

# OFI RS Euro Convertible Bond Defensive IC



## Monthly Factsheet - Convertible Bonds - april 2018

OFI RS Euro Convertible Bond Defensive is a Eurozone convertible bond fund. Its prudent investment approach makes it a suitable alternative to a traditional long-only fixed income fund. Equity exposure ranges between and 10 and 30% in order to profit from market upswings while cushioning losses in case of a market downturn. The fund has no currency risk for a euro-denominated investor.

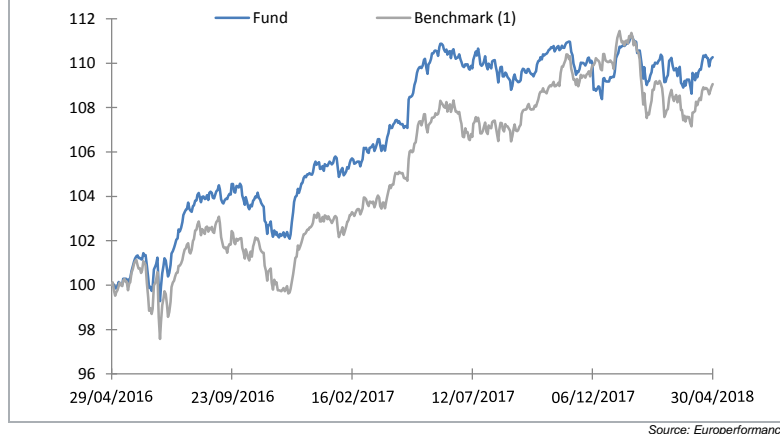
### Key figures as of 30/04/18

NAV of the part C (EUR):	344,47
Net Assets of the part C (EUR M):	59,58
Total Net Assets (EUR):	84,27
Delta:	27,7%
Modified duration:	1,76
Current yield:	0,88%
Number of holdings:	55

### Characteristics

ISIN Code :	FR0010014480
Ticker :	OFIERCC FP Equity
AMF Classification:	Diversified
Europerformance Classification:	Euro Zone Convertible bonds
Management Company:	OFI Asset Management
Benchmark <sup>(1)</sup> :	Thomson Reuters Eurozone Focus Hedged Convertibles Bond Index
Main Risks:	Capital and performance Market : equity, fixed income and credit
Fund Manager:	Olivier Ravay
Legal Form:	French FCP (Mutual Fund, UCITS IV)
Distribution Policy:	Capitalisation
Currency:	EUR
Inception- investment management change date	20/10/2003-31/12/2007
Recommended investment horizon:	Over 2 years
Valuation:	Daily
Cut-off:	D at 12h00
Settlement:	D+2
Subscription fees Max/Real:	4%/None
Redemption fees Max/Real:	1%/None
Outperformance fees:	15% above benchmark
Ongoing charge:	1,10%
Custodian:	CACEIS Fund Administration
Administrative agent:	CACEIS Fund Administration

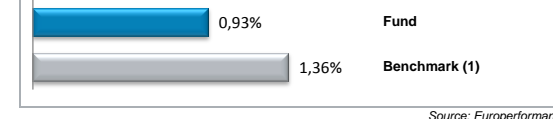
### Return over 2 years



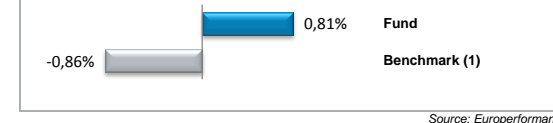
### Risk Profile

Level: 1 2 3 4 5 6 7

### Monthly return



### YTD return



### Return & Volatility

	5 Years (cum.)		2 Years (cum.)		1 Year		YTD		6 Months	3 Months
	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Return
OFI RS Euro Convertible Bond Defensive IC	14,83%	3,80%	10,27%	3,85%	1,50%	3,51%	0,81%	4,30%	-0,37%	-0,26%
Benchmark <sup>(1)</sup>	20,93%	4,39%	9,05%	4,48%	2,85%	4,46%	-0,86%	5,99%	-0,86%	-1,30%

