

OFI RS European Convertible Bond GI

Monthly Factsheet - Convertible Bonds - may 2018



OFI RS EUROPEAN CONVERTIBLE BOND is a European convertible bond fund. It allows investors to benefit from the convexity of convertible bonds and part of the performance of a selection of European stocks. The fund's objective is to participate in the growth of tomorrow's leading companies by investing in their convertible issues to help finance their development.

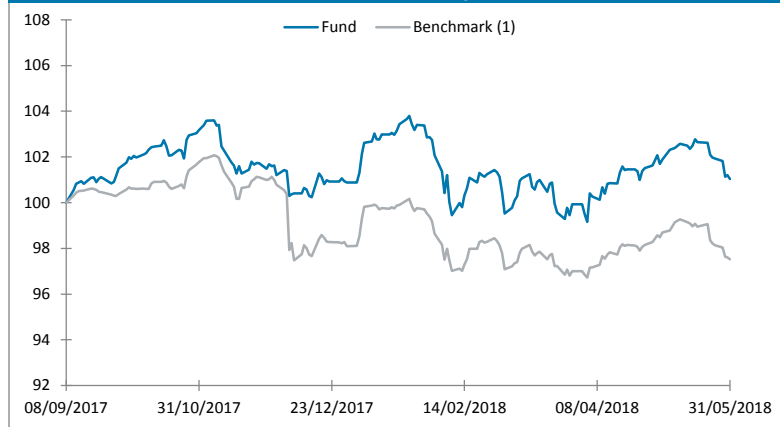
Key figures as of 31/05/2018

NAV of the part GI (EUR):	101,03
Net Assets of the part GI (EUR):	101,03
Total Net Assets (EUR M):	212,18
Delta:	43%
Modified duration:	1,94
Current yield:	1,04%
Number of holdings:	749

Characteristics

ISIN Code:	FR0013274941
Ticker:	OFIMCGI FP Equity
AMF Classification:	Diversified
Europerformance Classification:	European convertible bonds
Management Company:	OFI Asset Management
Benchmark (1):	Thomson Reuters Europe Focus Hedged Convertibles Bond Index
Main Risks:	Capital and performance Market : equity, fixed income and credit
Fund Manager:	Nancy Scribot Blanchet
Legal Form:	SICAV (UCITS IV)
Distribution Policy:	Capitalisation
Currency:	EUR
Inception date:	08/09/2017
Recommended investment horizon:	Over 3 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:	None/None
Outperformance fees:	None
Ongoing charge:	0,52%
Custodian:	CACEIS
Administrative agent:	CACEIS Fund Administration

Return since inception



Source: Europerformance

Risk Profile

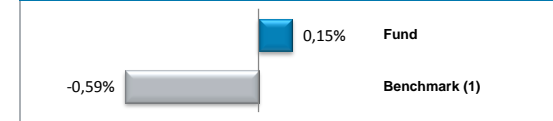
Level: 1 2 3 4 5 6 7

Monthly return



Source: Europerformance

YTD return



Source: Europerformance

Return & Volatility

	Since inception (cum.)		3 Years (cum.)		1 Year		YTD		6 Months	3 Months
	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Return
OFI RS European Convertible Bond GI	1,03%	6,66%	-	-	-	-	0,15%	7,55%	-0,58%	-0,10%
Benchmark (1)	-2,49%	6,32%	-	-	-	-	-0,59%	5,21%	-3,45%	-0,63%

Source: Europerformance

Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
2017									1,50%*	1,66%	-1,51%	-0,73%	0,88%	-1,91%
2018	1,97%	-1,69%	-1,19%	1,69%	-0,58%								0,15%	-0,59%

*Return from 08/09/2017 to 29/09/2017

Source: Europerformance

(1) Benchmark : Thomson Reuters Eurozone Focus Convertibles Hedged EUR

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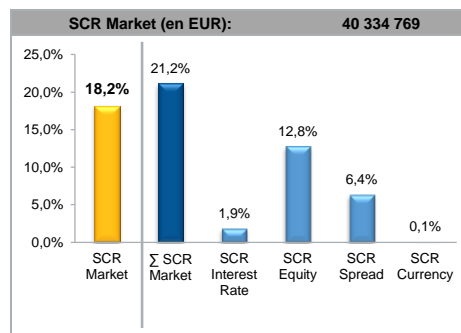


TOP 10 Holdings

Name	Weight
SIEMENS 1.650 2019_08	2,59%
LVMH 0 2021_02	2,53%
VALLOUREC 4.125 2022_10	2,30%
COVESTRO/BAYER 0.050 2020_06	2,21%
EURAZEO/CA 0 2019_10	2,17%
DASSAULT AVIATION/AIRBUS 0 2021_06	2,08%
STMICROELECTRONICS 0.250 2024_07	2,07%
VALEO 0 2021_06	2,00%
GENFIT 3.500 2022_10	1,98%
FUGRO 4.000 2021_10	1,95%
TOTAL	21,87%

Source: OFI AM

Solvency Capital Requirement



*Quarterly data as of 29/03/2018

Source: OFI AM

Asset management strategy

After two months of deadlock, the political situation in Italy heated up with the prospect of a short-lived eurosceptic government, triggering a market downturn and fuelling risk aversion and a rise in volatility. 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 stirred things up on the geopolitical scene, not to mention developments in relation to import tariffs, whether on China or the European Union, Mexico and Canada. In terms of statistics, US figures were relatively robust (with inflation slightly up and new jobs picking up), while European PMIs for May fell short of expectations. Lastly, Chinese indicators reflected a slowdown in domestic demand, while Japanese real GDP growth came out negative for the first time in nine quarters.

