

OFI RS Euro Convertible Bond Defensive GI



Monthly Factsheet - Convertible Bonds - june 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 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.

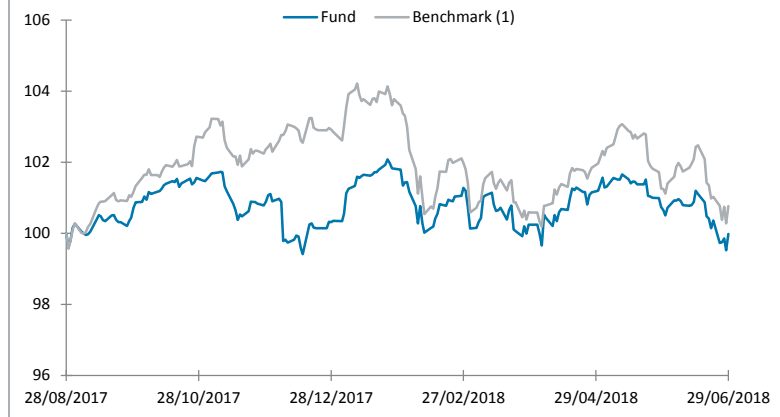
Key figures as of 29/06/2018

NAV of the part GI (EUR):	99,98
Net Assets of the part GI (EUR):	99,98
Total Net Assets (EUR M):	93,42
Delta:	28%
Modified duration:	1,70
Current yield:	0,65%
Number of holdings:	53

Characteristics

ISIN Code:	FR0013275104
Ticker:	OCBEIGI FP Equity
AMF Classification:	Diversified
Europerformance Classification:	Euro Zone Convertible bonds
Management Company:	OFI Asset Management
Benchmark ⁽¹⁾ :	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 date:	28/08/2017
Recommended investment horizon:	Over 2 years
Valuation:	Daily
Subscription cut-off:	D at 12h
Redemption cut-off:	D at 12h
Settlement:	D+2
Subscription fees Max/Real:	2%/None
Redemption fees Max/Real:	0%/None
Outperformance fees:	None
Ongoing charge:	0,45%
Custodian:	CACEIS
Administrative agent:	CACEIS FUND ADMINISTRATION

Return since inception



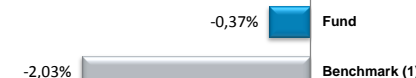
Risk Profile

Level: 1 2 3 4 5 6 7

Monthly return



YTD return



Return & Volatility

	Since inception (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 GI	-0,02%	3,67%	-	-	-	-	-0,37%	3,75%	-0,37%	-0,26%
Benchmark ⁽¹⁾	0,77%	4,95%	-	-	-	-	-2,03%	5,64%	-2,03%	0,17%

Source: Europerformance

Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
2017								0,15%*	0,72%	0,59%	-0,35%	-0,75%	0,35%	2,85%
2018	1,08%	-0,23%	-0,95%	0,96%	-0,69%	-0,52%							-0,37%	-2,03%

*Return from 28/08/2017 to 31/08/2017

Source: Europerformance

(1) Benchmark: Exane Eurozone Convertible Bond Index then Thomson Reuters Eurozone Focus Hedged Convertibles Bond Index since 01/02/2018

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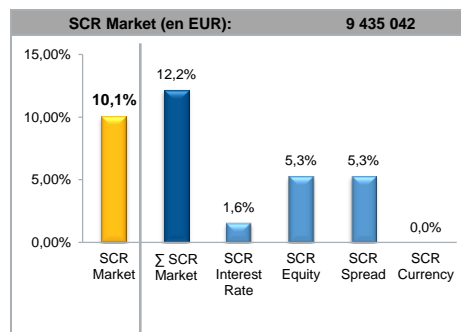


TOP 10 Holdings

Name	Weight
DASSAULT AVIATION/AIRBUS 0 2021_06	4,05%
COVESTRO/BAYER 0.050 2020_06	3,77%
EVONIK IND/RAG-STIFTUNG 0 2023_03	3,57%
SAFRAN 0 2020_12	3,49%
KERING/ARCHER OBLIGATIONS 0 2023_03	3,26%
INGENICO 0 2022_06	3,17%
NEXITY 0.125 2023_01	3,02%
MTU AERO ENGINES HLDG 0.125 2023_05	2,90%
NEOPOST 3.375 PERP-CALL 2022	2,80%
INDRA SISTEMAS 1.250 2023_10	2,67%
TOTAL	32,70%

Source: OFI AM

Solvency Capital Requirement



*Quarterly data as of 29/06/2018

Source: OFI AM

Asset management strategy

Performance saw two distinct phases in June: the index rebounded at the beginning of the month as markets began to forget about the Italian political crisis, only to suffer the effect of hardening discussions between the US and China: The White House has announced its intention to levy tariffs on 200 billion USD of additional Chinese imports at a rate of 10%, potentially totalling up to 450 billion USD in Chinese imports that would be taxed. This is almost all goods imported from China by the US last year (505 billion USD).

