

### MANAGEMENT DIRECTION

#### Management objective

The objective of the Fund is to achieve a performance above that of the Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield Index, calculated in euros, over the recommended investment horizon.

#### Benchmark

The benchmark is the Bank Of America Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield Index. This index contains all securities making up the Bank Of America Merrill Lynch Euro Fixed & Floating Rate High Yield Index, to the exclusion of financial securities, and limits the maximum weight of each issuer to 3%.

The benchmark is calculated daily in euros. Its Bloomberg code is HEAE. For more information about this index: [www.mlx.ml.com](http://www.mlx.ml.com).

#### Management strategy

The Fund's strategy is to constitute a portfolio mainly exposed to the Euro High Yield credit markets ("speculative" category).

To achieve its objective, the Fund is intended for investment either in High Yield bonds (i.e. the "speculative" or "Speculative Grade" category as opposed to the "Investment Grade" category) denominated in euros and issued by private enterprises in OECD countries, or in forward financial instruments of the credit derivative type (CDS, CDS Indices); these instruments present a high credit risk. The Fund may also take positions in instruments which make it possible to actively manage the credit risk and which shall be of the financed type (bonds or securities) or forward financial contracts (CDS, CDS Indices).

Active management is structured around a "bottom up" approach for the selection of securities (i.e. extracting the relative value of one signature in relation to another) and "top down" for optimisation of the portfolio (i.e. level of exposure to the High Yield market, allocation by sector or by rating category).

Up to 100% of the portfolio's assets is invested in bonds and other debt securities denominated in euros: fixed-rate and/or variable bonds, and/or indexed bonds, and/or convertible bonds, traded on regulated markets.

A minimum of 80% of the securities acquired in the portfolio, or failing this their issuers, must come under the High Yield category (speculative investment) according to the rating policy implemented by the management company. This debt securities rating policy provides for a single rule in terms of allocation of a long-term rating on bond securities. Under this policy, a rating is determined according to ratings allocated by one or more recognised agencies, and that resulting from the analyses of the management company's Credit Analysis team.

Consequently, investment decisions or credit instrument transfer decisions are not mechanically and exclusively based on the criterion of their rating and are based, among other things, on an internal analysis of the credit or market risk. The decision to buy or to assign an asset is also based on other criteria at the manager's discretion.

The Fund may also invest up to 20% of its net assets in unrated securities.

The foreign exchange risk is covered systematically on the I CHF H units.

If this limit is exceeded, including due to market movements, the manager must take any corrective action to once more fulfil its commitments regarding composition of the portfolio within three months at the most.

The manager may also invest:

- up to 20% of the net assets of the Fund in bonds of companies in emerging countries (non-members of the OECD) issued in euros;
- up to 30% of the assets of the Fund in bonds issued or guaranteed by Member States or enterprises in the OECD denominated in euros, having a rating or, failing this that of their issuer, at the time of acquisition, of at least "Investment Grade" according to a weighted average of ratings allocated by the three recognised agencies. If no agency produces any analysis, these securities must benefit from an implied rating equivalent to this level according to the estimates of the management company's Credit Analysis team.

Private enterprise borrowing may represent up to 100% of the net assets of the Fund.

The cash in the UCITS will be managed through cash loans/borrowing and repurchase and reverse repurchase transactions against cash. Money market instruments and deposits are considered as a separate investment vehicle but may also serve as an interim investment (NDS, BTF, BTAN, Euro Commercial Paper). These instruments may represent up to 100% of the net assets.

The foreign exchange risk is covered systematically.

Although the UCITS does not set any limit on maturity per security, the global sensitivity of the portfolio will be between 0 and 10.

The Fund may also invest up to 30% in subordinated securities.

Within the limits provided for by regulations, the Fund can operate on financial futures contracts (traded on French and foreign regulated and organised markets and/or over-the-counter). In this context, the manager may take positions with a view to hedging against the risk associated with the bonds held in the portfolio - expose the Fund to an interest rate risk - hedge and/or expose the portfolio against and to the risk of distortion of the interest rate curve - hedge against any subscriptions or redemptions.

