

# ANNUAL REPORT

Financial year to 29 March 2018



Asset  
Management

## OFI EURO HIGH YIELD

Mutual fund Bonds and other debt  
securities denominated in euros

### Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 Paris

### Management Company

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 Paris

### Depository and Custodian

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

### Administrative and accounts management:

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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## MANAGEMENT DIRECTION

### Management objective

The objective of the Fund is to achieve performance above that of the Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield Index, calculated in euros, on all units over the recommended investment horizon.

### Benchmark

The benchmark is the Bank Of America Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield Index. This index contains all securities making up the Bank Of America Merrill Lynch Euro Fixed & Floating Rate High Yield Index, to the exclusion of financial securities, and limits the maximum weight of each issuer to 3%.

The benchmark is calculated daily in euros. Its Bloomberg code is HEAE. For more information about this index: [www.mlx.ml.com](http://www.mlx.ml.com).

### Management strategy

The Fund's strategy is to constitute a portfolio mainly exposed to the Euro High Yield credit markets risk ("speculative" category).

To achieve its objective, the Fund is intended for investment either in High Yield bonds (i.e. the "speculative" or "Speculative Grade" category as opposed to the "Investment Grade" category) denominated in euros and issued by private enterprises in OECD countries, or in forward financial instruments of the credit derivative type (CDS, CDS Indices); these instruments present a high credit risk. The Fund may also take positions in instruments which make it possible to actively manage the credit risk and which shall be of the financed type (bonds or securities) or forward financial contracts (CDS, CDS Indices).

Active management is structured around a "bottom up" approach for the selection of securities (i.e. extracting the relative value of one signature in relation to another) and "top down" for optimisation of the portfolio (i.e. level of exposure to the High Yield market, sector-based allocation or by rating category).

Up to 100% of the portfolio's assets is invested in bonds and other debt securities denominated in euros: fixed-rate and/or variable bonds, and/or indexed bonds, and/or convertible bonds, traded on regulated markets.

A minimum of 80% of the securities acquired in the portfolio, or failing this their issuers must come under the High Yield category (speculative investment) according to the rating policy implemented by the management company. This debt securities rating policy provides for a single rule in terms of allocation of a long-term rating on bond securities. Under this policy, a rating is determined according to ratings allocated by one or more recognised agencies, and that resulting from the analyses of the management company's Credit Analysis team.

Consequently, investment decisions or credit instrument transfer decisions are not mechanically and exclusively based on the criterion of their rating and are based, among other things, on an internal analysis of the credit or market risk. The decision to buy or to assign an asset is also based on other criteria at the manager's discretion.

The Fund may also invest up to 20% of its net assets in unrated securities.

If this limit is exceeded, including due to market movements, the manager must take any corrective action to once more fulfil its commitments regarding composition of the portfolio within three months at the most.

The manager may also invest:

- up to 20% of the net assets of the Fund in bonds of companies in emerging countries (non-members of the OECD) issued in euros;
- up to 30% of the assets of the Fund in bonds issued or guaranteed by Member States or enterprises in the OECD denominated in euros, having a rating or, failing this, that of their issuer, at the time of acquisition, of at least "Investment Grade" according to a weighted average of ratings allocated by the three recognised agencies. If no agency produces any analysis, these securities must benefit from an implied rating equivalent to this level according to the estimates of the management company's Credit Analysis team.

Private enterprise borrowing may represent up to 100% of the net assets of the Fund.

The cash in the UCITS will be managed through cash loans/borrowing and repurchase and reverse repurchase transactions against cash. Money market instruments and deposits are considered as a separate investment vehicle but may also serve as an interim investment (NDS, BTF, BTAN, Euro Commercial Paper). These instruments may represent up to 100% of the net assets.

The foreign exchange risk is covered systematically.

Although the UCITS does not set any limit on maturity per security, the global sensitivity of the portfolio will be between 0 and 10.

The Fund may also invest up to 30% in subordinated securities.

Within the limits provided for by regulations, the Fund can operate on financial futures contracts (traded on French and foreign regulated and organised markets and/or over-the-counter). In this context, the manager may take positions with a view to hedging against the risk associated with the bonds held in the portfolio - expose the Fund to an interest rate risk - hedge and/or expose the portfolio against or to the risk of distortion of the yield curve - hedge against any subscriptions or redemptions.

The manager may use credit derivatives, notably credit default swaps (CDS), to hedge and/or expose the portfolio against or to the risk of difference in remuneration with one or more issuers and/or hedge against the risk of an issuer's defaulting.

### **Risk profile**

The Fund will be mainly invested in financial instruments selected by the management company. These instruments will experience market developments and fluctuations.

The UCITS is a UCITS classified as "bonds and other debt securities denominated in euros". Investors are therefore mainly exposed to the risks below, this list not being exhaustive.

#### Capital risk and performance risk

The investor is advised that the performance of the UCITS might not conform to their objectives and that their capital might not be returned in full, the UCITS not benefiting from any guarantee or protection of capital invested.

#### Interest rate risk

Because of its composition, the UCITS may be subject to an interest rate risk. This risk results from the fact that, in general, the price of debt securities and bonds falls when rates rise. The investor in bonds or other fixed-income securities may record negative performances as a result of fluctuations in interest rates.

#### Credit risk

In the case of downgrading of private issuers (for example, of their rating by financial rating agencies), or of public issuers, or their defaulting, the value of private bonds may fall. The net asset value of the UCITS would then be affected by this drop.

#### High Yield risk

this is the credit risk applied to what are known as "speculative" securities which present probabilities of default higher than those of Investment Grade securities. In return, they offer higher levels of return, but can, in the case of downgrading of the rating, significantly reduce the net asset value of the UCITS. The unrated signatures which are selected will, for the most part, come under this category in the same way and may present equivalent or greater risks because of their unrated nature.

#### Counterparty risk

This is the risk associated with use by the UCITS of futures, OTC instruments and/or resorting to acquisitions and temporary purchase and sale of securities. These transactions concluded with one or more eligible counterparties potentially expose the UCITS to a risk of defaulting of one of these counterparties possibly resulting in failure to pay which will reduce the net asset value.

#### Emerging markets risk

The conditions of functioning and supervision of the emerging markets may deviate from standards prevailing on major international markets: information about certain securities may be incomplete and their liquidity more reduced. Evolution in the price of these securities may therefore vary markedly and significantly impact the net asset value.

Consequently, the investor may be exposed to the following risk:

#### Share risk

If the shares to which the portfolio is exposed fall, the net asset value of the fund may fall. The UCITS may also be exposed to convertible bonds; these may show a residual share sensitivity and experience marked fluctuations linked to changes in the prices of the underlying shares. The investor's attention is drawn to the fact that the net asset value of the UCITS will drop in the case of an unfavourable change.

### **METHOD CHOSEN BY THE MANAGEMENT COMPANY TO ASSESS THE GLOBAL RISK OF THE UCI**

The calculation method applied for the fund's commitment is the probability method.

The Fund uses the probability method as a relative VaR. The Value at Risk is a statistical approach which allows global monitoring of the risk.

The maximum leverage of the Fund, given for information only, calculated as the sum of the nominal values of the positions on financial futures instruments used, is 200%. However, the fund reserves the option of seeking a higher leverage level, depending on the situation of the markets.

### **INFORMATION RELATIVE TO THE VAR**

<b>OFI Euro High Yield</b>	<b>VaR 5d 95%</b>
Average	0.97%
Maximum	1.26%
Minimum	0.73%

<b>Benchmark OFI Euro High Yield</b>	<b>VaR 5d 95%</b>
Average	0.91%
Maximum	0.98%
Minimum	0.79%

### **CHANGE(S) MADE DURING THE FINANCIAL YEAR**

As of 29 August 2017, creation of three new categories of units called: R unit, GI unit and GR unit.  
Then, as of 12 March 2018, creation of a new unit called RF unit.

### **FUTURE CHANGE(S)**

Nil.

## PROCEDURE FOR CHOOSING BROKERS

The OFI Group has introduced a procedure for selection and assessment of market brokers, which makes it possible to select, for each category of financial instruments, the best market brokers and to ensure the quality of execution of orders placed on behalf of our UCIs under management.

The management teams can send their orders directly to the market brokers selected or go through the OFI Group trading desk, OIS. This service provider handles the receipt and transmission of orders, followed by execution or not, to the market brokers on the following financial instruments: Debt securities, Capital securities, UCI units or shares, Financial contracts. This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.

A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:

- Monitoring volumes of transactions per market broker;
- analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties");
- the nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order;
- feedback of operational incidents detected by the managers or the Middle Office.

At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.

This valuation can be based on an analysis report provided by an independent service provider.

The selection of UCIs relies on a threefold analysis:

- a quantitative analysis of the media selected;
- an additional qualitative analysis;
- due diligence, which aims to validate the option of intervening on a given fund and of fixing the investment limits on the fund in question and on the corresponding management company.

A post-investment committee which meets every six months to review all authorisations given and limits consumed.

For the execution of certain financial instruments, the Management Company resorts to commission sharing agreements (CCP or CSA), according to which a limited number of investment service providers:

- provide the order execution service;
- collect brokerage costs relating to services of assistance with investment decisions;
- pay these costs back to a third party provider of these services.

The objective sought is to use, as far as possible, the best service providers in each speciality (execution of orders and assistance with investment/disinvestment decisions).

## BROKERAGE FEE

On the website of the OFI Group, at [https://www.ofi-am.fr/corporate/pdf/info-reglementaire\\_politique-selection-execution.pdf](https://www.ofi-am.fr/corporate/pdf/info-reglementaire_politique-selection-execution.pdf), you will find all the measures taken to get to grips with the new regulatory provisions linked to the MIF.

