

OFI FUND GLOBAL CONVERTIBLE BOND I EUR



Monthly Factsheet - Convertible Bonds - October 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 30/10/2020

NAV of the class C (EUR):	70,41
Net Assets of the class C (EUR M):	68,00
Total Net Assets (EUR M):	95,52
Delta:	43%
Modified duration:	1,43
Current yield:	1,51%
Number of holdings:	79

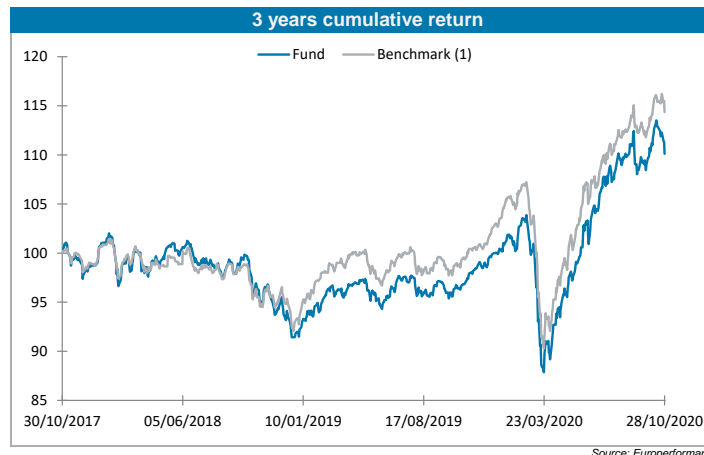
Characteristics

ISIN Code:	LU0336374540
Ticker:	OFICONI LX Equity
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:	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

⁽¹⁾ 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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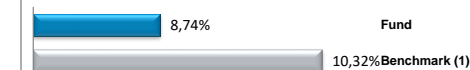
Risk Profile

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	Return
OFI FUND GLOBAL CONVERTIBLE BOND I EUR	18,36%	8,42%	8,31%	9,64%	12,17%	13,54%	8,74%	12,94%	13,05%	0,18%
Benchmark ⁽¹⁾	19,26%	7,61%	13,17%	8,79%	14,16%	12,45%	10,32%	13,65%	14,28%	2,13%

Source: Europeperformance

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%	-8,80%	5,60%	4,62%	4,01%	3,70%	2,23%	-0,88%	-1,14%			8,74%	10,32%

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 • Tel.: + 33 (0)1 40 68 17 17 • Fax: + 33 (0)1 40 68 17 18 • www.ofi-am.fr

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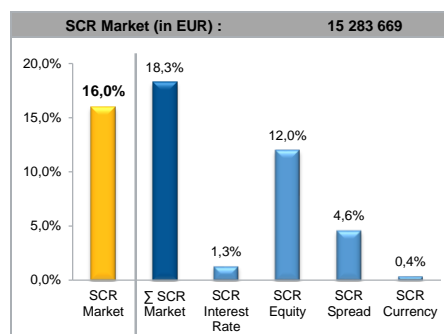


TOP 10 Holdings

Name	Weight
DOCUSIGN 0.500 2023_09	3,07%
SERVICENOW 0 2022_06	2,97%
STMICROELECTRONICS 0.250 2024_07	2,22%
DASSAULT AVIATION/AIRBUS 0 2021_06	2,20%
WORLDLINE 0 2026_07	2,16%
RH 0 2023_06	2,13%
ETSY 0.125 2026_10	2,12%
RAPID7 2.250 2025_05	1,95%
NUANCE COMMUNICATIONS 1.250 2025_04	1,87%
LUMENTUM HOLDINGS 0.250 2024_03	1,76%
TOTAL	22,45%

Source: OFI AM

Solvency Capital Requirement



*Quarterly data as of 31/08/2020

Source: OFI AM

Asset management strategy

Although the first reads of Q3 2020 GDP growth looked positive, economic activity nevertheless remained below pre-crisis levels. US GDP growth came in at 33.1% annualised, but the continuing spread of the virus is likely to harm the economy. As regards consumption, retail sales remained buoyant in September, while the housing market showed a marked improvement. Unemployment fell 0.5 percentage points to 7.9% and business sentiment remained strong. In Europe, quarter-on-quarter GDP growth came in at 12.7%, with Germany posting growth of 8.2%, France 18.2%, Italy 16.1% and Spain 16.7%. However, the improvement in industrial production slowed in August and economic survey results all deteriorated in October. In China, the draft fourteenth five-year plan, presented at the fifth plenary session of the National Congress of the Chinese Communist Party, focused on sustainable economic growth, ongoing market reforms, ecological development and improving the population's well-being. Lastly, in politics, Brexit talks resumed but continued to be beset by obstacles... while the race to the US presidency added further market uncertainty on top of existing fears related to the pandemic and fresh lockdowns.

