

OFI RS EUROPEAN CONVERTIBLE BOND

Monthly Factsheet - Convertible Bonds - September 2019



Investment Policy :

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.

Registered in : FRA  PRT 

Key figures as of 30/09/2019

NAV of the part C (EUR):	76,78
Net Assets of the part C (EUR M):	100,21
Total Net Assets (EUR M):	190,49
Delta:	23%
Modified duration:	2,48
Current yield:	1,10%
Number of holdings:	75

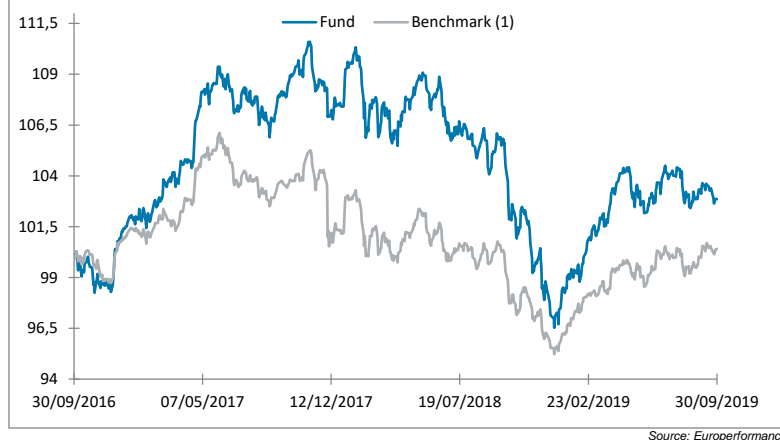
Characteristics

ISIN Code:	FR0000011074
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
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:	1,05%
Custodian:	CACEIS
Administrative agent:	CACEIS Fund Administration

(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

Distributor and paying agent: BEST - BANCO ELECTRONICO DE SERVICO TOTAL, Praça Marquês de Pombal, 3-3º, 1250-161 Lisboa, Portugal

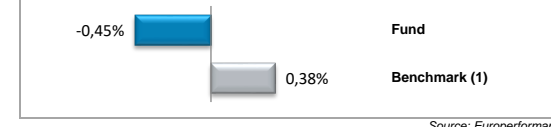
Return over 3 years



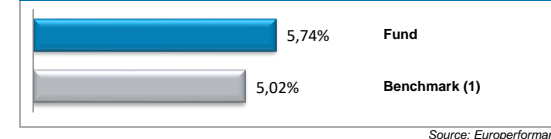
Risk Profile

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	9,97%	6,12%	2,85%	5,53%	-2,50%	5,61%	5,74%	4,32%	0,77%	-0,94%
Benchmark ⁽¹⁾	-0,85%	5,81%	0,41%	4,43%	0,14%	3,73%	5,02%	2,92%	2,00%	0,29%

Source: Europerformance

Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
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%	-3,05%	-2,31%	-2,65%	-9,44%	-5,48%
2019	2,04%	1,67%	1,14%	2,30%	-2,13%	1,61%	0,25%	-0,73%	-0,45%				5,74%	5,02%

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

 @ConvertOFI

OFI RS EUROPEAN CONVERTIBLE BOND

Monthly Factsheet - Convertible Bonds - September 2019

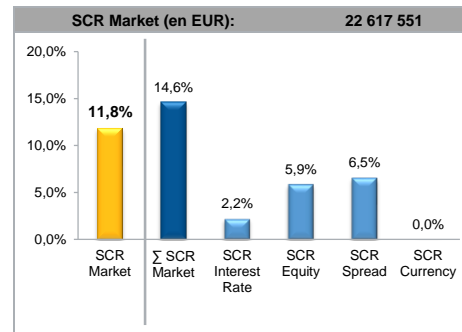


TOP 10 Holdings

Name	Weight
SIEMENS/JP MORGAN CHASE 0 2022_05	3,40%
QIAGEN 1.000 2024_11	3,07%
STMICROELECTRONICS 0.250 2024_07	2,95%
SIKA 0.150 2025_06	2,74%
EDENRED 0 2024_09	2,45%
VALEO 0 2021_06	2,26%
SYMRISE 0.238 2024_06	2,24%
DEUTSCHE POST 0.050 2025_06	2,17%
COVESTRO/BAYER 0.050 2020_06	2,14%
KERING/ARCHER OBLIGATIONS 0 2023_03	2,09%
TOTAL	25,51%

Source: OFI AM

Solvency Capital Requirement



*Quarterly data as of 30/08/2019

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
EDENRED 0 2024_09	Buy	2,45%
UBISOFT ENTERTAINMENT 0 2024_09	Buy	1,37%
MTU AERO ENGINES HLDG 0.050 2027_03	Buy	1,21%