The following address features in particular, the report on brokers' fees in accordance with Article 314-82 of the AMF's General Regulation: [https://www.ofi-am.fr/corporate/pdf/info-reglementaire\\_CR-frais-intermediation.pdf](https://www.ofi-am.fr/corporate/pdf/info-reglementaire_CR-frais-intermediation.pdf)

## EXERCISE OF VOTING RIGHTS

The policy implemented by the Management Company regarding the exercise of voting rights which can be found at [https://www.ofi-am.fr/corporate/pdf/ISR\\_politique-de-vote.pdf](https://www.ofi-am.fr/corporate/pdf/ISR_politique-de-vote.pdf), voting rights form the subject of a report available at the website of the OFI Group at [https://www.ofi-am.fr/corporate/pdf/ISR\\_rapport-de-vote.pdf](https://www.ofi-am.fr/corporate/pdf/ISR_rapport-de-vote.pdf)

## ESG CRITERIA

The Management Company makes information available to the investor about ways to consider in their investment policy criteria relating to compliance with environmental, social and governance quality objectives. See its website: [https://www.ofi-am.fr/corporate/pdf/ISR\\_politique-engagement.pdf](https://www.ofi-am.fr/corporate/pdf/ISR_politique-engagement.pdf)

The report of commitment is available on the website of the OFI Group at [https://www.ofi-am.fr/corporate/pdf/ISR\\_rapport-engagement.pdf](https://www.ofi-am.fr/corporate/pdf/ISR_rapport-engagement.pdf)

## INFORMATION RELATING TO REMUNERATIONS OF THE UCITS

In the context of application of Directive 2014/91/EU of 23 July 2014 (known as UCITS V), the Company has introduced a remuneration policy with the following characteristics:

### 1) Qualitative elements

The Company's remuneration policy has been drawn up by the OFI Group's Strategic Committee.

The Strategic Committee is made up of representatives of the Company's shareholders. It fixes the remuneration policy and ensures its implementation.

The Company's remuneration policy promotes sound effective risk management in line with, at the same time, the interests of investors, of the Company and of UCI managers, and seeks to reduce potential conflicts of interest between sales personnel and investors. It conforms to the Company's economic strategy, objectives and values.

The fixed remuneration corresponds to the employee's normal pay for the expected work corresponding to his qualification. The variable remuneration takes into account, in particular, the Company's result, its equity requirements and the quality of management and of the service offered to investors.

**Personnel affected by the remuneration policy:** all persons involved in risk-taking in terms of the funds or the Company: directors, managers, CIO, control function managers, personnel who are comparable due to their level of variable remuneration sales personnel.

**Assessment of performance and risks:** this is carried out depending on the personnel concerned.

The performance of managers and those responsible for management is based on quantitative criteria (classification of each fund in a test universe) and qualitative criteria (achievement of objectives, observation of the risk management policy, compliance with internal regulations or external regulations, management process monitoring, contribution of risk-takers to operational risks).

Regarding directors, the criteria applied relate to the company's global performance (growth in operating profit, achievement of strategic objectives, image, reputation, etc.).

For the control functions, the criteria applied relate to the operational, regulatory and reputational risks.

And lastly, the performance of sales personnel is assessed based on traditional criteria, provided that they do not generate any conflicts of interest with the unit-holders: collection, growth in turnover, rate of penetration, campaign successes, new customers, etc.

**Variable remuneration budget:** based on a global budget, a proportion is allocated to risk-takers, the remainder being allocated to the other personnel concerned. Allocation is then handled by the managers, taking into account the assessment factors described above.

**Procedure for payment and measures for adjustment of remuneration :**

For those persons whose variable remuneration is less than EUR 200,000 or 30% of the fixed salary, this is paid immediately, and in its entirety in cash.

For other persons, the proportion which is not paid in cash is paid in the form of part payments, thus making it possible to adjust risks between the various parties (UCI, managers and risk-takers): part payments indexed on a specified basket or a global basket.

A proportion (60%) is paid immediately, of which 50% in cash and 10% in indexed part payments, the remaining 40% being paid in the form of part payments, released in equal tranches during the following three years, without any retention period.

This allocation may be revised downwards, depending on changes to the quantitative and qualitative criteria during the following years, according to a notion of malus.

*The update of the remuneration policy under Directive 2014/91/EU of 23 July 2014 (known as UCITS V) was validated by the Autorité des Marchés Financiers on 20 June 2017.*

## 2) Quantitative elements

**Total remunerations allocated by the manager to its staff:**

During the 2017 financial year, the total amount of remunerations (including fixed and variable remunerations, deferred and non-deferred) allocated by OFI ASSET MANAGEMENT to all its personnel, i.e. **226 beneficiaries** on 31 December 2017 (\*) amounted to **EUR 25,229,708**. This amount is broken down as follows:

- Total fixed remunerations allocated by OFI ASSET MANAGEMENT over the 2017 financial year: **EUR 18,629,708, or 73.84%** of the total remunerations allocated by the manager to all its personnel, were allocated in the form of fixed remuneration;
- Total differed and non-differed variable remunerations allocated by OFI ASSET MANAGEMENT over the 2017 financial year: **EUR 6,600,000, or 26.16%** of the total remunerations allocated by the manager to all its personnel, were allocated in this form. All personnel are eligible for the variable remuneration scheme.

Furthermore, no carried interest was paid for the 2017 financial year.

Out of the total remunerations (fixed and variable, deferred and non-deferred) allocated over the course of the 2017 financial year, **EUR 2,920,117** related to "Directors and Executives" (**16 people** on 31 December 2017), **EUR 8,081,973** related to "Managers and Administrators" whose activities had a significant impact on the risk profile of the managed funds (**80 people** on 31 December 2017).

**(\*) Average over the year calculated on a prorata temporis basis).**

## MANAGEMENT COMMENTS

### Economic and financial context for year March 2017 / March 2018

#### Economy

In economic terms, the period has been marked by a succession of questions and doubts about the rate of global growth, in practically all the major zones during 2017. Economic indicators reached crisis point in the last quarter of 2017, before calming down somewhat during the first quarter of 2018, with a decline in most advanced indicators and a drop in macro surprise indices. Ultimately, worldwide growth remained sustained with an annual rate of between 3.5% and 4%.

In the United States, growth accelerated from the second half-year of 2017 onwards, following the adoption of the tax reform programme and the infrastructure expenditure plan, which is acting as a stimulant as the American economy is at cycle-end after nine years of expansion. The economy exceeded 3% in two consecutive quarters during the second half-year of 2017.

The eurozone was not impacted by Brexit and was conversely, surprised by its dynamism with advanced indicators at their highest for several years in practically all countries at the end of 2017. Growth in the zone therefore exceeded initial forecasts with expansion of 2.4%, which is considered to be its potential, and some countries are starting to reap dividends from the reforms implemented, such as Spain at nearly 3%.

Initially, the UK benefited from the fall in the pound, before showing signs of a serious slowdown at the end of the period, in the face of complete uncertainty surrounding Brexit. Growth then stabilised and closed 2017 at +1.7%.

In the rest of the world, emerging countries recovered, overall, and in broad terms, investment flows returned to these markets. In 2015, China raised concerns, with the marked drop in the Yuan and anxieties about the property and credit bubble. Ultimately, its growth was above the target of 6.5% set by the government.

At the same time, Brazil and Russia gradually came out of recession and posted growth of 1% and 1.7% respectively.

In these circumstances, the issue of inflation gradually became the focus of attention once again, without figures, for the time being, showing any marked increase. Worldwide inflation did not exceed 2.5%, which was therefore below the 2012/2015 average. Inflation was over 2% in the United States, 2.3% for figures in March 2018, but this seems to be more related to a recovery of commodities than to any drop in wages, which remain contained overall. Inflation was 1.5% in the eurozone, which was markedly less than the target set by the European Central Bank (ECB). Nevertheless, markets have begun to anticipate the end of extremely accommodating policies without this really being reflected in financial performances.

#### Interest rates

In these circumstances, the Central Banks maintained accommodating policies, but started to prepare the markets for the imminence of an exit strategy. In the United States, Jérôme Powell took office at the end of the period in February 2018 and has started to provide outlines of monetary policy. He is following the course of action set by Janet Yellen, and the markets were therefore not taken by surprise. The level of the Fed Funds was recorded at 0.25% on three occasions during the period, falling within the range of 1.50%/1.75% at the end of the financial year. In the eurozone, there has been no change in interest rates, which remain at between -0.2% and 0%. Moreover, the Fed has already drawn up its securities buying policy, while the ECB programme will be gradually reduced from the second half-year of 2018 onwards.

In this macro context of progressive tightening of monetary policies, rates logically rose over the period, but in a limited way.

The German 10-year bond yield rose from a rate of 0.33% to 0.50% at the end of the period. The yield on US 10-year Treasury notes rose from 2.39% to 2.74%. However, peripheral spreads held in the light of the more favourable political and growth context: the Spanish 10-year bond yield thus rose from a rate of 1.67% to 1.18%, while the Italian 10-year bond yield went from 3.29% to 2.86%. Similarly, the French 10-year Government bond yield held, rising from 0.97% to 0.72%.

Ultimately, the performance of the global euro MTS was positive at +3.23%.

Corporate spreads remained tight and stable over the period. High Yield bonds also experienced growth, of 3.8% in the United States and 3.9% in Europe.

Emerging market bonds were also sought-after with, in the end, performances of 12.96% on those issued in local currencies and 4.3% on those issued in strong currencies (performances in dollars).



Monetary rates did not change in the eurozone, although the EONIA remained in negative territory: its performance over the financial year is -0.36%.

Convertible bonds achieved positive performances, in conjunction with the performance of equities: 7% for the US index (in dollars), +0.6% for the Exane Europe index.

