

OFI EURO HIGH YIELD GR

Monthly Factsheet - Fixed Income - april 2019



Investment policy :

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%.

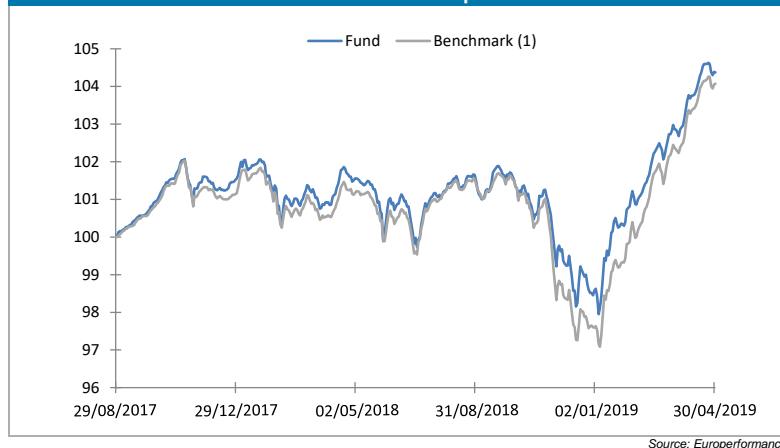
Key figures as of 30/04/2019

Net Asset Value (EUR):	104,37
Net Assets of the unit (EUR):	104,37
Total Net Assets (EUR M):	145,83
Number of users	79
Investment rate:	102,50%

Characteristics

ISIN Code:	FR0013274974
Ticker:	OFICEGR FP Equity
AMF Classification:	Bonds and other debt securities in EUR
Europe performance 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

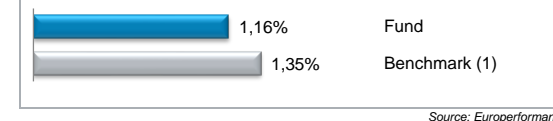


Risk Profile (SRRI)

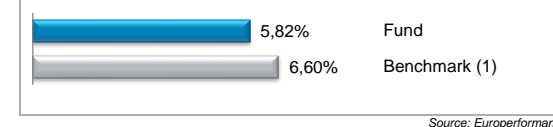
Level:

1 2 3 4 5 6 7

Monthly return



YTD return



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	4,37%	2,97%	-	-	-	-	2,77%	3,48%	5,82%	3,20%	3,61%	3,61%
Benchmark ⁽¹⁾	4,07%	3,23%	-	-	-	-	2,82%	3,83%	6,60%	3,32%	3,61%	4,27%

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%									5,82%	6,60%

Source: Europerformance

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

(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⁾
LEONARDO 4.500 2021_01	1,49%	Italy	4,500%	19/01/2021	BBB-
HORIZON PARENT HOLDINGS 8.250 2022_02	1,43%	France	8,250%	15/02/2022	B-
ORANO 4.375 2019_11	1,43%	France	4,375%	06/11/2019	BB-
ALTICE LUX 7.250 2022_05	1,42%	Luxembourg	7,250%	15/05/2022	CCC+
TESCO TREASURY 2.125 2020_11	1,42%	United Kingdom	2,125%	12/11/2020	BB+
IQVIA INC 2.875 2025_09	1,40%	United States	2,875%	15/09/2025	BB-
DOMETIC GROUP 3.000 2026_05	1,36%	Sweden	3,000%	08/05/2026	BB+
TELEFONICA EUROPE 3.000 PERP	1,23%	Spain	3,000%	12/07/2051	BB+
BOMBARDIER 6.125 2021_05	1,14%	Canada	6,125%	15/05/2021	BB-
CROWN EUROPEAN HLDG 4.000 2022_07	1,14%	France	4,000%	15/07/2022	BB
TOTAL	13,47%				

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
0,78%	0,92	56,86%	-3,71%

Source: Europerformance

Maturity, Spread and Modified duration

Average maturity	Average spread	Average rating	YTM	YTW	Modified duration	Credit sensitivity
8,6 year(s)	241,75	BB	3,64%	3,00%	2,57	3,43

Source: OFI AM

Main movements of the month

Buy / Increase			Sell / Decrease		
Name	Weight M-1	Weight M	Name	Weight M-1	Weight M
DOMETIC GROUP 3.000 2026_05	Buy	1,36%	WORLDPAY FIN 3.750 2022_11	0,77%	Sell
ORANO 3.375 2026_04	Buy	1,04%	DKT FINANCE APS 7.000 2023_06	0,77%	Sell
SUEZ 2.875 PERP	Buy	0,71%	EDP 4.496 2079_04	0,73%	Sell
BERTELSMANN 3.000 2075_04	Buy	0,70%	IQVIA INC 3.500 2024_10	0,72%	Sell
NETFLIX 3.875 2029_11	Buy	0,70%	INTL DESIGN GROUP 6.500 2025_11	0,71%	Sell

