

# SCIO Opportunity Fund I: fact sheet

European structured credit strategy

## Strategy

SCIO Opportunity Fund I ('fund') seeks to generate 8-10 per cent pa net by capitalising on supply and demand imbalances in the European structured credit market. Investments include (but are not limited to): regulatory capital relief transactions, mezzanine or residual primary and secondary asset-backed securities, collateralised loan obligations, and residential and

commercial mortgage-backed securities. The fund follows a niche strategy by investing in transactions not readily available on the public markets, a similar strategy as with previous SCIO funds including Fund 1, Partners Fund I and Partners Fund II (details available on request).

## Sample portfolio, target assets, fund restrictions

### Sample portfolio

Asset class	Rating	Portfolio allocation (%)	Current credit spread (bps)
Regulatory capital relief transactions	NR	30	1,000
Special situations	NR	15	1,200
CLO	BB	5	700
CLO	B	10	950
CLO	NR	15	1,400
Student loans	NR	10	1,100
UK NC RMBS	NR	15	1,800
Indicative portfolio yield		100	1,250

### Target assets<sup>1</sup>

Collateralised loan obligations (CLO)	Senior secured, mezzanine corporate loans
Residential mortgage-backed (RMBS)	Prime, re-performing, non-conforming
Commercial mortgage-backed (CMBS)	Office, hotel, multi family, business
Bank risk sharing/regulatory capital relief (reg cap)	Bilateral asset specific. SME <sup>2</sup> , large corporates, mortgages, student loans
Special situations	Real estate commercial/residential, infrastructure

### Other<sup>1</sup>

Investment format	Bond, loan or derivative. Bilaterally or syndicated
Target asset jurisdictions (but not limited to)	UK, France, Germany, Netherlands, Belgium

### Fund restrictions<sup>3</sup>

Single position limit	Max 30% of NAV
Currency allocation	Max 20% of NAV non-EUR denominated
Minimum asset rating	Unrated, ie asset rating is not required

## Terms and conditions

### Key facts

Sub-Fund name	SCIO Fund SICAV-FIS - SCIO Opportunity Fund I
Type of fund	Luxembourg SICAV-FIS (Specialised Investment Fund)
Target assets	Various structured credit products - see table above
Effective date	1 July 2016
Subscription	Monthly
Maturity	Open-ended
Target return	[8-10]% pa (net after fees)
ISIN code	LU1253388521
Currency	Euro

### Investment terms

Redemption terms	18 month lock-up
Redemption frequency and gate	Quarterly: not to exceed 25% of the Sub-Fund's NAV on that redemption day (gate)
Redemption months	January, April, July, October

### Fees

Management fee	1.50% pa
Payment terms	Monthly
Fund admin, custody and other	Market standard

### Success fee

Profit share	20%
Hurdle rate	6% pa
High water mark	Yes
Catch up	Yes
Payable	Every 3 years

## SCIO Fund 1 track record (fund terminated as scheduled in July 2015 and money returned to investors)

	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	0.50												0.50
2010	28.73	3.48	0	2.60	4.97	1.34	2.05	3.07	1.59	2.29	-2.15	1.96	4.52
2011	15.99	1.39	5.31	3.71	1.95	1.94	2.32	0.50	-1.63	-1.99	0.04	-0.03	1.67
2012	19.30	0.69	3.23	2.64	-0.92	1.70	-1.93	2.68	1.00	1.21	5.42	1.75	0.52
2013	19.35	4.42	0.91	1.02	0.22	4.15	0.12	0.63	0.10	2.18	0.66	1.20	2.33
2014	22.03	1.86	1.41	5.37	0.41	0.55	2.86	2.27	1.59	0.65	2.76	-0.14	0.60
2015	-0.94	-1.11	-0.57	0.33	1.03	-0.67	0.06						

### Metrics

	SCIO Fund 1
Inception	30 Nov 2009
Cumulative return	158.31%
Compound annual return	18.53%
Standard deviation (annualised)	6.10%
Maximum calendar monthly return	5.42%
Minimum calendar monthly return	-2.15%
Maximum drawdown peak to trough	-3.60%
Sharpe ratio (versus EGCA)	2.78

<sup>1</sup> Target assets/jurisdictions are subject to change at any time. The list of target assets is not meant to be final and exhaustive but to provide an overview of asset classes the fund will be targeting

<sup>2</sup> Small and medium sized enterprises

<sup>3</sup> Not applicable within the first 12 months following inception of the fund

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