

OFI FUND GLOBAL CONVERTIBLE BOND GI

Monthly Factsheet - Convertible Bonds - May 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 : **DEU**  **LUX**  **AUT** 

Key figures as of 29/05/2020

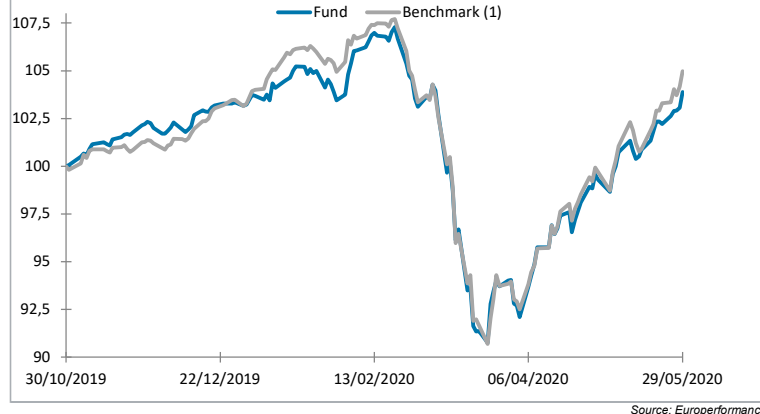
NAV of the class GI (EUR):	103,89
Net Assets of the class GI (EUR):	10 389,37
Total Net Assets (EUR M):	89,96
Delta:	40%
Modified duration:	1,65
Current yield:	0,61%
Number of holdings:	79

Characteristics

ISIN Code:	LU2075187869
Europeperformance Classification:	International convertible bonds
Management Company	OFI Lux
Principal distributor advisor:	OFI Asset Management
Benchmark ⁽¹⁾ :	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:	25/10/2019
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:	None
Ongoing charge:	1,23%
Custodian:	SOCIETE GENERALE BANK TRUST LUXEMBOURG
Administrative agent:	SOCIETE GENERALE BANK TRUST LUXEMBOURG

(1) Benchmark: Thomson Reuters Global Focus Vanilla Hedge Euro

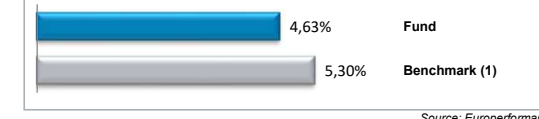
Return since inception



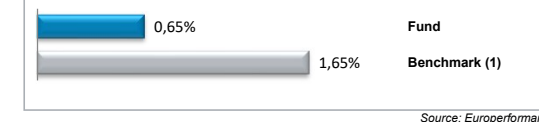
Risk Profile

Level: 1 2 3 4 5 6 7

Monthly return



YTD return



Return & Volatility

	Since Inception		3 Years (cum.)		1 Year		YTD		6 Months	3 Months
	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Return
OFI FUND GLOBAL CONVERTIBLE BOND GI	3,89%	15,47%	-	-	-	-	0,65%	14,89%	1,85%	0,76%
Benchmark ⁽¹⁾	5,18%	14,76%	-	-	-	-	1,65%	17,62%	3,73%	1,58%

Source: Europeperformance

Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Déc.	Year	Benchmark
2019										0,07%*	1,94%	1,19%	3,22%	3,27%
2020	0,23%	-0,34%	-8,79%	5,57%	4,63%								0,65%	1,65%

* Return from 30/10/2019 to 31/10/2019.

Paying Agents : Germany : Paying and Information Agent : OLDENBURGISCHE LANDESBANK AG, Stau 15/17, 26122 Oldenburg. Austria : PAYING AND INFORMATION AGENT : Raiffeisen Bank International AG, Otto Wagner Platz 5 1090 Wien.

