

OFI Risk Arb Absolu GR

Monthly Factsheet - Absolute Return - june 2018



OFI Risk Arb Absolu is an investment vehicle that benefits from arbitrage opportunities created by inefficiencies in the valuation of companies that are in the process of a public merger offer. This fund also invests in holding company and share class discounts and long/short strategies.

Key Figures as of 29/06/18

Net Asset Value (EUR):	100,52
Net Assets of the unit (EUR M):	8,55
Total Net Asset (EUR M):	306,61
Number of strategies:	45
Gross investment ⁽²⁾ :	51%

Characteristics

ISIN Code:	FR0013275070
Ticker:	-
AMF classification:	Mixed Fund
Europe performance classification:	Absolute Return
Benchmark ⁽¹⁾ :	Compounded EONIA
Main risks:	Uncertainties inherent in M&A deals Cyclicality of M&A portfolio Strategy less favourable in a high interest rate environment No capital guarantee
Management Company:	OFI ASSET MANAGEMENT
Fund manager(s):	Fabienne Cretin - Stéphane Dieudonné
Legal form:	French FCP (Mutual Fund, UCITS IV)
Distribution policy:	Capitalisation
Currency:	EUR
Inception date of the fund:	12/03/2004
Inception date of the unit:	28/08/2017
Recommended investment horizon:	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:	0,58%
Custodian:	SOCIETE GENERALE PARIS
Administrative agent:	SOCIETE GENERALE SECURITIES SERVICES

(1) Compounded EONIA

(2) Sum of long positions.

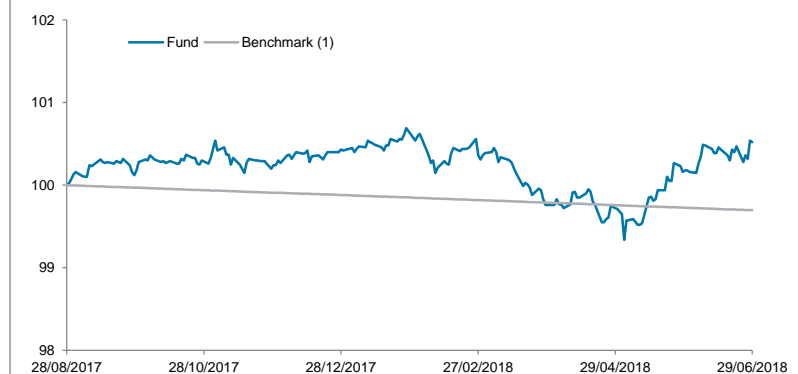
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Return since inception



Source: Europerformance

Risk Profile (SRRI)

Level :



Monthly return



Source: Europerformance

YTD return



Source: Europerformance

Return & Volatility

	Since inception (cum.)		3 years (cum.)		1 year		YTD		6 months		3 months	
	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Return	Return	Return
OFI RISK ARB ABSOLU GR	0,52%	1,04%	-	-	-	-	0,10%	1,32%	0,10%	0,76%		
Benchmark ⁽¹⁾	-0,30%	0,00%	-	-	-	-	-0,18%	0,00%	-0,18%	-0,09%		

Source: Europerformance

Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
2017								0,13%*	0,15%	0,05%	-0,03%	0,12%	0,42%	-0,12%
2018	0,17%	-0,28%	-0,55%	-0,05%	0,47%	0,34%							0,10%	-0,18%

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

Source: Europerformance

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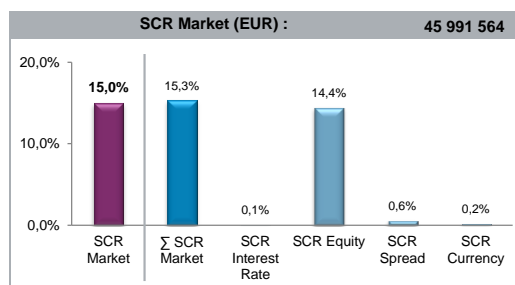


Top 5 Holdings

Name	Weight
GEMALTO	3,03%
CAVIUM	2,90%
RSP PERMIAN INC	2,67%
XL GROUP	2,61%
DELFIN SARL	2,07%
TOTAL	13,28%

Source: OFI AM

Solvency Capital Requirement ⁽¹⁾



(1) 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 (cf. correlation matrix arising from Delegated Regulation 2015/35).



