

OFI EURO HIGH YIELD GR

Monthly Factsheet - Fixed Income - march 2019



OFI Euro High Yield 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%.

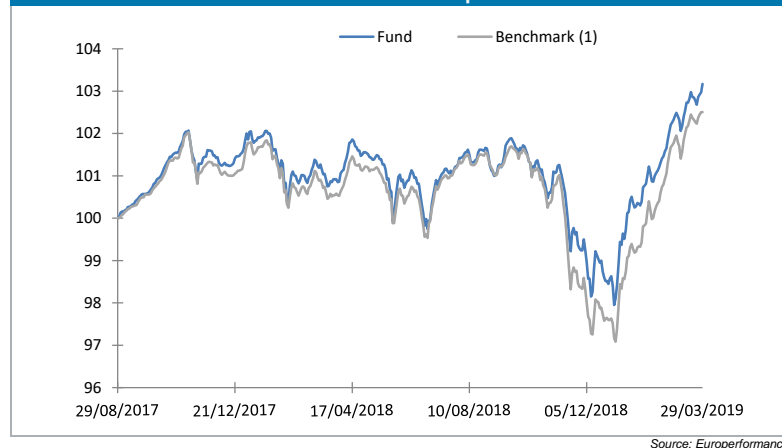
Key figures as of 29/03/2019

Net Asset Value (EUR):	103,17
Net Assets of the unit (EUR):	103,17
Total Net Assets (EUR M):	144,75
Number of users	82
Investment rate:	93,80%

Characteristics

ISIN Code:	FR0013274974
Ticker:	OFICEGR FP Equity
AMF Classification:	Bonds and other debt securities in EUR
European Classification:	High Yield bonds
Benchmark ⁽¹⁾ :	BofA Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield (EUR)
Main risks:	Capital and performance Market risk: credit, fixed income, high yield, volatility, emerging
Management company:	OFI ASSET MANAGEMENT
Fund manager(s):	Maud BERT - Boubakar KABORE
Legal form:	French FCP (Mutual Fund, UCITS IV)
Distribution policy:	Capitalisation
Currency:	EUR
Inception Date:	29/08/2017
Recommended investment horizon:	Over 3 years
Valuation:	Daily
Subscription cut-off:	D - 1 at 12h
Redemption cut-off:	D - 1 at 12h
Settlement:	D+2
Subscription fees:	None
Redemption fees:	None
Outperformance fees:	None
Ongoing charge:	0,57%
Custodian:	SOCIETE GENERALE PARIS
Administrator:	SOCIETE GENERALE SECURITIES SERVICES

Return since inception



Risk Profile (SRRI)

Level:

1 2 3 4 5 6 7

Monthly return

0,89%	Fund
0,95%	Benchmark (1)

Source: Europerformance

YTD return

4,60%	Fund
5,17%	Benchmark (1)

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	3,17%	2,97%	-	-	-	-	2,23%	3,44%	4,60%	3,42%	1,62%	4,60%
Benchmark ⁽¹⁾	2,68%	3,20%	-	-	-	-	2,13%	3,73%	5,17%	3,51%	1,26%	5,17%

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%										4,60%	5,17%

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

Source: Europerformance

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

This is a non-contractual document provided for information only. This document is intended solely for unitholders or shareholders in the Fund. The information contained in this document is of no contractual value. Only the Fund's full prospectus and latest financial statements shall be deemed legally binding. Past performance is no guarantee of future performance and is not constant over time. Stated performance includes all fees with the exception of subscription and redemption fees. Investors in this fund are exposed to risks associated with changes in the value of units or shares in the Fund arising from market fluctuations. As such, the value of an investment may rise or fall, and investors may consequently lose some or all of their initial investment. This document is provided for information purposes only and is not intended to be either legally binding or contractual in nature. The investor acknowledges having received a copy of the prospectus filed with the AMF prior to investing. In spite of the care taken in preparing this document, the management company cannot guarantee that the information it contains is accurate, complete and up to date. The company may not be held liable for any losses incurred by investors who base their investment decisions solely on this document. The information in this document may not be reproduced in full or in part without the prior consent of its author. All requests for further information about the Fund should be directed to OFI Asset Management, 22 rue Vernier, 75017 Paris, France.