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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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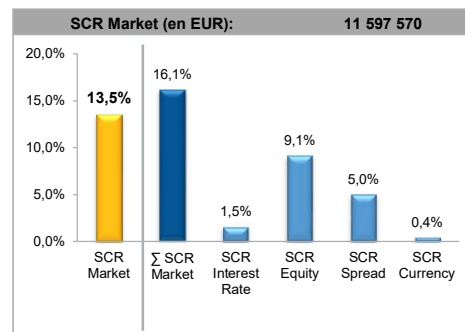


TOP 10 Holdings

Name	Weight
SERVICENOW 0 2022_06	2,60%
DOCUSIGN 0.500 2023_09	2,40%
DASSAULT AVIATION/AIRBUS 0 2021_06	2,31%
WORLDLINE 0 2026_07	2,26%
STMICROELECTRONICS 0.250 2024_07	2,24%
SAREPTA THERAPEUTICS 1.500 2024_11	1,97%
SLACK TECHNOLOGIES 0.500 2025_04	1,85%
BOOKING HOLDINGS 0.900 2021_09	1,82%
RAPID7 2.250 2025_05	1,80%
LUMENTUM HOLDINGS 0.250 2024_03	1,77%
TOTAL	21,00%

Source: OFI AM

Solvency Capital Requirement



*Quarterly data as of 30/04/2020

Source: OFI AM

Asset management strategy

Even with countries beginning to ease lockdown restrictions to varying degrees last month, the economic impact of COVID-19 is considerable. The estimated quarter-on-quarter hit to Q1 GDP came out at 2.2% for Germany, 0.9% for Japan, where quarantine measures were less strict, 4.8% for the US and 5.3% each for Italy and France. US retail sales thus plummeted 16.4% MoM, while industrial production fell 11.2%. After the biggest monthly hike in unemployment ever recorded (up from 4.4% to 17.4% in April, with 21 million claimants), the labour market showed no sign of improving (with 10.2 million new claims). In Europe, the picture was the same for retail sales (down 11.2% MoM) and industrial production (down 11.4%), though economic survey results improved slightly as lockdown measures were gradually eased. In China, the first country to emerge from lockdown, industrial production returned to pre-crisis levels but consumer spending continued to lag behind. In light of high levels of uncertainty over international trade, no growth targets were set at the National People's Congress.

Against this backdrop, equities benefited substantially from hopes of a vaccine or treatment, central bank action and the lifting of national lockdowns, ending the month in positive territory everywhere except China, with the MSCI World up 4.6%, the S&P 500 up 4.5%, the Nasdaq Biotech up 8.4% and the Nasdaq Techno up 7.4%; in Europe, the Euro Stoxx 50 gained 4.7% and the Stoxx 600 put on 3.4%; and in Asia, the Nikkei climbed 8.3%, the Hang Seng fell 6.8%, the Shanghai Composite lost 0.3% and the Kospi was up 4.2%. In credit, the 5-year Crossover in Europe and the 5-year CDX HY in the US both narrowed, down 62 bps to 428 bps and down 67 bps to 566 bps respectively, while German and US 10-year yields tightened slightly, down 14 bps to -0.45% and down 1 bp to 0.65% respectively. In currencies, the euro rose against sterling (up 3.4%), the US dollar (up 1.3%) and the Swiss franc (up 0.9%) on the back of renewed US/China tensions, with the dollar also strengthening against the Japanese yen (up 0.61%), the Chinese yuan (up 1.1%) and the Korean won (up 1.4%). In this environment, convertible bonds gained ground, up 7.4% in the US, 1.6% in Europe, 2.4% in Asia ex Japan and 1.0% in Japan (all measured in euros). All in all, the Thomson Reuters Global Focus Convertibles index in euros gained 5.30% in the month, while OFI Fund Global Convertible Bond gained 4.62% over the same period.

The global primary market surged in the month, with issues totalling \$19.5 billion, beating the May 2001 and December 2007 records. This was mainly thanks to the US region, which on its own racked up \$16.8 billion spread across 36 deals, including DexCom 0.25% 2025 (\$1.2bn; US; healthcare), Teladoc Health 1.25% 2027 (\$1.0bn; US; healthcare), CloudFlare 0.75% 2025 (\$575m; US; technology), Air Canada 4% 2025 (\$748m; Canada; travel and leisure) and Under Armour 1.5% 2024 (\$500m; US; consumer goods). Meanwhile, the European primary market remained open for business, with \$1.5 billion issued, including HelloFresh 0.75% 2025 (€175m; Germany; retail) but also issues from existing issuers like Safran 0.875% 2027 (€800; France; industrial goods and services) and Neoen 2% 2025 (€170m; France; utilities), which issued Europe's first green convertible bond. Lastly, the Asia ex Japan region saw total issues of \$1.2 billion including Weimob 1.5% 2025 (\$150m; China; technology), Zhongsheng 0% 2025 (HKD 4.6bn; China; automotive) and Yageo 0% 2025 (\$180m; Taiwan; industrial goods and services). This brings total issues in the year to date to \$60.8 billion.

