OFI EURO HIGH YIELD GR

Monthly Factsheet - Fixed Income - december 2019

Investment policy :

OFI Euro High Yield GR is mainly invested in euro-denominated high yield bonds issued by companies based in countries members of the OECD.The investment team may also use CDS or CDS indices. Exposure to other euro-denominated corporate bonds is capped at 20%.

Registred in: DEU AUT

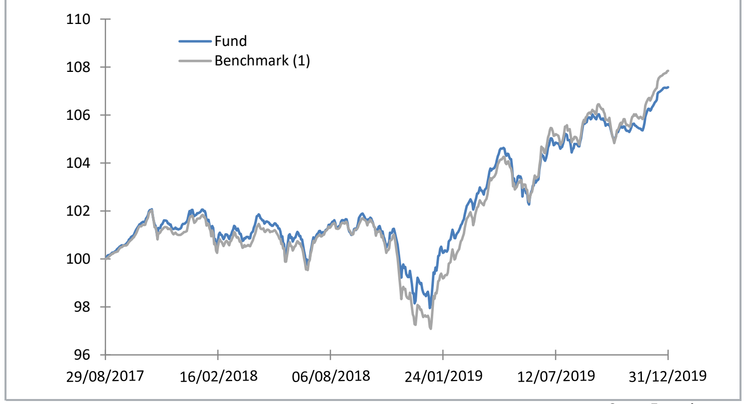
Key figures as of 31/12/2019

Net Asset Value (EUR):	107,16
Net Assets of the unit (EUR):	107,16
Total Net Assets (EUR M):	145,72
Number of users	88
Investment rate:	80,71%

Characteristics

ISIN Code:	FR0013274974
Ticker:	OFICEGR FP Equity
AMF Classification:	Bonds and other debt securities in EUR
Europerformance Classification:	High Yield bonds
Benchmark[1]:	BofA Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield (EUR)
Main risks:	Capital and performance Market : equity, fixed income and credit Currency
Management company:	OFI Asset Management
Fund manager(s):	Maud BERT - Marc BLANC
Legal form:	French FCP (Mutual Fund, UCITS V)
Distribution policy:	Capitalisation
Currency:	EUR
Inception Date:	29/08/2017
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:	None
Redemption fees:	None
Outperformance fees:	None
Ongoing charge:	0,61%
Custodian:	SOCIETE GENERALE PARIS
Administrator:	SOCIETE GENERALE SECURITIES SERVICES

Return since inception

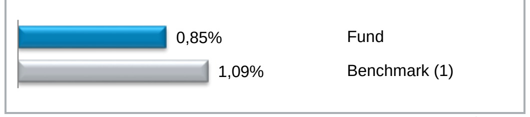


Source: Europerformance

Risk Profile (SRRI)

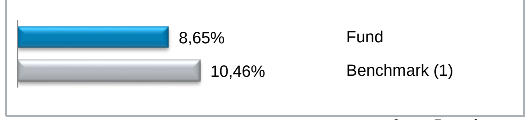
Level: 1 2 **3** 4 5 6 7

Monthly return



Source: Europerformance

YTD return



Source: Europerformance

Return & Volatility

	Since inception		5 years *(cum.)*		3 years *(cum.)*		1 year *(cum.)*		YTD		6 months	3 months
	Return	*Volat.*	Return	*Volat.*	Return	*Volat.*	Return	*Volat.*	Return	*Volat.*	Return	Return
OFI EURO HIGH YIELD GR	7,16%	*2,95%*	-	-	-	-	8,65%	*3,35%*	8,65%	*3,35%*	2,67%	1,50%
Benchmark [1]	7,84%	*3,20%*	-	-	-	-	10,46%	*3,28%*	10,46%	*3,38%*	2,90%	1,98%

Source: Europerformance

Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	*Benchmark*
2017								0,13%*	0,55%	1,13%	-0,33%	0,07%	1,55%	*1,16%*
2018	0,08%	-0,60%	-0,10%	0,63%	-1,11%	-0,45%	1,29%	-0,02%	0,28%	-0,79%	-1,48%	-0,61%	-2,88%	*-3,49%*
2019	2,13%	1,52%	0,89%	1,16%	-1,93%	1,96%	0,56%	0,91%	-0,30%	-0,20%	0,84%	0,85%	8,65%	*10,46%*