The manager may use credit derivatives, notably credit default swaps (CDS), to hedge and/or expose the portfolio against and to the risk of difference in remuneration with one or more issuers and/or hedge against the risk of an issuer's defaulting.

### **Risk profile**

The fund will be mainly invested in financial instruments selected by the management company. These instruments will experience market developments and fluctuations.

The UCITS is a UCITS classified as "bonds and other debt securities denominated in euros". The investor is therefore mainly exposed to the risks below, this list not being exhaustive.

#### Capital risk and performance risk

The investor is advised that the performance of the UCITS might not conform to his objectives and that his capital might not be returned in full, the UCITS not benefiting from any guarantee or protection of capital invested.

#### Interest rate risk

Because of its composition, the UCITS may be subject to an interest rate risk. This risk results from the fact that, in general, the price of debt securities and bonds falls when rates rise. The investor in bonds or other fixed-income securities may record negative performances as a result of fluctuations in interest rates.

#### Credit risk

In the case of downgrading of private issuers (for example, of their rating by financial rating agencies), or of public issuers, or their defaulting, the value of private bonds may fall. The net asset value of the Fund would then be affected by this drop.

#### High Yield risk

This is the credit risk applied to what are known as "speculative" securities which present probabilities of default higher than those of Investment Grade securities. In return, they offer higher levels of return, but can, in the case of downgrading of the rating, significantly reduce the net asset value of the UCITS. The unrated signatures which are selected will, for the most part, come under this category in the same way and may present equivalent or

greater risks because of their unrated nature.

#### Counterparty risk

This is the risk associated with use by the UCITS of futures, OTC instruments and/or resorting to acquisitions and temporary purchase and sale of securities. These transactions concluded with one or more eligible counterparties potentially expose the UCITS to a risk of defaulting of one of these counterparties, possibly resulting in failure to pay which will reduce the net asset value.

#### Emerging markets risk

The conditions of functioning and monitoring of emerging markets may deviate from standards prevailing on major international markets: information about certain securities may be incomplete and their liquidity more reduced. Evolution in the price of these securities may therefore vary markedly and cause a drop in the net asset value.

Consequently, the investor may also be exposed to the following risks:

#### Share risk

If the shares to which the portfolio is exposed fall, the net asset value of the fund may fall. The UCITS may also be exposed to convertible bonds; these may show a residual share sensitivity and experience marked fluctuations linked to changes in the prices of the underlying shares. The investor's attention is drawn to the fact that the net asset value of the UCITS will drop in the case of an unfavourable change.

#### Foreign exchange risk

Although I CHF H units are systematically hedged against the foreign exchange risk by the manager, this hedging being by imperfect construction, they remain exposed to a residual foreign exchange risk.

The foreign exchange risk is the risk of foreign currency variation affecting the value of the stocks held by the UCITS. The investor's attention is drawn to the fact that the net asset value of the UCITS will drop in the case of an unfavourable change in the foreign currency rate other than the euro.

### **CHANGE DURING CURRENT HALF-YEAR**

Nil.

### **CHANGE DURING PREVIOUS HALF-YEAR**

Since 21 December 2015, the limit on holding subordinate securities has been extended to 30%, compared to 10% previously.

### **FUTURE CHANGE**

Nil.

## Statement of assets

Elements on the statement of assets	Amount on the periodic statement
Eligible financial securities mentioned in Article L. 214-20 (1)(1) of the Monetary and Financial Code.	129,289,787.58
Bank assets	3,546,856.75
Other assets held by the UCI	23,541,952.71
Total assets held by the UCI	156,378,597.04
Financial accounts	-
Financial instruments and Receivables	-5,327,000.81
Total liabilities	-5,327,000.81
<b>Net asset value</b>	<b>151,051,596.23</b>