Source: OFI AM

Source: OFI AM

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

(2) Risk free rate: compounded EONIA

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Asset management strategy

OFI Euro High Yield gained 1.16% net in the month, compared with a 1.35% rise in its benchmark (the HEAE). The fund's performance was adversely affected by its underexposure to BB-rated debt (down 29 gross in relative terms), while its underexposure to high-beta names added 6 bps of gross relative performance. Tactical positions added 11 bps of performance. At individual issuer level, the fund benefited in particular from its exposure to Paprec (+7 bps), Antolin (+4 bps) and Altice (+3 bps), making up for negative performance from Rallye (-4 bps), the absence of Jaguar (-3 bps) and the fund's underweights in Thyssen and Tesco (-4 bps). The fund took advantage of the primary market and a few opportunities in the secondary market, posting a yield to worst of 3.0% at end April, an investment ratio of 102.5%, a beta of 98% and a modified duration of 2.6.

In March, BB-rated bonds gained 1.2%, while B-rated debt gained 1.62%, CCC-rated debt 1.69% and hybrids 1.42%. The spread on the high-yield market (HEAE) narrowed a further 21 bps, tightening 21 bps on BB-rated debt, 15 bps on B-rated debt and 52 bps on CCC-rated debt. The synthetic index (up 1.3%) performed in line with cash indices. With operators assuming that sovereign yields would remain low for many months, the search for yield translated into a continued preference for high-duration bonds. Bonds with a modified duration of over 5 thus gained 2.38%, vs. 1.17% for other bonds. As regards individual issuers, a few distressed names fuelled market activity: (1) Nyrstar (debt up 23%) restructured its debt after being bought out by shareholder Trafigura; (2) Intralot (down 7%) reported poorer than expected results; (3) Atalian (down 7%) announced that its results would be delayed; (4) Letter One's takeover bid for Dia (down 10%) languished; (5) Adient (up 14%) successfully renegotiated secure financing for its assets; (6) Servion (flat) secured €100 million of senior funding; and (7) Paprec (up 14%) and Antolin (up 15%) both reported stronger than expected results.

The primary market showed signs of recovering, with new issues in April totalling around \$7 billion. The vast majority of issuers used the proceeds from these new issues to call existing bonds (e.g. Fnac, Europcar, Telecom Italia, Ineos and Loxam) or for simple bank refinancing (e.g. Dometic, SGL Carbon and Elis). Note that, in what was considered a more aggressive move, Irish telecoms firm Eircom paid a dividend to its shareholders. On the demand side, funds continued to flow into European funds, with inflows totalling \$2 billion, bringing total year-to-date inflows to \$7.8 billion, compared with full-year outflows of \$50 billion in 2018.

Meanwhile, the US high-yield market gained 1.39%. By rating, BB-rated debt was up 1.08%, B-rated debt 1.51% and CCC-rated debt 2.2%. Net new money totalled \$2.9 billion, bringing year-to-date inflows to \$14.8 billion, compared with full-year outflows of \$23 billion in 2018.

Maud BERT - Boubakar KABORE - Fund manager(s)



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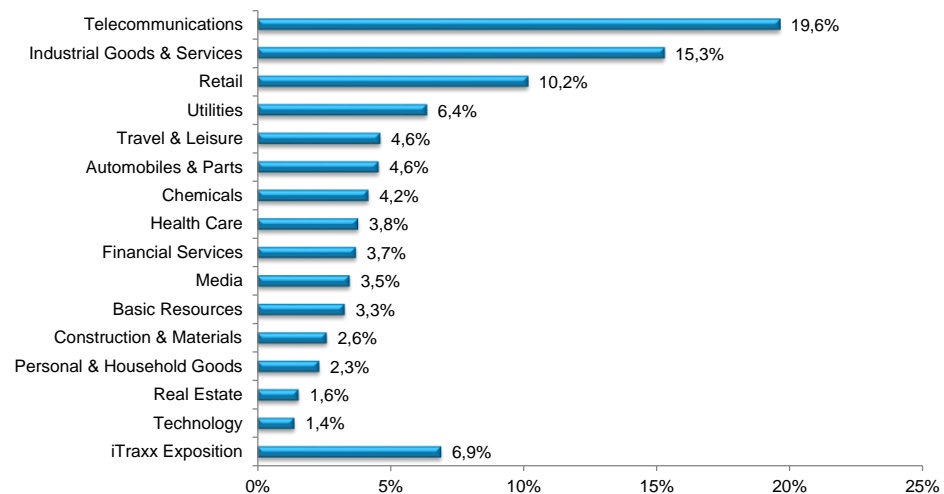