As regards performance, the main negative contributors were Lumentum 2024 and 2026 (-21 bps overall; down 7% and 6%) and STM 2024 (-8 bps; down 3.4%), both hit by the impact of renewed US/China tensions on sales of hi-tech products, and Bosideng 2024 (-5 bps; down 6% in line with the retail sector and under the weight of COVID-19 effects). Meanwhile, the top positive contributors were DocuSign 2023 (+54 bps; up 27.5%, buoyed by the widespread adoption of homeworking during lockdown), Top Gloves 2024 (+42 bps; up 56.4% – the leading supplier of surgical gloves saw a surge in orders as fears of a second wave of the epidemic grew, as well as being helped by lower raw materials prices), Sarepta Therapeutics 2024 (+41 bps; up 24%), RH 2023 (+38 bps; up 28.5% on the back of a number of analyst recommendations) and Weimob 2025 (+28 bps; up 20.9%, benefiting directly from the monetisation of WeChat).

In terms of changes, we subscribed for the primary issues DexCom 2022 and Teladoc 2027 in the US and Weimob 2025 and Zhongsheng 2025 in Asia. We sold Toho Holdings 2023, Nipro 2021 and CRCC 2021 to free up some cash and took profits on DexCom 2022 as the company completed its new issue. Lastly, we sold some of our holding of Econocom shares. The geographical breakdown at the month-end was as follows: Europe 30%, US 34%, Asia ex Japan 19% and Japan 9%. The month-end cash position was 8%.

Portfolio equity sensitivity was 40% at end May, the current yield was 0.61% for an average maturity of 3.4 years and the modified duration was 1.86.

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
WEIMOB 1.500 2025_05	Buy	1,57%
DEXCOM 0.250 2025_11	Buy	1,19%
TELADOC HEALTH 1.250 2027_06	Buy	1,15%
ZHONGSHENG GROUP 0 2025_05	Buy	0,54%

Source: OFI AM

Sell / Decrease		
Name	Weight M-1	Weight M
ECONOCOM GROUP	0,27%	0,18%
DEXCOM 0.750 2022_05	0,90%	Sell
CHINA RAILWAY CONSTRU 0 2021_01	1,09%	Sell
TOHO HOLDINGS 0 2023_06	1,10%	Sell
NIPRO 0 2021_01	1,29%	Sell

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
1,01	-0,03	2,36%	0,55	-0,60	71,15%	-14,48%