Source: OFI AM

Sell / Decrease		
Name	Weight M-1	Weight M
MTU AERO ENGINES HLDG 0.125 2023_05	1,69%	0,21%
EURAZEO/CA 0 2019_10	1,24%	Sell

Source: OFI AM

↓ to the benchmark on a 1 year rolling basis

Bêta	Alpha	Tracking Error	Sharpe Ratio ⁽²⁾	Information Ratio	Frequency of profit	Worst draw down
-0,06	-0,01	5,61%	-0,22	-0,29	50,98%	-7,10%

Source: Europerformance

(2) Risk free rate: compounded EONIA

This is
a non-

• 01 40 68 17 17 • contact@ofi-am.fr

OFI
Asset Management

Asset management strategy

Regarding the trade war, market sentiment improved after the announcement of negotiations scheduled for October, whereas at the start of the month the US has increased customs tariffs to 15% on Chinese household goods and clothing.

Numerous central banks softened monetary policy: the Fed reduced its rates by 25 bps, the PBoC lowered the mandatory reserves ratio of the banks by 50 bps and the prime lending rate by 5 bps, while the ECB reduced its deposit rate by 10 bps and launched an asset purchase programme of €20bn per month.

As far as politics are concerned, the UK parliament passed a bill obliging the prime minister to request a Brexit extension if no agreement has been reached by 19 October. At the same time, the UK supreme court judged the suspension of parliament announced in early September by Boris Johnson to be illegal. In Spain, Pedro Sánchez failed to form a government, leading to fresh elections on 10 November.

Finally, following the attacks on oil installations in Saudi Arabia on 14 September, crude prices recorded one of their highest daily rises (+15%). With the country having announced production to come back on line over the coming weeks, prices gradually fell back to previous levels.

In this context, with support from QE measures and driven by optimism surrounding trade negotiations, most equity markets gained ground this month: the EuroStoxx 50 rose by 4.2% and the S&P 500 by 1.7%. German 10-year rates bounced back to -0.57% (+13 bps), as did their US equivalents: +16 bps to 1.66%. Conversely, credit spreads tightened on the 5Y Crossover (+17 bps to 232 bps). The Thomson Reuters Focus Eurozone Hedged index progressed by 0.30%, with the OFI RS Euro Convertible Bond Defensive giving up 0.99%.

The European primary market is finally back after the holidays!!! No less than €4.8bn in issues this month – the highest since June 2014. Market entries include Edenred 0% 2024 (€500m - France – Industrial Goods & Services), Veolia Environnement 0% 2025 (€700m - France - Utilities), MTU Aero Engines 0.05% 2027 (€500m – Germany – Industrial Goods & Services) while redeeming half of its 2023 convertibles and Kering exchangeable for Puma 0% 2022 (€500m - France – Consumer Staples). Accordingly, the total amount issued since the start of the year amount to €11.9bn – higher than over the same period last year.

Among the negative contributions feature the hedging positions in EuroStoxx 50 (-31 bps), Biocartis (-28 bps; -21%) following the announcement of the termination of its marketing partnership in the US with Thermo Fisher, Ubisoft (-24 bps; -11%) technically affected by a new issue and the forced conversion of the old 2021 series, Remy Cointreau (-14 bps; -5%) and Fugro (-8 bps; -3,7%). Conversely, among the positive contributions feature Call AXA (+8 bps), SGL Carbon (+5 bps; +1,7%) which has bounced back slightly after its fall in the previous month, Deutsche Post (+5 bps; +2,5%) and Indra Systemas (+4 bps; +1,4%).

Regarding movements, we are participating in the reawakening of the primary market: Edenred 0% 2024, Ubisoft 0% 2024, Véolia 0% 2025 and MTU 0.05% 2027 are entering the portfolio, while we are seeking to offload the Véolia 0% 2021 and MTU 0.125% 2023 series.

Nancy Scribot Blanchet - Fund Manager(s)

