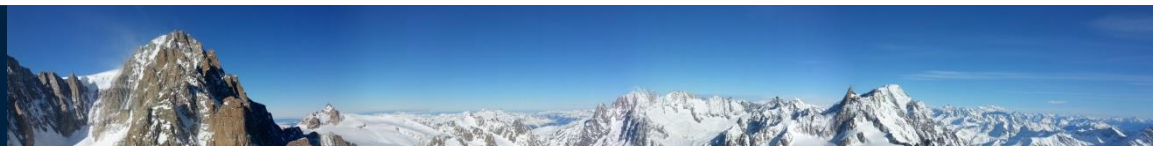

Algebris Financial Credit Fund (UCITS)

August 2015 Factsheet

Fund Terms

Size (€):	602m
Domicile:	Ireland
Retail Share Classes:	R (Accumulating) Rd (Distributing)
Liquidity:	Daily
Management Fee:	1.20%
Incentive Fee:	10%
Bloomberg Ticker:	AFCRREU ID / AFCRDEU ID
ISIN (R/Rd EUR Share Classes):	IE00B8J38129 / IE00B8XCT900

Data as at 31.08.2015

Fund Objective

The Algebris Financial Credit Fund aims to achieve a high level of current income and modest capital appreciation by investing in senior and subordinated debt securities of the financial credit sector globally including hybrid capital instruments, preference shares and contingent convertible bonds (CoCos) with fixed and variable interest rates, which may be rated investment grade or below investment grade.

Currency exposure will be systematically hedged.

Investment in the Fund may be suitable for investors with a medium to long term investment horizon.

Fund Information

No. of Bonds/ No. of Issuers	102/41
Effective Duration (OAD)	4.0 yrs
BLP Composition Rating (BLP Rating)	BB+
Gross Coupon Rate (Cpn)	6.0%
Gross Yield to Worst (YTW)	5.4%
Gross Yield to Maturity (YTM)	5.6%

Source: Bloomberg LP, Algebris Investments (UK) LLP

Performance Analytics

Return Since Inception	30.8%
Annualised Return	9.4%
Annualised Volatility	3.0%
Sharpe Ratio	3.0%

Note: Figures are based on net returns for I EUR (Accumulating) class assuming admin, management and incentive fees and excluding ADL (Anti-Dilution Levy – Currently 25bps). The actual price at which an investor subscribes or redeems shares in the fund will vary, depending on the swung price based on the ADL applied on the day in question. Further information is contained in the Prospectus.
Inception date: 3 September, 2012.
Source: Bloomberg LP, Algebris Investments (UK) LLP

Performance Information (Net) % – I EUR (Accumulating)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012									1.65	2.27	1.68	1.84	7.65
2013	0.34	0.51	0.46	2.45	0.02	-2.17	1.15	-0.14	0.96	2.67	0.88	0.99	8.33
2014	1.25	2.07	0.61	1.46	1.20	0.70	-0.29	0.66	-1.87	1.40	0.65	-0.36	7.69
2015	1.56	1.50	0.66	0.25	0.10	-1.19	1.59	-0.40					4.11

Please see note above. Figures are available on Bloomberg, daily.
Source: HSBC Securities Services (Ireland) Ltd, Algebris Investments (UK) LLP

Commentary

- The Algebris Financial Credit Fund returned -0.40% in August. Top contributors to the fund were our positions in RBS and BNP. Detractors to the fund's performance were positions in Citigroup and Banco Santander.

- In August, weakness was widespread across equity, rates and credit. The S&P finished down 6.26% and despite the weakness in equities, Treasury markets had negative returns as well. The same is true for European markets with the MSCI Europe equity index down 8.7% while bunds had negative returns in the month. The negative returns unsurprisingly carried over to the credit markets with the total return for High grade bonds at -0.44%, HY bonds -1.94%, and EM corporates -1.74%.

- August saw new issues from Barclays, RBS and a second deal from BNP. All of these deals were able to hold above par despite being issued in early August before the major move lower.

- We were pleasantly surprised by the resiliency of bank capital during this period of stress and think the themes we have been focused on, improved credit quality of the underlying banks and maturation of the market, were on display in August. The decreased liquidity typical of August might have led to outsized moves in response to the weakness in other asset classes but there was very little investor selling to push prices lower.

- It is increasingly likely with the recent market stress that the path of Fed rate hikes will be shallow and the ECB is close to extending QE. The need for high quality yield should remain an ongoing theme benefitting bank capital.

