

# OFI FUND GLOBAL CONVERTIBLE BOND I EUR

Monthly Factsheet - Convertible Bonds - February 2020



## Investment policy :

OFI Fund - OFI Global Convertible is a global convertible bond subfund of the Luxembourg SICAV OFI Fund. The fund favours convertible issues from companies whose growth potential is linked to their global activity or local leadership.

Registered in :

FRA



PRT



## Key figures as of 28/02/2020

NAV of the class C (EUR):	64,67
Net Assets of the class C (EUR M):	63,35
Total Net Assets (EUR M):	88,63
Delta:	33%
Modified duration:	2,16
Current yield:	0,63%
Number of holdings:	81

## Characteristics

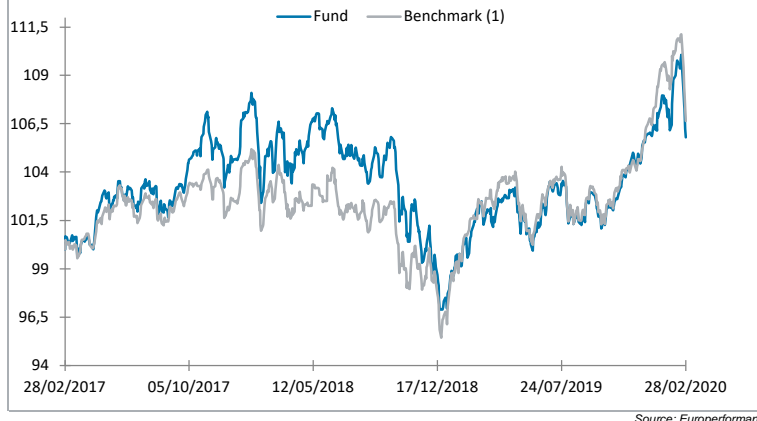
ISIN Code:	LU0336374540
Ticker:	OFICONI LX Equity
Europerformance Classification:	International convertible bonds
Management Company	OFI Lux
Principal distributor advisor:	OFI Asset Management
Benchmark <sup>(1)</sup> :	Thomson Reuters Global Focus Vanilla Hedge Euro
Main Risks:	Capital and performance Market : equity, fixed income and credit Currency
Fund Manager:	Nancy Scribot Blanchet
Legal Form:	SICAV (UCITS V) under the laws of Luxembourg
Distribution Policy:	Capitalisation
Currency:	EUR
Inception date:	21/12/2007
Recommended investment horizon:	3 years
Valuation:	Daily
Subscription cut-off:	D - 1 at 12h
Redemption cut-off:	D - 1 at 12h
Settlement:	D+3
Max/Real Subscription fees:	1%/None
Max/Real Redemption fees:	None/None
Outperformance fees:	15% above benchmark
Ongoing charge:	1,48%
Custodian:	SOCIETE GENERALE BANK TRUST LUXEMBOURG
Administrative agent:	SOCIETE GENERALE BANK TRUST LUXEMBOURG

<sup>(1)</sup> Benchmark: Thomson Reuters Global Focus Vanilla Hedge Euro

Distributor and paying agent: BEST - BANCO ELECTRONICO DE SERVICO TOTAL, Praça Marquês de Pombal, 3-3º, 1250-161 Lisboa, Portugal

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## 3 years cumulative return



## Risk Profile

Level:

1 2 3 4 5 6 7

## Monthly return



## YTD return



## Return & Volatility

	5 Years (cum.)		3 Years (cum.)		1 Year		YTD		6 Months		3 Months	
	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Return
OFI FUND GLOBAL CONVERTIBLE BOND I EUR	10,02%	6,67%	5,79%	5,84%	3,87%	5,98%	-0,12%	-	4,05%	-	1,06%	
Benchmark <sup>(1)</sup>	8,88%	6,09%	6,65%	5,44%	4,06%	6,00%	0,07%	-	4,51%	-	2,12%	

Source: Europerformance

## Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
2015	0,90%	2,67%	0,61%	0,81%	0,64%	-1,83%	1,22%	-2,36%	-1,36%	3,61%	0,34%	-1,14%	4,00%	3,60%
2016	-4,59%	-1,69%	2,94%	0,54%	1,50%	-2,46%	3,14%	0,27%	0,22%	-0,05%	0,39%	2,19%	2,15%	0,58%
2017	0,02%	1,39%	0,46%	1,53%	0,61%	-0,37%	0,64%	-0,52%	1,26%	2,60%	-0,92%	-0,71%	6,09%	4,39%
2018	2,11%	-1,45%	-0,79%	0,85%	0,36%	-0,26%	-0,65%	0,28%	0,70%	-3,63%	-1,25%	-3,12%	-6,80%	-5,45%
2019	2,75%	1,67%	-0,14%	1,34%	-2,73%	2,42%	0,62%	-1,58%	0,05%	0,95%	1,94%	1,19%	8,64%	10,11%
2020	0,23%	-0,35%											-0,12%	0,07%