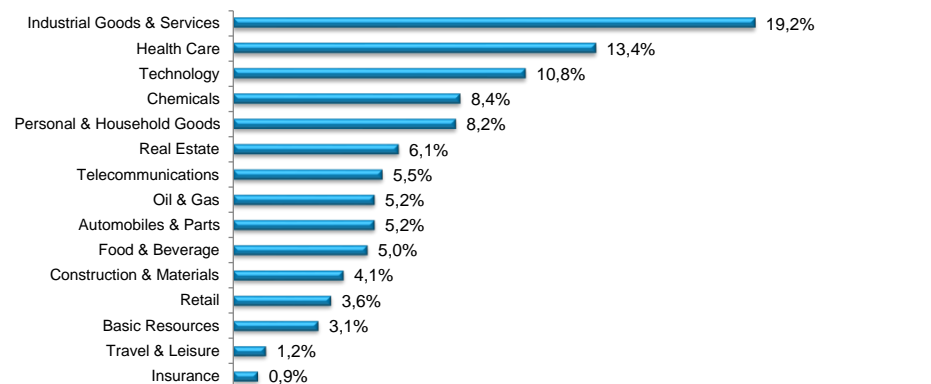
@ConvertOFI

OFI RS EUROPEAN CONVERTIBLE BOND

Monthly Factsheet - Convertible Bonds - September 2019

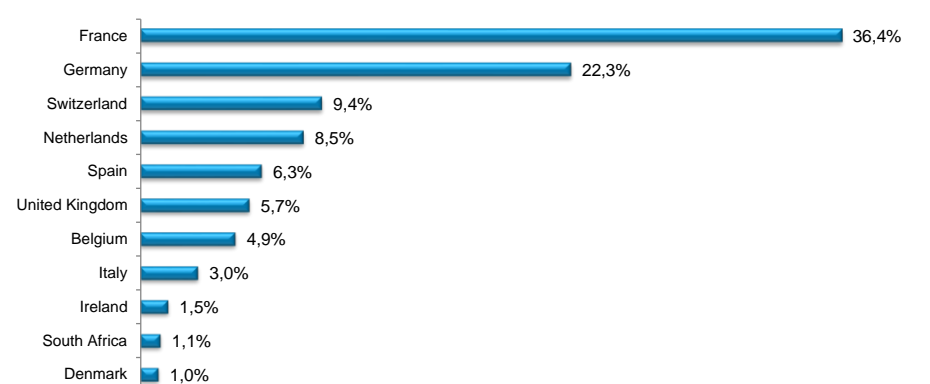


Sector breakdown (invested part)



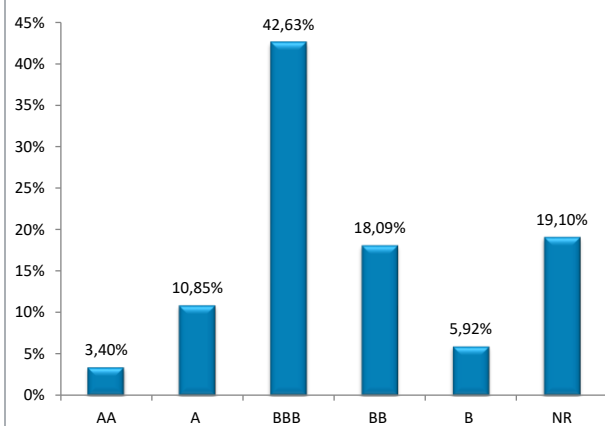
Source: OFI AM

Geographical breakdown (invested part)



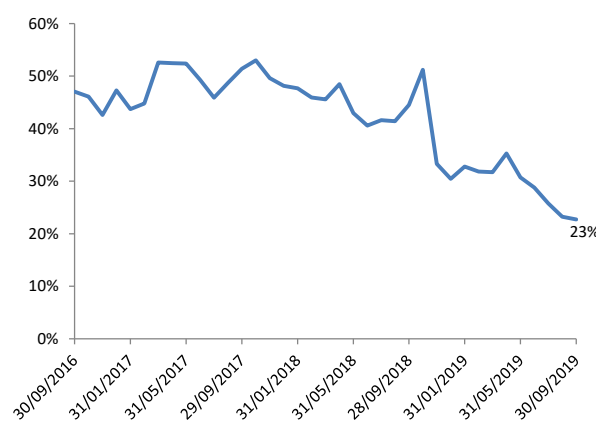
Source: OFI AM

Rating breakdown (invested part)



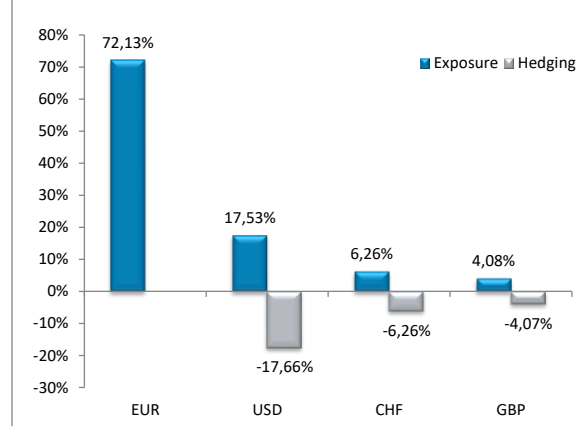
Source: OFI AM

Delta evolution (monthly)



Source: OFI AM

Currency breakdown



Source: OFI AM

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 (société anonyme) 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

@ConvertOFI

OFI RS EUROPEAN CONVERTIBLE BOND

Monthly Factsheet - Convertible Bonds - September 2019



SRI selection process

As part of its management objectives, the fund incorporates the results of the SRI analysis at three levels:

At least 15% of the companies that are lagging behind in the management of CSR issues are excluded from the investment universe (SRI category 'under surveillance').