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 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



OFI EURO HIGH YIELD GR

Monthly Factsheet - Fixed Income - march 2019



Top 10 holdings (Cash and UCITS excluded)

Name	Weight	Country	Coupon	Maturity	Composite ⁽¹⁾
CMA CGM 7.750 2021_01	2,13%	France	7,750%	15/01/2021	B
LEONARDO 4.500 2021_01	1,50%	Italy	4,500%	19/01/2021	BBB-
ORANO 4.375 2019_11	1,44%	France	4,375%	06/11/2019	BB-
HORIZON PARENT HOLDINGS 8.250 2022_02	1,44%	France	8,250%	15/02/2022	CCC+
TESCO TREASURY 2.125 2020_11	1,43%	United Kingdom	2,125%	12/11/2020	BB+
ALTICE LUX 7.250 2022_05	1,41%	Luxembourg	7,250%	15/05/2022	CCC+
TELEFONICA EUROPE 3.000 PERP	1,23%	Spain	3,000%	12/07/2051	BB+
BOMBARDIER 6.125 2021_05	1,15%	Canada	6,125%	15/05/2021	BB-
CROWN EUROPEAN HLDG 4.000 2022_07	1,14%	France	4,000%	15/07/2022	BB
INTER GAME TECH 4.750 2023_02	1,13%	United Kingdom	4,750%	15/02/2023	BB+
TOTAL	13,99%				

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
0,79%	0,71	52,94%	-3,71%

Source: Europerformance

Maturity, Spread and Modified duration

Average maturity	Average spread	Average rating	YTM	YTW	Modified duration	Credit sensitivity
7,18 year(s)	263,17	BB-	3,62%	3,20%	2,47	2,95

Source: OFI AM

Main movements of the month

Buy / Increase			Sell / Decrease		
Name	Weight M-1	Weight M	Name	Weight M-1	Weight M
ISHARES EURO HY CORP BND	4,81%	8,56%	DIGI COMM 5.000 2023_10	1,10%	Sell
DIGI COMM 5.000 2023_10	Buy	1,10%	HUNTSMAN INTL 4.250 2025_04	0,80%	Sell
FABRIC BC SPA EUR3M+412.5 2024_11	Buy	0,90%	NEXANS 3.250 2021_05	0,75%	Sell
WIND TRE SPA EUR3M+275 2024_01	Buy	0,86%	SMURFIT KAPPA ACQ 3.250 2021_06	0,74%	Sell
EDP 4.496 2079_04	Buy	0,73%	NOKIA 1.000 2021_03	0,71%	Sell

Source: OFI AM

Source: OFI AM

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

(2) Risk free rate: compounded EONIA

This is a non-contractual document provided for information only. This document is intended solely for unitholders or shareholders in the Fund. The information contained in this document is of no contractual value. Only the Fund's full prospectus and latest financial statements shall be deemed legally binding. Past performance is no guarantee of future performance and is not constant over time. Stated performance includes all fees with the exception of subscription and redemption fees. Investors in this fund are exposed to risks associated with changes in the value of units or shares in the Fund arising from market fluctuations. As such, the value of an investment may rise or fall, and investors may consequently lose some or all of their initial investment. This document is provided for information purposes only and is not intended to be either legally binding or contractual in nature. The investor acknowledges having received a copy of the prospectus filed with the AMF prior to investing. In spite of the care taken in preparing this document, the management company cannot guarantee that the information it contains is accurate, complete and up to date. The company may not be held liable for any losses incurred by investors who base their investment decisions solely on this document. The information in this document may not be reproduced in full or in part without the prior consent of its author. All requests for further information about the Fund should be directed to OFI Asset Management, 22 rue Vernier, 75017 Paris, France.

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

Asset management strategy

OFI Euro High Yield gained 0.89% in the month, compared with a 0.95% rise in its benchmark (the HEAE). The fund's gross performance against its benchmark breaks down as follows: the underweight in BB-rated and hybrid debt cost 15 bps of relative performance; the neutral positioning in high-beta names added 7 bps of relative performance; and tactical positions (Crossover, etc.) generated 8 bps. The fund benefited in particular from its exposure to Rallye, which added 8 bps of performance, making up for rallies in various high-beta names not included in the portfolio such as Ohi, Dia, Almavidia and Aldesa. Altice, CMA-CGM, Bombardier and Kronos were major drivers of positive relative performance. The fund's yield to worst came out at 3.2% at end March for an investment ratio of 93.80%, a beta of 0.91 and a modified duration of 2.47.

