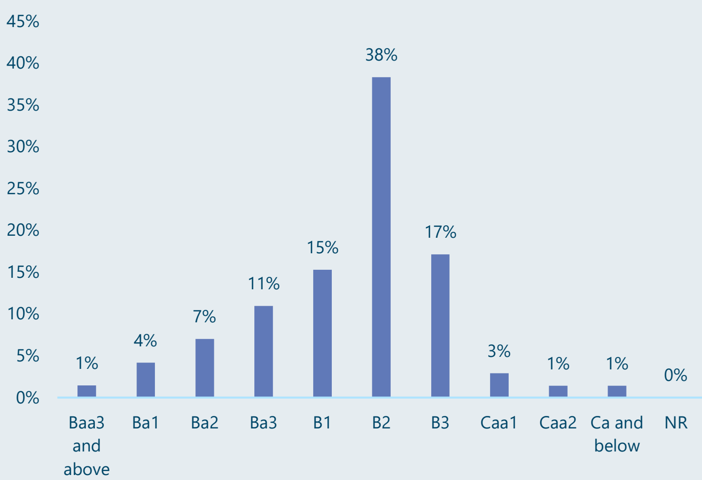
CLO portfolio rating and currency breakdown (Apr-24)[6]



Industry diversification by Moody's (top 10)[6]



Rating breakdown[6,9]



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FAIR OAKS INCOME LTD

Fund holdings (Apr-24)

CLO CONTROL EQUITY[10,11]

Nominal amount[12]	Current market valuation[13]	Deal name	% Defaults[14]	% CCC (S&P)[15]	% CCC (Moody's)[15]	% Oil & gas[16]	% Risk sectors[16]	Weighted average collateral bid price[17]	Last cash payment (annualised yield on current market price)[18]	Relevant OC test cushion[19]
USD Equity										
$18,704,156	50.0%	AIMCO 2017-AA SUB	0.25%	3.70%	4.70%	1.96%	18.99%	$98.4	26.3%	2.31%
$27,541,663	22.0%	ALLEG 2017-2A SUB	0.75%	10.50%	10.40%	1.44%	12.11%	$95.4	75.3%	1.65%
$17,958,200	23.5%	ARES 2015-35RA SUB	0.74%	7.00%	6.60%	2.65%	6.46%	$96.8	68.1%	0.21%
$20,755,535	2.0%	AWPT 2017-6A SUB	2.67%	8.70%	7.52%	0.00%	13.67%	$94.2	190.9%	2.32%
$3,661,598	32.0%	ELM 2014-1A SUB	1.58%	5.72%	4.83%	0.57%	13.10%	$96.8	50.6%	1.16%
$17,923,665	17.0%	HLM 13A-18 SUB	1.14%	6.40%	4.90%	2.38%	13.77%	$96.6	112.9%	0.68%
$3,785,022	12.0%	MARNR 2015-1A SUB	2.57%	7.29%	5.74%	0.00%	14.48%	$95.3	25.9%	1.45%
$25,245,242	28.0%	MARNR 2017-4A SUB	1.55%	4.71%	4.12%	0.35%	13.74%	$97.2	33.5%	1.67%
$27,132,423	32.0%	POST 2018-1A SUB	1.36%	8.60%	7.70%	3.21%	14.63%	$95.8	54.3%	2.44%
$20,721,000	32.0%	SHACK 2018-12A SUB	0.20%	6.76%	5.04%	1.80%	12.65%	$96.9	63.9%	2.87%
$19,943,963	14.0%	WELF 2018-1A SUB	1.14%	11.28%	7.86%	0.66%	7.16%	$94.3	110.5%	-0.37%
$20,695,096	65.0%	ALLEG 2021-1X SUB	1.35%	6.13%	5.50%	4.22%	14.14%	$97.3	30.1%	4.29%
$16,922,150	68.0%	ROCKT 2021-2X SUB	1.39%	6.70%	6.90%	3.55%	14.17%	$96.0	34.2%	4.26%
$20,030,300	50.0%	WELF 2021-2X SUB	1.14%	7.93%	5.88%	0.00%	5.39%	$96.0	34.8%	2.87%
Weighted average[22]	**32.5%**		**1.07%**	**6.88%**	**6.18%**	**2.21%**	**12.76%**	**$96.6**	**48.0%**	**2.64%**
EUR Equity										
€20,540,800	59.3%	FOAKS 1X SUB[20]	0.00%	3.40%	2.60%	0.00%	5.78%	€98.1	48.6%	4.44%
€34,479,200	42.0%	FOAKS 2X SUB[20]	0.00%	4.00%	3.60%	0.00%	8.05%	€98.2	44.5%	3.85%
€25,676,000	58.6%	FOAKS 3X SUB[20]	0.00%	2.80%	3.67%	0.00%	6.00%	€98.3	38.4%	4.85%
€20,540,800	76.1%	FOAKS 4X SUB[20]	0.00%	n.a.	1.70%	0.00%	6.71%	€98.2	34.6%	5.13%
Weighted average[22]	**56.6%**		**0.00%**	**3.39%**	**2.89%**	**0.00%**	**6.66%**	**€98.2**	**41.1%**	**4.59%**
Total weighted average[22]	**39.6%**		**0.62%**	**5.68%**	**4.80%**	**1.29%**	**10.21%**	**$97.3**	**45.1%**	**3.46%**