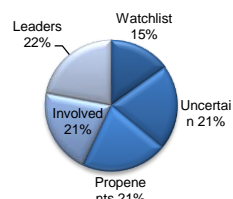
- Issuers in the 'under surveillance' category that are in the portfolio either because they were already held during the integration of the SRI process, or following a downgrade in their SRI rating, are the subject of a commitment action, in order to encourage them to improve their CSR practices. Details are described in the 'Code of Transparency' available on the website www.ofi-am.fr

The maximum weighting per issuer depends on its SRI category:

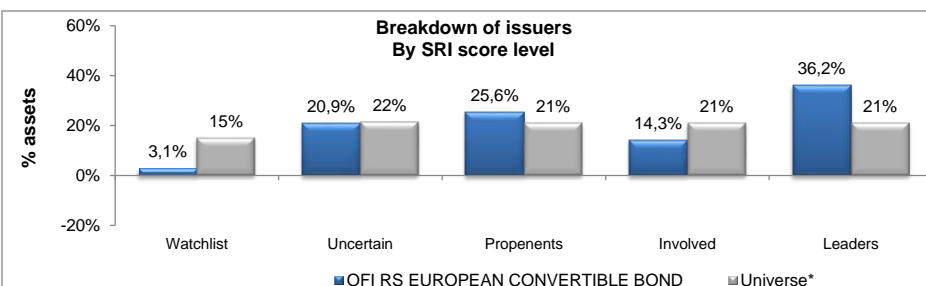
Watchlist	Uncertain + Watchlist	Monitor + Uncertain + Watchlist
10 % maximum	25 % maximum	50 % maximum

At the end of the month, 100% of the issuers in the portfolio were covered by an SRI analysis.

SRI categories of Eurostoxx (% of companies)



SRI assessment of the fund



SRI issuer assessment process

The SRI research team performs extra financial analysis:

- private issuers: Identification of key sector ESG issues and analysis of CSR practices of issuers
- public issuers: Identification of the main ESG issues of European states and analysis of their practices.

The results of this analysis are translated into an SRI Score, based on a scale of 0 to 5, reflecting the issuer's ranking within each ICB super sector.

According to this SRI Score, an SRI category is allocated to each issuer:

Leaders: The most advanced in taking ESG issues into account

Involved: Active in taking ESG issues into account

Proponents: Medium managed ESG issues

Uncertain: Low management of ESG issues

Watchlist: Delay in taking ESG issues into account.

ESG profile of a stock in the portfolio : British Land Co.

SRI category : Leader

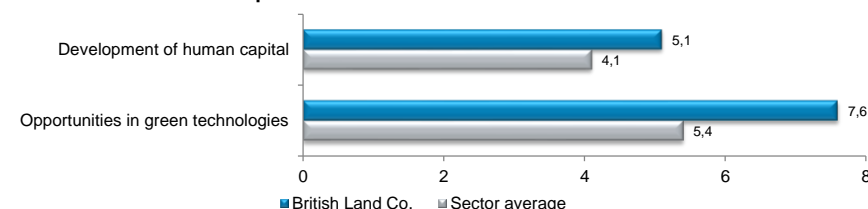
British Land Co. has clearly identified its ESG issues. The group is well placed to take advantage of opportunities in green building. Accordingly, it has set itself targets for green certification and aims to encourage tenants to adopt responsible practices. Human capital is an important issue for the group, which has put in place employee retention processes. Even so, employee turnover is high relative to the sector. Lastly, governance is, on the whole, sound. No major controversies have been identified.

Opportunities in green technologies British Land Co. is highly exposed to the issue of green building. The group is well managed, with an eye to optimising energy and water efficiency in its buildings and using renewable energy sources and local sources of heating. The group has set itself a target of securing BREEAM certification for all projects in development.

Development of human capital The group is highly exposed to this issue in a sector in which employee turnover is high. British Land Co. has implemented measures aimed at attracting and retaining employees: training programmes, an employee share ownership scheme, etc. Even so, employee turnover over the past three years (15.6%) is above the sector average (13.7%).

CSR issues

Real estate investment companies



You can find more information on the SRI analysis and selection process on the Code of Transparency available on the website www.ofi-am.fr, under the heading 'Products,' 'Money Market' and then on the 'Documentation' tab of the Fund.

* The analyzed universe consists of approximately 2600 issuers (companies of the MSCI World, STOXX Europe 600, as well as unquoted private bond issuers and European States).

* SRI : Socially Responsible Investments

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.