

OFI RS Euro Convertible Bond Defensive GI



Monthly Factsheet - Convertible Bonds - may 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.

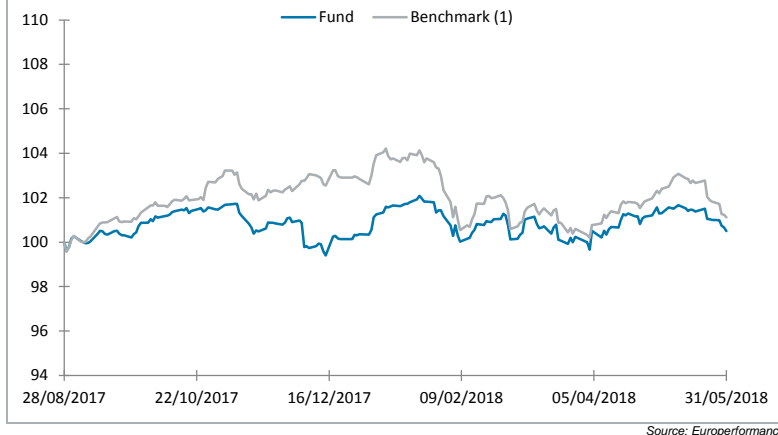
Key figures as of 31/05/2018

NAV of the part GI (EUR):	100,50
Net Assets of the part GI (EUR):	100,50
Total Net Assets (EUR M):	82,30
Delta:	27%
Modified duration:	1,69
Current yield:	0,89%
Number of holdings:	55

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

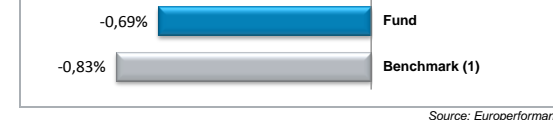
Return since inception



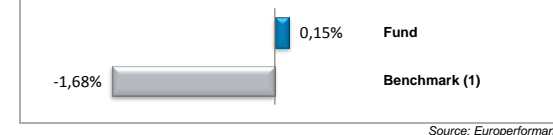
Risk Profile

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	0,50%	3,74%	-	-	-	-	0,15%	3,94%	-0,60%	-0,69%
Benchmark ⁽¹⁾	1,12%	4,86%	-	-	-	-	-1,68%	5,72%	-1,36%	-0,66%

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%								0,15%	-1,68%

*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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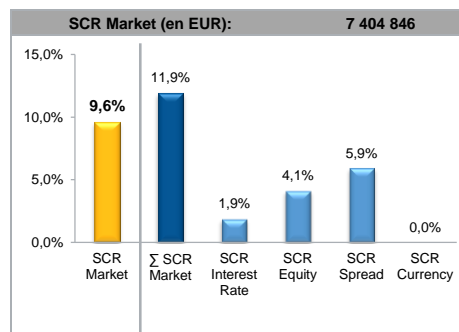


TOP 10 Holdings

Name	Weight
DASSAULT AVIATION/AIRBUS 0 2021_06	4,32%
COVESTRO/BAYER 0.050 2020_06	3,76%
EVONIK IND/RAG-STIFTUNG 0 2023_03	3,59%
SAFRAN 0 2020_12	3,46%
KERING/ARCHER OBLIGATIONS 0 2023_03	3,22%
SALZGITTER 0 2022_06	3,20%
INGENICO 0 2022_06	3,15%
REMY COINTREAU 0.125 2026_09	3,01%
NEOPOST 3.375 PERP-CALL 2022	2,88%
MTU AERO ENGINES HLDG 0.125 2023_05	2,87%
TOTAL	33,44%

Source: OFI AM

Solvency Capital Requirement



*Quarterly data as of 29/03/2018

Source: OFI AM

Asset management strategy

May was marked by political and geopolitical risk. After two months of deadlock, the political situation in Italy heated up with the prospect of a eurosceptic government in the near future or after fresh elections. Across the Atlantic, the decision by the Trump administration to pull out of the Iran nuclear deal and the possibility of a meeting between Trump and King Jong-Un also stirred things up on the geopolitical scene. Other significant developments included the US and China reaching agreement on import tariffs. However, this did not stop the White House declaring that US would impose a 25% duty on imports of hi-tech products. Lastly, the White House also announced that it was introducing import tariffs on steel and aluminium from the EU, Canada and Mexico.

In statistics, new jobs bounced back slightly in the US, up 164k, compared with 135k in March. In the eurozone, the euro area composite PMI fell from 55.1 to 54.1.