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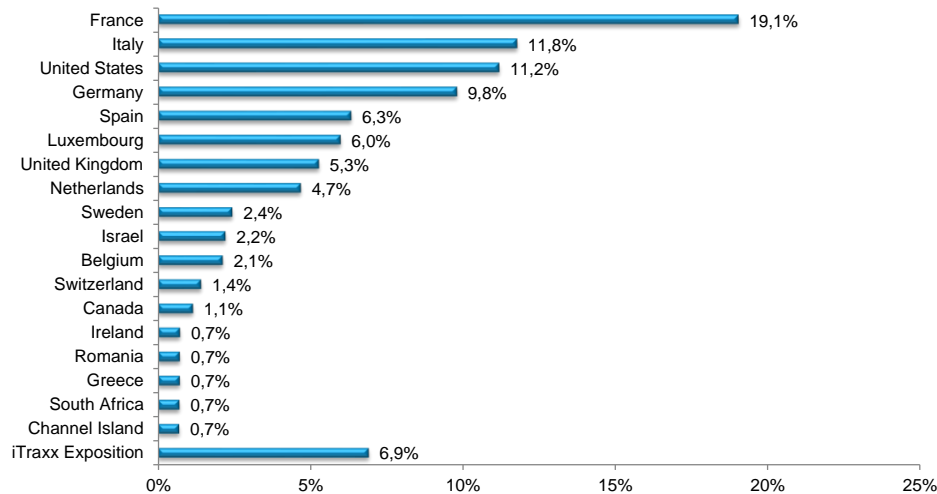


Sector breakdown (Other funds and cash excluded)



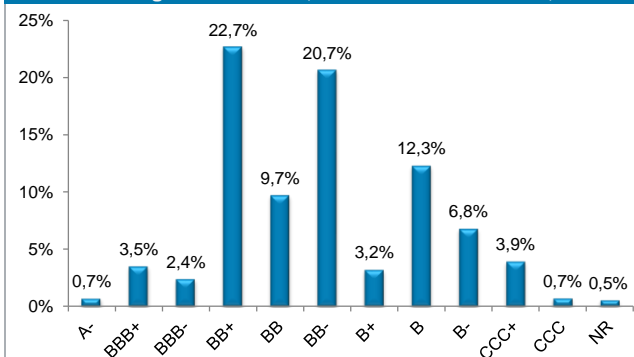
Source: OFI AM (ICB classification - Level 2)

Geographical breakdown (Other funds and cash excluded)



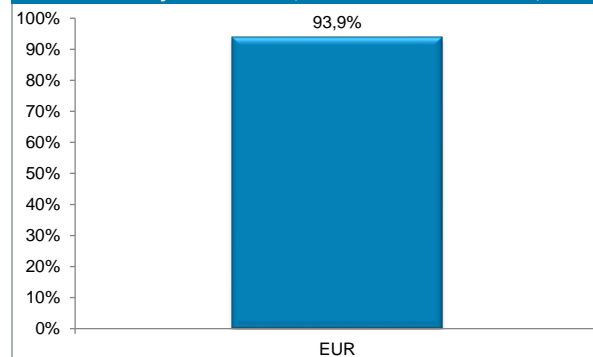
Source: OFI AM

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



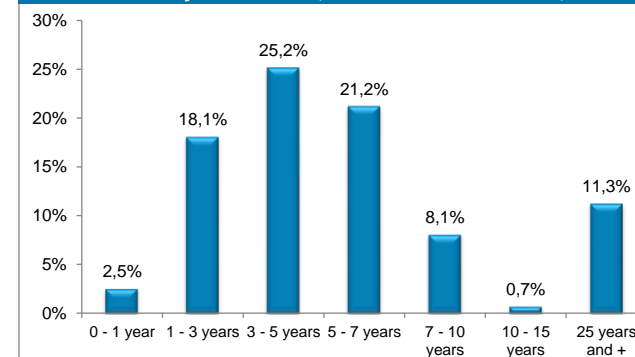
Source: OFI AM

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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