## Changes in net assets

	30/09/2016	31/03/2016	31/03/2015	31/03/2014	28/03/2013	30/03/2012
<b>NET ASSETS</b>						
in EUR	151,051,596.23	225,282,296.53	221,942,309.67	250,962,220.51	159,931,456.70	158,694,368.98
<b>Number of securities</b>						
Category of I units	583,770.3204	672,992.4811	714,995.3142	1,083,024.8981	1,475,299.3716	1,594,649.1247
Category of D units	1,845,300.0000	2,033,800.0000	1,863,800.0000	1,825,500.0000	-	-
Category of I CHF H units	-	505,683.5457	448,806.5457	538,106.5457	414,200.0000	494,000.0000
<b>Unit net asset value</b>						
Category of I EUR units	97.67	93.56	94.01	90.54	82.29	73.47
Category of D EUR units	50.95	50.84	53.33	53.67 <sup>(1)</sup>	-	-
Category of I CHF H CHF units	-	127.09 <sup>(2)</sup>	128.59 <sup>(3)</sup>	124.23 <sup>(4)</sup>	113.10 <sup>(5)</sup>	101.16 <sup>(6)</sup>
<b>Unit distribution on net capital gains and losses (including advances)</b>						
in EUR	-	-	-	-	-	-
<b>Unit distribution on profit/loss (including advances)</b>						
Category of D units						
in EUR	-	2.13	2.23	2.35	-	-
Date of distribution	-	22/08/2016	28/07/2015	11/07/2014	-	-
<b>Unit tax credit transferred to unit-holder (individuals)</b>						
Category of I EUR units	-	-	-	-	-	-
Category of D EUR units	-	-	-	-	-	-
Category of I CHF H EUR units	-	-	-	-	-	-
<b>Unit capitalisation</b>						
Category of I EUR units	-	1.21	5.94	7.87	4.35	4.24
Category of D EUR units	-	-1.43	1.20	1.88	-	-
Category of I CHF H EUR units	-	-2.82	21.29	10.20	4.94	5.12

(1) The category of D units was created on 03/05/2013 with a nominal value of EUR 50.00.

(2) The exchange value of the net asset value (in CHF) is EUR 116.46.

(3) The exchange value of the net asset value (in CHF) is EUR 123.27.

(4) The exchange value of the net asset value (in CHF) is EUR 102.04.

(5) The exchange value of the net asset value (in CHF) is EUR 93.01.

(6) The exchange value of the net asset value (in CHF) is EUR 84.05.

(7) The unit capitalisation for I and I CHF H units from 31/03/2014 is that of the result and the net capital gains or losses.

For previous financial years, the unit capitalisation is only that of the result.