In China, growth in industrial production picked up more than expected in April, coming in at 7.0%, though domestic demand in general appears to have begun to slow, with various indicators running out of steam. Growth in retail sales slipped to 7.9% (previously 8.6%), while real estate sales contracted by 4.1% in absolute terms, compared with 3.6% growth in Q1.

Lastly, Japanese real GDP growth came out negative for the first time in nine quarters, at -0.2% quarter on quarter.

European markets were under pressure in the month: the Euro Stoxx 50 lost 3.7%, with the banking sector hit particularly hard (down 15%). Across the Atlantic, the S&P 500 gained 2.2%, with long yields falling back below 3% (down 10 bps at 2.86%). Meanwhile, German 10-year yields very clearly acted as a safe haven (down 22 bps at 0.34%). By contagion, credit spreads tightened, with the Main up 15 bps at 69 bps and the 5-year Crossover up 34 bps at 306 bps. Against this backdrop, the Thomson Reuters Eurozone Focus Hedged lost 0.83%, while OFI RS Euro Convertible Bond Defensive fell 0.69%.

The European primary market had another challenging month in spite of issues totalling €1.7 billion, almost entirely accounted for by Sika 0.15% 2025 (CHF 1.650bn; Switzerland; construction and materials), enabling the latter to buy back some of its equity from Saint-Gobain. This brings total issues in the year to date to €6 billion, in line with 2017.

The main negative contributors were our exposure to the banking sector (-43 bps after the sector was hit by uncertainty in Italy), Deutsche Post (-21 bps; down 10% after the issuer was shunned following a disappointing Q1 release), ACS exchangeable for Iberdrola (-17 bps; down 6.7%), the Société Générale call (-13 bps) and Salzgitter (-12 bps; down 2.7%). Meanwhile, the main positive contributors were the Euro Stoxx 50 hedge (+41 bps), Ubisoft (+26 bps; up 11.3% after the group reported sales up 19%), MTU Aero (+13 bps; up 4.8% as the company reiterated its guidance after a strong first quarter) and Archer exchangeable for Kering (+13 bps; up 4.2% after the Puma spin-off). In terms of changes, we tactically reduced our equity sensitivity and our exposure to the banking sector on 18 May and then increased it again on the last day of the month, generating 15 bps of performance. We also sold half of our position in ACS/Iberdrola 2.625% 2018 following an SRI alert.

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

Source: OFI AM

Sell / Decrease

Name	Weight M-1	Weight M
IBERDROLA/ACS ACTIVI FIN 2.625 2018_10	2,57%	2,05%

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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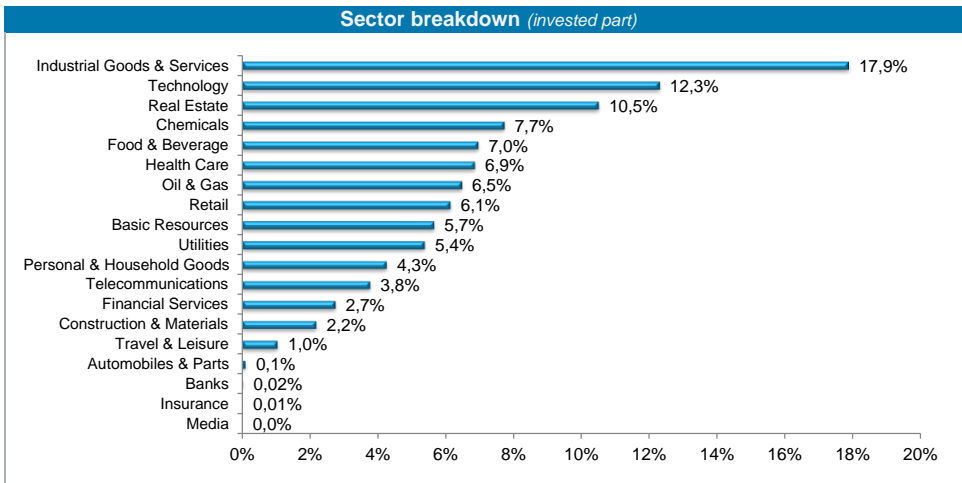


