

OFI RS European Convertible Bond

Monthly Factsheet - Convertible Bonds - september 2018



OFI RS EUROPEAN CONVERTIBLE BOND is a European convertible bond fund. It allows investors to benefit from the convexity of convertible bonds and part of the performance of a selection of European stocks. The fund's objective is to participate in the growth of tomorrow's leading companies by investing in their convertible issues to help finance their development.

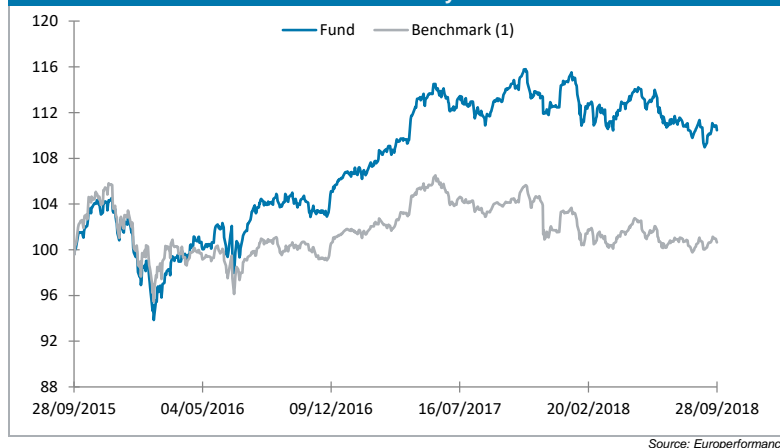
Key figures as of 28/09/2018

NAV of the part C (EUR):	78,75
Net Assets of the part C (EUR M):	110,42
Total Net Assets (EUR M):	206,78
Delta:	44%
Modified duration:	1,89
Current yield:	1,00%
Number of holdings:	77

Characteristics

ISIN Code:	FR000011074
Ticker:	OFIMACC FP Equity
AMF Classification:	Diversified
Europeperformance Classification:	European convertible bonds
Management Company:	OFI Asset Management
Benchmark ⁽¹⁾ :	Thomson Reuters Europe Focus Hedged Convertibles Bond Index
Main Risks:	Capital and performance Market : equity, fixed income and credit Currency
Fund Manager:	Nancy Scribot Blanchet
Legal Form:	SICAV (UCITS IV)
Distribution Policy:	Capitalisation
Currency:	EUR
Inception- investment management change date:	20/10/2003 - 31/12/2017
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 Max/Real:	4%/None
Redemption fees Max/Real:	1%/None
Outperformance fees:	15% above benchmark
Ongoing charge:	1,10%
Custodian:	CACEIS
Administrative agent:	CACEIS Fund Administration

Return over 3 years



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 RS European Convertible Bond	16,63%	6,14%	10,00%	6,18%	-2,73%	6,23%	-1,78%	6,31%	-0,69%	-1,06%
Benchmark ⁽¹⁾	7,49%	6,04%	0,05%	5,59%	-3,14%	5,75%	-0,88%	4,58%	0,25%	0,10%

Source: Europeperformance

Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
2013	1,44%	0,78%	-0,71%	0,39%	2,05%	-1,94%	2,57%	-0,27%	2,23%	2,58%	0,49%	0,91%	10,90%	8,17%
2014	-0,41%	2,96%	-0,35%	0,57%	1,11%	-1,45%	-1,42%	0,00%	-1,51%	-1,58%	1,47%	0,98%	0,26%	4,70%
2015	2,51%	2,48%	0,22%	0,61%	-0,16%	-2,18%	2,36%	-2,55%	-1,47%	3,41%	0,57%	-1,67%	3,98%	1,97%
2016	-3,55%	-1,95%	2,67%	0,91%	1,48%	-1,83%	3,32%	0,43%	0,67%	-0,55%	-0,70%	2,97%	3,69%	-1,34%
2017	-0,25%	1,64%	1,60%	2,07%	1,52%	-1,33%	0,35%	-0,77%	1,71%	1,58%	-1,43%	-1,09%	5,63%	-0,03%
2018	1,81%	-1,65%	-1,22%	1,58%	-0,62%	-0,57%	-0,39%	-0,42%	-0,25%				-1,78%	-0,88%

Source: Europeperformance

(1) Benchmark : Composite Index 50% Euro Stoxx + 50% FTSE 3-5 years then 60% JPM Credit Index BBB 3-5 years + 40% Stoxx Europe 50 since 31/12/2007 then Thomson Reuters Eurozone Focus Convertibles Hedged EUR since 01/04/2016

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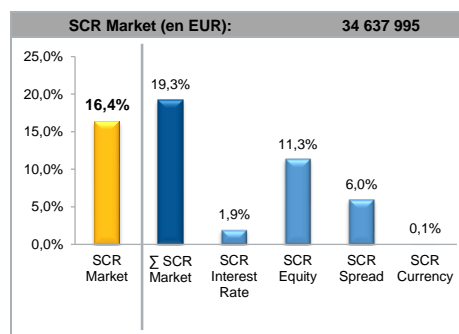