Against this backdrop, European equity markets fell sharply, with the MSCI World down 3.1%, the S&P 500 2.8%, the Dow Jones 4.6% and the Nasdaq Biotech 3.7%; in Europe, the Euro Stoxx 50 fell 7.3%, the DAX lost 9.4% and the CAC 40 shed 4.4%; and in Asia, the Nikkei slid 0.9% and the Kospi dropped 2.6%, while the Hang Seng gained 2.8% and the Shanghai Composite put on 0.2%. In credit, the 5-year Crossover in Europe and the 5-year CDX HY in the US widened 23 bps to 369 bps and 17 bps to 422 bps respectively, while German 10-year yields fell a further 11 bps to -0.63% and their US counterparts fell 19 bps to 0.87%. In currencies, the euro weakened across the board, losing 1.1% against the Swiss franc, 0.8% against sterling and 0.6% against the US dollar, with the dollar also falling 0.8% against the yen and 1.4% against the Chinese yuan. In this environment, convertible bonds proved fairly resilient, down 0.04% in the US and 0.4% in Europe and up 0.7% in Asia ex Japan and 0.2% in Japan (all measured in euros). All in all, the Thomson Reuters Global Focus Convertibles Index in euros gained 0.33% in the month (thanks to certain very specific securities), while OFI Global Convertible Bond Fund lost 1.14%.

The primary market slowed in October, with issues totalling \$4.6 billion, mainly in the US and Europe. US issues totalled \$2.1 billion and included Workhorse 4% 2024 (\$200m; US; industrial goods and services), Redfin 0% 2025 (\$575m; US; real estate) and Arch Resources 5.25% 2025 (\$135m; US; commodities). In Europe, issues moved back into line with the monthly average at \$2 billion, including GEA/Oliver Capital 0% 2023 (€450m; Germany; industrial goods and services), Morphosys 0.625% 2025 (€325m; Germany; healthcare), AMS 2.125% 2027 (€760m; Austria; technology) and a €200 million tap issue from Safran. Asian issues totalled a mere \$500 million, made up of Kakao 0% 2023 (\$300m; South Korea; technology) and Zhou Hei Ya International 1% 2025 (HKD 1.550bn; China; food). This brings total issues in the year to date to \$110.3 billion.

As regards performance, most of the negative contributors were in the US, including in particular securities highly sensitive to retail and tech, such as RH 2023 (-24 bps; down 10.6%), DocuSign 2023 (-20 bps; down 6.2%), Etsy 2026 (-13 bps, down 5.9%), Citrix shares (-12 bps; down 17.7%) and DexCom 2025 (-10 bps; down 8.8%); however, there were also some losers in Europe, such as Ocado 2027 (-21 bps; down 11.7% after a competitor and partner filed a complaint accusing the company of using its patented software to process orders in its warehouses) and Qiagen 2024 (-10 bps; down 5.6% after the company posted mixed results, though it did also announce the launch of a new COVID-19 diagnostic kit). Meanwhile, the top positive contributors were Lumentum 2024 (+11 bps; up 7.1%), EDF 2024 (+11 bps; up 8.1% on news that the group thinks reform of France's nuclear power sector is on the right track, with its renewable energy subsidiary acquiring 29% of French start-up Ecosun), Zhongsheng 2025 (+11 bps; up 8%, helped by very strong Chinese car sales), WuXi Aptec 2024 (+11 bps; up 8.2% after the company reported a very strong Q3 and forecast a better than previously expected Q4 and FY 2021) and Tullow Oil 2021 (+7 bps; up 21.3% after Total secured approval to buy its Ugandan assets).

In terms of changes, we increased our position in Delivery Hero 2028 in Europe and, following Worldline's acquisition of Ingenico, tendered our Ingenico 2022 convertibles, in exchange for which we received Worldline shares and a balancing payment in cash. In Asia, we added a new position in Kakao 2023 following the latter's primary issue and in anticipation of IPOs for two of its businesses, Kakao Bank and Kakao Pay. The geographical breakdown at the month-end was as follows: Europe 31%, US 35%, Asia ex Japan 18% and Japan 7%. The month-end cash position was 9%.

Portfolio equity sensitivity was 43% at end October, the current yield was 0.39% for an average maturity of 3.2 years and the modified duration was 1.43.

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	
ETSY 0.125 2026_10	Buy	2,11%	
KAKAO CORP 0 2023_04	Buy	1,29%	
DELIVERY HERO AG 1.500 2028_01	Buy	1,06%	
WORLDLINE	Buy	0,15%	

Source: OFI AM

Sell / Decrease			
Name	Weight M-1	Weight M	
INGENICO 0 2022_06	0,75%	Sell	
ETSY 0.125 2026_10	2,09%	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
1,05	-0,04	3,27%	0,88	-0,54	67,31%	-14,48%