**On foreign exchange**, the dollar fell against most currencies, notably by 14% vis-à-vis the euro. Overall, emerging country currencies also rose against the dollar, but in much more limited proportions than in previous months: for example, the Brazilian real stabilised against the dollar, after having recovered by more than 25% from its low point in early 2016. The Mexican peso took the same route, with growth of 2.9% over the financial year. We note the rise of the RMB, the Chinese currency, of almost 9% against the dollar during the period, bringing an end to a three-year period of falling against that currency.

In Europe, the fall in the pound eased, losing only 3% against the euro over the period.

And lastly, the yen dropped 9.5% against the euro.

**The share markets** initially benefited from the economic improvement and from the profit forecasts of companies. Indices, and American indices in particular, rose before entering a much more volatile phase from February 2018 onwards, with falls of nearly 10% in the main equity indices worldwide and, notably, significant reductions in US technology stocks, including the famous GAFA.

This volatility seen at the end of the period therefore somewhat tarnishes the overview of equity performances over the period, including dividends: +14% for the S&P 500 index, +2.5% for eurozone equities (+4% for the CAC 40), +8.5% for emerging market equities (in euros) and +3.3% for Japanese equities, also in euros.

In the United States, indices were once again stimulated by the technology sector, which saw a rise of nearly 26%, with the result that the growth trend continued to outperform: +19.6% compared to +7.6% (in USD).

Also to be noted: the performance of Chinese equities, listed locally, which saw growth of nearly 24% in local currencies.

And finally, regarding commodities, gold posted a fall of nearly 13% (in dollars) over the period, and oil remained stable at nearly USD 60 on the WTI at both the start and end of the period.

## Management

OFI Euro High Yield IC Unit posted a net asset value of 103.46 on 29 March 2018, compared to 100.39 on 31 March 2017, thereby bringing the performance over the financial year to +3.06%. The index grew by +3.69% over the same period.

OFI Euro High Yield ID Unit posted a net asset value of 52.18 on 29 March 2018, compared to 52.37 on 31 March 2017, thereby bringing the performance over the financial year (including coupons) to +3.06%. The index grew by +3.69% over the same period.

OFI Euro High Yield R Unit posted a net asset value of 100.85 on 29 March 2018. This unit was created on 29 August 2017 at 100, thereby bringing the performance over the financial year to +0.85%. The index grew by +0.54% over the same period.

OFI Euro High Yield GI Unit posted a net asset value of 100.94 on 29 March 2018. This unit was created on 29 August 2017 at 100, thereby bringing the performance over the financial year to +0.94%. The index grew by +0.54% over the same period.

OFI Euro High Yield GR Unit posted a net asset value of 100.92 on 29 March 2018. This unit was created on 29 August 2017 at 100, thereby bringing the performance over the financial year to +0.92%. The index grew by +0.54% over the same period.

OFI Euro High Yield RF Unit posted a net asset value of 99.54 on 29 March 2018. This unit was created on 12 March 2018 at 100, i.e. a drop of -0.46% since its creation.

Over the financial year, OFI Euro High Yield did not use financial futures instruments such as exchange swaps. The UCITS used other derivatives such as credit default swaps and options on credit default swaps indices. The portfolio also used futures contracts on German interest rates in order to hedge against the risk of interest rate rises to which the portfolio is exposed in its bond portion.

After a beginning of the year impacted by multiple political risks in Europe, the rather consensual results of the French presidential elections (Mr E. Macron winning against Mrs Le Pen) triggered a rally on European financial markets in April, buoying performances in the first half-year of 2017 at high levels: (i) European equities: +7% as of the first half-year of 2017 of which +12% for banks and +8% for the CAC40; (ii) Euro vs USD: +8%; (iii) Crossover: -40 bps (+4.2%); and (iv) High Yield: +4% in Europe and +5% in the United States.

By rating, the European High Yield sub-fund (excluding financial performances), rated BB, grew by 6%, whilst the Bs and CCCs posted +5% and 12% respectively. After three quarters of marked compression of spreads (i.e. outperformance of B credit on BB credit), the resurgence of idiosyncratic risks (Altice, Astaldi, Newlook, etc.) resulted in a decompression of spreads over the last quarter of 2017. By portion of duration, bonds belonging to the longest segment outperformed the global market: +10% for the 4-10 portion of duration. The property, energy and utilities sectors were the main outperformers, posting +13%, +9% and +9% respectively.

The primary market was very dynamic in 2017, with a total volume of EUR 68 billion (+30% compared to 2016). New deals essentially contributed to the refinancing of existing debts under better financial conditions (65%) and are made up of 60% in issues which are rated BBs. The low volume of Bs issues can be explained by the economic arbitrage between the Leveraged Loans market and the High Yield Bonds market, rather than by the lack of investor appetite (see HomeVi, Thom Europe, Trinseo Operating, etc.). We also note significant trends: (i) the increase in American issuers having resorted to debt in euros (+28% of primary market, compared to 10% in 2016); and (ii) a larger proportion of aggressive issues (PIK notes and/or dividends) compared to the previous year (6% compared to 3%).

On the demand side, Euro High Yield funds posted a net outflow of EUR 7 billion in 2017, of which nearly EUR 10 billion over the last two months of the year (for an annual performance of approximately 6%). This figure should be compared with a net outflow of EUR 4 billion in 2016 (+10% in terms of performance). By way of comparison, the US High Yield market posted an outflow of USD 3 billion in 2017 and a return of USD 11 billion in 2016. Like the euro High Yield market, this market also experienced profit-taking over the last two months of 2017 (EUR -9 billion).

On the corporates side, the first half-year of 2017 was marked by the restructuring of the Agrokor and CGG dossiers in which the Fund was not invested. As for Agrokor, stock lost 80% of their value against a backdrop of difficulties in refinancing the bank debt with Russian and Croatian banks. In the second half-year of 2017, Altice was the hot topic (-57% on equities and -10% on average on Altice NV/SFR Group/Altice International group bonds). This resulted in a more global adjustment of the telecommunications sector both in Europe and in the United States, and served as a wake-up call to investors regarding the complexity of the group's capital structure. The Astaldi concession builder/operator also experienced a year under pressure, based on fears concerning the group's short-term liquidity. The Fund has not had any exposure to this sector since Abengoa's defaulting in October 2015. The rising number of idiosyncratic risks is working in favour of drastic selectivity on the part of companies. Furthermore, the Fund profited from upgrades of companies experiencing a turnaround, such as Petrobras, ZF North America, Areva and Anglo American.

## INFORMATION RELATIVE TO THE ESMA

### 1) Temporary purchase and sale or acquisitions transactions on securities (repurchase agreements, loans and borrowing)

As at 29 March 2018, we did not hold any position in temporary purchase and sale or acquisitions on securities (repurchase agreements, loans and borrowing).

### 2) Financial contracts (derivatives)

Foreign exchange: No position on 29 March 2018

Rates: No position on 29 March 2018

Credit: Positions open as at 29 March 2018

Counterparty	Nominal	Currency	Allotment
CREDIT SUISSE INTERNATIONAL	- 500,000	EUR	CDS
JP MORGAN SECURITIES PLC	- 10,000,000	EUR	CDS

Shares - CFD: No position on 29 March 2018

Commodities: No position on 29 March 2018

## INFORMATION RELATING TO TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND RE-USE

Between 31 March 2017 and 29 March 2018, the mutual fund performed neither securities financing transactions nor total return swaps.

## Balance sheet as at 29 March 2018 (in euros)

### BALANCE SHEET ASSETS

	29/03/2018	31/03/2017
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>134,578,168.48</b>	<b>154,210,540.39</b>
<b>Shares and similar securities</b>	<b>0.33</b>	<b>0.04</b>
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	0.33	0.04
<b>Bonds and similar securities</b>	<b>119,265,974.47</b>	<b>137,416,506.00</b>
Traded on a regulated or similar market	119,265,974.47	137,416,506.00
Not traded on a regulated or similar market	-	-
<b>Debt securities</b>	-	-
Traded on a regulated market or similar	-	-
Transferable debt securities	-	-
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
<b>Mutual funds</b>	<b>14,285,440.00</b>	<b>15,160,977.03</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	14,285,440.00	15,160,977.03
Other Funds aimed at non-professionals and equivalents in other Member States of the European Union	-	-
General purpose professional funds and equivalents in other Member States of the European Union and listed securitisation vehicles	-	-
Other professional investment funds and equivalents in other Member States of the European Union and unlisted securitisation vehicles	-	-
Other non-European vehicles	-	-
<b>Temporary transactions on securities</b>	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	<b>1,026,753.68</b>	<b>1,633,057.32</b>
Transactions on a regulated or similar market	-	114,730.00
Other transactions	1,026,753.68	1,518,327.32
<b>Other financial instruments</b>	-	-
<b>Receivables</b>	<b>3,610,335.78</b>	<b>3,042,318.04</b>
Foreign exchange forward transactions	-	-
Other	3,610,335.78	3,042,318.04
<b>Financial accounts</b>	<b>15,115,179.98</b>	<b>3,468,264.57</b>
Liquid assets	15,115,179.98	3,468,264.57
<b>Total assets</b>	<b>153,303,684.24</b>	<b>160,721,123.00</b>

## Balance sheet as at 29 March 2018 (in euros)

### BALANCE SHEET LIABILITIES

	29/03/2018	31/03/2017
<b>Equity</b>		
<b>Capital</b>	135,705,354.58	146,657,656.49
Previous net capital gains and losses not distributed (a)	4,180,512.37	-
Carry forward (a)	3,605.95	3,951.21
Net capital gains and losses for the financial year (a, b)	2,936,644.11	4,485,949.90
Result for the financial year (a, b)	4,273,380.87	5,290,448.45
<b>Equity total</b>	147,099,497.88	156,438,006.05
(= Amount representative of net assets)		
<b>Financial instruments</b>	-	316,730.00
<b>Purchase and sale transactions on financial instruments</b>	-	-
<b>Temporary transactions on securities</b>	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	316,730.00
Transactions on a regulated or similar market	-	114,730.00
Other transactions	-	202,000.00
<b>Payables</b>	6,204,186.36	3,966,386.95
Foreign exchange forward transactions	-	-
Other	6,204,186.36	3,966,386.95
<b>Financial accounts</b>	-	-
Current bank credit facilities	-	-
Borrowing	-	-
<b>Total liabilities</b>	153,303,684.24	160,721,123.00