Cash and cash equivalents[21]: $16,768,156

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Fund holdings (Apr-24)

MEZZANINE

Nominal amount[11]	Current market valuation[12]	Deal name	Original rating	Current rating	% Defaults[14]	% CCC (S&P)[15]	% CCC (Moody's)[15]	% Oil & gas[16]	% Risk Sectors[16]	Weighted average collateral bid price[17]	Coupon	Current yield (based on current market price)	Relevant OC test cushion[19]
USD													
$2,762,800	92.3%	APID 2018-18A F	B	Mezz	0.02%	7.70%	5.90%	4.26%	13.22%	$97.9	SOFR+8.34%	14.81%	1.56%
$3,177,220	80.5%	DRSLF 2017-49A F	B	Mezz	1.35%	6.97%	4.89%	1.18%	15.44%	$96.0	SOFR+7.81%	16.32%	0.80%
$3,453,500	74.4%	DRSLF 2017-53A F	B	Mezz	2.16%	8.47%	n.a.	1.51%	13.53%	$95.3	SOFR+7.76%	17.61%	1.72%
$3,962,891	86.0%	HLM 13X-2018 F	B	Mezz	1.14%	6.40%	4.90%	2.38%	13.77%	$96.6	SOFR+7.91%	15.40%	0.68%
$2,762,800	94.5%	MDPK 2016-20A FR	B	Mezz	1.13%	7.54%	8.24%	1.72%	12.35%	$95.7	SOFR+8.41%	14.53%	2.29%
$6,216,300	92.1%	OCT39 2018-3A F	B	Mezz	1.33%	7.69%	7.11%	1.77%	17.83%	$96.3	SOFR+8.26%	14.76%	1.72%
$3,798,850	65.5%	SYMP 2018-19A F	B	Mezz	0.46%	13.12%	10.68%	3.76%	16.85%	$94.9	SOFR+7.40%	19.44%	0.90%
Weighted average[22]	**83.8%**				**1.12%**	**8.10%**	**6.88%**	**2.28%**	**15.11%**	**$96.1**	**SOFR+7.99%**	**15.89%**	**1.41%**
EUR													
€2,935,475	88.9%	EGLXY 2018-6X F	B	Mezz	0.50%	n.a.	9.39%	0.00%	12.58%	€94.8	Euribor+5.90%	11.05%	5.39%
€1,726,750	95.0%	HARVT 11X FR	B	Mezz	1.53%	4.60%	n.a.	0.00%	11.38%	€97.0	Euribor+6.55%	11.00%	1.49%
€1,753,687	91.5%	OHECP 2015-4X FR	B	Mezz	0.10%	n.a.	5.00%	1.29%	15.44%	€97.1	Euribor+6.10%	10.93%	2.68%
€3,741,360	97.8%	FOAKS 4X F[22]	B	Mezz	0.00%	n.a.	1.70%	0.00%	6.71%	€98.2	Euribor+9.25%	13.45%	5.13%
€1,434,150	98.1%	FOAKS 2X ER[22]	BB	Mezz	0.00%	4.00%	3.60%	0.00%	8.05%	€98.2	Euribor+5.91%	10.00%	3.85%
Weighted average[22]	**93.7%**				**0.36%**	**4.32%**	**4.72%**	**0.19%**	**10.27%**	**€97.0**	**Euribor+7.11%**	**11.69%**	**7.11%**
Total weighted average[22]	**87.1%**				**0.86%**	**7.61%**	**6.15%**	**1.55%**	**13.43%**	**$96.5**		**14.43%**	**2.35%**