In response to US tariffs imposed since 1 June on European exports of steel and aluminium, Europe has in turn responded by levying a 25% tariff on dozens of US industrial and agricultural products (corn, rice, peanut butter, jeans, Harley-Davidson motorcycles, bourbon...) imported to Europe. This countermeasure covers 2,8 billion EUR of US imports – less than the 6,4 billion EUR in European steel and aluminium exported to America.

As for central banks, after more than 3 years, the ECB anticipates it will end its asset purchase program by the end of the year and plans to buy 15 billion EUR per month from September, against 30 billion EUR today. The Fed has raised its rates for the seventh time since the end of 2015. It intends to accelerate the pace of normalisation in the coming months: two new increases in 2018 and three in 2019.

In the end, the Eurostoxx 50 fell 0,3%, while the S&P 500 in the US rose 0,5% with long rates stable at 2,86%. German 10-year rates returned to 0,30% (-4 bps). Credit spreads continue to grow: +5 bps for the Main to 74 bps and +16 bps for the Cross-Over 5Y to 322 bps. In this context, the Thomson Reuters Eurozone Focus Hedged Index dropped 0,35%, and **OFI RS Euro Convertible Bond Defensive** fell by 0,52%.

The European primary market remains calm this month in connection with the return of volatility on the equity markets: 1,3 billion EUR in issues to be split between Swiss Re/ELM 3,25% 2024 (500 million USD - Switzerland - Insurance), Safran 0% 2023 (700 million EUR - France - Services and Industrial Goods) which opportunistically returns to the market, and SOITEC 0% 2023 (175 million EUR - France - Technology).

There are still some negative contributions, from Deutsche Post (-26 bps, -14%), still shunned following the publication of its disappointing Q1, Salzgitter (-16 bps, -5,5%) and Rémy Cointreau (-16 bps, -5,6%) despite a 7% increase in revenue and an operating margin of 21%. On the growth side, there is GN Store (+16 bps, + 6,8%), riding on an expected 15% increase (up from 9%) in sales for 2018, Ence Energia (+15 bps, + 7 %) whose rating was raised by Moody's from Ba3 to Ba2 with a stable outlook, Nexity (+15 bps, + 6,1%) and also ACS in Iberdrola (+12 bps, + 8,5%). As for transactions, we have the redemption of Amorim in Galp for 1,2% of the assets, and we close the position in Steinhoff, finally sold for an average price corresponding to 80% of the nominal.

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
NEXITY 0.125 2023_01	2,43%	3,03%
WERELDHAVE 1.000 2019_05	1,35%	1,84%
VEOLIA ENVIRONNEMENT 0 2021_03	1,67%	2,11%
TELEFONICA 0 2021_03	2,28%	2,63%
DEUTSCHE WOHNEN 0.600 2026_01	1,76%	2,04%
KPN/AMERICA MOVIL 0 2020_05	1,32%	1,58%

Source: OFI AM

Sell / Decrease

Name	Weight M-1	Weight M
GALP ENERG/AMORIM ENERGIA 3.375 2018_06	1,22%	Sell
STEINHOFF INT/STEINHOF FIN 4.000 2021_01	0,96%	Sell
IBERDROLA/ACS ACTIVI FIN 2.625 2018_10	2,05%	1,17%

Source: OFI AM

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

Bêta	Alpha	Tracking Error	Sharpe Ratio ⁽²⁾	Information Ratio	Frequency of profit	Worst draw down
-	-	-	-	-	-	-