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

## Off-balance sheet (in euros)

	29/03/2018	31/03/2017
<b>HEDGING TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	<b>12,429,340.00</b>
RATES	-	12,429,340.00
SALE - FUTURE - EURO BUND	-	12,429,340.00
<b>OTC commitments</b>	-	-
<b>Other commitments</b>	-	-
<b>OTHER TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	-
<b>OTC commitments</b>	<b>10,500,000.00</b>	<b>115,500,000.00</b>
CREDIT	10,500,000.00	115,500,000.00
PURCHASE - OPTION - CDS - CALL 0.045 - 2017-05	-	50,000,000.00
SALE - OPTION - CDS - PUT 0.0262 - 2017-05	-	50,000,000.00
SALE - CREDIT DERIVATIVES - CDS ITRAXX EUROPE C 291BP(5) 06/23 JP	10,000,000.00	-
SALE - CREDIT DERIVATIVES - CDS ITRAXX EUROPE C 293BP	-	5,000,000.00
SALE - CREDIT DERIVATIVES - CDS ITRAXX EUROPE C 300BP(5) 06/22 SG	-	10,000,000.00
SALE - CREDIT DERIVATIVES - CDS THYSSENKRUPP AG 274 BP 03/19 CSF	500,000.00	500,000.00
<b>Other commitments</b>	-	-

## Profit and loss account (in euros)

	29/03/2018	31/03/2017
<b>Income on financial transactions</b>		
Income on deposits and financial accounts	-3,144.35	36.15
Income on shares and similar securities	454,706.80	-
Income on bonds and similar securities	5,210,864.17	6,809,500.46
Income on debt securities	-	-
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
<b>Total (I)</b>	<b>5,662,426.62</b>	<b>6,809,536.61</b>
<b>Expenses on financial transactions</b>		
Expenses on acquisitions and temporary purchase and sale of securities	-	-
Expenses on financial contracts	-	-
Expenses on financial receivables	15,466.05	8,384.26
Other financial expenses	-	-
<b>Total (II)</b>	<b>15,466.05</b>	<b>8,384.26</b>
<b>Result on financial transactions (I-II)</b>	<b>5,646,960.57</b>	<b>6,801,152.35</b>
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	1,218,975.74	1,309,443.81
<b>Net result for financial year (L. 214-17-1) (I - II + III - IV)</b>	<b>4,427,984.83</b>	<b>5,491,708.54</b>
Adjustment of income for financial year (V)	-154,603.96	-201,260.09
Advances on result paid in respect of financial year (VI)	-	-
<b>Result (I - II + III - IV +/- V - VI)</b>	<b>4,273,380.87</b>	<b>5,290,448.45</b>

# APPENDIX

## ACCOUNTING RULES AND METHODS

The UCITS has complied with the accounting rules established by the Accounting Standards Authority regulation no. 2014-01 of 14 January 2014 on the accounting plan of UCITS with variable capital.

The rules for valuation are fixed, under its responsibility, by the management company.

The accounting currency for the fund is the euro.

The currency of denomination of the units: euros.

The net asset value is calculated every non-holiday trading day, and is dated that same day (Paris Stock Market).

The accounts relating to the securities portfolio are kept by reference to the historic cost: entries (purchases or subscriptions) and exits (sales or redemptions) are posted based on the acquisition price.

Any exit generates a capital gain or capital loss from sale or redemption and potentially, a redemption bonus.

Accrued coupons on negotiable debt securities are considered on the day of the net asset value date.

The UCITS values its securities at the actual value, the value resulting from the market value or in the absence of the existence of any market, from financial methods. The entry value-actual value difference generates a capital gain or loss which shall be posted as "difference in estimate of portfolio".

## Description of methods of valuation of balance sheet entries and futures and options transactions:

### Financial instruments

#### Equity securities

Equity securities admitted for trading on a regulated or similar market are valued based on closing prices.

#### Debt securities

Equity securities admitted for trading on a regulated or similar market are valued under the responsibility of the management company by comparing the prices of these assets with various sources.

#### Money market instruments

- Negotiable debt securities (NDS) with a duration on issue, acquisition or residual duration which is less than three months are valued using a linear method up to maturity at the issue or acquisition price or at the last price applied for their valuation at the market price.
- Negotiable debt securities (NDS) with a residual duration of more than three months are valued at the market price at the time of publication of inter-bank market prices.

#### Unlisted transferable securities

Unlisted transferable securities are valued under the responsibility of the management company using methods based on the asset value and the return, taking into consideration the prices applied at the time of recent significant transactions.

### UCITS

Units or shares of UCITS are valued at the last known net asset value on the actual day of calculation of the net asset value.

Financial contracts (otherwise known as "futures instruments") within the meaning of Article L.211-1, III of the Monetary and Financial Code.

#### Financial contracts traded on a regulated or similar market

Futures or options, traded on European regulated or similar markets, are valued at the settlement price, or failing this, based on the closing price.

#### Financial contracts not traded on a regulated or similar market (i.e. traded over-the-counter)

- *Financial contracts not traded on a regulated or similar market and settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued at the settlement price.
- *Financial contracts not traded on a regulated or similar market and not settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued using mark-to-model or mark-to-market pricing using prices provided by the counterparties. Credit Default Swaps are valued mark-to-market, based on the closing price, taking account of the residual life of the financial instrument.

#### Acquisitions and temporary purchase and sale of securities

Not applicable

#### Deposits

Deposits are valued at their book value.

#### Foreign currencies

Foreign currencies in cash are valued with the prices published daily on the financial databases used by the management company.

#### Net asset value adjustment method associated with swing pricing with release limit

The Fund may experience a drop in its net asset value (NAV) on account of subscription/redemption orders carried out by investors, at a price which does not reflect the readjustment costs associated with the portfolio's investment or disinvestment transactions. To reduce the impact of this dilution and to protect the interests of existing unit-holders, the mutual fund introduces a swing pricing mechanism with an activation limit. This mechanism, supported by a swing pricing policy, enables the management company to ensure payment of readjustment costs by those investors requesting subscription or redemption of units in the mutual fund, thus making savings for unit-holders wishing to remain in the fund.

If, on a day of calculation of the NAV, the total of net subscription/redemption orders of investors on all unit categories of the mutual fund exceeds a predefined limit, determined on the basis of objective criteria by the management company as a percentage of the fund's net assets, the NAV may be adjusted in an upward or downward direction, to take into account the readjustment costs chargeable respectively, to the net subscription/redemption orders. The NAV of each unit category is calculated separately but any adjustment has, as a percentage, an identical impact on all NAV of the unit categories of the fund. The parameters for costs and the release limit are determined by the management company. These costs are estimated by the management company based on transactions costs, offer-bid spreads and also potential taxes applicable to the mutual fund.

Since this adjustment is linked to the net balance of subscriptions/redemptions within the mutual fund, it is not possible to accurately predict whether swing pricing will be applied at a given moment in the future. Therefore, it is no longer possible either to accurately predict how often the management company will have to make such adjustments. Investors are advised that the volatility of the fund's NAV may not reflect exclusively the volatility of the securities held in the portfolio due to the application of swing pricing.

The policy for determining swing pricing mechanisms is available on request from the management company.

Application of swing pricing is at the management company's discretion in accordance with the OFI pricing policy.

In accordance with the regulations, the configuration for this mechanism is known only to those persons responsible for its implementation.

#### Description of off-balance sheet commitments

Futures contracts feature off-balance sheet for their market value, a value equal to the price (or the estimate if the transaction is OTC) multiplied by the number of contracts multiplied by the nominal and potentially translated to the fund posting currency.

Options transactions (except for options on credit derivatives) are translated as an underlying equivalent of the option (quantity x quota x price of underlying x delta potentially translated to fund posting currency).

Options on credit derivatives feature on the off-balance sheet for their nominal value.

Commitments on interest rate or currency swaps are posted off-balance sheet at the nominal value or, in the absence of a nominal value, for an equivalent amount, at the time of the initial transaction.

Credit Default Swaps feature on the off-balance sheet for their nominal value.



### Description of method followed for posting income from securities with fixed income

Result is calculated based on coupons cashed. Coupons accrued on the day of the valuations constitute an element of the valuation difference.

### Option chosen regarding posting of costs

The mutual fund has opted for posting with costs excluded.

### Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the UCITS, on calculation of each net asset value. The maximum rate applied on the basis of net assets (including any UCI) may not be more than

- 1.00% including tax for the category of IC units
- 1.00% including tax for the category of ID units
- 1.70% including tax for the category of R units
- 1.10% including tax for the category of RF units
- 1.10% including tax for the category of GI units
- 1.80% including tax for the category of GR units

These fees cover all costs charged directly to the UCITS, with the exception of transactions costs. Transaction costs include brokerage fees (brokerage, stock market taxes, etc.) and turnover commission.

The following may be added to the operating and management fees:

- outperformance commission. This remunerates the management company once the UCITS has exceeded its objectives. It is invoiced to the UCITS;
- turnover fee charged to the UCITS;

### Description of the method for calculating variable management fees

The variable management fees apply to the IC, ID, R and RF units.

Variable fees correspond to an outperformance fee. The calculation period for the outperformance commission is the financial year of the UCITS. Each time the net asset value is established, the outperformance of the UCITS is defined as the positive difference between the net assets of the UCITS before consideration of any provision for outperformance commission, and the net assets of a notional UCITS achieving a performance corresponding to the Merrill Lynch Euro Non-Financial Fixed & Floating Rate High Yield Index and registering the same pattern of subscriptions and redemptions as the actual UCITS.

Each time the net asset value is established, the outperformance commission, then defined equal to 20% (including tax) of performance above the Merrill Lynch Euro Non-Financial Fixed & Floating High Yield Index per annum, forms the subject of a provision, or a provision reversal limited to the existing allocation. In the case of negative absolute performance, when the relative performance of the Fund is positive, this same outperformance commission shall also be collected but limited to 1.5% of the Net Assets.

In the case of redemptions, the share of the outperformance fee corresponding to the redeemed units is collected by the management company. Apart from redemptions, the outperformance commission is collected by the management company on the end date of each calculation period.

Such a provision can only be posted on the condition that the net asset value, after consideration after any provision for outperformance fee, is higher than the net asset value at the start of the financial year. In the case of redemptions, the share of the outperformance commission corresponding to the redeemed units is collected by the management company. Apart from redemptions, the outperformance commission is collected by the management company on the end date of each calculation period. The outperformance commission is collected by the management company on the end date of each calculation period.

By exception, the calculation period for the outperformance commission for R units will extend for the first time from their date of creation to 31 March 2019.

By exception, the calculation period for the outperformance commission for RF units will extend from their date of creation to 31 March 2019.

A description of the method used for calculation of the outperformance fee is made available to subscribers by the management company.

## Allocation of distributable sums

### **IC, R, RF, GI and GR units**

#### **Distributable amounts relating to the net result:**

Pure capitalisation: the distributable sums relating to the net result are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law.

#### **Distributable sums relating to capital gains made:**

The management company decides, each year, on allocation of the capital gains made. The management company may decide on the payment of exceptional part payments.

### **ID units**

#### **Distributable amounts relating to the net result:**

Pure distribution: the distributable sums relating to the net result are distributed in full, rounded to the nearest whole number. The management company may decide on the payment of exceptional part payments.

#### **Distributable sums relating to capital gains made:**

The management company decides, each year, on allocation of the capital gains made. The management company may decide on the payment of exceptional part payments.

## Evolution of net assets of the UCI (in euros)

	29/03/2018	31/03/2017
<b>Net assets at the beginning of the financial year</b>	<b>156,438,006.05</b>	<b>225,282,296.53</b>
Subscriptions (including subscription fees retained by the UCI)	2,654,745.55	5,220,714.70
Redemptions (after deduction of redemption fees retained by the UCI)	-13,522,586.60	-81,668,606.99
Capital gains made on deposits and financial instruments	8,081,750.70	12,114,722.77
Capital losses made on deposits and financial instruments	-4,187,969.33	-5,473,379.56
Capital gains made on financial contracts	131,300.00	-
Capital losses made on financial contracts	-649,039.24	-1,554,376.25
Transaction costs	-261,549.27	-306,875.73
Exchange differences	-344.32	-48,378.13
Change in difference in estimate of deposits and financial instruments	-2,627,002.85	117,748.13
Difference of estimate financial year N	1,212,945.03	
Difference of estimate financial year N - 1	3,839,947.88	
Change in difference in estimate of financial contracts	-156,343.64	1,192,921.04
Difference of estimate financial year N	1,026,753.68	
Difference of estimate financial year N - 1	1,183,097.32	
Distribution for the previous financial year on net and losses	-	-
Distribution for the previous financial year on result	-3,229,454.00	-3,930,489.00
Net result of the financial year before accruals account	4,427,984.83	5,491,708.54
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-	-
<b>Net assets at the end of the financial year</b>	<b>147,099,497.88</b>	<b>156,438,006.05</b>

## Allocation by legal or economic nature

Designation of securities	Nominal	%
<b>Assets</b>		
<b>Bonds and similar securities</b>	<b>119,265,974.47</b>	<b>81.08</b>
Indexed bonds	-	-
Convertible Bonds	-	-
Equity securities	-	-
Other bonds	119,265,974.47	81.08
<b>Debt securities</b>	-	-
Short-term negotiable securities	-	-
Medium-term negotiable securities	-	-
<b>Liabilities</b>		
<b>Purchase and sale transactions on financial instruments</b>	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Other	-	-
<b>Off-balance sheet</b>		
Rate	-	-
Equities	-	-
Credit	10,500,000.00	7.14
Other	-	-

## Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	107,870,457.36	73.33	10,384,175.44	7.06	1,011,341.67	0.69	-	-
Debt securities	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	15,115,179.98	10.28
<b>Liabilities</b>								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-

## Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Allocation by residual maturity

	< 3 months	%	[3 months – 1 year]	%	[1 – 3 years]	%	[3 – 5 years]	%	> 5 years	%
<b>Assets</b>										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	2,072,093.15	1.41	16,497,716.12	11.22	34,041,113.06	23.14	66,655,052.14	45.31
Debt securities	-	-	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	15,115,179.98	10.28	-	-	-	-	-	-	-	-
<b>Liabilities</b>										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

## Allocation by currency

	USD	%		%		%		%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Shares and similar securities	0.33	0.00	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
UCI	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Financial accounts	2,307.85	0.00	-	-	-	-	-	-

## Allocation by currency (continued)

	USD	%		%		%		%
<b>Liabilities</b>								
Purchase and sale transactions on financial instruments	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Sundry debtors and creditors

	29/03/2018
<b>Receivables</b>	
Sale with deferred settlement	3,042,877.78
Coupons receivable	58,750.00
Other	508,708.00 <sup>(1)</sup>
<b>Total receivables</b>	<b>3,610,335.78</b>
<b>Payables</b>	
Provision for fixed management fees payable	-92,510.06
Provision for variable management fees payable	-0.10
Turnover fee provision	-17,494.83
Purchase with deferred settlement	-5,105,013.89
Redemptions payable	-4,859.33
Other	-984,308.15 <sup>(2)</sup>
<b>Total payables</b>	<b>-6,204,186.36</b>
<b>Total</b>	<b>-2,593,850.58</b>

(1) Settlement to be received on swap

(2) Settlement to be paid on swap

## Subscriptions-redemptions

<b>Category of IC units</b>	
Units issued	23,905.9946
Units redeemed	76,538.7630
<b>Category of ID units</b>	
Units issued	4,000.0000
Units redeemed	107,000.0000
<b>Category of GI units</b>	
Units issued	1.0000 <sup>(3)</sup>
Units redeemed	-
<b>Category of GR units</b>	
Units issued	1.0000 <sup>(4)</sup>
Units redeemed	-
<b>Category of R units</b>	
Units issued	1.0000 <sup>(5)</sup>
Units redeemed	-
<b>Category of RF units</b>	
Units issued	1.0000 <sup>(6)</sup>
Units redeemed	-

(3) The category of GI units was created on 29 August 2017.

(4) The category of GR units was created on 29 August 2017.

(5) The category of R units was created on 29 August 2017.

(6) The category of RF units was created on 12 March 2018.

## Commissions

<b>Category of IC units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>Category of ID units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>Category of GI units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>Category of GR units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>Category of R units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>Category of RF units</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

## Management fees

<b>Category of IC units</b>	
Percentage of fixed management fees	0.80
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>Category of ID units</b>	
Percentage of fixed management fees	0.80
Performance commission (variable costs)	-0.01
Retrocession of management fees	-
<b>Category of GI units</b>	
Percentage of fixed management fees	0.53 <sup>(7)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>Category of GR units</b>	
Percentage of fixed management fees	0.56 <sup>(8)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>Category of R units</b>	
Percentage of fixed management fees	0.56 <sup>(9)</sup>
Performance commission (variable costs)	0.10
Retrocession of management fees	-
<b>Category of RF units</b>	
Percentage of fixed management fees	0.46 <sup>(10)</sup>
Performance commission (variable costs)	0.01
Retrocession of management fees	-

(7) The category of GI units was created on 29 August 2017 – the rate presented has been annualised.

(8) The category of GR units was created on 29 August 2017 – the rate presented has been annualised.

(9) The category of R units was created on 29 August 2017 – the rate presented has been annualised.

(10) The category of RF units was created on 12 March 2018 – the rate presented has been annualised.

## Commitments received and given

<b>Description of guarantees received by the UCI with notably, mention of capital guarantees</b>
Nil
<b>Other commitments received and/or given</b>
Nil

## Other information

Code	Name	Quantity	Price	Current value (in euros)
<b>Current value of financial instruments forming the subject of temporary acquisition</b>				
Nil				



## Other information (continued)

Code	Name	Quantity	Price	Current value (in euros)
<b>Current value of financial instruments constituting guarantee deposits</b>				
	Financial instruments received as guarantee and not posted on the balance sheet			Nil
	Financial instruments given as guarantee and kept in their original entry			Nil
<b>Financial instruments held in the portfolio issued by entities associated with the management company (fund) or with the financial manager(s) (SICAV) and variable capital UCI managed by these entities</b>				
				Nil

## Advances on result paid in respect of financial year

	Date	Total amount	Unit amount	Total tax credits	Unit tax credit
Total advances		-	-	-	-

## Advances on net capital gains and losses paid in respect of financial year

	Date	Total amount	Unit amount
Total advances		-	-

Table showing allocation of distributable amounts relating to the result (in euros)

	29/03/2018	31/03/2017
<b>Category of IC units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	1,618,383.22	2,006,014.08
<b>Total</b>	<b>1,618,383.22</b>	<b>2,006,014.08</b>
<b>Allocation</b>		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	1,618,383.22	2,006,014.08
<b>Total</b>	<b>1,618,383.22</b>	<b>2,006,014.08</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>Category of I CHF H units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
<b>Total</b>	<b>-</b>	<b>(11)</b>
<b>Allocation</b>		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>Category of ID units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	3,605.95	3,951.21
Profit/loss	2,654,991.60	3,284,434.37
<b>Total</b>	<b>2,658,597.55</b>	<b>3,288,385.58</b>
<b>Allocation</b>		
Retailing	2,648,296.00	3,284,634.00
Carry forward for the financial year	10,301.55	3,751.58
Capitalisation	-	-
<b>Total</b>	<b>2,658,597.55</b>	<b>3,288,385.58</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1,742,300.0000	1,845,300.0000

**Table showing allocation of distributable amounts relating to the result (in euros) (continued)**

	29/03/2018	31/03/2017
Unit distribution	1.52	1.78
Tax credits attached to distribution of result	-	-
<b>Category of GI units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	1.92 <sup>(12)</sup>	-
<b>Total</b>	<b>1.92</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	1.92	-
<b>Total</b>	<b>1.92</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>Category of GR units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	1.90 <sup>(13)</sup>	-
<b>Total</b>	<b>1.90</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	1.90	-
<b>Total</b>	<b>1.90</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>Category of R units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	1.80 <sup>(14)</sup>	-
<b>Total</b>	<b>1.80</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	1.80	-

## Table showing allocation of distributable amounts relating to the result (in euros) (continued)

	29/03/2018	31/03/2017
<b>Total</b>	<b>1.80</b>	-
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>Category of RF units</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	0.43 <sup>(15)</sup>	-
<b>Total</b>	<b>0.43</b>	-
<b>Allocation</b>		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	0.43	-
<b>Total</b>	<b>0.43</b>	-
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

(11) The category of I CHF H units was removed on 20/07/2016.

(12) The category of GI units was created on 29 August 2017.

(13) The category of GR units was created on 29 August 2017.

(14) The category of R units was created on 29 August 2017.

(15) The category of RF units was created on 12 March 2018.

**Table showing allocation of distributable sums relating to net capital gains and losses (in euros)**

	29/03/2018	31/03/2017
<b>Category of IC units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	1,538,500.99	-
Net capital gains and losses for the financial year	1,110,288.86	1,687,925.77
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>2,648,789.85</b>	<b>1,687,925.77</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	2,648,789.85	1,687,925.77
Capitalisation	-	-
<b>Total</b>	<b>2,648,789.85</b>	<b>1,687,925.77</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	542,961.7741	595,594.5425
Unit distribution	-	-
<b>Category of I CHF H units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	-	-(16)
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
<b>Category of ID units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	2,642,011.38	-
Net capital gains and losses for the financial year	1,826,352.19	2,798,024.13
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>4,468,363.57</b>	<b>2,798,024.13</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	4,468,363.57	2,798,024.13
Capitalisation	-	-
<b>Total</b>	<b>4,468,363.57</b>	<b>2,798,024.13</b>

**Table showing allocation of distributable sums relating to net capital gains and losses (in euros) (continued)**

	29/03/2018	31/03/2017
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1,742,300.0000	1,845,300.0000
Unit distribution	-	-
<b>Category of GI units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	1.25 <sup>(17)</sup>	-
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>1.25</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	1.25	-
Capitalisation	-	-
<b>Total</b>	<b>1.25</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	-
Unit distribution	-	-
<b>Category of GR units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	1.25 <sup>(18)</sup>	-
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>1.25</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	1.25	-
Capitalisation	-	-
<b>Total</b>	<b>1.25</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	-
Unit distribution	-	-
<b>Category of R units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	1.28 <sup>(19)</sup>	-
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>1.28</b>	<b>-</b>

**Table showing allocation of distributable sums relating to net capital gains and losses (in euros) (continued)**

	29/03/2018	31/03/2017
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	1.28	-
Capitalisation	-	-
<b>Total</b>	<b>1.28</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	-
Unit distribution	-	-
<b>Category of RF units</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	-0.72 <sup>(20)</sup>	0)
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-0.72</b>	<b>-</b>
<b>Allocation</b>		
Retailing	-	-
Net capital gains and losses not distributed	-0.72	-
Capitalisation	-	-
<b>Total</b>	<b>-0.72</b>	<b>-</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	-
Unit distribution	-	-

(16) The category of I CHF H units was removed on 20/07/2016.

(17) The category of GI units was created on 29 August 2017.

(18) The category of GR units was created on 29 August 2017.

(19) The category of R units was created on 29 August 2017.

(20) The category of RF units was created on 12 March 2018.

**Table showing results and other characteristic elements of the UCI during the last five financial years (in euros)**

	29/03/2018	31/03/2017	31/03/2016	31/03/2015	31/03/2014
<b>Net assets</b>					
in EUR	147,099,497.88	156,438,006.05	225,282,296.53	221,942,309.67	250,962,220.51
<b>Number of securities</b>					
Category of IC units	542,961.7741	595,594.5425	672,992.4811	714,995.3142	1,083,024.8981
Category of I CHF H units	-	-	505,683.5457	448,806.5457	538,106.5457
Category of ID units	1,742,300.0000	1,845,300.0000	2,033,800.0000	1,863,800.0000	1,825,500.0000
Category of GI units	1.0000	-	-	-	-
Category of GR units	1.0000	-	-	-	-
Category of R units	1.0000	-	-	-	-
Category of RF units	1.0000	-	-	-	-
<b>Unit net asset value</b>					
Category of IC units in EUR	103.46	100.39	93.56	94.01	90.54
Category of I CHF H units in CHF	-	-(21)	127.09(22)	128.59(23)	124.23(24)
Category of ID units in EUR	52.18	52.37	50.84	53.33	53.67(25)
Category of GI units in EUR	100.94(26)	-	-	-	-
Category of GR units in EUR	100.92(27)	-	-	-	-
Category of R units in EUR	100.85(28)	-	-	-	-
Category of RF units in EUR	99.54(29)	-	-	-	-
<b>Unit distribution on net capital gains and losses (including advances)</b>					
Category of IC units in EUR	-	-	-	-	-
Category of I CHF H units in EUR	-	-	-	-	-
Category of ID units in EUR	-	-	-	-	-
Category of GI units in EUR	-	-	-	-	-
Category of GR units in EUR	-	-	-	-	-
Category of R units in EUR	-	-	-	-	-
Category of RF units in EUR	-	-	-	-	-
<b>Unit distribution on result (including advances)</b>					
Category of IC units in EUR	-	-	-	-	-
Category of I CHF H units in EUR	-	-	-	-	-
Category of ID units in EUR	1.52	1.78	2.13	2.23	2.35
Category of GI units in EUR	-	-	-	-	-
Category of GR units in EUR	-	-	-	-	-
Category of R units in EUR	-	-	-	-	-
Category of RF units in EUR	-	-	-	-	-
<b>Unit tax credit transferred to bearer (individuals)</b>					
Category of IC units in EUR	-	-	-	-	-
Category of I CHF H units in EUR	-	-	-	-	-
Category of ID units in EUR	-	-	-	-	-
Category of GI units in EUR	-	-	-	-	-
Category of GR units in EUR	-	-	-	-	-



**Table showing results and other characteristic elements of the UCI during the last five financial years (in euros) (continued)**

	29/03/2018	31/03/2017	31/03/2016	31/03/2015	31/03/2014
Category of R units in EUR	-	-	-	-	-
Category of RF units in EUR	-	-	-	-	-
<b>Unit capitalisation</b>					
Category of IC units in EUR	2.98	3.36	1.21	5.94	7.87
Category of I CHF H units in EUR	-	-	-2.82	21.29	10.20
Category of ID units in EUR	-	-	-1.43	1.20	1.88
Category of GI units in EUR	1.92	-	-	-	-
Category of GR units in EUR	1.90	-	-	-	-
Category of R units in EUR	1.80	-	-	-	-
Category of RF units in EUR	0.43	-	-	-	-

(21) The category of I CHF H units was removed on 20/07/2016.

(22) The exchange value of the net asset value (in CHF) is EUR 116.46.

(23) The exchange value of the net asset value (in CHF) is EUR 123.27.

(24) The exchange value of the net asset value (in CHF) is EUR 102.04.

(25) The category of D units was created on 3 May 2013 with a nominal value of EUR 50.00.

(26) The category of GI units was created on 29 August 2017 with a nominal value of EUR 100.00.

(27) The category of GR units was created on 29 August 2017 with a nominal value of EUR 100.00.

(28) The category of R units was created on 29 August 2017 with a nominal value of EUR 100.00.

(29) The category of RF units was created on 12 March 2018 with a nominal value of EUR 100.00.

(30) The unit capitalisation for I and I CHF H units from 31 March 2014 is that of the result and the net capital gains or losses.

For previous financial years, the unit capitalisation is only that of the result.

## Portfolio inventory as at 29 March 2018

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
<b>Deposits</b>			-	-
<b>Financial instruments</b>				
<b>Shares and similar securities</b>			<b>0.33</b>	<b>-</b>
Traded on a regulated or similar market			-	-
FORTUNE MANAGEMENT	EUR	58,200.00	0.00	0.00
NORTHWESTERN	USD	125,000.00	0.00	0.00
Not traded on a regulated or similar market			0.33	-
IT GROUP	USD	4,000.00	0.33	0.00
<b>Bonds and similar securities</b>			<b>119,265,974.47</b>	<b>81.08</b>
Traded on a regulated or similar market			119,265,974.47	81.08
ACCOR SA TF/ TV PERPETUAL	EUR	1,500,000.00	1,639,526.71	1.11
ADIANT GLOBAL HOLDINGS 3.5% 15/08/2024	EUR	1,500,000.00	1,534,261.33	1.04
AIR FRANCE KLM PERP 49	EUR	1,000,000.00	1,130,478.08	0.77
ALTICE FINCO SA 4.75% 15/01/2028	EUR	600,000.00	534,554.17	0.36
ALTICE SA 7.25% 15/05/2022	EUR	1,600,000.00	1,574,028.89	1.07
ARD FINANCE SA PIK 15/09/2023	EUR	1,500,000.00	1,591,344.79	1.08
AREVA 4.375% 06/11/2019	EUR	1,250,000.00	1,346,199.49	0.92
AREVA 4.875% 23/09/2024	EUR	2,500,000.00	2,810,943.49	1.91
BALL CORP 3.5% 15/12/2020	EUR	1,000,000.00	1,094,391.71	0.74
BOMBARDIER INC 6.125% 15/05/2021	EUR	1,500,000.00	1,677,673.96	1.14
CABLE COMM SYST NV 5% 15/10/2023	EUR	1,000,000.00	1,079,472.22	0.73
CASINO GUICHARD PERRACHO 1.865% 13/06/2022	EUR	1,500,000.00	1,512,409.93	1.03
CASINO GUICHARD PERRACHO 2.33% 07/02/2025	EUR	700,000.00	706,574.82	0.48
CASINO GUICHARD PERRACHON SA 3.248% 07/03/2024	EUR	700,000.00	745,465.36	0.51
CMA CGM SA 7.75% 15/01/2021	EUR	2,000,000.00	2,103,213.89	1.43
CONSTELLIUM NV 4.625% 15/05/2021	EUR	1,600,000.00	1,652,572.22	1.12
COTY INC 4.00% 15/04/2023	EUR	1,000,000.00	1,004,500.00	0.68
CROWN EURO HOLDINGS 4% 15/07/2022	EUR	1,000,000.00	1,097,277.78	0.75
DEMIRE DEUTSCHE MITT 2.875% 15/07/2022	EUR	1,125,000.00	1,156,397.66	0.79
EDF TF/TV PERPETUAL	EUR	1,500,000.00	1,605,805.48	1.09
EUROFINS SCIENTIFIC SE PERP	EUR	1,500,000.00	1,503,515.75	1.02
EUROPCAR DRIVE DAC 4.125% 15/11/2024	EUR	1,000,000.00	1,018,616.67	0.69
FEDERAL MOGUL HOLDINGS C 4.875% 15/04/2022	EUR	1,500,000.00	1,542,278.13	1.05
FERROVIAL NL BV VAR PERP	EUR	700,000.00	677,861.13	0.46
FIAT CHRYSLER AUTOMOBILE 3.750% 29/03/2024	EUR	700,000.00	764,411.51	0.52
FIAT FINANCE & TRADE 4.75% 15/07/2022	EUR	1,000,000.00	1,161,226.03	0.79
FIAT FINANCE AND TRADE LTD S.A 4.75% 22/03/2021	EUR	1,000,000.00	1,108,991.78	0.75
GAS NATURAL FENOSA TF/ TV PERPETUEL	EUR	1,500,000.00	1,617,274.32	1.10
GAZPROM CAPITAL 3.7% 25/07/2018	EUR	2,000,000.00	2,072,093.15	1.41
GIE PSA 6% 19/09/2033	EUR	2,000,000.00	2,620,767.12	1.78
GRUPO ANTOLIN IRAUSA SA 3.25% 30/04/2024	EUR	1,000,000.00	1,042,402.78	0.71
HAPAG LLOYD AG 5.125% 15/07/2024	EUR	1,000,000.00	1,018,546.53	0.69
HEMA BONDCO I BV FRN 15/07/2022	EUR	1,000,000.00	1,011,341.67	0.69

## Portfolio inventory as at 29 March 2018 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
HORIZON PARENT HOLDINGS 8.25% PIK 15/02/2022	EUR	2,000,000.00	2,141,858.33	1.46
HUNTSMAN INTERNATIONAL LLC 5.125% 15/04/2021	EUR	1,000,000.00	1,133,959.03	0.77
INEOS FINANCE PLC 2.125% 15/11/2025	EUR	1,000,000.00	980,713.19	0.67
INTERNATIONAL GAME TECH 4.125% 15/02/2020	EUR	1,500,000.00	1,589,421.88	1.08
INTRALOT CAPITAL LUX 5.25% 15/09/2024	EUR	1,000,000.00	1,008,370.83	0.69
LA FINAC ATALIAN SA 4% 15/05/2024	EUR	1,200,000.00	1,245,173.33	0.85
LECTA SA 6.5% 01/08/2023	EUR	1,500,000.00	1,568,812.50	1.07
LKQ EURO HDG BV 3.625% 01/04/2026	EUR	1,000,000.00	1,003,200.00	0.68
LOXAM SAS 3.5% 03/05/2023	EUR	600,000.00	619,768.33	0.42
LOXAM SAS 6% 15/04/2025	EUR	1,000,000.00	1,109,166.67	0.75
LSF10 WOLVERINE INVEST 5% 15/03/2024	EUR	750,000.00	759,962.50	0.52
MASARIA INVESTMENTS SAU 5.00% 15/09/2024	EUR	1,400,000.00	1,421,264.44	0.97
MATTERHORN TELECOM SA 3.875% 01/05/2022	EUR	1,500,000.00	1,541,653.13	1.05
MAXEDA DIV HOLDING BV 6.125% 15/07/2022	EUR	1,500,000.00	1,462,261.46	0.99
MERLIN ENTERTAINMENTS PL 2.75% 15/03/2022	EUR	1,000,000.00	1,041,351.39	0.71
MPT OPER PARTINERSP / FINL 4% 19/08/2022	EUR	1,000,000.00	1,114,786.30	0.76
NETFLIX INC 3.625% 15/05/2027	EUR	800,000.00	799,437.22	0.54
NOVAFIVES SAS 4.5% 30/06/2021	EUR	1,000,000.00	1,026,675.00	0.70
NUMERICABLE 5.375% 15/05/2022	EUR	1,300,000.00	1,337,590.76	0.91
NYRSTAR NEDERLAND HOLDINGS 6.875% 15/03/2024	EUR	1,000,000.00	1,028,128.47	0.70
NYRSTAR NETHERLANDS 8.5% 15/09/2019	EUR	500,000.00	545,343.06	0.37
OTE PLC 4.375% 02/12/2019	EUR	1,000,000.00	1,078,043.15	0.73
PAPREC HOLDING SA 4% 31/03/2025	EUR	2,000,000.00	2,013,511.11	1.37
PETROBRAS GLOBAL FINANCE 4.25% 02/10/2023	EUR	1,000,000.00	1,098,824.66	0.75
PICARD BONDCO 5.5% 30/11/2024	EUR	2,000,000.00	2,021,011.11	1.37
PROGROUP AG 3% 31/03/2026	EUR	1,000,000.00	993,883.33	0.68
QUINTILES IMS INC 2.875% 15/09/2025	EUR	1,000,000.00	973,217.36	0.66
REPSOL INTL FINANCE PERPETUAL	EUR	1,000,000.00	1,073,961.64	0.73
RWE AG VAR 21/04/2075	EUR	1,000,000.00	1,045,631.51	0.71
SAIPEM FINANCE INTL BV 2.75% 05/04/2022	EUR	1,000,000.00	1,043,024.66	0.71
SAIPEM FINANCE INTL BV 3% 08/03/2021	EUR	1,000,000.00	1,039,119.18	0.71
SELECTA GROUP BV 5.875% 01/02/2024	EUR	2,000,000.00	2,005,036.11	1.36
SOFTBANK GROUP CORP 3.125% 19/09/2025	EUR	800,000.00	753,921.67	0.51
SOFTBANK GROUP CORP 4.75% 30/07/2025	EUR	1,000,000.00	1,054,144.44	0.72
SOFTBANK GROUP CORP 5.25% 30/07/2027	EUR	1,000,000.00	1,069,633.33	0.73
SOLVAY FINANCE TF-2019/TV PERP	EUR	1,500,000.00	1,613,277.66	1.10
SUPERIOR INDUSTRIES INTE 6% 15/06/2025	EUR	1,000,000.00	1,006,266.67	0.68
TELECOM ITALIA SPA 2.375% 12/10/2027	EUR	1,500,000.00	1,490,132.88	1.01
TELECOM ITALIA SPA 4% 21/01/2020	EUR	1,400,000.00	1,506,960.00	1.02
TELEFONICA EUROPE BV 4.2% PERPETUAL	EUR	1,100,000.00	1,173,395.62	0.80
TELEFONICA EUROPE BV TF/TV PERPETUAL	EUR	1,000,000.00	1,139,943.84	0.77
TELEFONICA EUROPE BV VAR PERP	EUR	1,000,000.00	1,044,854.79	0.71
TELITA FIN 7.75% 24/01/2033	EUR	850,000.00	1,283,978.56	0.87