## Securities portfolio

Elements of the securities portfolio	Percentage	
	Net assets	Total assets
Eligible financial securities and money market instruments admitted for trading on a regulated market within the meaning of Article L. 422-1 of the Monetary and Financial Code.	85.59	82.68
Shares	-	-
Bonds	85.59	82.68
ACCOR SA TF-2020 / TV PERPETUAL	0.67	0.65
ADRIA BIDCO BV 7.875% 15/11/2020	0.85	0.83
AGROKOR 9.875% 01/05/2019	1.08	1.04
AIR FRANCE KLM PERP 49	0.59	0.57
AIR FRANCE-KLM 6.25% 18/01/2018	1.47	1.42
ALTICE SA 6.25% 15/02/2025	0.57	0.55
ALTICE SA 7.25% 15/05/2022	1.06	1.02
ANGLO AMER 2.5% 29/04/2021	0.67	0.64
ANGLO AMERICAN CAPITAL 3.5% 28/03/2022	0.69	0.67
ANGLO AMERICAN CAPITAL 1.5% 01/04/2020	0.33	0.32
ANGLO AMERICAN CAPITAL 3.25% 03/04/2023	0.67	0.65
ARD FINANCE SA 6.625% 15/09/2023	0.64	0.62
ARDAGH PKG FIN/HLDGS 4.25% 15/01/2022	0.68	0.66
AUTODIS SA 6.50% 01/02/2019	1.31	1.26
BALL CORP 4.375% 15/12/2023	1.35	1.30
BISOHO SAS 5.875% 01/05/2023	1.44	1.39
BMBG BOND FINANCE SCA 3.00% 15/06/2021	0.75	0.73
BOMBARDIER INC 6.125% 15/05/2021	0.67	0.64
CAMPOFRIO FOOD GROUP SA 3.375% 15/03/2022	0.69	0.66
CEMEX FINANCE LLC 4.625% 15/06/2024	0.69	0.67
CEMEX SAB DE CV 4.375% 05/03/2023	0.34	0.33
CMA CGM SA 7.75% 15/01/2021	0.41	0.40
CNH INDUSTRIAL FIN EUR S 2.875% 17/05/2023	0.69	0.66
CNH INDUSTRIAL FINANCE EUROPE 2.75% 18/03/2019	1.04	1.01
CONSTELLIUM NV 4.625% 15/05/2021	0.84	0.82
EDF TF/TV PERPETUAL	0.61	0.59
EDF TF/TV PERPETUAL	0.62	0.60
EDREAMS ODIGEO SA 8.5% 01/08/2021	1.01	0.98
ENEL SPA TF/TV 15/01/2075	1.46	1.41
FIAT FINANCE & TRADE 4.75% 15/07/2022	1.10	1.06
FIAT FINANCE & TRADE 6.75% 14/10/2019	0.80	0.77
FIAT FINANCE AND TRADE LTD S.A 4.75% 22/03/2021	1.11	1.07
FIAT FINANCE&TRADE 6.625% 15/03/2018	0.52	0.50
FINANCIERE QUICK Eurib3 + 4.75% 15/04/2019	0.35	0.34
GAS NATURAL FENOSA TF-2022 / TV PERPETUEL	1.76	1.70
GAZPROM 3.389% LPN 20/03/2020	0.70	0.68
GAZPROM CAPITAL 3.7% 25/07/2018	0.69	0.67
GAZPROM OAO 3.6% 26/02/2021	0.71	0.69
GROUPE FNAC SA 3.25% 30/09/2023	0.83	0.80