TOP 10 Holdings

Name	Weight
LVMH 0 2021_02	2,66%
SIEMENS 1.650 2019_08	2,59%
VALLOUREC 4.125 2022_10	2,38%
ENCE ENERGIA Y CELULOSA 1.250 2023_03	2,34%
EURAZEO/CA 0 2019_10	2,24%
COVESTRO/BAYER 0.050 2020_06	2,14%
SAFRAN 0 2020_12	2,09%
DASSAULT AVIATION/AIRBUS 0 2021_06	2,08%
MTU AERO ENGINES HLDG 0.125 2023_05	2,07%
SYMRISE 0.238 2024_06	2,01%
TOTAL	22,60%

Source: OFI AM

Solvency Capital Requirement



*Quarterly data as of 29/06/2018

Source: OFI AM

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
SGL CARBON 3.000 2023_09	Buy	1,20%
C RENAULT 72,000 12/20/19 A	Buy	0,24%
C SG 36,000 12/20/19 A	Buy	0,22%
C AXA 22,000 12/20/19 A	Buy	0,21%

Source: OFI AM

Sell / Decrease		
Name	Weight M-1	Weight M

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
0,93	0,001	3,25%	-0,46	0,07	52,94%	-5,89%

Source: Europerformance

(2) Risk free rate: compounded EONIA

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Asset management strategy

In the United States, the Federal Open Market Committee (FOMC) voted to raise interest rates at its September meeting, while the ECB, the Bank of England, and the Bank of Japan opted for the status quo. On the political side, President Donald Trump decided to hike tariffs an additional \$200 billion on Chinese imports, representing half of the goods imported from that country. In the eurozone, Italy's coalition government set a budget deficit target of 2,4% for 2019, well above the range previously submitted. In the United Kingdom, no progress was made at all on the Brexit at the last summit... Finally, in Japan, Prime Minister Shinzo Abe was re-elected for a third consecutive term as head of the Liberal Democratic Party (LDP). This should enable him to remain Japan's PM through 2021.

European equity markets were slightly positive, as global investors seemed to show little interest in Europe: +0,3% for the EuroStoxx50, with an increase of +1,7% for the CAC 40, however the DAX was down -0,95%, and in the US markets also remained in the green up +0,4%. As for fixed-income, the X-Over 5Y rose slightly, similar to the magnitude of last month's move, -26bps to 274bps, while German 10-year rates rose to 0,47% up +14bps. Regarding currencies, the euro strengthened against the CHF up +1,4%, while stabilising against the USD. Against this backdrop, European convertible bonds lost ground, with the Thomson Reuters Europe Focus Hgd (€) down 0,14% and the OFI RS European Convertible Bond lost 0,25%.

The primary market picked up again at the start of the season with new issues totalling €1,6 billion, including Adidas 0,05% 2023 (€500 million - Germany - consumer goods), SGL Carbon 3% 2023 (€159 million - Germany - Industrial Goods and Services), RAG bonds exchangeable for Evonik 0% 2024 (€500 million - Germany - Chemistry) and TAP exchangeable for Korian 2,5% Perp. at €60 million and Glencore 0% 2025 at \$150 million. This brings total issues in the year to date to €9,7 billion.

Regarding performance, the negative contributions came from Genfit 2022 (-19bps or -9,9%) which, despite earnings being in line with expectations, was penalised by the resignation "for personal reasons" of its Chief Medical Officer, STM 2024 (-14bps or -7,1%) which directly suffered under the sector's negative news flow, Apple in particular, Renault 2019 Call (-9bps), and Econocom shares (-6bps or -8,1%). Among the positive performances, the best contributors were Ence Energia y Celulosa 2023 (+14bps or +6,2%) thanks to affirmative recommendations, Safran 2020 (+14bps or +6,9%) after releasing very satisfactory results, Marine Harvest 2020 +10bps or +7,2%, and Tullow Oil 2021 (+8bps or +6,1%).

As for movements in the portfolio, we subscribed to SGL Carbon's 2023 primary issue and strengthened our positions in the Banking, Insurance, and Automobile sectors via the purchase of December 2019 call options, thus increasing the overall sensitivity of the portfolio by 4%. The month-end cash position was 4%.

Portfolio equity sensitivity was 44% at end June, the current yield was 1,00% for an average maturity of 3,3 years and the modified duration was 1,89.