Source: Europeperformance

(2) Risk free rate: compounded EONIA

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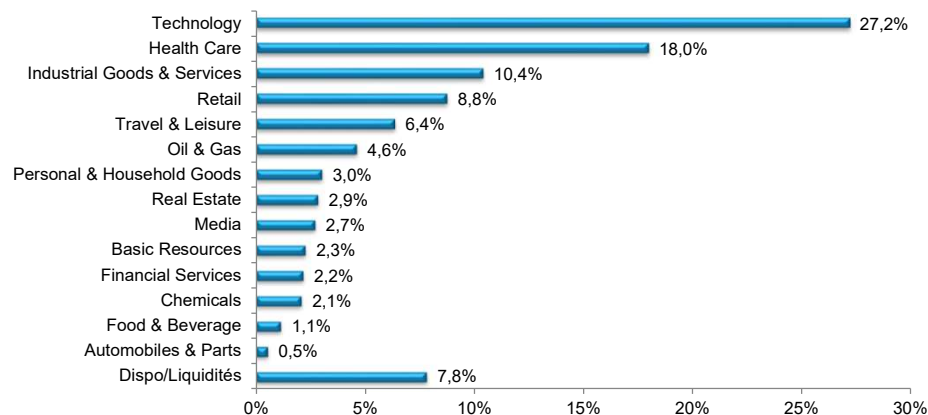
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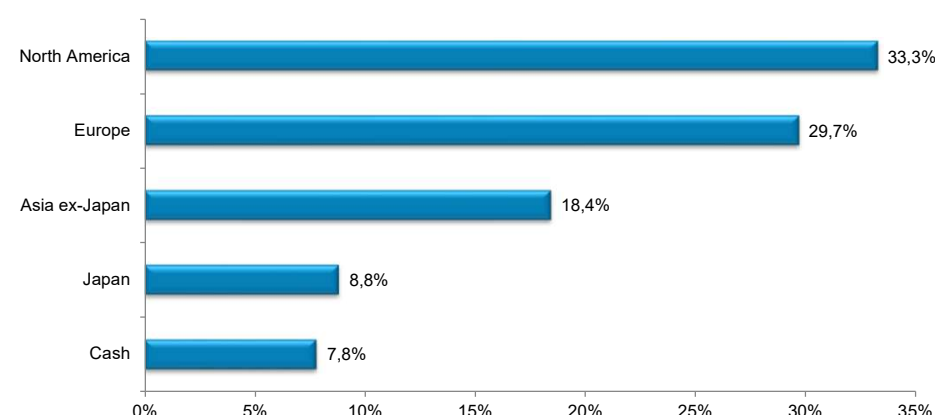


Sector breakdown



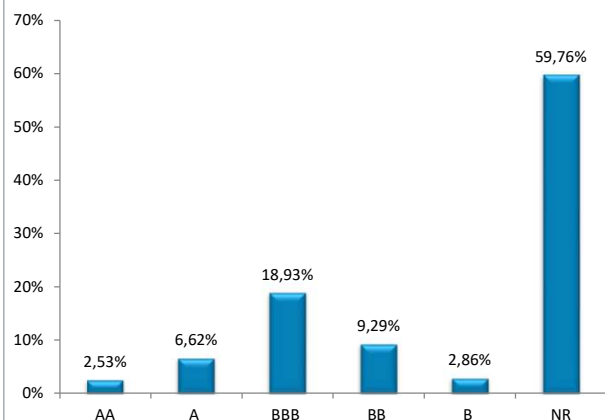
Source: OFI AM

Geographical breakdown



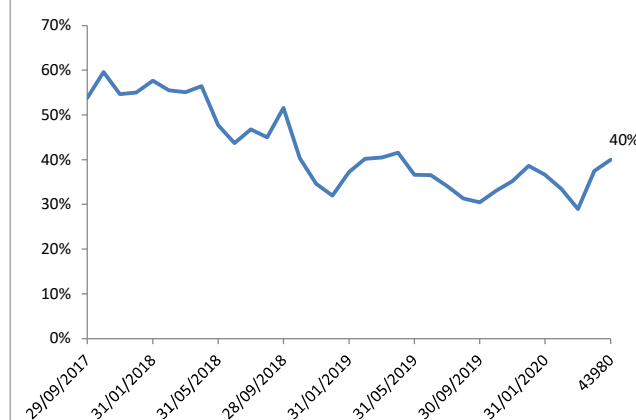
Source: OFI AM

Rating breakdown (invested part)



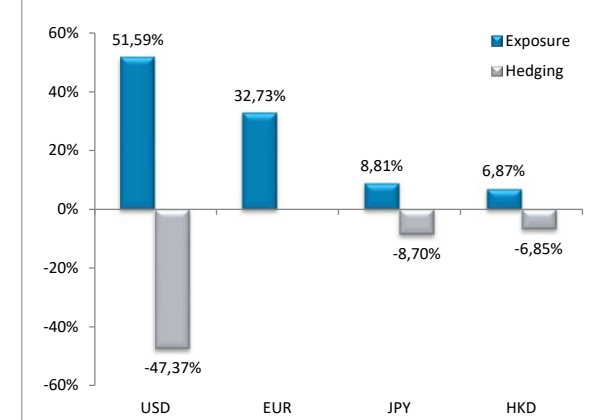
Source: OFI AM

Delta evolution (monthly)



Source: OFI AM

Currency breakdown



Source: OFI AM

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