** Return from 28/08/2017 to 31/08/2017*

Source: Europerformance

Paying and Information Agent : OLDENBURGISCHE LANDESBANK AG, Stau 15/17, 26122 Oldenburg

Paying and Information Agent : Raiffeisen Bank International AG, Otto Wagner Platz 5 1090 WIen

(1) Benchmark: Bank of America Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield

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Top 10 holdings *(Cash and UCITS excluded)*

Name	Weight	Country	Coupon	Maturity	Composite [1]
TEVA PHARMACEUTICAL 6.000 2025_01	2,34%	Israel	6,000%	31/01/2025	BB
MATTERHORN TELECOM 3.125 2026_09	1,80%	Luxembourg	3,125%	15/09/2026	B
LEONARDO 4.500 2021_01	1,72%	Italy	4,500%	19/01/2021	BBB-
ALTICE LUX 8.000 2027_05	1,71%	Luxembourg	8,000%	15/05/2027	CCC+
TELECOM ITALIA 4.000 2024_04	1,64%	Italy	4,000%	11/04/2024	BB+
IQVIA INC 2.875 2025_09	1,50%	United States	2,875%	15/09/2025	BB-
ALTICE FRANCE 3.375 2028_01	1,43%	France	3,375%	15/01/2028	B
BALL 3.500 2020_12	1,42%	United States	3,500%	15/12/2020	BB+
BALL 0.875 2024_03	1,39%	United States	0,875%	15/03/2024	BB+
TELEFONICA EUROPE 3.000 PERP	1,37%	Spain	3,000%	12/07/2051	BB+
TOTAL	**16,31%**				

Source: OFI AM

Statistical indicators *(compared to the benchmark on a 1 year rolling basis)*

Tracking Error	Sharpe Ratio [2]	Frequency of profit	Worst draw down
0,88%	2,97	68,63%	-2,14%

Source: Europerformance

Maturity, Spread and Modified duration

Average maturity	Average spread	Average rating	YTM	YTW	Modified duration	Credit sensitivity
9,89 year(s)	226,26	BB-	3,07%	2,20%	2,72	2,54

Source: OFI AM

Main movements of the month

Buy / Increase

Name	Weight M-1	Weight M
JAGUAR LAND ROVER 6.875 2026_11	Buy	0,73%
SELECTA GROUP BV 5.875 2024_02	Buy	0,72%
BERRY GLOBAL 1.500 2027_01	Buy	0,69%
CASINO 3.580 2025_02	Buy	0,55%
TEVA PHARMACEUTICAL 6.000 2025_01	1,81%	2,34%

Source: OFI AM

Sell / Decrease

Name	Weight M-1	Weight M
LOXAM 5.750 2027_07	0,94%	Sell
SELECTA GROUP BV 5.875 2024_02	0,72%	Sell
TESCO TREASURY 2.125 2020_11	0,70%	Sell
ARD FIN 5.000 2027_06	0,69%	Sell
JAGUAR LAND ROVER 4.500 2026_01	0,40%	Sell

Source: OFI AM

Asset management strategy

The fund gained 0,85% in December, underperforming its benchmark, up 1,09%. The portfolio's investment ratio came out at 80,71% for a beta of 88%, a yield to worst of 2,2% and a modified duration of 2,72. In keeping with November, the fund was adversely affected by its defensive positioning, with the portfolio's investment ratio and beta once again fluctuating between 80% and 90%. However, selection effects were positive in the month, with Rallye in particular gaining 6 bps following the announcement of a restructuring plan to be put to the courts. The fund also benefited from its exposure to a number of B-rated telecoms issuers (Matterhorn, Ziggo, Eircom and Altice). Conversely, the fund was adversely affected by its lack of exposure to two companies that struggled in 2019 and were recapitalised: Spanish construction group Aldesa (down 4 bps) announced that China Railway had gained control of the group and was injecting €250 million of fresh capital; and Swiss steelmaker Schmolz + Bickenbach announced a successful CHF 325 million equity offering. The fund was not exposed to the top three names that lost ground in December: construction firm Astaldi, gaming company Intralot and shipping company Naviera, all of which were adversely affected by excessive debt and a weak sales outlook.