After starting the month in line with April, European equity markets headed downhill as political fears mounted, with the Euro Stoxx 50 losing 2.5%, banks plummeting 15% and the CAC 40 down 0.55%, while US markets stayed in the black, gaining 2.1%. In credit, the 5-year Crossover tightened 34 bps to 305 bps, while a flight to quality drove yields sharply down on the US, Germany (down 22 bps at 0.34%) and France, with Italian yields returning to their 2014 levels (up 100 bps in the month to 2.79%). In currencies, the euro weakened against the Swiss franc (down 3.7%) and the US dollar (down 3.2%), as one would expect. Against this backdrop, European convertible bonds lost ground, with the Thomson Reuters Europe Focus Hgd (EUR) down 0.77% and OFI RS European Convertible Bond down 0.58%.

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 1.650 bn; 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.

As regards performance, the main negative contributors were the Société Générale call (-15 bps, with the banking sector affected by uncertainty in Italy), the Renault call (-15 bps), Greenyard 2021 (-7 bps; down 5.1% after the company reported lower than expected sales and EBITDA), Eurazeo/CA 2019 (-7 bps; down 3.4%), Elis 2023 (-7 bps; down 3.9% after being downgraded by some analysts in spite of a strong first quarter) and Iberdrola/ACS 2019 (-7 bps; down 4.5%). Meanwhile, the top positive contributors were Ubisoft 2021 (+15 bps; up 11.3%, continuing to rise to new peaks), STMicromicro shares (+11 bps; up 12.4% as the sector as a whole recovered), Qiagen 2021 (+10 bps; up 6.2%, rallying strongly after the company reported stronger than expected Q1 results) and MTU 2023 (+7 bps; up 4.8% also on the back of a strong Q1 release).

In terms of changes, we finalised the sale of our holding of Severstal 2022 and reduced our exposure to Inmarsat 2023 (to reduce a specific credit risk exposure) and Iberdrola/ACS 2019 (following an SRI alert over management's possible involvement in corruption cases). Lastly, in keeping with our tactically more cautious asset allocation to equities (from overweight to neutral), we lowered the fund's sensitivity by taking some of our profits on STMicromicroelectronics and Swiss Life shares and selling two thirds of our holding of Euro Stoxx 50 futures. The month-end cash position was 3.8%.

Portfolio equity sensitivity was 43% at end May, the current yield was 1.04% for an average maturity of 3.5 years and the modified duration was 1.94.

Nancy Scribot Blanchet - 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
SEVERSTAL 0 2022_02	0,97%	Sell
SWISS LIFE HLDG	1,12%	0,91%
STMICROELECTRONICS	0,91%	0,43%
IBERDROLA/ACS ACTIV FIN2 1.625 2019_03	1,51%	1,01%
INMARSAT 3.875 2023_09	1,55%	0,85%

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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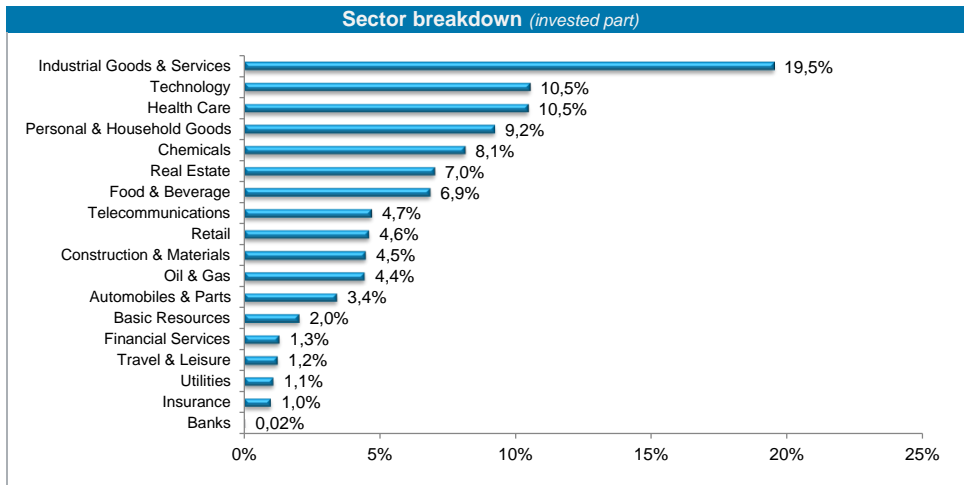