Source: Europerformance

### Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
2013	2,11%	0,76%	-1,47%	0,82%	1,76%	0,09%	1,55%	-0,19%	1,14%	0,52%	0,04%	0,37%	5,92%	7,37%
2014	0,48%	1,89%	0,10%	-0,69%	1,03%	-1,37%	-0,13%	-0,39%	-1,13%	-1,20%	-0,30%	-0,65%	-2,39%	4,90%
2015	1,14%	1,11%	-0,48%	0,78%	-0,30%	-1,66%	2,03%	-1,44%	-1,14%	2,16%	0,31%	-1,99%	0,41%	1,43%
2016	-2,17%	-1,84%	4,27%	0,68%	1,33%	-0,45%	2,53%	0,49%	0,46%	-0,83%	-1,10%	2,63%	5,94%	2,67%
2017	-0,20%	0,75%	1,46%	1,33%	1,55%	-0,46%	-0,10%	-0,32%	0,67%	0,53%	-0,38%	-0,79%	4,09%	6,99%
2018	1,07%	-0,24%	-0,95%	0,93%									0,81%	-0,86%

Source: Europerformance

(1) Benchmark: 20% Euro Stoxx 50 + 80% JP Morgan Credit Index BBB 3-5 ans since 31/12/2007, and Exane Eurozone Convertible Bond Index since 01/04/2016, and Thomson Reuters Eurozone Focus Hedged Convertibles Bond Index since 01/02/2018

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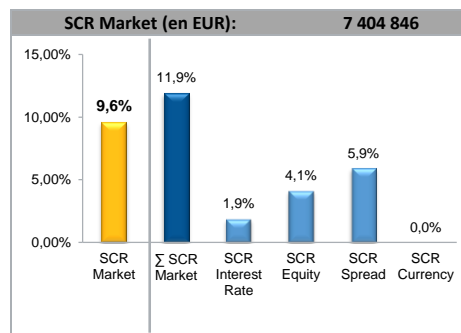


## TOP 10 Holdings

Name	Weight
DASSAULT AVIATION/AIRBUS 0 2021_06	4,26%
COVESTRO/BAYER 0.050 2020_06	3,72%
EVONIK IND/RAG-STIFTUNG 0 2023_03	3,51%
SAFRAN 0 2020_12	3,35%
SALZGITTER 0 2022_06	3,21%
INGENICO 0 2022_06	3,09%
KERING/ARCHER OBLIGATIONS 0 2023_03	3,01%
REMY COINTREAU 0.125 2026_09	2,88%
NEOPOST 3.375 PERP-CALL 2022	2,78%
INDRA SISTEMAS 1.250 2023_10	2,70%
<b>TOTAL</b>	<b>32,53%</b>

Source: OFI AM

## Solvency Capital Requirement



\*Quarterly data as of 29/03/2018

Source: OFI AM

## Asset management strategy

US GDP growth came out at only 2.3% annualised, compared with 2.9% in Q4 2017. This slowdown was mainly driven by consumption, which, after a 4.0% rise in real terms, was up only 1.1% in Q1 2018. Job creation also proved disappointing, with only 103,000 new jobs added in March, the lowest figure since September 2017 (when tornadoes meant only 14,000 new jobs were added). The average increase in jobs over three months nevertheless came out at 202,000. As regards prices, core year-on-year inflation rose from 1.8% to 2.1% in March, while headline inflation was up from 2.2% to 2.4%. This acceleration could, however, turn out to be temporary, with a substantial proportion (70%) of the underlying increase in March owing to a disproportionate rise in the home prices index.

In the eurozone, industrial production continued to decline in February (down 0.8% month on month, vs. a 0.6% decline the previous month), resulting in a Q1 decline of 0.7%. French Q1 GDP growth confirmed this moderation, with GDP up 0.3% quarter on quarter, compared with 0.7% the previous quarter.

Lastly, in China, real GDP growth in Q1 came out at 6.8% for the third quarter running.

European markets rallied strongly in the month, with the Euro Stoxx 50 clawing back 5.2%, in spite of the banking sector lagging behind (up 3.5%), while across the Atlantic, the S&P 500 was more or less flat (up 0.3%), with long yields topping 3% in the month (up 21 bps) and the dollar firming up. German 10-year yields also tightened slightly, though to a lesser extent (up 6 bps at 0.56%). Credit spreads eased in sympathy, with the Main down 6 bps at 54 bps and the 5-year Crossover down 15 bps at 271 bps. Against this backdrop, the Thomson Reuters Eurozone Focus Hedged gained 1.36%, while OFI RS Euro Convertible Bond Defensive picked up 0.93%.