CONTACT • Sales Department • 01 40 68 17 17 • contact@ofi-am.fr

OFI Asset Management • A portfolio management company authorised by the AMF under number GP 92-12 • Intracommunity VAT no.: FR 51384940342 •

Public Limited company (société anonyme) with capital of €42,000,000 • Principal activity (APE) code 6630Z 22 rue Vernier 75017 Paris •

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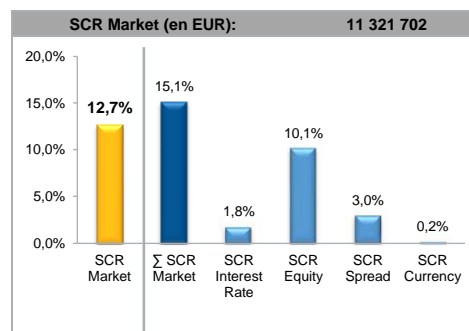


## TOP 10 Holdings

Name	Weight
DASSAULT AVIATION/AIRBUS 0 2021_06	2,41%
STMICROELECTRONICS 0.250 2024_07	2,37%
WORLDLINE 0 2026_07	2,34%
SERVICENOW 0 2022_06	2,25%
VALLOUREC 4.125 2022_10	2,02%
LUMENTUM HOLDINGS 0.250 2024_03	1,93%
LIVE NATION ENTERTAINMENT 2.500 2023_03	1,90%
BOOKING HOLDINGS 0.900 2021_09	1,90%
LIBERTY MEDIA 1.375 2023_10	1,90%
QIAGEN 1.000 2024_11	1,81%
<b>TOTAL</b>	<b>20,83%</b>

Source: OFI AM

## Solvency Capital Requirement



\*Quarterly data as of 31/01/2020

Source: OFI AM

## 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 reglementation n°2015/35).



## Main movements of the month

Buy / Increase		
Name	Weight M-1	Weight M
WORLDLINE 0 2026_07	1,84%	2,33%

Source: OFI AM

Sell / Decrease		
Name	Weight M-1	Weight M
INGENICO 0 2022_06	1,46%	0,82%
FUGRO 4.000 2021_10	1,47%	0,00%
KAKAO CORP 0 2021_05	1,07%	Sell
SONY CORP 0 2022_09	1,30%	Sell
ZHONGSHENG GROUP 0 2023_05	1,51%	Sell

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
0,93	-0,01	2,15%	0,62	-0,30	67,31%	-3,49%

Source: Europeperformance

(2) Risk free rate: compounded EONIA

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Nancy Scribot Blanchet - Fund Manager(s)

Over the course of the month, news surrounding the coronavirus continued to dominate the markets to a large extent. While the number of victims reported in China is beginning to decline, the real concern is now about new outbreaks in Italy, South Korea and Iran, in particular. On the economic front, job creation outside the agricultural sector in the US was solid in January, increasing by +224K, production fell by 0.3% month-on-month, while the ISM Manufacturing index topped 50 for the first time since July 2019. In Europe, industrial production collapsed in December in all four major economies, as did consumption, experiencing great difficulties with a 1.6% drop in retail sales over one month. In China, no actual data was published during the New Years' holidays. However, the PMI indices for February plummeted even more than after the collapse of Lehman Brothers. In this environment, the PBoC reduced its 5-year key lending rate to 4.75% and its medium-term credit facility -10bps to 3.15%.