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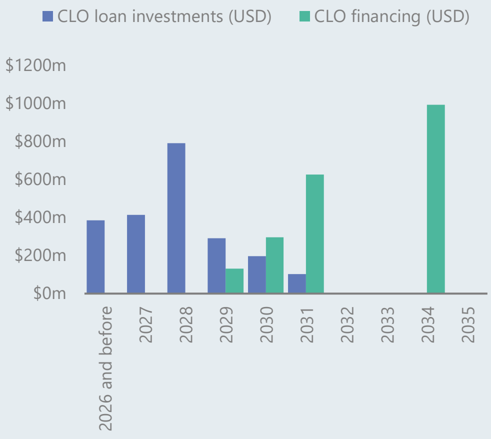
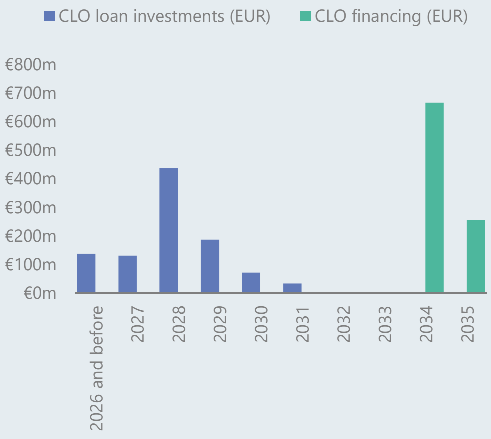
Largest exposures in top 10 sectors (CLO equity investments, Apr-24)

	Exposure, %	Currency	Moody's/S&P Rating	Maturity	Spread
Healthcare & Pharmaceuticals	**13.7%**				
Groupe Inovie	0.46%	EUR	B3/B-	2028	4.0%
Sam	0.40%	EUR	B2/B	2027	3.8%
Ceva Sante Animale	0.35%	USD	B2/B	2030	4.3%
High Tech Industries	**9.7%**				
McAfee	0.43%	USD	B2/B-	2029	3.8% - 3.9%
Genesys Telecommunications	0.42%	USD	B2/B	2027	3.5% - 4.3%
Precise	0.39%	EUR	B3/B-	2026	3.5% - 4.5%
Services: Business	**9.2%**				
Sitel Worldwide	0.42%	USD	B1/BB-	2028	3.8% - 3.9%
Freshworld	0.38%	EUR	B2/B	2026	3.8%
AlixPartners	0.36%	USD	B1/B+	2028	2.5% - 3.0%
Banking, Finance, Insurance & Real Estate	**7.8%**				
Asurion	0.59%	USD	Ba3/B+	2026/2029	3.4% - 5.4%
ION Trading Technologies	0.44%	USD	B3/B-	2028	4.3% - 4.9%
Paysafe	0.43%	USD	B2/B	2028	2.9% - 3.0%
Telecommunications	**5.5%**				
Altice France	0.50%	USD	Caa1/CCC+	2025/2029	2.8% - 5.5%
Zayo Group	0.35%	USD	B3/B-	2027	3.1% - 4.3%
Lorca	0.33%	EUR	Ba3/BB	2027	3.7% - 4.2%
Services: Consumer	**5.0%**				
Fugue Finance B.V.	0.36%	EUR	B2/B	2028	4.3%
Verisure	0.32%	EUR	B1/B+	2028	3.0%
Poseidon	0.28%	EUR	B2/B+	2030	5.0%
Construction & Building	**5.0%**				
Timber Servicios Empresariales	0.35%	EUR	B3/B	2029	4.9%
Hestiafloor 2	0.32%	EUR	B2/B	2027	3.3%
Armacell INS US	0.31%	EUR	B3/B-	2027	3.3%
Chemicals, Plastics & Rubber	**4.7%**				
Ineos US	0.62%	USD	Ba3/BB	2027/2031	2.6% - 4.0%
Akzo Nobel S. C.	0.43%	EUR	B2/B+	2028	4.3%
Windsor	0.39%	USD	B2/B+	2030	4.0%
Beverage, Food & Tobacco	**4.6%**				
Refresco	0.51%	USD	B2/B+	2029	3.8%
Biscuit International	0.38%	EUR	B3/CCC+	2027	4.0%
IRB	0.26%	USD	B2/B+	2027	2.9% - 3.0%
Hotel, Gaming & Leisure	**4.0%**				
Entain	0.41%	USD	Ba1/BB-	2027/2029	2.6% - 3.8%
UFC	0.27%	USD	Ba3/B+	2026	3.0%
Caesars Entertainment	0.20%	USD	Ba3/B+	2028	1.6% - 3.4%