The European primary market had a disappointing month, with only €451 million issued: Shop Apotheke 4.5% 2023 (€75m; Netherlands; retail) and NMC Health 1.875% 2025 (\$450m; UAE; healthcare). This brings total issues in the year to date to €4.3 billion.

The main negative contributors were the Euro Stoxx 50 hedge (-91 bps), the Renault call (-21 bps after the group reported lower than expected Q1 revenue) and BE Semiconductor (-18 bps; down 9.5%, with the sector still highly volatile in connection with Apple sales). Positive performers included Archer exchangeable for Kering (+21 bps; up 7.9% after Q1 sales figures exceeded forecasts), Ubisoft (+21 bps; up 10.5% following the excellent launch of the Far Cry 5 game), banking futures (+17 bps after suffering the previous month) and Safran (+17 bps; up 5.2% after the group reported stronger than predicted organic growth of 10%). In terms of changes, following a new investment of several million euros, we increased 13 holdings already in the portfolio.

Olivier Ravey - Fund Manager(s)

## SCR informations

The aggregate SCR represents the total of all underlying risks. It does not take into account the effects of diversification.

The SCR Market represents the capital requirement taking into account the various risk factors (see correlation matrix arising under regulation n°2015/35).



## Main movements of the month

### Buy / Increase

Name	Weight M-1	Weight M
ENCE ENERGIA Y CELULOSA 1.250 2023_03	1,81%	2,11%
BE SEMICONDUCTOR 0.500 2024_12	1,70%	1,76%
GN STORE NORD 0 2022_05	1,96%	2,19%
EBRO FOODS/CO ECONOMICA 1.000 2023_12	2,13%	2,31%
KERING/ARCHER OBLIGATIONS 0 2023_03	2,62%	3,03%
EURAZEO/CA 0 2019_10	1,16%	1,52%

Source: OFI AM

### Sell / Decrease

Name	Weight M-1	Weight M

Source: OFI AM

## Statistical indicators (compared to the benchmark on a 1 year rolling basis)

Bêta	Alpha	Tracking Error	Sharpe Ratio <sup>(2)</sup>	Information Ratio	Frequency of profit	Worst draw down
0,60	-0,01	2,87%	0,24	-0,40	56,86%	-2,29%

Source: Europerformance

(2) Risk free rate: compounded EONIA

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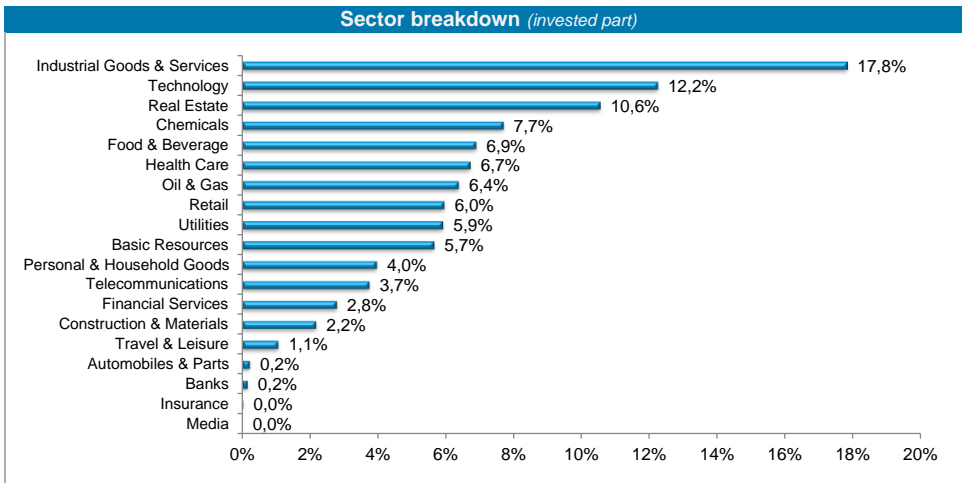
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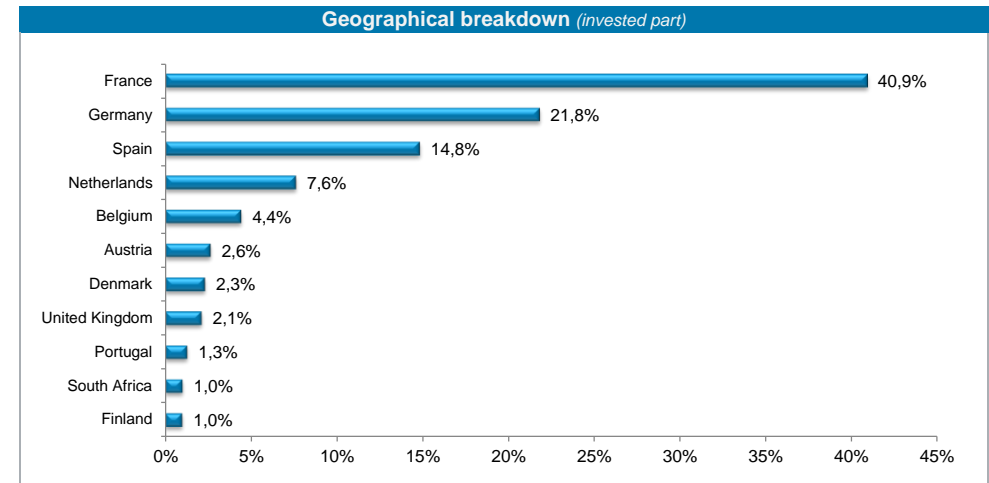