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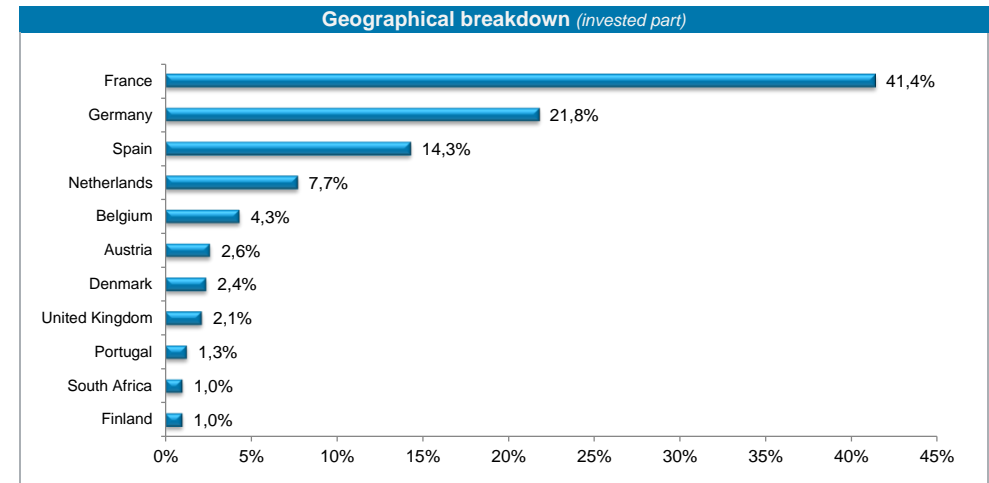


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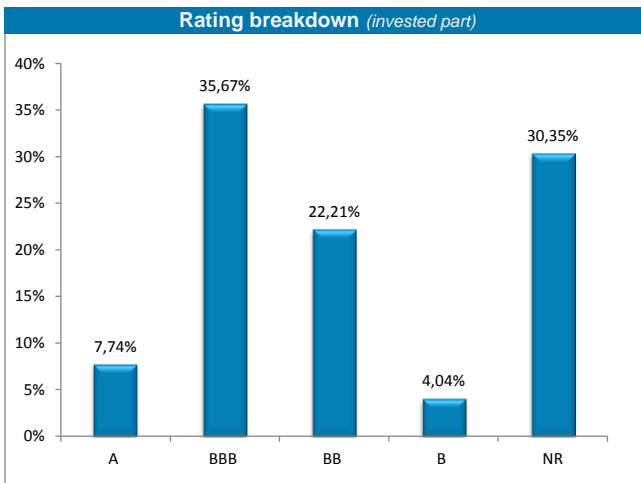
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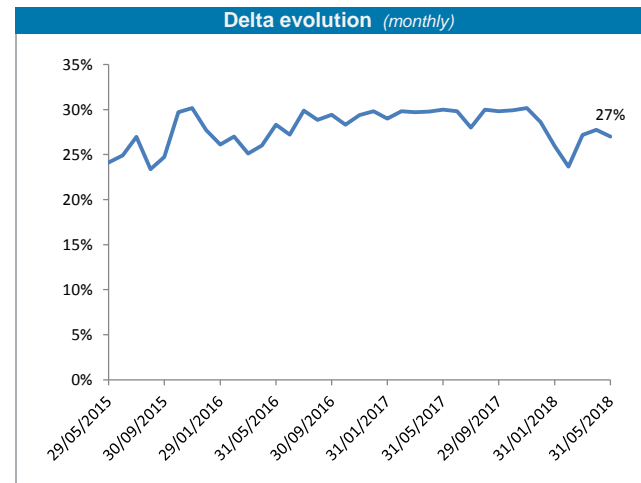
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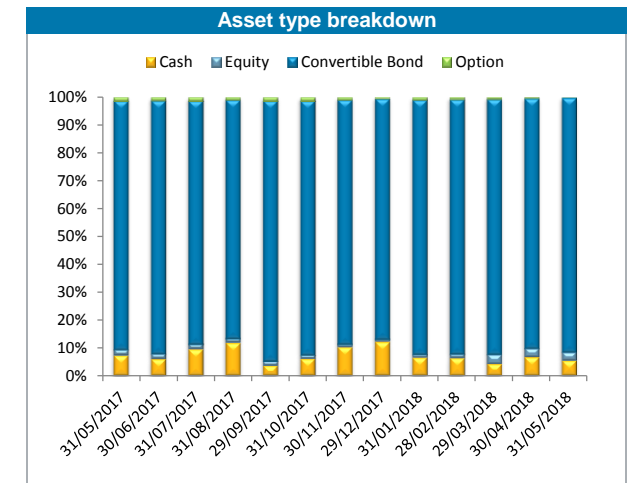
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