CLO loan and financing maturity profile[6]





CLO financing (CLO equity investments, Apr-24)

Deal name	AAA spread[24]	Average cost of financing[24]	Callable as of	Reinvestment end date	Maturity date
AIMCO 2017-A	1.31%	1.87%	20-Apr-23	20-Apr-26	20-Apr-34
ALLEG 2017-2	1.39%	1.96%	17-Jan-20	17-Jan-23	17-Jan-31
ARES 2015-35R	1.28%	1.97%	15-Jul-20	15-Jul-23	15-Jul-30
AWPT 2017-6	1.54%	3.55%	15-Jul-19	15-Oct-21	15-Jul-29
ELM 2014-1	1.42%	2.06%	17-Apr-23	17-Apr-26	17-Apr-34
HLM 13A-18	1.39%	2.01%	15-Oct-20	15-Oct-23	15-Oct-30
MARNR 2015-1	1.24%	2.50%	04-Mar-21	20-Apr-21	20-Apr-29
MARNR 2017-4	1.44%	2.03%	26-Oct-23	26-Oct-26	26-Oct-34
POST 2018-1	1.31%	1.93%	16-Apr-20	16-Apr-23	16-Apr-31
SHACK 2018-12	1.33%	1.91%	20-Jul-20	20-Jul-23	20-Jul-31
WELF 2018-1	1.36%	1.98%	17-Jul-20	17-Jul-23	17-Jul-31
ALLEG 2021-1	1.40%	1.94%	20-Jul-23	20-Jul-26	20-Jul-34
ROCKT 2021-2	1.42%	1.95%	20-Jul-23	20-Jul-26	20-Jul-34
WELF 2021-2	1.46%	2.07%	15-Jul-23	15-Jul-26	15-Jul-34
FOAKS 1	0.85%	1.76%	15-Oct-22	15-Jul-25	15-Apr-34
FOAKS 2	0.88%	1.69%	15-Nov-22	15-Oct-25	15-Apr-34
FOAKS 3	1.00%	1.80%	19-May-23	15-Apr-26	15-Oct-34
FOAKS 4	0.97%	1.87%	15-Jul-23	15-Jul-26	15-Jan-35

SOFR+1.38%

Master Fund's weighted average AAA spread

vs.

SOFR+1.58%

Current US AAA primary spread[24]

Euribor+0.93%

Master Fund's weighted average AAA spread

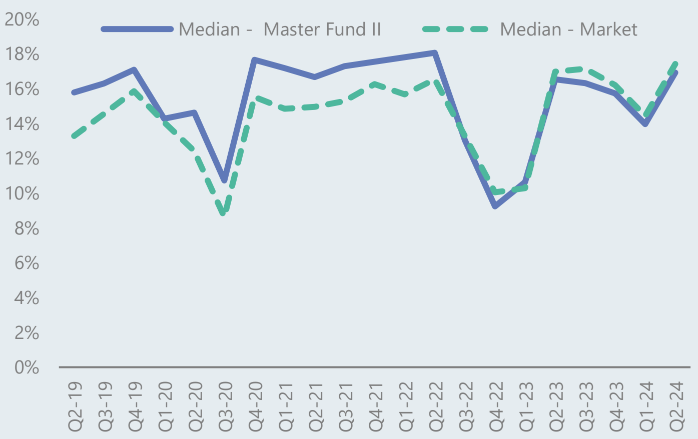
vs.