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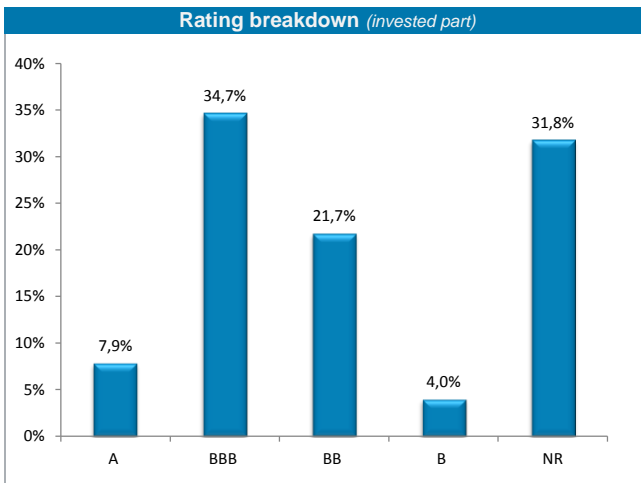
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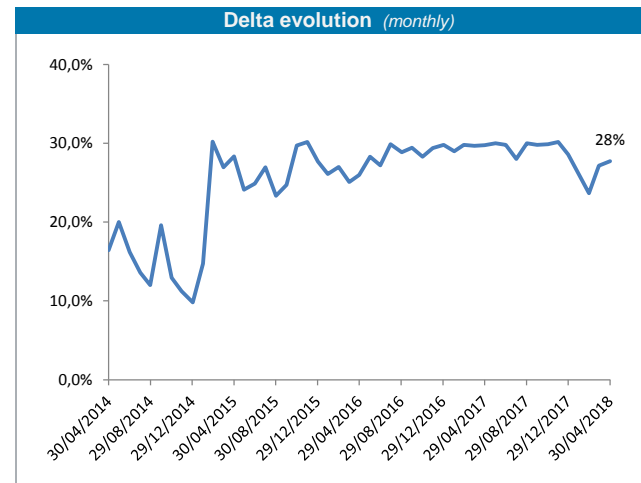
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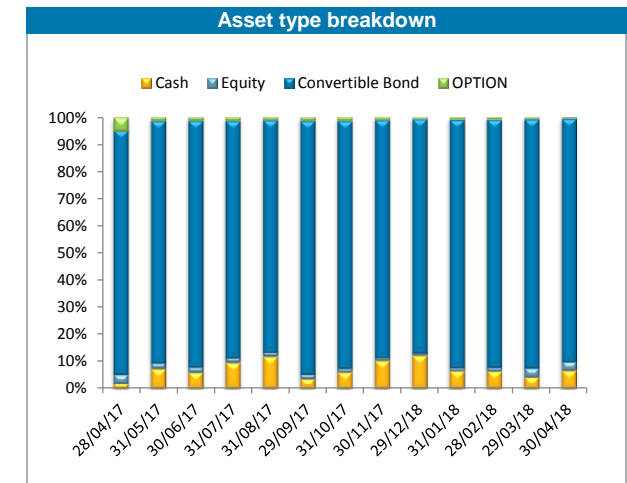
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