## Portfolio inventory as at 29 March 2018 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
TEREOS FIN GROUP 04/03/2020	EUR	1,000,000.00	1,029,509.59	0.70
TEVA PHARM FNC NL II 0.375% 25/07/2020	EUR	2,000,000.00	1,953,598.63	1.33
TEVA PHARM FNC NL II 1.125% 15/10/2024	EUR	1,000,000.00	840,370.55	0.57
TEVA PHARM FNC NL II 3.25% 15/04/2022	EUR	500,000.00	503,402.78	0.34
THOMAS COOK GROUP PLC 6.25% 15/06/2022	EUR	2,000,000.00	2,192,047.22	1.49
TITAN GLOBAL FINANCE 4.25% 10/07/2019	EUR	2,000,000.00	2,102,923.76	1.43
UNITED GROUP BV 4.375% 01/07/2022	EUR	1,500,000.00	1,540,201.04	1.05
VALLOUREC SA 6.625% 15/10/2022	EUR	2,200,000.00	2,364,226.94	1.61
VERISURE MIDHOLDING AB 5.75% 01/12/2023	EUR	1,800,000.00	1,821,355.00	1.24
VIRGIN MEDIA FINANCE PLC 4.5% 15/01/2025	EUR	1,500,000.00	1,537,912.50	1.05
VRX ESCROW CORP 4.5% 15/05/2023	EUR	1,500,000.00	1,357,162.50	0.92
WEPA HYGIENEPRODUKTE GMB 3.75% 15/05/2024	EUR	1,000,000.00	1,032,579.17	0.70
WORLDPAY FINANCE 3.750% 15/11/2022	EUR	1,500,000.00	1,642,468.75	1.12
ZIGGO SECURED FINANCE BV 4.25% 15/01/2027	EUR	1,000,000.00	1,020,726.39	0.69
ZODIAK MEDIA SA 4% 01/07/2022	EUR	1,500,000.00	1,570,400.00	1.07
Not traded on a regulated or similar market			-	-
PEGASUS SATELLITE 01/03/2007DEFAULTED	USD	1,250,000.00	0.00	0.00
<b>Debt securities</b>			-	-
Traded on a regulated market or similar			-	-
Transferable debt securities			-	-
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
<b>Mutual funds</b>			<b>14,285,440.00</b>	<b>9.71</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			14,285,440.00	9.71
ISHARES SURO HIGH YIELD CORP BOND UCITS ETF	EUR	136,000.00	14,285,440.00	9.71
Other Funds aimed at non-professionals and equivalents in other Member States of the European Union			-	-
General purpose professional funds and equivalents in other Member States of the European Union and listed securitisation vehicles			-	-
Other professional investment funds and equivalents in other Member States of the European Union and unlisted securitisation vehicles			-	-
Other non-European vehicles			-	-
<b>Temporary transactions on securities</b>			-	-
Receivables representative of securities under repurchase agreements			-	-
Receivables representative of securities lent			-	-
Securities borrowed			-	-
Securities given under a repurchase agreement			-	-
Payables representative of securities given under a repurchase			-	-
Payables representative of securities borrowed			-	-
Other temporary transactions			-	-
<b>Purchase and sale transactions on financial instruments</b>			-	-
<b>Financial contracts</b>			<b>1,026,753.68</b>	<b>0.70</b>

## Portfolio inventory as at 29 March 2018 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Transactions on a regulated or similar market			-	-
Other transactions			1,026,753.68	0.70
CDS ITRAXX EUROPE C 291BP(5) 06/23 JP	EUR	10,000,000.00	1,022,421.89	0.70
CDS THYSSENKRUPP AG 274 BP 03/19 CSF	EUR	500,000.00	4,331.79	0.00
<b>Other financial instruments</b>			-	-
<b>Receivables</b>			<b>3,610,335.78</b>	<b>2.45</b>
<b>Payables</b>			<b>-6,204,186.36</b>	<b>-4.22</b>
<b>Financial accounts</b>			<b>15,115,179.98</b>	<b>10.28</b>
<b>NET ASSETS</b>			<b>147,099,497.88</b>	<b>100.00</b>

**OFI EURO HIGH YIELD  
Mutual Fund**

OFI ASSET MANAGEMENT  
Société de gestion  
20-22, rue Vernier - 75017 PARIS

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**AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS**

**FINANCIAL YEAR ENDED ON 29 MARCH 2018**

To the unit-holders,

**OPINION**

In fulfilment of the mission which was entrusted to us by the management company, we have carried out an audit of the annual accounts of the mutual fund OFI EURO HIGH YIELD relating to the financial year ended 29 March 2018, as they are attached to this report.

We certify that the annual accounts are, in the light of French accounting rules and principles, due and proper and sincere, and give a faithful image of the result of the operations in the past financial year, and of the financial situation and assets of the fund at the end of that financial year.

**BASIS OF THE OPINION**

**AUDIT REFERENCE SYSTEM**

We have carried out our audit in accordance with the rules of professional practice applicable in France. We consider that the elements which we have gathered are sufficient and appropriate in order to form our opinion.

The responsibilities incumbent upon us under these standards are set out in the section of this report entitled "Responsibilities of the statutory auditor relating to the audit of the annual accounts".

## **INDEPENDENCE**

We carried out our audit mission in compliance with the rules of independence applicable to us, over the period from 1 April 2017 to the date of issue of our report; in particular, we did not provide any of the services prohibited by the code of ethics of the statutory auditors' profession.

## **JUSTIFICATION OF ASSESSMENTS**

In application of the provisions of Article L. 823-9 and R. 823-7 of the French Commercial Code relating to the explanation for our assessments, we would like to bring to your attention the following assessments which, according to our professional judgement, were the most significant for the audit of the annual accounts for the financial year.

The valuation of the portfolio was carried out according to the methods described in the appendix. We have reviewed the appropriate nature of these methods, and their correct application.

The assessments provided come within the context of the audit of annual accounts considered overall and the formation of our opinion set out above. We are not expressing any opinion on elements of these annual accounts taken in isolation.

## **VERIFICATION OF THE MANAGEMENT REPORT AND OF THE OTHER DOCUMENTS SENT TO THE UNIT-HOLDERS**

In accordance with the rules of professional practice applicable in France, we also carried out the specific checks provided for by law.

We do not have any observations to make on the genuine nature or concordance with the annual accounts of the information given in the management report prepared by the fund management company, and in the other documents sent to unit-holders on the financial situation and the annual accounts.

## **RESPONSIBILITIES OF MANAGEMENT AND OF THE INDIVIDUALS COMPRISING CORPORATE GOVERNANCE RELATING TO THE ANNUAL ACCOUNTS**

It is for the management department of the management company to draw up annual accounts preparing an honest image in accordance with the French accounting rules and principles, and to set in place the internal control which it deems necessary for the preparation of annual accounts not containing any significant anomalies, whether these originate from fraud or error.

On drawing up annual accounts, it is for the management company to assess the capacity of the mutual fund to continue operation, present in these accounts, where applicable, the necessary information relating to continuity of operation and apply the accounts agreement on continuity of operation, except where it is envisaged liquidating the mutual fund or ceasing its activity.

The annual accounts were drawn up by the fund management company.

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## RESPONSIBILITIES OF THE AUDITOR RELATING TO THE AUDIT OF THE ANNUAL ACCOUNTS

It is our responsibility to prepare a report on the annual accounts. Our objective is to obtain reasonable assurance that the annual accounts, taken as a whole, do not contain any significant anomalies. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in accordance with professional standards systematically makes it possible to detect any significant anomaly. Anomalies may originate from fraud or error and are deemed significant when it can be reasonably expected that they might, taken individually or jointly, influence the economic decisions which the users of the accounts take, based on said anomalies.

As specified in Article L.823-10-1 of the French Commercial Code, our mission of certification of accounts does not consist of guaranteeing the viability or quality of the management of your mutual fund.

In the context of an audit carried out in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout this audit.

Moreover:

- they identify and assess the risks that the annual accounts contain significant anomalies, whether they originate from fraud or error, defines and implements audit procedures to deal with these risks, and gathers the information they deem sufficient and appropriate in order to support their opinion. The risk of non-detection of a significant anomaly resulting from fraud is higher than the risk of a significant anomaly resulting from an error, as fraud can entail collusion, falsification, deliberate omissions, false declarations or diversion of internal control;
- they take note of the relevant internal control for the audit, so as to define appropriate audit procedures in the circumstances, and not with a view to expressing an opinion on the effectiveness of the internal control;
- they assess the appropriate nature of the accounting methods applied and the reasonable nature of the accounting estimates made by the management company, along with the information concerning these provided in the annual accounts;
- they assess the appropriate nature of the application by the management company of the accounting agreement on continuity of operation and, depending on the information gathered, the existence or not of significant uncertainty relating to events or circumstances likely to call into question the capacity of the fund to continue operation. This assessment is based on the information gathered up to the day of their report, it being reiterated, however, that subsequent circumstances or events might call continuity of operation into question. If they conclude the existence of a significant uncertainty, they draw the attention of the readers of their report to the information provided in the annual accounts on the subject of this uncertainty or, if this information is not provided or is not relevant, they prepare certification with reservations, or a refusal to certify;



- they assess the overall presentation of the annual accounts and assess whether the annual accounts reflect the operations and underlying events in such a way as to provide a faithful image.

Done in Paris, on 15 June 2018

The Auditor

APLITEC, represented by

A handwritten signature in blue ink, appearing to be 'Bruno Dechancé', written in a cursive style.

Bruno Dechancé

## **ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

OFI Asset Management has notified the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of its intention to distribute the units of the Fund OFI EURO HIGH YIELD in the Federal Republic of Germany and has been authorized to distribute the units in the Federal Republic of Germany upon completion of the notification procedure.

### **Paying and Information Agent**

Bremer Kreditbank AG, a bank established under the laws of Germany, having its registered office at Wachtstrasse 16, 28195 Bremen, registered with the Bremen Trade Registry, number HRB 4188, has undertaken the function of Paying and Information Agent for the Fund in the Federal Republic of Germany (the "German Paying and Information Agent")

### **Information and Documents**

For unit-holders resident in Germany, the following documents are available for inspection in hard copy, free of charge and upon request at the German Paying and Information Agent:

- Prospectus
- Key Investor Information Documents
- Articles of Incorporation
- The latest annual report, and the most recent semi-annual report, if published thereafter
- Custody and Administration Agreements
- Paying Agency Agreement

Any other information to the Shareholders will be sent to the Shareholders by post. The issue, redemption and conversion prices of shares will be published on the website: [www.ofi-am.fr](http://www.ofi-am.fr). Additionally, communications to investors in Germany will be published in a durable medium, further to the requirements of Article 167 of the German Investment Code in the following cases: suspension of the redemption of the shares, termination of the management of the fund or its liquidation, any amendments to the Articles of Incorporation which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool, merger of the fund with one or more other funds and the change of the fund into a feeder fund or the modification of a master fund.

Applications for the redemption and conversion of shares may be sent to the German Paying and Information Agent. All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the German Paying and Information Agent.