## Securities portfolio (continued)

Elements of the securities portfolio	Percentage	
	Net assets	Total assets
GRUPO ANTOLIN DUTCH BV 5.125% 30/06/2022	1.07	1.04
HEIDELBERGCEMENT 7.50% 03/04/2020	1.22	1.18
HEIDELBERGCEMENT 3.25% 21/10/2021	0.75	0.72
HERTZ HOLDGS NETHERLANDS 4.375% 15/01/2019	1.40	1.36
HOMEVI 6.875% 15/08/2021	1.13	1.09
INEOS GROUP HOLDINGS SA 5.375% 01/08/2024	0.98	0.95
INEOS GROUP HOLDINGS SA 5.75% 15/02/2019	0.34	0.33
INTERNATIONAL GAME TECH 4.125% 15/02/2020	0.85	0.82
INTERNATIONAL GAME TECH 4.75% 15/02/2023	1.15	1.11
INTRALOT CAPITAL LUX 6% 15/05/2021	1.00	0.97
ITALCEMENTI MULTICPON 19/03/2020	1.21	1.17
KIRK BEAUTY ZERO GMBH 6.25% 15/07/2022	0.72	0.70
LA FINANCIERE ATALIAN SA 7.25% 15/01/2020	0.95	0.92
LABEYRIE FINE 5.625% 15/03/2021	1.04	1.00
LECTA SA 6.5% 01/08/2023	1.19	1.15
LKQ ITALIA BONDCO SPA 3.875% 01/04/2024	1.42	1.37
LOXAM SAS 3.5% 03/05/2023	1.02	0.98
NOVAFIVES SAS 4.5% 30/06/2021	1.18	1.14
NOVALIS SAS 3% 30/04/2022	1.15	1.11
NUMERICABLE 5.375% 15/05/2022	1.03	1.00
NUMERICABLE GROUP SA 5.625% 15/05/2024	0.48	0.47
ONEX WIZARD AC II 7.75% 15/02/2023	0.98	0.95
ORANGE TF/TV PERP	1.05	1.02
OTE PLC 7.875% 07/02/2018	0.79	0.76
PETROBRAS 3.75% 14/01/2021	0.47	0.45
PETROBRAS GLOBAL FINANCE 3.25% 01/04/2019	0.34	0.33
PETROBRAS GLOBAL FINANCE 4.25% 02/10/2023	0.49	0.48
PETROBRAS INTL 5.875% 07/03/2022	0.70	0.68
PICARD GROUPE SA VAR 01/08/2019	0.89	0.86
PLAY FINANCE 2 SA 6.5% 01/08/2019	1.18	1.14
PLAY TOPCO 7.75% 28/02/2020	0.41	0.39
PORTAVENTURA 7.25% 01/12/2020	1.20	1.16
REPSOL INTL FINANCE PERP 31/12/2049	0.39	0.38
REPSOL INTL FINANCE VAR 25/03/2075	0.38	0.37
REXEL SA 3.50% 15/06/2023	1.03	1.00
SCHAEFFLER VERWALTUNG ZW 3.75% 15/09/2026	0.60	0.58
SCHAEFFLER VERWALTUNG ZWEI GMBH PIK 2.75% 15/09/2021	0.86	0.83
SES SA VAR PERP 31/12/2049	1.04	1.01
SM MTH AUTO GRP 4.125% 15/07/2021	1.16	1.12
SOLVAY FINANCE TF-2019/TV PERP	0.76	0.74
SPCM SA 2.875% 15/06/2023	1.34	1.29
TELEFONICA EUROPE BV 4.2% PERPETUAL	1.06	1.02
TEREOS FINANCE GROUPE I 4.125% 16/06/2023	0.69	0.66

## Securities portfolio (continued)

Elements of the securities portfolio	Percentage	
	Net assets	Total assets
THOM EUROPE SAS 7.375% 15/07/2019	1.06	1.03
THREEAB OPTIQUE 5.625% 15/04/2019	1.15	1.11
THYSSENKRUPP AG 2.750% 08/03/2021	1.06	1.02
TOTAL SA VAR 31/12/2049PERP	1.00	0.97
UNITY MEDIA KABELKW GMBH 3.75% 15/01/2027	0.51	0.50
UNITYMEDIA HESSEN NRW 4% 15/01/2025	1.24	1.20
VERALLIA PACKAGING SASU 5.125% 01/08/2022	0.84	0.81
VOLVO TREASURY AB VAR 10/06/2075	1.39	1.34
WEPA HYGIENEPRODUKTE GMB 3.75% 15/05/2024	1.04	1.01
WORLDPAY FINANCE 3.750% 15/11/2022	1.08	1.05
XEFIN LUX TV 01/06/2019	1.07	1.03
XPO LOGISTICS INC 5.75% 15/06/2021	1.03	1.00
ZF NA CAPITAL 2.25% 26/04/2019	0.83	0.80
ZF NA CAPITAL 2.75% 27/04/2023	0.71	0.69
Debt securities	-	-
Eligible financial securities and money market instruments admitted for trading on another regulated market, duly functioning, recognised and open to the public, and with its registered office in a Member State of the European Union or in another State party to the Agreement on the European Economic Area.	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Eligible financial securities and money market instruments admitted for official trading on a stock market of a third country or traded on another market of a third country, regulated, duly functioning, recognised and open to the public, provided that this stock market or this market does not feature on a list drawn up by the Autorité des Marchés Financiers or the choice of this stock market or this market is provided for by law or by regulation or by the articles of association of the UCITS	-	-
Shares	-	-
FORTUNE MANAGEMENT	0.00	0.00
NORTHWESTERN	0.00	0.00
Bonds	-	-
Debt securities	-	-
The newly issued securities mentioned in sub-paragraph 4 of paragraph I of Article R. 214-11 of the Monetary and Financial Code	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Other assets: This means those assets mentioned in paragraph II of Article R. 214-11 of the Monetary and Financial Code	9.80	9.47
Variable capital UCI	9.80	9.47
ISHARES MARKIT IBOXX EURO HIGH YIELD	9.38	9.06
OFI TRESOR ISR	0.42	0.41
Shares	-	-
IT GROUP	0.00	0.00