Source: Europereformance

(2) Risk free rate: compounded EONIA

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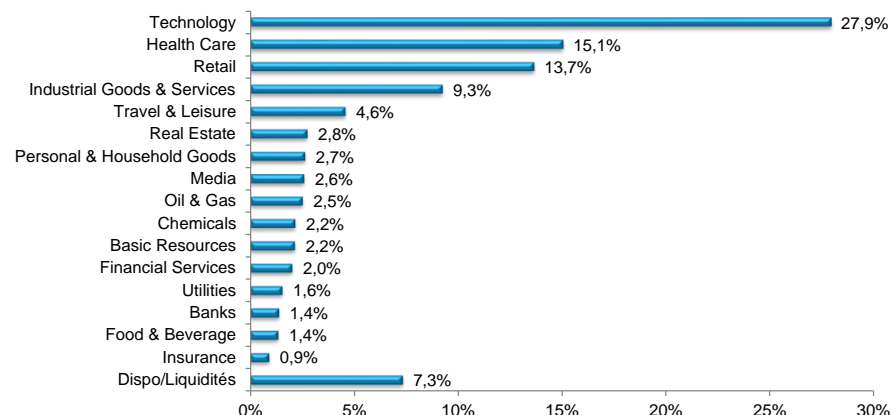
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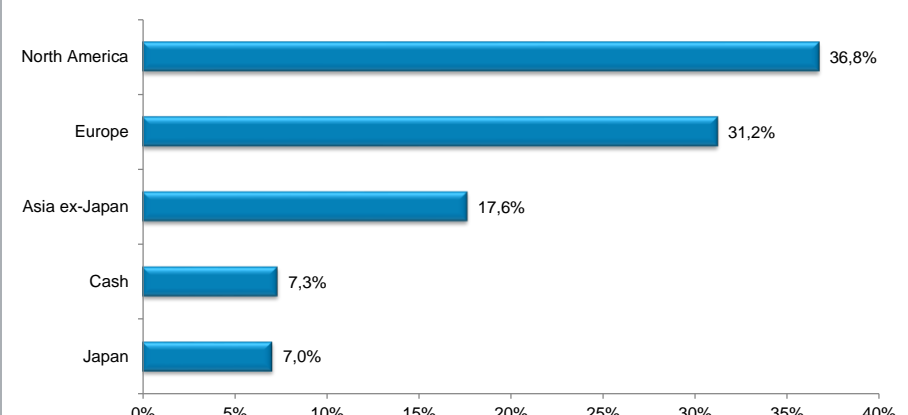


Sector breakdown



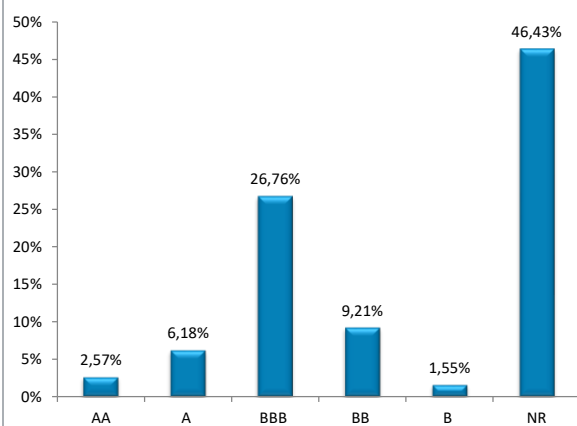
Source: OFI AM

Geographical breakdown



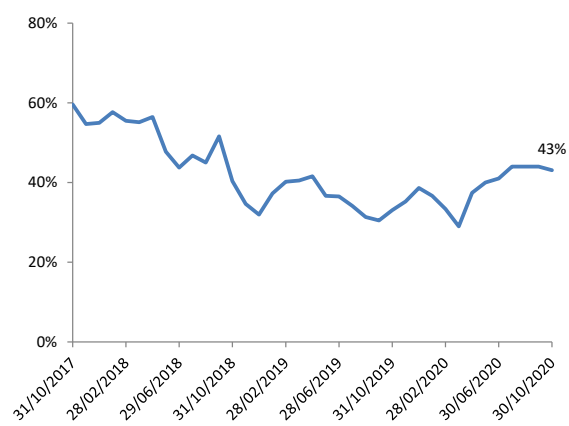
Source: OFI AM

Rating breakdown (invested part)



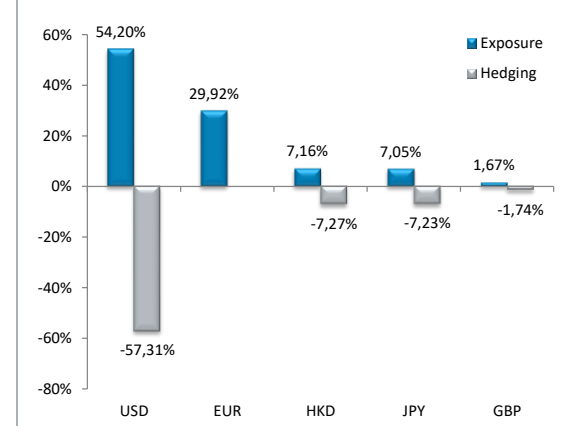
Source: OFI AM

Delta evolution (monthly)



Source: OFI AM

Currency breakdown



Source: OFI AM

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