

LFP OPPORTUNITY LOANS - DELFF Senior Corporate Loans I (B Share)

LU0566066535

European Senior Secured Corporate Loans

30 April 2014

Key Numbers

NAV (B Share): 1083.31€

Net assets (Fund): 74.19MM€

Net assets (B Share): 72.24MM€

* Total net performance, includes interest payments, capital changes and fund fees.

Investment Horizon

1 year 2 years 3 years 4 years 5 years

Target volatility

1 2 3 4 5 6 7

Characteristics

Compartment name: DELFF Senior Corporate Loans I (B Share)

Legal form: Luxembourg SICAV

Setup Date: January 17th, 2011

Reference Index: 3m Euribor + 2.5%

Interests: reinvested

Valuation Frequency: Monthly

Reference currency: Euro

Client type: Institutional & qualified investors

Associated risks: Credit, rates, default, capital losses

Duration range: between 0 and 1

Max entry fee: None

Max exit fee: None

Management Fees: 0.95% p.a.

Variable performance fee: 15% of net performance above 3m Euribor+2.5%

Information

ISIN Code: LU0566066535

Min. initial subscription

B Share: €2 000 000

Custodian Bank : BNP Paribas Securities Services

Management company : La Française AM International

Manager : Delf Management Ltd

Managers : Denis Loubignac, Frederic Maire

Non contractual Document - for Professional clients as defined by the MIF

Before any subscription, please analyse the prospectus available from Delf Management Ltd.

Sources : Delf Management, Bloomberg

Investment Strategy

A non-benchmarked management to capture the potential of high margin Senior Secured Corporate European Loans.

To produce an annual net performance of 2.5% above the 3 month Euribor rate, over the recommended investment horizon (5 years).

Performances in EUR

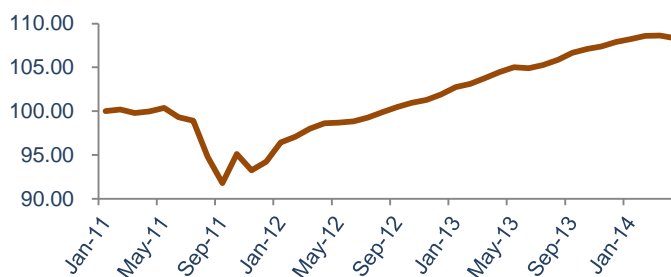
Past performance does not guarantee future ones and is not constant in time.

Cumulated, over last:	1 month	3 months	6 months	2014	1 year	2 years	Setup *
LFP Opportunity Loans	-0.29%	0.09%	1.15%	0.40%	3.71%	9.85%	8.33%
Euribor 3m+250bps	0.23%	0.68%	1.38%	0.91%	2.77%	5.74%	10.58%

* Setup in February 2011

Annualised, over last:	1 year	2 years	5 years	Setup *
LFP Opportunity Loans	3.71%	4.81%	-	2.49%
Euribor 3m+250bps	2.77%	2.83%	-	3.14%

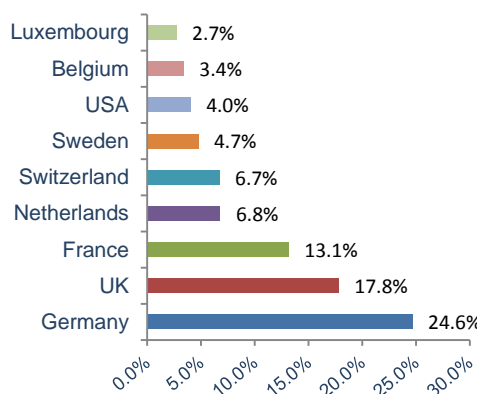
Evolution of the NAV since setup of the Fund



Risk Indicators

Sensitivity	0.15
Average Yield	5.56
Average Spread (vs 3mEur)	476 bps

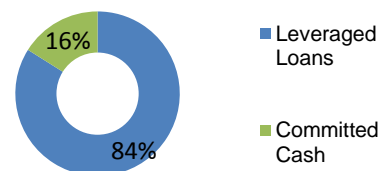
Portfolio Split by Country



Main Investments

Issuer	Yield	Spread
Douglas	6.14	535
Skrill	5.804	491
Aenova	6.29	554
Numericable2	4.41	377
Scandline	5.29	435
Mediq	5.67	485
Infront	5.83	511
Soppa	5.286	436
CCM Mercury Pharma	5.93	514
CPA Global (Redtop)	4.882	393

Portfolio Split by Asset type



History of monthly performances in %

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	Fund	0.32	0.34	0.03	-0.29									0.40
	3mEur+250bps	0.23	0.21	0.24	0.23									0.91
2013	Fund	0.82	0.37	0.64	0.65	0.55	-0.11	0.34	0.56	0.75	0.42	0.27	0.46	5.88
	3mEur+250bps	0.23	0.21	0.21	0.24	0.23	0.21	0.25	0.22	0.23	0.23	0.22	0.24	2.75
2012	Fund	2.31	0.68	0.97	0.62	0.08	0.16	0.44	0.62	0.56	0.47	0.34	0.61	8.14
	3mEur+250bps	0.34	0.29	0.29	0.28	0.27	0.25	0.28	0.25	0.21	0.25	0.22	0.23	3.19

LFP Opportunity Loans: Performance and Strategy

Performance data:

The performance of the LFP Opportunity Loans Fund was negative in April (-0.29%), bringing the profits over the last quarter to +0.09% and to +0.40% over 2014.

Comments:

This monthly performance is due to:

- A slight consolidation of most of the 30 lines in the portfolio, in line with the valuation component of the ELLI Euro LBO Index, linked to a rebalancing of supply and demand due to important syndications. This slight decrease is to be put into perspective as almost all lines of the portfolio are still traded above par.
- The significant price correction of a line (Tunstall) following the decision of a major lender to sell its stake due to a slowdown in the results; this correction alone has an impact (-0.30 %) higher than the negative performance of the month. Information recently provided by the new management team of the company showed a stable situation at a level which is indeed under budget - but without risk of non-compliance with covenants in the short term - and the implementation of an action plan to quickly improve performances.

In terms of activity, April confirmed the trend noticed in March: with €11.5Bn of new syndications, the month was the most active since November 2007, bringing the total to €26.1Bn over 2014.

"Mega-deals" and revival of LBOs were the main sources of syndications.

The fund has obtained allocations on two significant deals:

- The financing of the acquisition of SFR by Numericable as part of a €1.9Bn loan
- The LBO from Carlyle on Signode Industrial Group (industrial packaging - Europe & USA)

The pipeline in early May is important, including syndications of:

- Sermeta (heating equipment - France)
- Nets (payments services - Scandinavia)
- Deoleo (food - Spain)
- All3Media (audiovisual production - UK)

Conclusion

The slight decrease in the performance in April does not change our positive vision; information provided on Tunstall indicate that the price drop is only temporary, and the pipeline of deals we are studying is of very good quality and extremely diverse.

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