Euribor+1.50%

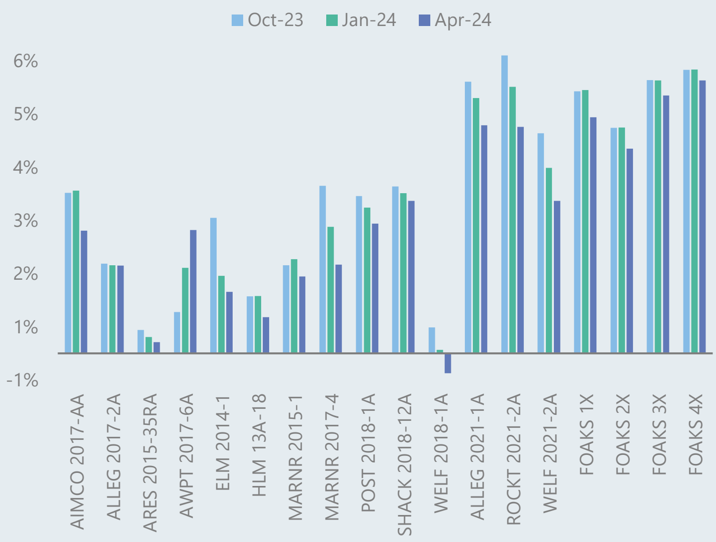
Current Euro AAA primary spread[24]

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

Annualised US equity distribution (over par)[25]



Over-collateralisation test headroom[26]



Master Fund received $22.3 million worth of distributions this quarter, equivalent to $3.85 cents per 2021 share.

Modelled gross returns, based on NAV of CLO equity positions, assuming 2% default rate compared to current default rates, 1.31% and 1.48%[2] in the US and Europe, respectively.

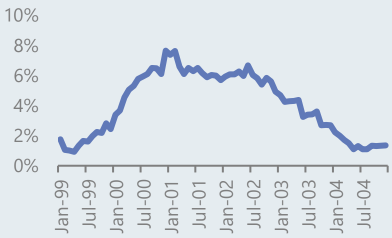
22.2%
Gross return to maturity[27]

29.5%
Gross return to call[27]

Fair Oaks Income – "Dot-com" Scenario – Modelled gross returns, +8% (based on share price), +8% (based on NAV)[28]

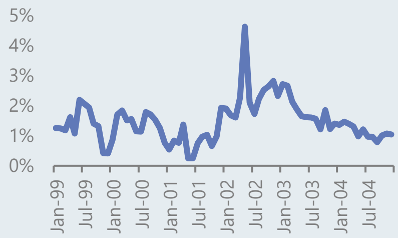
Key assumptions

Default vector

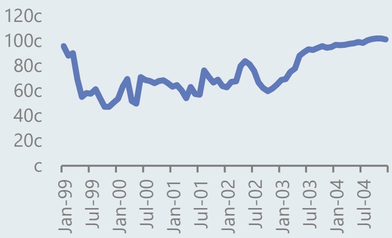


Recovery rate

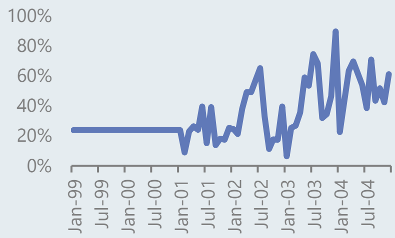
CCC exposure



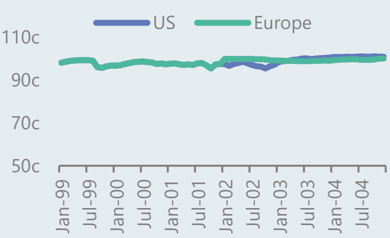
CCC price



Prepayment rate



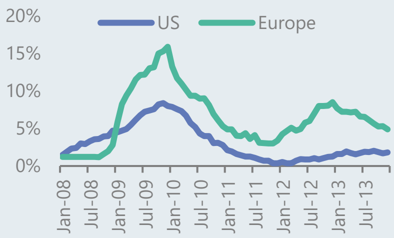
Reinvestment price



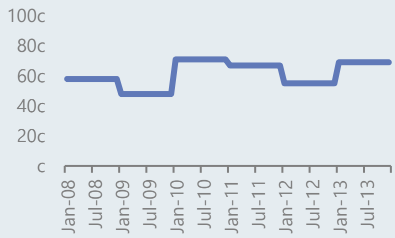
Fair Oaks Income – "GFC" Scenario – Modelled gross returns, +5% (based on share price), +5% (based on NAV)[28]

Key assumptions

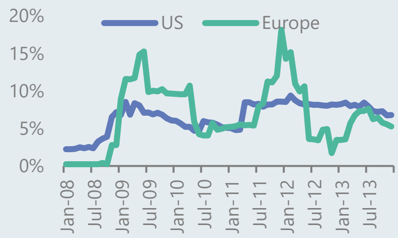
Default vector



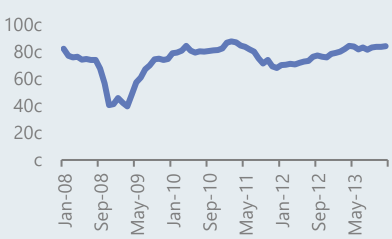
Recovery rate



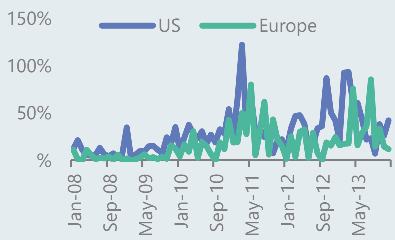
CCC exposure



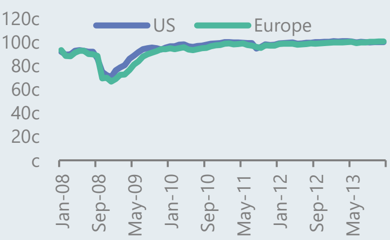
CCC price



Prepayment rate



Reinvestment price



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.

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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 30-Apr-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) Morgan Stanley as at 08-May-24.
4) Bank of America as at 19-Apr-24.
5) Pitchbook LCD as at 30-Apr-24.
6) 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.
7) Intex. Based on loan par value weighted by Master Fund III’s proportional ownership of Income Notes.
8) Intex. Based on CLO liability spreads weighted by Master Fund III's proportional ownership of Income Notes.
9) Based on Moody’s company ratings. Due to rounding errors, the percentages may not sum to 100%.
10) Table excludes the sub-fee notes and any investments in CLO warehouses held in the portfolio.
11) Vehicles managed by the General Partner own a majority of the CLO equity in the transaction.
12) Includes the Company’s proportional ownership of investments held by Master Fund II and Master Fund III.
13) 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 and their respective Z and M (fee) notes which are provided by Wollemi Investments I LP.
14) Intex. Balance of defaulted assets as of latest trustee report.
15) 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.
16) Based on Moody’s industry classification (or S&P equivalent) in monthly trustee reports. Risk sectors are defined as the five sectors most affected by Covid-19, according to Moody’s: gaming and leisure; consumer transportation; advertising, printing and publishing; retail; automotive.
17) 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.
18) Distributions received from fee notes are included in the calculation.
19) 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.
20) Fair Oaks Capital acts as CLO manager for the deal.
21) Total includes cash at Fair Oaks Income Limited. The cash balance is pro-forma for the latest dividend announced.
22) 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 30-Apr-24 (1.067).
23) Intex. Spreads are shown over SOFR/Euribor.
24) JP Morgan as at 30-Apr-24. AAA primary spreads.
25) Intex and Barclays as at 30-Apr-24. Annualised quarterly distribution over par amount of equity. Includes majority equity positions only.
26) Intex as at 30-Apr-24.
27) Intex as at 30-Apr-24. Assuming 2% annual default rate after 12m, linear increase from 1.47% 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.
28) Fair Oaks analysis based on FAIR portfolio as of 30-Apr-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.

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