

# OFI FUND - EURO BREAKEVEN INFLATION GI



Monthly Factsheet - Euro Inflation Bond - february 2019

The OFI Fund Euro Breakeven Inflation invests in inflation-linked bonds issued by eurozone member states. The Fund's strategy exposes it solely to changing inflation expectations (Breakeven). Through this approach, the Fund aims to harness the upside of the implied inflation without speculating on the direction of the real interest rates of the index issuing countries. The Fund aims to outperform its benchmark, the Markit iBoxx Eur Breakeven 7-15Y(1), over a three-year investment period.

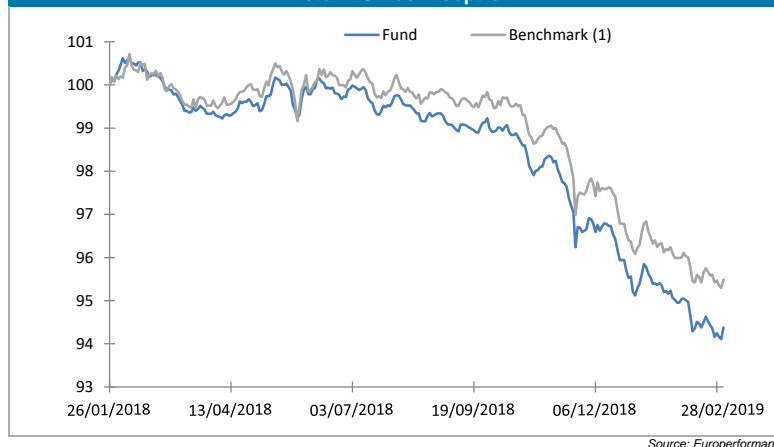
## Key figures as of 28/02/2019

Net Asset Value (EUR):	94,38
Net Assets of the part (EUR):	9 438,16
Total Net Assets (EUR M):	149,54
Number of users:	3
Weighting of sovereign bonds	98,5%
Weighting of corporate bonds	-

## Characteristics

ISIN Code:	LU1753039871
Ticker:	OFEBGIE LX Equity
Europerformance Classification:	Inflation Bonds
Benchmark <sup>(1)</sup> :	Markit iBoxx Eur Breakeven Euro-Inflation France, Germany and Italy 7-15 Index
Main risks:	Capital loss Fixed income market Discretionary investment
Management company:	OFI Lux
Delegated management company:	OFI ASSET MANAGEMENT
Adviser/Promoter	OFI ASSET MANAGEMENT
Fund manager(s):	Yannick LOPEZ - Emmanuelle SERHROUCHNI
Legal form:	SICAV (UCITS IV)
Distribution policy:	Capitalisation
Currency:	EUR
Inception Date:	26/01/2018
Recommended investment horizon:	Over 5 years
Valuation:	Daily
Subscription cut-off:	at 12h
Redemption cut-off:	at 12h
Settlement:	D+2
Subscription fees:	None
Redemption fees:	None
Outperformance fees:	None
Ongoing charge:	1,25%
Custodian:	SOCIETE GENERALE BANK TRUST LUXEMBOURG
Administrator:	SOCIETE GENERALE BANK TRUST LUXEMBOURG

## Return Since Inception



## Risk Profile (SRRI)

Level: 1 2 3 4 5 6 7

## Monthly return



## YTD return



## Return & Volatility

	Since inception		3 years (cum.)		1 year (cum.)		YTD		6 months	3 months
	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Return
OFI FUND - EURO BREAKEVEN INFLATION GI	-5,62%	2,44%	-	-	-5,77%	2,48%	-1,23%	-	-4,83%	-2,36%
Benchmark <sup>(1)</sup>	-4,51%	2,54%	-	-	-4,78%	2,60%	-0,92%	-	-4,35%	-2,12%

Source: Europerformance

## Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
2018	0,23%	-0,07%	-0,83%	0,20%	0,15%	0,21%	-0,13%	-0,59%	-0,16%	-0,92%	-1,47%	-1,14%	-4,44%	-3,62%
2019	-0,64%	-0,60%											-1,23%	-0,92%

Source: Europerformance

<sup>(1)</sup> Performance from 26/01/2018 to 31/01/2018

<sup>(1)</sup> Benchmark: Barclays Euro Government Inflation-Linked Bond Index All Maturities then Markit iBoxx Eur Breakeven Euro-Inflation France, Germany and Italy 7-15 Index since 13/07/2017

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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



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## Top 5 holdings (cash excluded)