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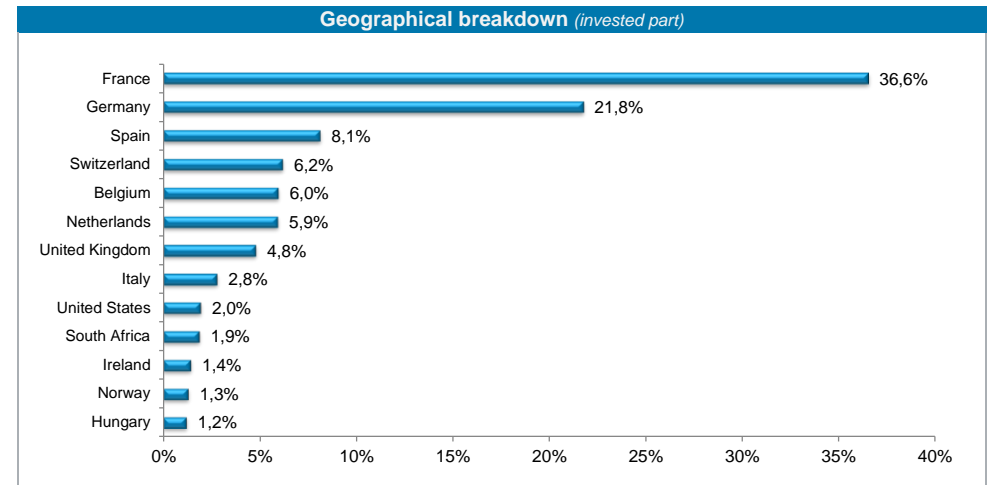


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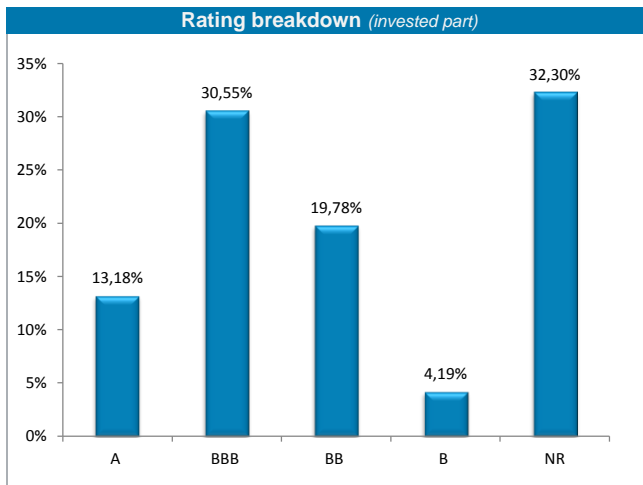
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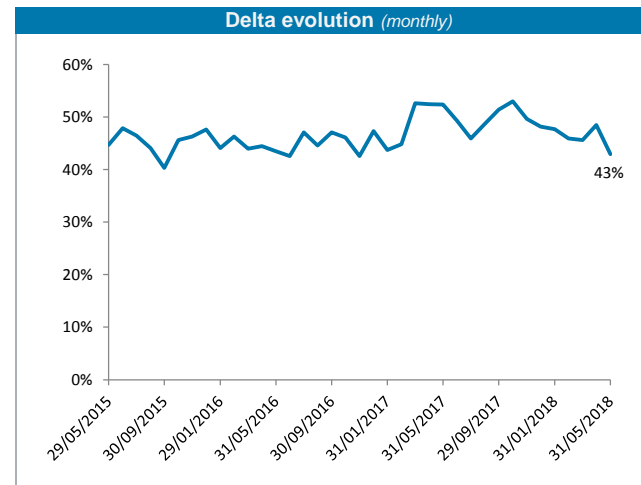
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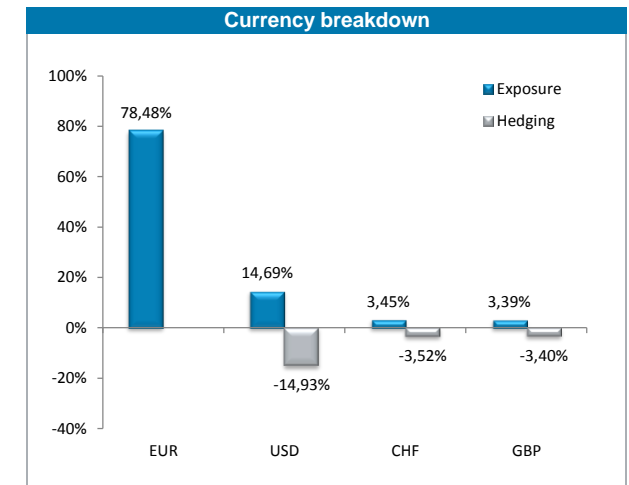
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