In the end, awareness of the coronavirus' impact on global growth will be what finally overwhelms the equity markets. After a solid initial fortnight of strong growth, we are witnessing the worst week of declines since 2011 in Europe and 2008 in the USA. Global equity markets ended the month on a very negative note: -8.6% for the MSCI World, -8.4% for the S&P500, -6.2% for the Nasdaq Techno, in Europe, -8.5% for the EuroStoxx 50, -8.6% for the CAC 40, and in Asia, -8.9% for the Nikkei, -0.7% for the Hang Seng, -3.2% for the Shanghai Comp before the reopening of the market after New Year, and -6.2% for the Kospi. In credit, the 5-year Crossover in Europe and the 5-year CDX HY in the US widened again by 68bp and 73bp to 299bp and 379bp respectively, with the German and US 10-year rates contracting simultaneously by 17bp and 36bp respectively to -0.61% and 1.15% on expectations of central bank intervention. Regarding currencies, the EUR weakened against the USD (-0.6%) and the CHF (-0.5%), the latter acting as a safe haven, and appreciated against GBP (+2.1%), the USD appreciating against Asian currencies (CNY +1.2%, KRW +0.4%, HKD +1.4%) with the exception of the JPY (-0.5%). In this environment, convertible bonds hedged against foreign exchange risk (EUR) lost ground: up -3.4% in the US, -1.48% in Europe, +0.75% in Asia ex Japan and -2.7% in Japan (all measured in euros). All in all, the Thomson Reuters Global Focus Convertibles Index in euros fell 1.51% in the month, while OFI Global Convertible Bond Fund was down by -0.35%.

The primary market remained strong in February with \$6.8bn of new issues, particularly thanks to the US which totalled \$5.3bn, via Integra Lifesciences 0.5% 2025 (\$575m - USA - Healthcare), Pegasystems 0.75% 2025 (\$600M - USA - Technology), Exact Sciences 0.375% 2028 (\$1.15bn - USA - Healthcare), and RingCentral 0% 2025 (\$1bn - USA - Technology). Europe saw just one new issue: Yandex 0.75% 2025 (£1.25bn - Russia; Technology). In Asia, only Japan made an appearance for \$185m. The amount issued YTD thus amounts to \$17.7bn.

In terms of performance, negative contributions originated from the Consumer Goods sectors, particularly Luxury Goods, due to concerns about consumer spending and, consequently, growth: Liberty Media 2023 (-20bp; -9.6%), RH 2023 (-13bp; -7.7%), LVMH 2021 (-8bp; -6.1%), Live Nation 2023 (-8bp; -4.4%), Technology with Citrix shares (-10bp; -14.7%), Palo Alto 2023 (-9bp; -7.9%), Minebea 2022 (-8bp; -6.4%), Healthcare with Medipal 2022 (-10bp; -6.8%) and Ship Healthcare 2023 (-8bp; -4.8%). Among the positive performances, the best contributions came from Vallourec 2022 (+24bp; +13.4%) following the announcement of a capital increase the placement of which will be guaranteed by a group of banks, Nuance Communications 2025 (+16bp; +11%) which increased its earnings forecasts, Fugro 2021 (+15bp; +9.7%) which announced the purchase of its convertible bond, Wuxi Aptec 2024 (+13bp; +11.1%), which was little affected by the shutdown of its Chinese operations due to the geographical diversity of its production sites, Qiagen 2024 (+10bp; +6%) which is the company supplying coronavirus test kits.

Transaction-wise, we took our profits on Sony 2022 and Zhongsheng 2023 to reduce our exposure to consumption in Asia, and we sold Kakao 2021, with the countdown for the Call period underway announcing strong chances of an early recall. In Europe, following the announcement of the terms of Worldline's takeover of Ingénico, we are cutting our Ingénico 2022 convertible position in half in order to reposition ourselves on the Worldline 2026. The geographical distribution at the end of the month was as follows: Europe 33%, US 28%, Asia ex Japan 19% and Japan 18%. The month-end cash position was 2%.

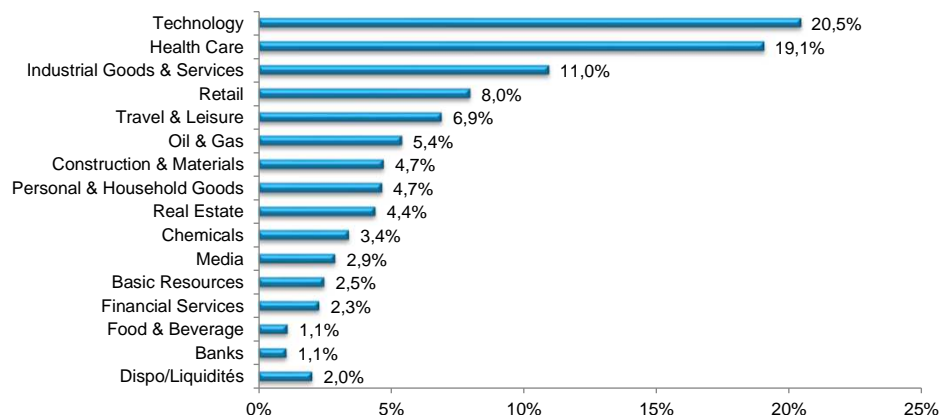
At the end of February, the equity sensitivity of the portfolio was 33%, down by natural desensitisation of convertible bonds. The current yield stands at 0.63% for an average maturity of 3.3 years, and the interest rate sensitivity is 2.16.