## Securities portfolio (continued)

Elements of the securities portfolio	Percentage	
	Net assets	Total assets
Bonds	-	-
PEGASUS SATELLITE 01/03/2007DEFAULTED	0.00	0.00
Debt securities	-	-

## Indication of movements occurring in the composition of the securities portfolio, during the reference period

Elements of the securities portfolio	Movements (in amount)	
	Acquisitions	Purchase and sale
Eligible financial securities and money market instruments admitted for trading on a regulated market within the meaning of Article L. 422-1 of the Monetary and Financial Code.	95,720,535.77	175,609,199.26
Shares	-	-
Bonds	95,720,535.77	175,609,199.26
Debt securities	-	-
Eligible financial securities and money market instruments admitted for trading on another regulated market, duly functioning, recognised and open to the public, and with its registered office in a Member State of the European Union or in another State party to the Agreement on the European Economic Area.	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Eligible financial securities and money market instruments admitted for official trading on a stock market of a third country or traded on another market of a third country, regulated, duly functioning, recognised and open to the public, provided that this stock market or this market does not feature on a list drawn up by the Autorité des Marchés Financiers or the choice of this stock market or this market is provided for by law or by regulation or by the articles of association of the UCITS	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
The newly issued securities mentioned in sub-paragraph 4 of paragraph I of Article R. 214-11 of the Monetary and Financial Code	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Other assets: This means those assets mentioned in paragraph II of Article R. 214-11 of the Monetary and Financial Code	64,023,463.35	64,700,703.56
Variable capital UCI	64,023,463.35	64,700,703.56

<b>Promoters:</b>	OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 Paris
<b>Management company:</b>	OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 Paris
<b>Depository and Custodian:</b>	SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris
<b>Administrative and accounts management:</b>	SOCIETE GENERALE SECURITIES SERVICES NET ASSET VALUE 10 passage de l'Arche - 92081 Paris La Défense



## **ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

OFI Asset Management has notified the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of its intention to distribute **the units IC and ID** of the Fund **OFI EURO HIGH YIELD** in the Federal Republic of Germany and has been authorized to distribute the units in the Federal Republic of Germany upon completion of the notification procedure.

### **Information and Paying Agent**

Bremer Kreditbank AG, a bank established under the laws of Germany, having its registered office at Wachtstrasse 16, 28195 Bremen, registered with the Bremen Trade Registry, number HRB 4188, has undertaken the function of Information and Paying Agent for the Fund in the Federal Republic of Germany (the "German Information and Paying Agent")

### **Information and Documents**

For unit-holders resident in Germany, the following documents are available for inspection in hard copy, free of charge and upon request at the German Information and Paying Agent:

- Prospectus
- Key Investor Information Documents
- Articles of Incorporation
- The latest annual report, and the most recent semi-annual report, if published thereafter
- Custody and Administration Agreements
- Paying Agency Agreement

Any other information to the Shareholders will be sent to the Shareholders by post. The issue, redemption and conversion prices of shares will be published on the website: [www.ofi-am.fr](http://www.ofi-am.fr). Additionally, communications to investors in Germany will be published in a durable medium, further to the requirements of Article 167 of the German Investment Code in the following cases: suspension of the redemption of the shares, termination of the management of the fund or its liquidation, any amendments to the Articles of Incorporation which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool, merger of the fund with one or more other funds and the change of the fund into a feeder fund or the modification of a master fund.

Applications for the redemption and conversion of shares may be sent to the German Information and Paying Agent. All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the German Information and Paying Agent.