In March, BB-rated bonds gained 0.89%, while B-rated debt gained 0.87%, CCC-rated debt 1.43% and hybrids 0.99%. The big loser was the Crossover (up 0.05%) as investors put credit hedges back in place in a political and macroeconomic environment offering little visibility. Political developments could not dispel investors' doubts: the Brexit morass, continued US/China talks with no guarantee of a deal, etc. The macroeconomic situation was not entirely reassuring for investors. Backpedalling by the US and European central banks, both of which reverted to a highly accommodative tone, initially fuelled fears over the macroeconomic environment and the possibility of a global slowdown. This conjecture was reflected in a slump in German benchmark 10-year yields, which tipped into negative territory for the first time since 2016. However, there were a few bright spots in Q4 2018 results releases by European high-yield issuers, with high-beta companies like NovaFives, Altice, Almavia and Manutencoop reporting stronger than expected results. Note that mining firm Nystar announced that it would be not be paying coupons due on its 2019 and 2024 bonds, making a restructuring of the debt more or less inevitable.

The primary market remained very subdued, with new issues totalling €4.8 billion, mainly from high-quality (BB-rated) issuers, with the proceeds being used to refinance existing debt. On the demand side, inflows into European funds picked up, totalling \$4.5 billion, bringing total year-to-date inflows to \$5.7 billion, compared with full-year outflows of \$50 billion in 2018.

Meanwhile, in the US, the high-yield market gained 0.96%. By rating, BB-rated debt was up 1.3% and B-rated debt 0.88%, while CCC-rated debt lost 0.03%. CCC-rated bonds were hit by the nosedive in oil exploration and satellite communications names. Net new money was lower than in Europe at \$2.5 billion, bringing year-to-date inflows to \$11 billion, compared with full-year outflows of \$23 billion in 2018.

All in all, the European high-yield segment gained 5.17% in Q1 2019, more than making up for all losses incurred in the final quarter of 2018 (down 3.5%). The spread on the European high-yield market has returned to end October 2018 levels of around 400 bps, still a far cry from the market's tightest level of 241 bps (November 2017).

Maud BERT - Boubakar KABORE - Fund manager(s)