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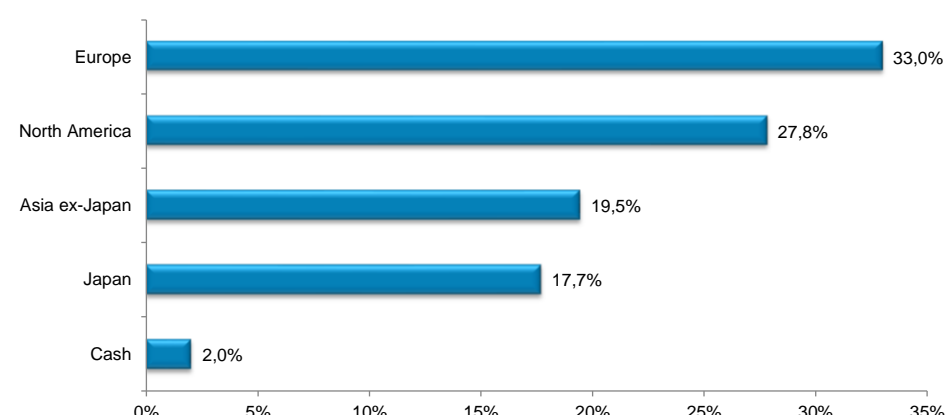


Sector breakdown



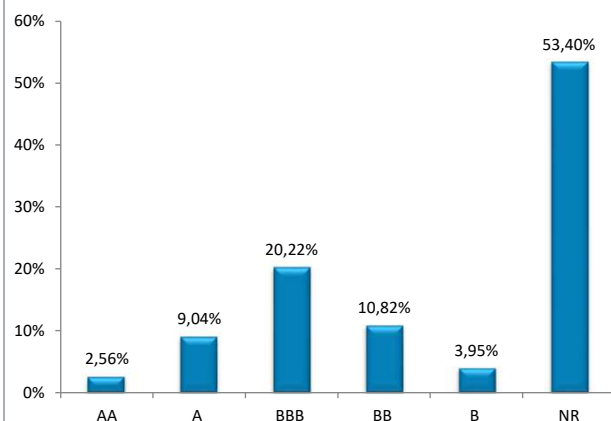
Source: OFI AM

Geographical breakdown



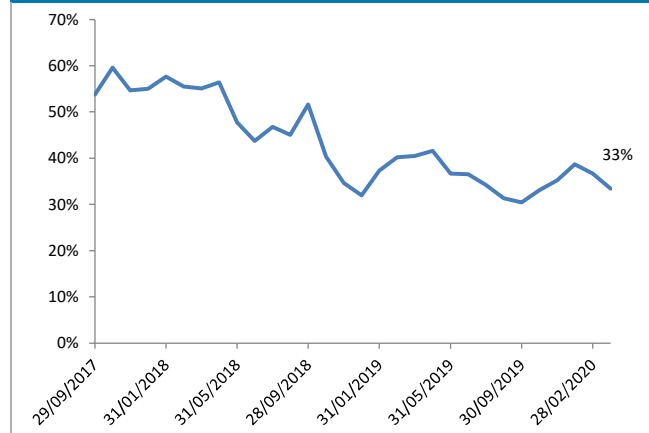
Source: OFI AM

Rating breakdown (invested part)



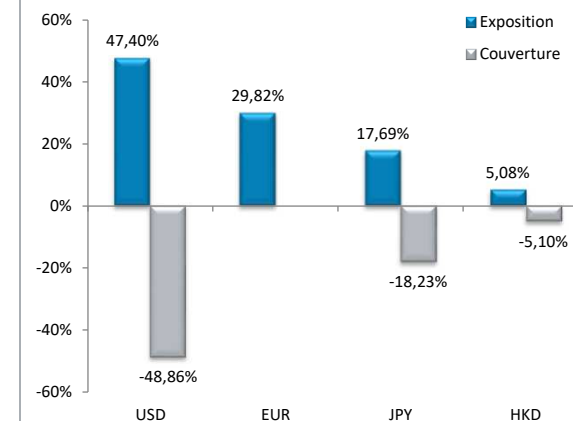
Source: OFI AM

Delta evolution (monthly)



Source: OFI AM

Currency breakdown



Source: OFI AM

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