Source: Europerformance

(2) Risk free rate: compounded EONIA

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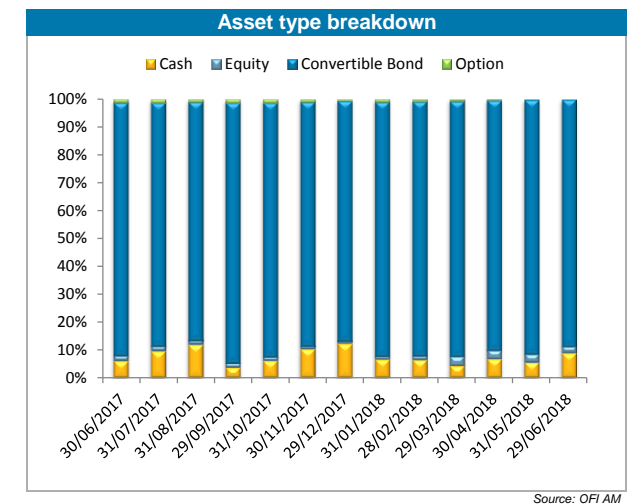
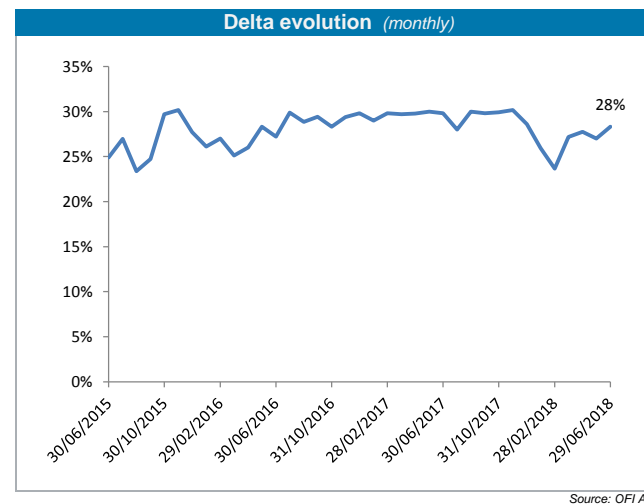
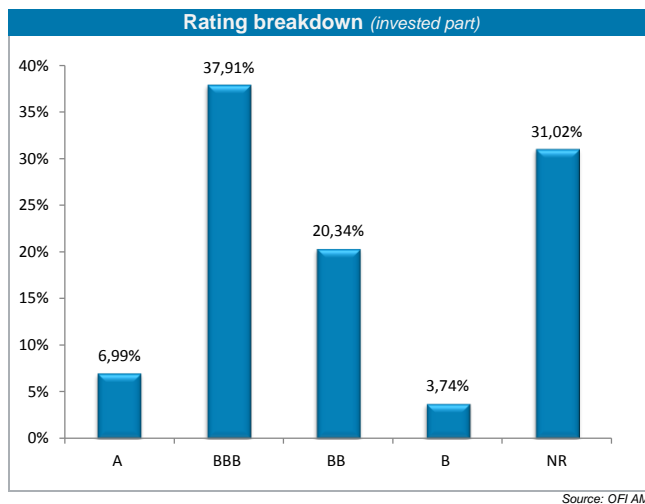
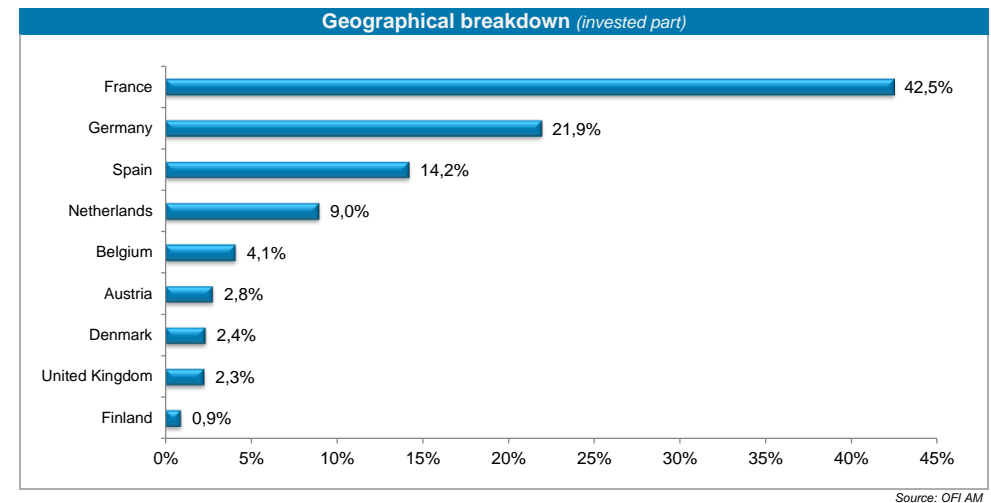
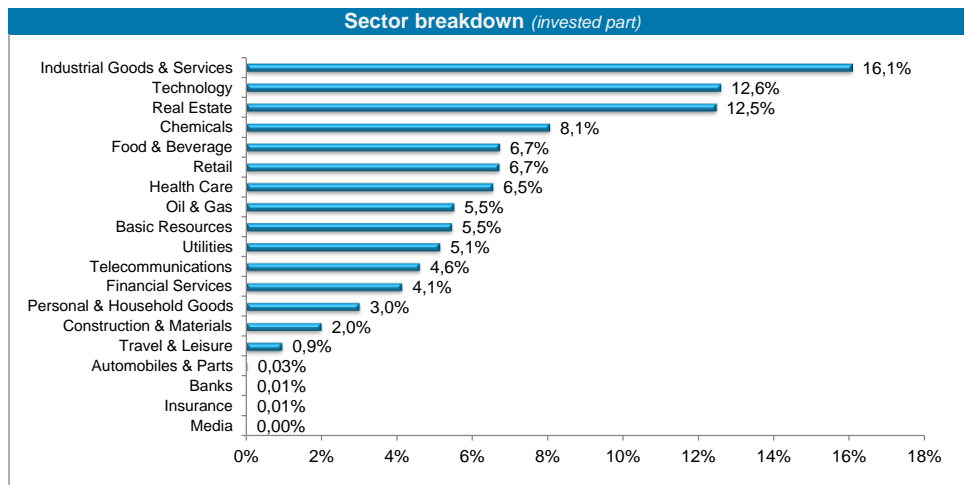


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