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

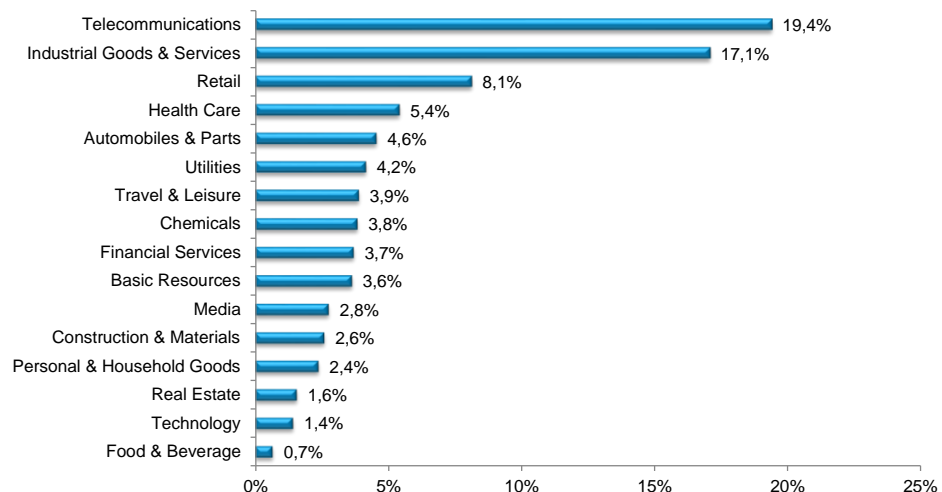


OFI EURO HIGH YIELD GR

Monthly Factsheet - Fixed Income - march 2019

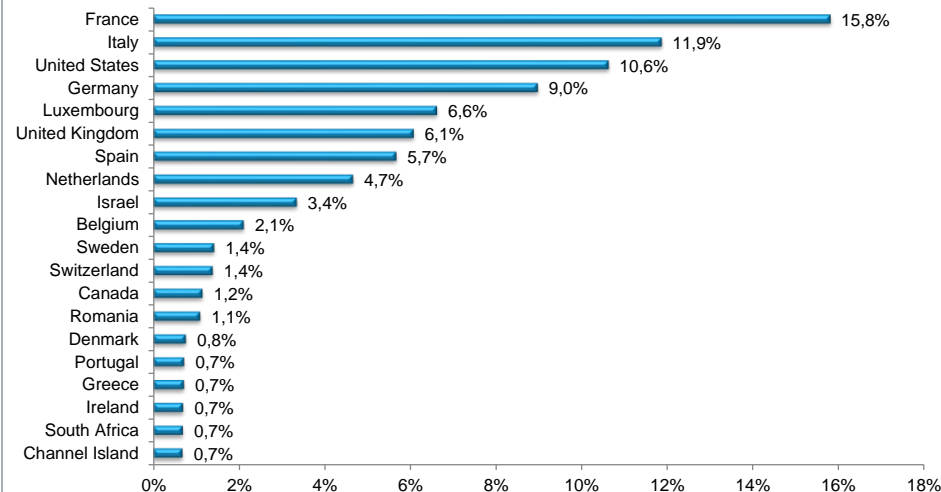


Sector breakdown (Other funds and cash excluded)



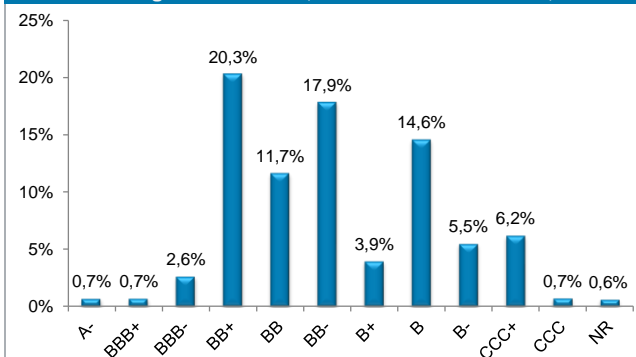
Source: OFI AM (ICB classification - Level 2)

Geographical breakdown (Other funds and cash excluded)



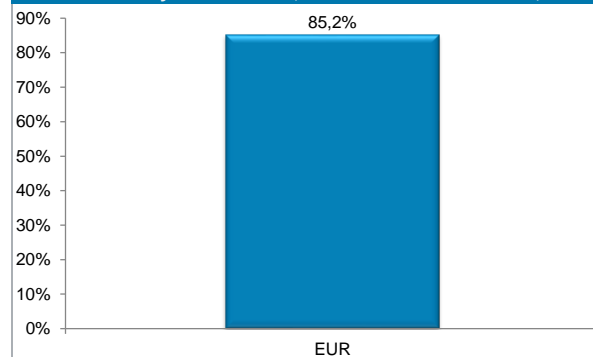
Source: OFI AM

Rating breakdown ⁽¹⁾ (Other funds and cash excluded)



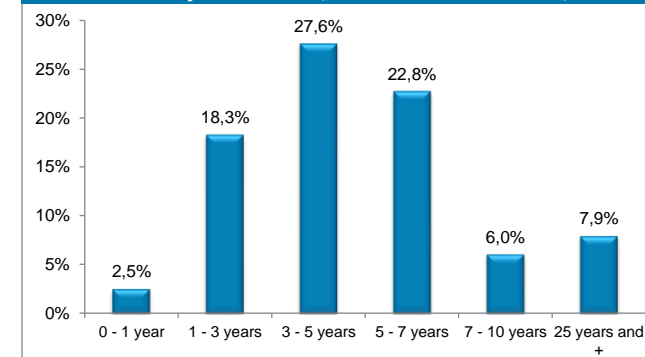
Source: OFI AM

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)

This is a non-contractual document provided for information only. This document is intended solely for unitholders or shareholders in the Fund. The information contained in this document is of no contractual value. Only the Fund's full prospectus and latest financial statements shall be deemed legally binding. Past performance is no guarantee of future performance and is not constant over time. Stated performance includes all fees with the exception of subscription and redemption fees. Investors in this fund are exposed to risks associated with changes in the value of units or shares in the Fund arising from market fluctuations. As such, the value of an investment may rise or fall, and investors may consequently lose some or all of their initial investment. This document is provided for information purposes only and is not intended to be either legally binding or contractual in nature. The investor acknowledges having received a copy of the prospectus filed with the AMF prior to investing. In spite of the care taken in preparing this document, the management company cannot guarantee that the information it contains is accurate, complete and up to date. The company may not be held liable for any losses incurred by investors who base their investment decisions solely on this document. The information in this document may not be reproduced in full or in part without the prior consent of its author. All requests for further information about the Fund should be directed to OFI Asset Management, 22 rue Vernier, 75017 Paris, France.

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 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