The riskiest names in the investment universe regained their appeal in December, with B-rated debt up 1,4% and CCC-rated debt up 2,4%, while BB-rated debt gained 0,9%. B-rated debt outperformed BB-rated debt by 1,8% between 8 October and the year-end, clawing back much of its year-to-date underperformance. In this environment, cyclical names saw their fortunes improve, with automotive issuers ending the month up 1,3% and basic industries up 1,6%. Conversely, energy and technology posted weaker performance (up 0.7% each). The month's top-performing sector was real estate (up 1,7%), buoyed by Ado Properties' acquisition of a stake in Consus. From a geographical perspective, core Europe posted a very strong performance, with Germany (up 1,9%) buoyed by cyclical names and real estate and France (up 1,3%) by B-rated debt.

The primary market gradually slowed in December (with c. €3,3 billion issued in the month). In the first part of the month, four new issuers refinanced their bank borrowing: Berry (€1,1 billion), the global leader in plastic packaging; Loxam's French competitor Kiloutou (€860 million); Greek infrastructure firm Ellaktor (€600 million); and Italian payment technology company Sisal Pay (€530 million). Lastly, Jaguar took advantage of its bonds' very strong secondary market performance since they were issued at end November to issue a further €200 million. The fund participated in the issues by Berry (given the strength of its credit profile), Kiloutou (which offered an attractive premium relative to Loxam bonds of the same maturity) and Jaguar (given the significant premium relative to the existing curve). On the demand side, euro HY funds saw very strong inflows of $3,5 billion, making December inflows the third-highest in the year after March and July. Total inflows in the year came to $22 billion in Europe and $25 billion in the US.

Strong market performance and growing demand for risk assets in the month were supported by the observed thaw in the US/China trade war, with the two countries reaching a Phase 1 deal that should be signed in mid-January. The Tories' comfortable UK election win was also welcomed by markets, backing up as it does the scenario of an orderly Brexit.

Against this backdrop, the fund's positioning in December changed little relative to end November, with a beta of around 90%. We continued to reinvest in a few B-rated companies following recent strong results (Vallourec, Douglas, Takko and Diversey); set against these purchases, we decided to take profits on auto equipment makers given very strong recent performance (Antolin and Adient).

Maud BERT - Marc BLANC - Fund manager(s)

(1) OFI composite rating (methodology available on demand)

(2) Risk free rate: compounded EONIA

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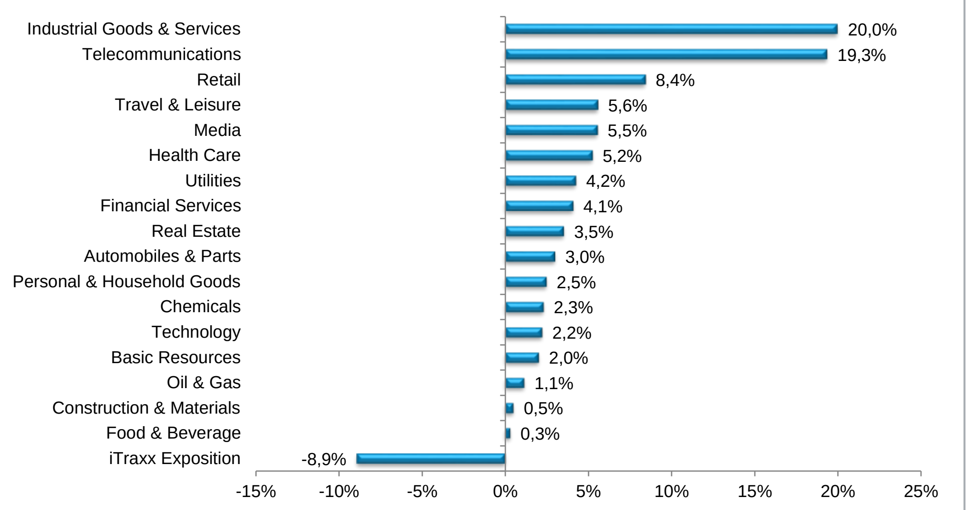
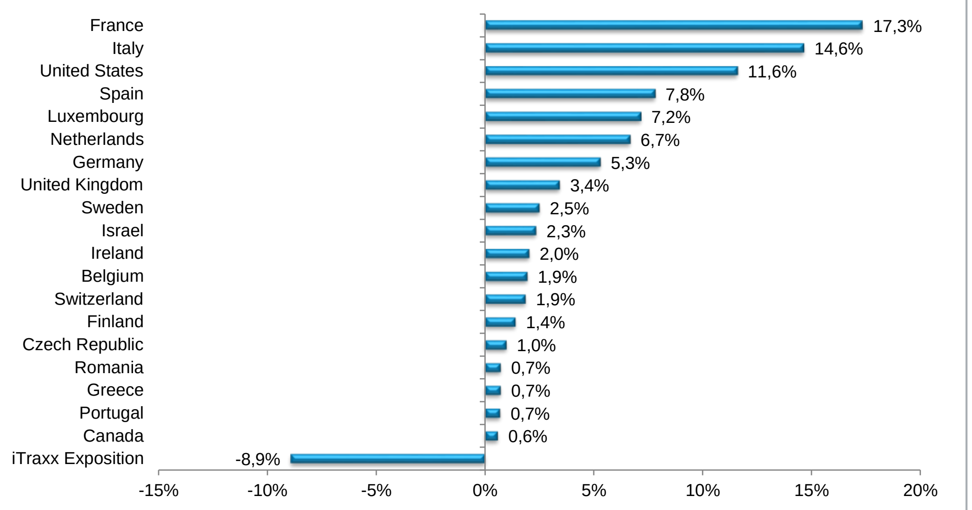
Asset Management