Name	Weight	Coupon	Maturity	Country	Composite <sup>(1)</sup>
ETAT FRANCE 0.100 IL 2028_03	16,62%	0,100%	01/03/2028	France	AA
ETAT ITALIE 3.100 IL 2026_09	13,54%	3,100%	15/09/2026	Italy	BBB
ETAT ALLEMAGNE 0.500 IL 2030_04	11,57%	0,500%	15/04/2030	Germany	AAA
ETAT FRANCE 0.250 IL 2024_07	8,43%	0,250%	25/07/2024	France	AA
ETAT FRANCE 3.150 IL 2032_07	7,51%	3,150%	25/07/2032	France	AA
<b>TOTAL</b>	<b>57,66%</b>				

Source: OFI AM

## Statistical indicators (compared to the benchmark on a 1 year rolling basis)

Tracking Error	Sharpe Ratio <sup>(2)</sup>	Information Ratio	Frequency of profit	Worst draw down
0,70%	-2,15	-1,46	41,18%	-5,58%

Source: OFI AM

## Maturity, Spread and Modified duration

Average maturity	Average rating	Modified duration constraint	Modified duration	Breakeven sensitivity constraint	Breakeven sensitivity
9,3 year(s)	AA-	Between -0,50 and 0,50	-0,42	Between 7 and 11	8,95

Source: OFI AM

## Main movements of the month

Buy / Increase		
Name	Weight M-1	Weight M

Source: OFI AM

Sell / Decrease		
Name	Weight M-1	Weight M

Source: OFI AM

## Asset management strategy

Nominal sovereign interest rates rose slightly in February whilst risky assets benefitted from the sentiment of de-escalation in the commercial negotiations between the United States and China. German 10-year interest rates rose by 3 bps (0.18%), and French inflation-indexed bonds were virtually stable (0.57%). In the only significant move, Italian interest rates rose by 16 bps (2.75%) against a backdrop of a rapid decline in the economic situation. The 2019 growth forecasts for the peninsula are now in the region of 0%.

After a timid upturn, inflation breakevens fell again in February despite an increase of almost 7% for petrol, bringing the increase in brent to almost 23% in 2019. On the 5Y/15Y segment, Italian breakevens compressed by -5/-7 bps, French breakevens (indexed on French inflation) by -4/-8 bps, French breakevens (indexed on European inflation) by 0/-2 bps and German breakevens by -3 bps.

Inflation in the eurozone amounted to +1.5% in February (Eurostat preliminary estimate), compared with +1.4% in January. The core index continued to oscillate around +1%, however (February: +1%; January: +1.1%). Given the slowdown in the economic environment in the eurozone, the ECB looks set to revise its inflation forecasts downwards significantly for 2019 (+1.6% at this stage).

In this context the portfolio has decreased in the wake of anticipated inflation. The fund's performance is -0.57%, in line with its reference index (-0.52%).

The fund is invested to maximum capacity. Sensitivity to inflation breakevens is slightly less than that of the index. In detail, we have a greater exposure to bonds indexed on French inflation and significantly lower to French bonds indexed on European inflation. Our exposure is in line on Germany and Italy.

Yannick LOPEZ - Emmanuelle SERHROUCHNI - Fund manager(s)

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

(2) Risk free rate: compounded EONIA

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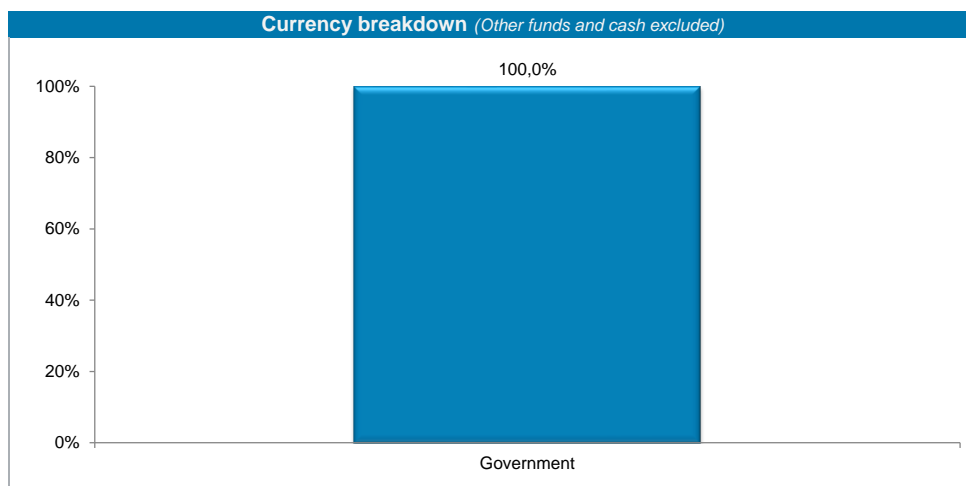