Main positions set up and unwound on the month

Main set up	
Name	Weight
PAPELES Y CARTONES DE EUROPA	2,03%
FIDESSA GROUP PLC	1,51%
ENVISION HEALTHCARE	1,26%
ARIZONA MINING INC	0,78%
VERIFONE SYSTEMS INC	0,75%

Source: OFI AM

Main unwound	
Name	Weight
ORBITAL ATK INC	3,12%
MONSANTO CO	2,97%
BLACKHAWK NETWORK HLDG	1,55%
UBM PLC	0,83%
FINISH LINE	0,77%

Source: OFI AM

Main mergers announced during the month

Target	Acquirer	Target sector	Size (EUR M)	Country
WILLIAMS PARTNERS LP	WILLIAMS COS INC	ENERGY	33 305	UNITED STATES
ANDEAVOR	MARATHON PETROLEUM CORP	ENERGY	18 702	UNITED STATES
SPRINT CORP	T-MOBILE US INC	TELECOMMUNICATION SERVICES	17 667	UNITED STATES
SPECTRA ENERGY PARTNERS LP	ENBRIDGE INC	ENERGY	12 687	UNITED STATES
EDP-ENERGIAS DE PORTUGAL SA		UTILITIES	12 249	PORTUGAL

Sources: Bloomberg & OFI AM

Asset Management Strategy

Performance analysis:

OFI Risk Arb Absolu gained +38 bps in June 2018. This performance was partially driven by the following:

- The escalating bidding war between Disney, Fox and Comcast for the takeover of Sky, which has prospered as a satellite TV operator.
- The Chinese antitrust authority's authorisation, finally, of the acquisition of Cavium by Marvell Technology. The offer period is expected to end next month.
- Akorn stock has slightly recovered in value in the absence of negative news and pending the trial against Fresenius.

These gains were partly wiped out by the following:

- The decline in NXP Semiconductor stock, which remains extremely volatile. This operation is now at the heart of the tug of war between the US and Chinese governments, and its fate seems closely linked to that of ZTE, which is trying to re-organise and meet conditions to avoid a US export ban.
- The announcement of the likely refiling of Mofcom (Chinese antitrust authority) has led to the widening of the Rockwell/UTX spread.

Market overview:

Twenty transactions eligible for our portfolio have been announced this month. Only two transactions have exceeded €5 billion: the acquisition of Italian company Recordati by CVC Capital Partners and the structural simplification of Cheniere Energy for \$7 billion.

Note that the return of minority buy-backs and structural simplifications continues in June, as does the LBO activity, which is doing well.

Investment decisions:

We invested in twelve new positions in June, and eleven positions matured. We also increased certain positions including Gemalto, RSP Permian and Spectra Energy Partners.

Outlook and exposure:

One of the highlights of the month was the victory of AT&T and Time Warner against the US Justice Department. The US judge court ruled in favour of the companies, against that country's authorities that wanted to block the merger. The latter decided not to appeal. This decision, which had an immediate impact on the spreads of other vertical transactions, notably that of the Aetna-CVS merger, boosted the outlook for announcements of similar transactions during the year. The political tensions between the United States, China and Europe remain very present and may lead to increased volatility in some of our spreads. Our prudent investment process and broad diversification seem to be suited to this more uncertain environment.