Contact us

For questions regarding the Algebris Financial Credit Fund

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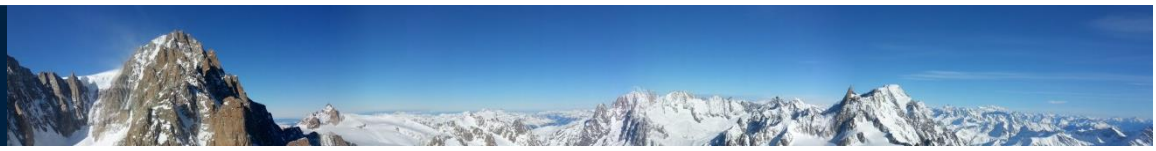


Algebris Financial Credit Fund (UCITS)

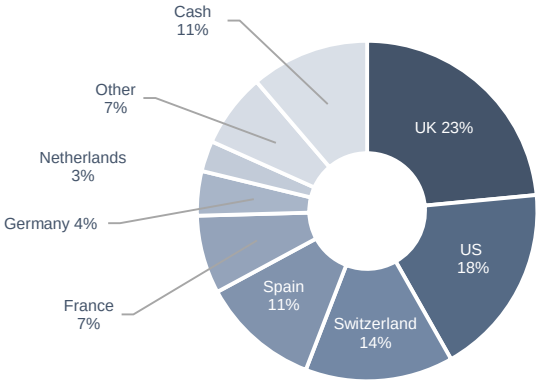
August 2015 Factsheet

Top 10 Bond Issuers by Exposure

Rank	Name	Total	Rank	Total	Total
1	Lloyds	9%	6	Citigroup	5%
2	UBS	7%	7	Barclays	4%
3	Santander	7%	8	BNP Paribas	3%
4	Credit Suisse	6%	9	RBS	3%
5	BBVA	5%	10	HSBC	3%

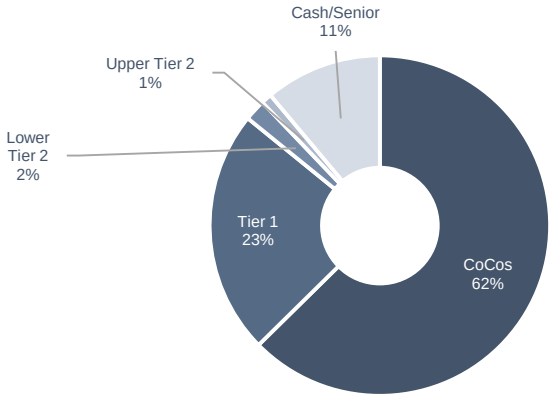
Source: Algebris Investments (UK) LLP

Country Exposure



Allocation may not add up to 100% due to rounding.
Source: Algebris Investments (UK) LLP

Capital Structure



Allocation may not add up to 100% due to rounding.
Source: Algebris Investments (UK) LLP

About Algebris

Algebris Investments (UK) LLP is an investment manager specialised in the global financial sector. Algebris invests across the capital structures of financial institutions, in both credit and equity, on behalf of long only and hedged strategies. Algebris has a team of 15 investment professionals and manages ~$2.6bn, split between credit and equity investments (data as of 31 August 2015). With offices in London, Singapore, Boston and Milan, it is registered with the SEC, MAS and the FCA.
Affiliated to TCI Fund Management Limited.

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Algebris Financial Credit Fund (UCITS)

August 2015 Factsheet

Fund Details

Share Class				Identifiers	
Class	CCY	Min Investment	Launch Date	ISIN	BBG Ticker
I	EUR	€ 500,000	3/9/12	IE00B81TMV64	AFCIEUR ID
	GBP	GBP equivalent of €500,000	14/9/12	IE00B85LPZ38	AFCIGBP ID
	USD	USD equivalent of €500,000	N/A	IE00BK017B22	ALGFIUS ID
	CHF	CHF equivalent of €500,000	3/10/12	IE00B8HNZW49	AFCICHF ID
	SGD	SGD equivalent of €500,000	N/A	IE00BYYJY973	N/A
R	EUR	€ 10,000	23/1/13	IE00B8J38129	AFCRREU ID
	GBP	GBP equivalent of €10,000	14/9/12	IE00BMMVVZ61	ALGFRGB ID
	USD	USD equivalent of €10,000	14/4/14	IE00BK017F69	AFCRUSD ID
	CHF	CHF equivalent of €10,000	30/6/14	IE00B8ZQ4Z18	ALGFCRC ID
	SGD	SGD equivalent of €10,000	N/A	IE00BYYJY759	N/A
ID	EUR	€ 500,000	18/9/12	IE00B7SR3R97	AFCIDEU ID
	GBP	GBP equivalent of €500,000	5/3/13	IE00B8DD4P49	AFCIDGB ID
	USD	USD equivalent of €500,000	3/7/14	IE00BK017C39	AFCIDUS ID
	CHF	CHF equivalent of €500,000	4/10/12	IE00B7W1NB16	ALGFIDC ID
	SGD	SGD equivalent of €500,000	N/A	IE00BYYJYC06	N/A
RD	EUR	€ 10,000	12/4/13	IE00B8XCT900	AFCRDEU ID
	GBP	GBP equivalent of €10,000	N/A	IE00BMMVW089	ALGFRDG ID
	USD	USD equivalent of €10,000	24/6/14	IE00BK017D46	AFCRDUS ID
	CHF	CHF equivalent of €10,000	N/A	IE00B7RCR403	ALGFRDC ID
	SGD	SGD equivalent of €10,000	N/A	IE00BYYJYD13	N/A

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