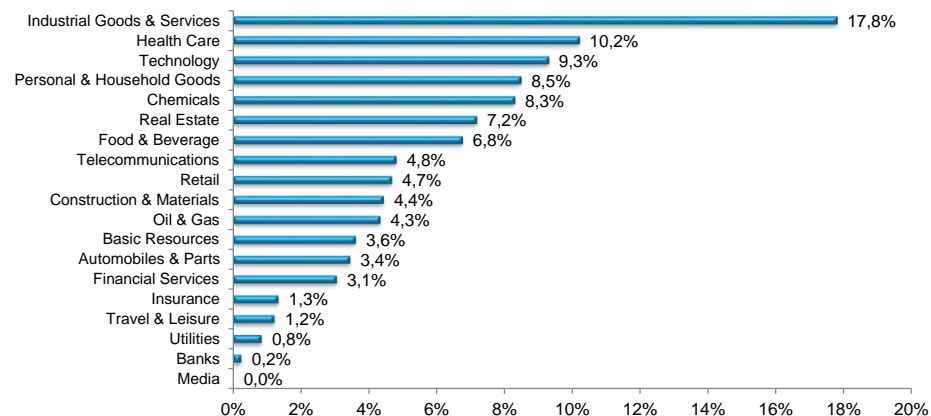
Nancy Scribot Blanchet - Fund Manager(s)

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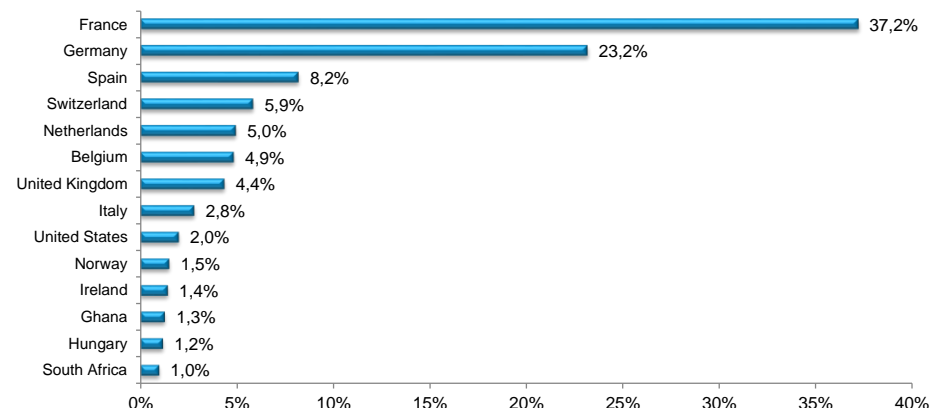


Sector breakdown (invested part)



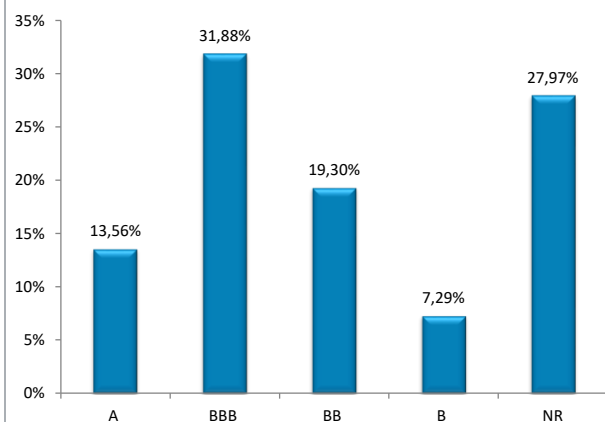
Source: OFI AM

Geographical breakdown (invested part)



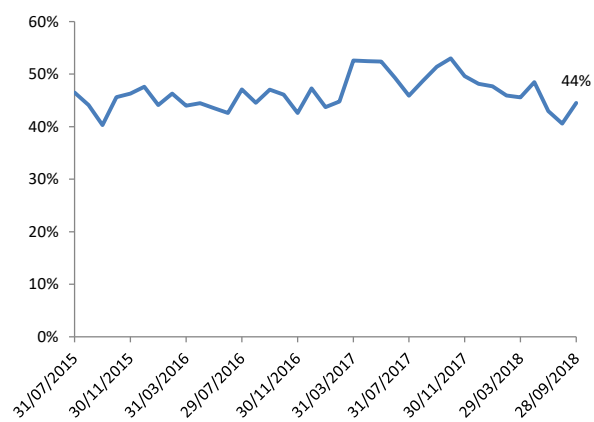
Source: OFI AM

Rating breakdown (invested part)



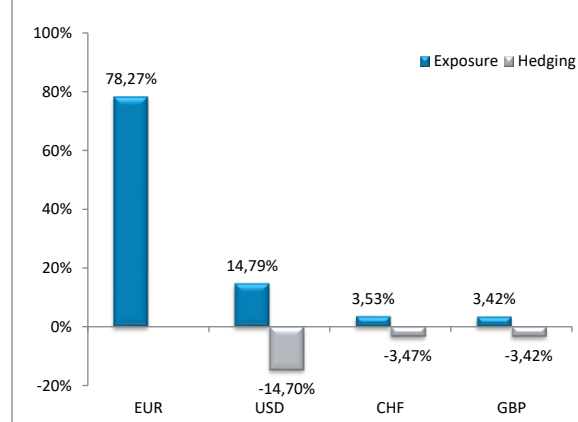
Source: OFI AM

Delta evolution (monthly)



Source: OFI AM

Currency breakdown



Source: OFI AM

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