Fabienne Cretin - Stéphane Dieudonné

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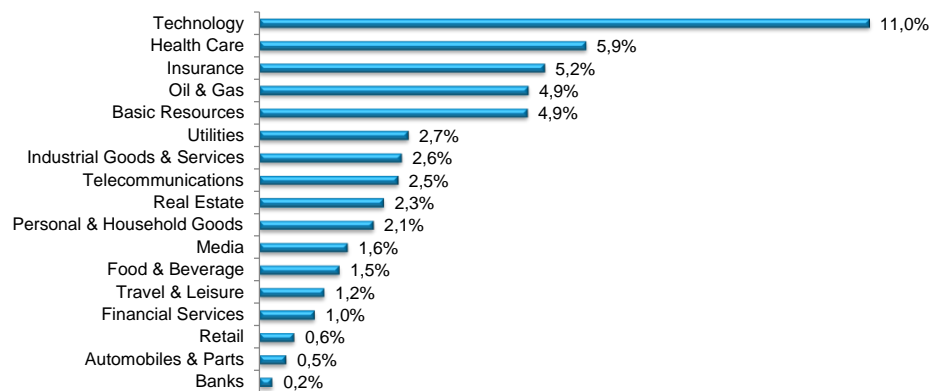
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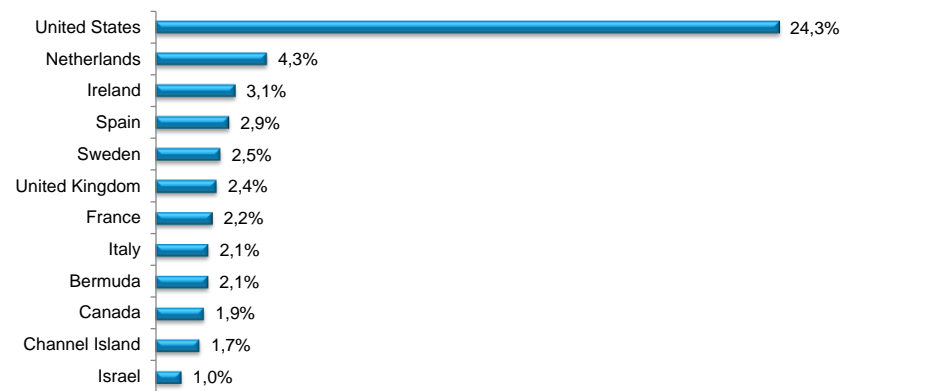


Sector breakdown (cash excluded) ⁽¹⁾



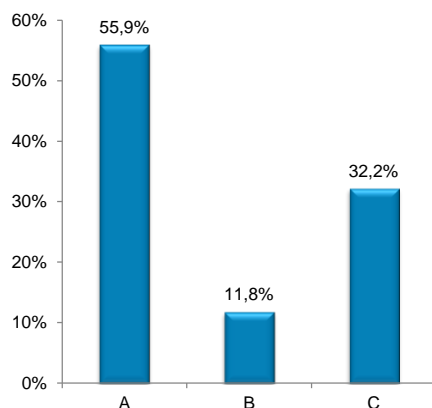
Source: OFI AM

Geographical breakdown (cash excluded) ⁽¹⁾



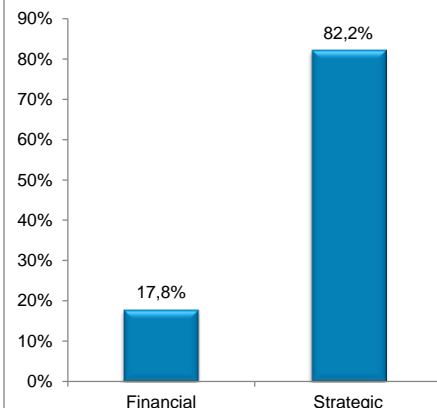
Source: OFI AM

Exposure by risk level (invested part) ⁽³⁾



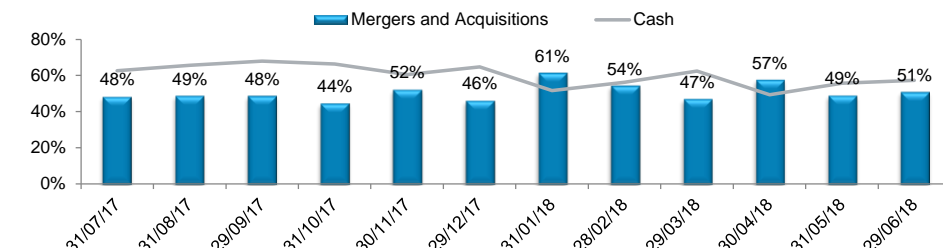
Source: OFI AM

Strategy / Type of acquirer (invested part)



Source: OFI AM

Historical exposure by strategy



Source: OFI AM

Statistical Indicators (weekly)

Sharpe ratio ⁽²⁾	Frequency of profit	Worst drawdown	Drawdown period	Payback period
-	-	-	-	-

Source: Europereformance

(1) Sum of long positions.

(2) Risk free rate: EONIA

(3) A, B and C: internal ratings representing the degree of risk inherent in a deal with A: least risky deals and C: most risky.

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