Sector breakdown *(Other funds and cash excluded)*



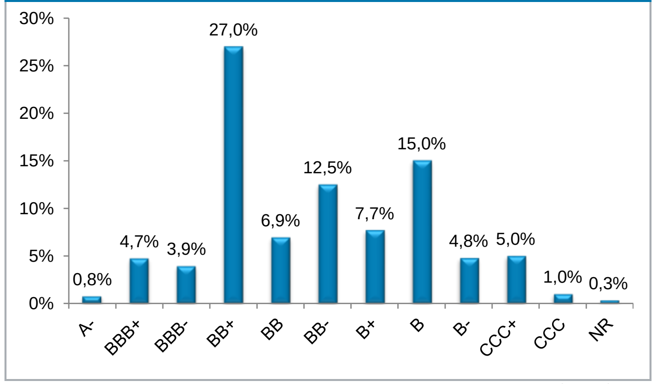
Source: OFI AM (ICB classification - Level 2)

Geographical breakdown *(Other funds and cash excluded)*



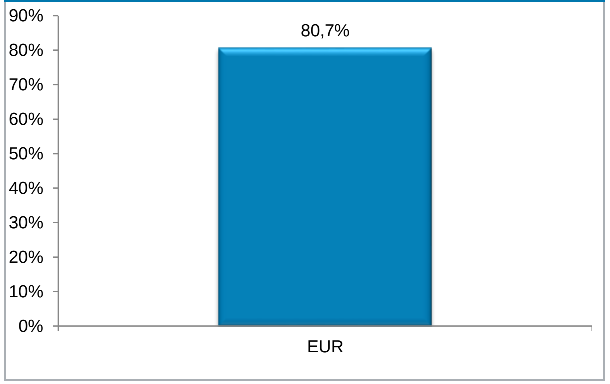
Source: OFI AM

Rating breakdown [(1)] *(Other funds and cash excluded)*



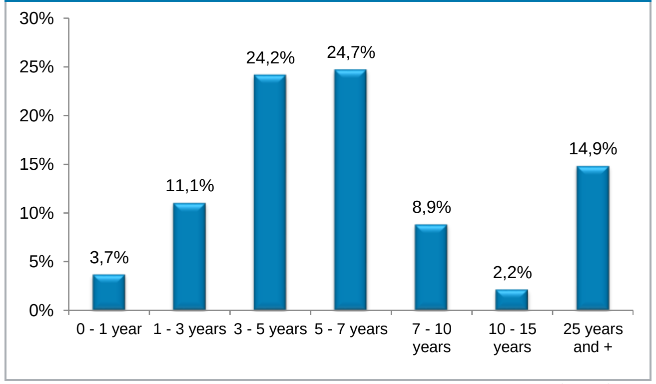
Source: OFI AM

Currency breakdown *(Other funds and cash excluded)*



Source: OFI AM

Maturity breakdown *(Other funds and cash excluded)*



Source: OFI AM

(1) OFI composite rating (methodology available on demand)

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OLB BANK

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