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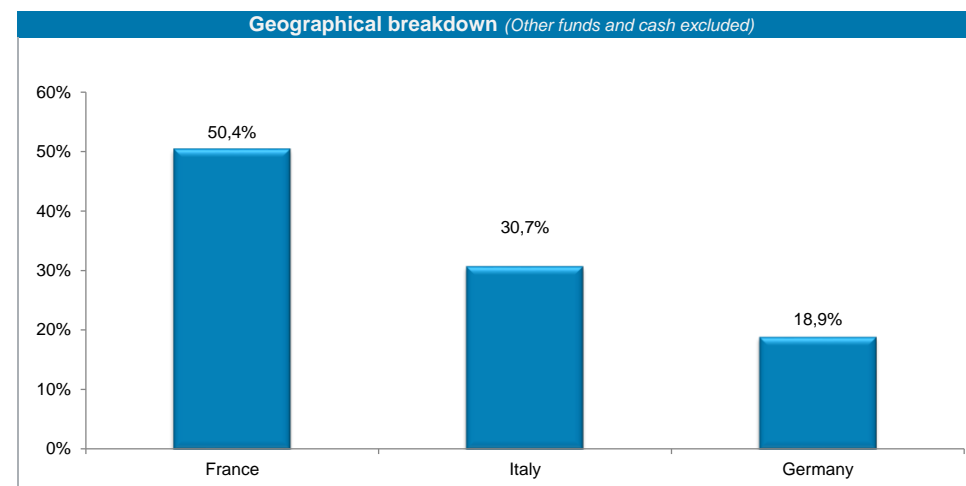


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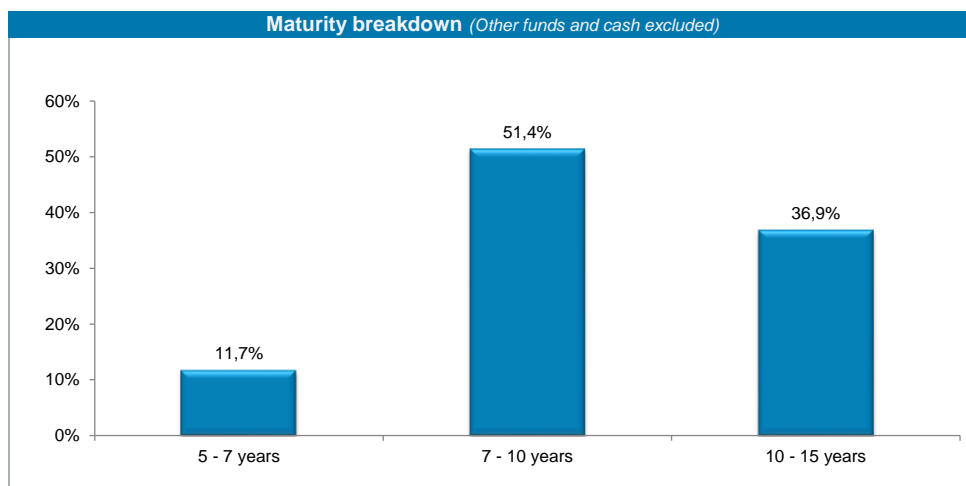
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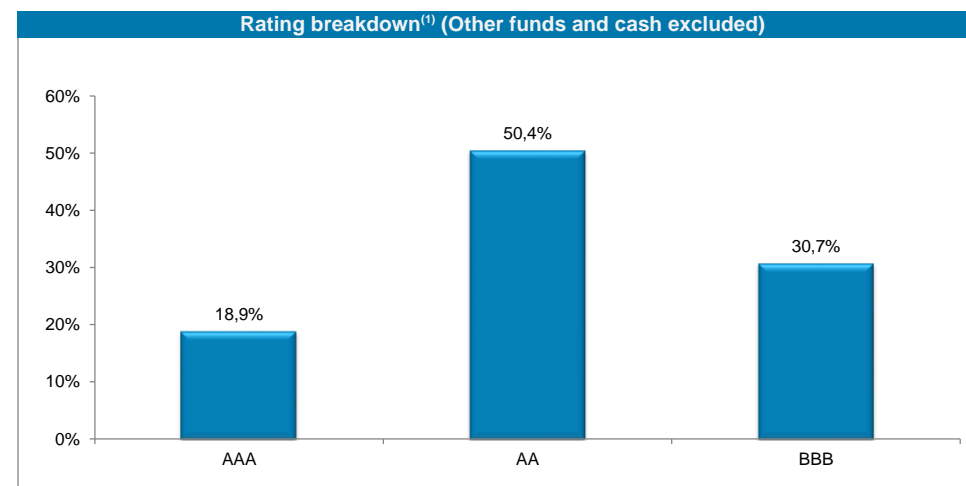
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