Key Information Document

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product**: Fair Oaks Income Limited – 2017 Shares (PRIIP)**

ISIN**: GG00BF00L342**

PRIIP Manufacturer**: Fair Oaks Income Limited**

Website: www.fairoaksincome.com Call**: +44 (0) 1481 737600** or ir@fairoakscap.com for more information.

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What is this product?

Type: The PRIIP is a non-cellular company limited by shares with an unlimited life, incorporated under the Companies (Guernsey) Law, 2008, as amended (the "**Guernsey Companies Law**") and is listed on the Specialist Fund Segment of the London Stock Exchange Main Market. As such there is no maturity date, although the PRIIP's constitution includes some continuation provisions.

Shares of the PRIIP are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it. Brokers may additionally charge commissions.

The product may borrow for short term working capital and cashflow purposes, such borrowings being limited to 20% of net asset value. This will magnify any gains or losses made by the PRIIP.

Objectives: The PRIIP's investment objective is to generate attractive, risk adjusted returns to its investors through investment (via a Master fund, FOMC II LP, "the Master Fund") in US and European Collateralised Loan Obligations ("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. On the basis of current market conditions, the PRIIP targets a net total return of between 12% and 14% per annum over the planned life of the Master Fund.

Intended retail investor: Typical investors in the product are expected to be professional and professionally advised investors.

What are the risks and what could I get in return?

Risk Indicator

1 2 **3** 4 5 6 7

Lower Risk — Higher Risk

The summary risk indicator assumes you keep the product for 3 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.

We have classified this product as 3 out of 7, which is a medium-low risk class.

The Risk Indicator rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact your ability to realise your position in the PRIIP.

This product does not include any protection from future market performance, so risk can vary significantly due to potential short term market volatility. As a result, realisations in poor market conditions may significantly impact on how much you get back.

Currency Risk: Investors may be exposed to currency movements between the currency of the product, US Dollars, and their home currency, which may impact the final return you will get. Underlying assets may also be in differing currencies to that of the product reporting currency effecting return. This risk is not considered in the indicator shown above.

Credit Risk: The Master Fund invests in income and mezzanine notes issued by CLOs which have a subordinated position to more senior ranking note holders. A deteriorating credit environment may lead to asset defaults, adversely impact the value of the product's investments, reduce credit income derived from the investments or impact the ability to sell them. As a result the fund may not achieve sufficient income to enable it to pay investors the dividends and capital repayment distributions as intended. Bankruptcy or insolvency of the PRIIPS safe keeping agent, may cause the PRIIPs rights with respect to securities held by the agent, to be delayed or limited.

Liquidity Risk: As shares trade via the secondary market, trading volumes may reduce, or shares may trade at a discount to their respective Net Asset Value, due to a variety of factors, such as market conditions, liquidity concerns or product performance. As a result Shareholders may be unable to realise their investment at quoted market prices.

Interest Rate Risk: The value of the product's underlying investments may be adversely impacted by movements in interest rates. If interest rates differ from expectations the net income of the product and capital value may be affected.

Leverage or Borrowing Risk: Product leverage can be relatively short-term, whereas the Investments of the product are medium to long-term. To the extent that product refinancing facilities are not available at economic rates or at all, the product may be required to sell assets at disadvantageous prices, impacting the product's value.

Market Risk: Should market conditions change, if there is deterioration in the intended investment pipeline and liquidity is unable to be deployed into suitable opportunities, investors may experience "cash drag", which may impact the product's ongoing dividend target and investment objective. Additionally, the yield available from new investments may be lower than initially assumed.

Performance Scenarios (based upon share price)

Investment £10,000

		1 year	3 years	5 years (Recommended minimum holding period)
Stress scenario	**What you might get back after costs**	£5,346	£5,797	£4,872
	Average return each year	-46.54%	-16.62%	-13.40%
Unfavourable scenario	**What you might get back after costs**	£9,824	£11,123	£12,956
	Average return each year	-1.76%	3.61%	5.32%
Moderate scenario	**What you might get back after costs**	£11,160	£13,860	£17,198
	Average return each year	11.60%	11.49%	11.45%
Favourable scenario	**What you might get back after costs**	£12,610	£17,178	£22,708
	Average return each year	26.10%	19.76%	17.82%

The table shows the money you could get back over the next 5 years under different scenarios, assuming that you invest £10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past, and are not an exact indicator. What you may get will vary depending on how the market performs and how long you keep the investment.

The figures shown include all the costs of the product itself and do not include any costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect the amount you get back.

What happens if Fair Oaks Income Limited is unable to pay out?

The value of the shares in the PRIIP is directly impacted by the solvency status of Fair Oaks Income Limited. There are no investor compensation or guarantee schemes available to investors should the product be unable to pay out.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs (where applicable).

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume that you invest GBP 10,000. The figures are estimates and may change in the future.

The person selling to you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment overtime.

Investment £10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the end of recommended holding period of 5 years
Total Costs	£255	£930	£1,700
Impact on return (RIY) per year	2.55%	2.55%	2.55%

Composition of Costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- What the different cost categories mean.

One Off Costs	Entry costs	N/A	As a closed ended collective investment scheme, no entry charges apply.
	Exit costs	N/A	As a closed ended collective investment scheme, no exit charges apply.
Ongoing Costs	Portfolio transaction costs	N/A	Costs pertaining to the buying and selling of the product's underlying investments.

		Insurance costs	N/A	No insurance protection charges apply to investors of the PRIIP.
		Other ongoing costs	1.52%	All charges applicable to the product.
	Incidental Costs	Performance fees	N/A	No performance fees apply.
		Carried Interests	1.03%	Carried interest applies to the PRIIP

How long should I hold it and can I take money out early?

The recommended holding period for the product is 5 years, however, the shares of the PRIIP trade continuously on the London Stock Exchange and is not bound by any prescribed redemption or sale restrictions.

How can I complain?

As a shareholder of Fair Oaks Income Limited you do not have the right to complain to the Channel Islands Financial Ombudsman about the management of Fair Oaks Income Limited. Any complaints concerning this product or the key information document should be sent to the AIFM at:-

info@PFS.gg

Praxis Fund Services Limited, Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR

Other relevant information

The prospectus and any other information can be obtained from the following websites.

www.fairoaksincome.com

www.londonstockexchange.com

Information on the gearing and borrowing limits can be found on page 59 of the prospectus.

Additional information on the Risk Factors can be found on page 27 of the prospectus.

Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary.