

# OFI RISK ARB ABSOLU GI

Monthly Factsheet - Absolute Return - november 2018



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

## Key Figures as of 29/11/18

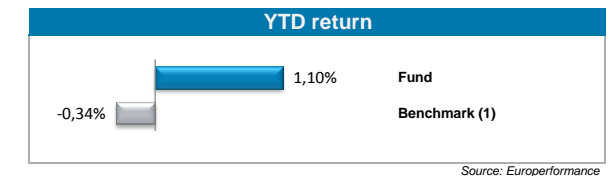
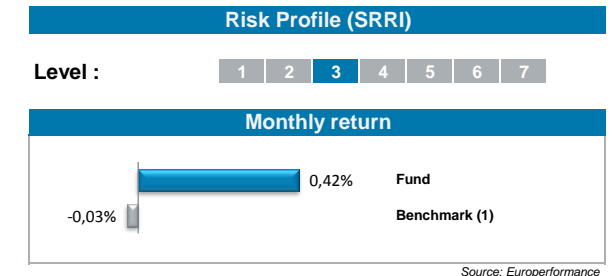
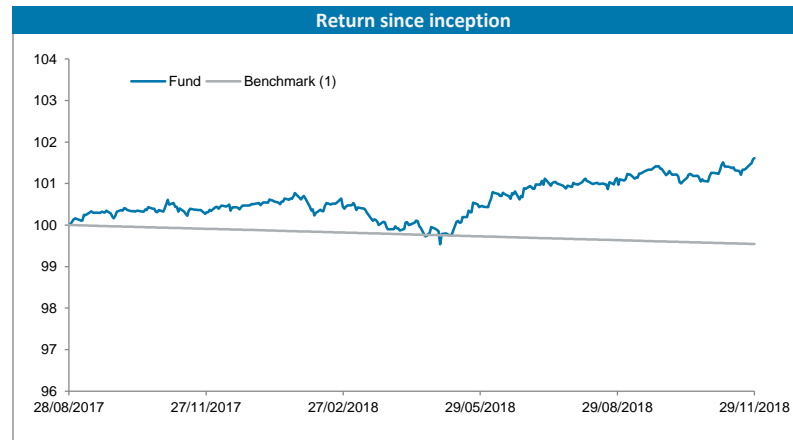
Net Asset Value (EUR):	101,61
Net Assets of the unit (EUR):	101,61
Total Net Asset (EUR M):	269,73
Number of strategies:	56
Gross investment <sup>(2)</sup> :	57,66%

## Characteristics

ISIN Code :	FR0013275062
Ticker :	OFIRAGI FP Equity
AMF classification:	Mixed Fund
Europerformance classification:	Absolute Return
Benchmark <sup>(1)</sup> :	Compounded EONIA
Main risks:	Uncertainties inherent in M&A deals Cyclicality of M&A portfolio Strategy less favourable in a high interest rate environment No capital guarantee
Management Company:	OFI ASSET MANAGEMENT
Fund manager(s):	Jean Charles NAUDIN
Legal form:	French FCP (Mutual Fund, UCITS IV)
Distribution policy:	Capitalisation
Currency:	EUR
Inception date of the fund:	12/03/2004
Inception date of the unit:	28/08/2017
Recommended investment horizon:	3 years
Valuation:	Daily
Subscription cut-off:	D at 11h
Redemption cut-off:	D at 11h
Settlement:	D+3
Subscription fees:	None
Redemption fees:	None
Outperformance fees:	None
Ongoing charge:	1,20%
Custodian:	SOCIETE GENERALE PARIS
Administrative agent:	SOCIETE GENERALE SECURITIES SERVICES

(1) Compounded EONIA  
(2) Sum of long positions.

This is a non-contractual document provided for information only. This document is intended solely for unitholders or shareholders in the Fund. The information contained in this document is of no contractual value. Only the Fund's full prospectus and latest financial statements shall be deemed legally binding. Past performance is no guarantee of future performance and is not constant over time. Stated performance includes all fees with the exception of subscription and redemption fees. Investors in this fund are exposed to risks associated with changes in the value of units or shares in the Fund arising from market fluctuations. As such, the value of an investment may rise or fall, and investors may consequently lose some or all of their initial investment. This document is provided for information purposes only and is not intended to be either legally binding or contractual in nature. The investor acknowledges having received a copy of the prospectus filed with the AMF prior to investing. In spite of the care taken in preparing this document, the management company cannot guarantee that the information it contains is accurate, complete and up to date. The company may not be held liable for any losses incurred by investors who base their investment decisions solely on this document. The information in this document may not be reproduced in full or in part without the prior consent of its author. All requests for further information about the Fund should be directed to OFI Asset Management, 22 rue Vernier, 75017 Paris, France.



## Return & Volatility

	Since inception (cum.)		3 years (cum.)		1 year		YTD		6 months	3 months
	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Return
OFI RISK ARB ABSOLU GI	1,61%	0,95%	-	-	1,24%	1,04%	1,10%	1,07%	1,14%	0,50%
Benchmark <sup>(1)</sup>	-0,46%	0,00%	-	-	-0,36%	0,00%	-0,34%	0,00%	-0,18%	-0,09%

Source: Europerformance

## Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
2017								0,13%	0,19%	0,07%	-0,02%	0,13%	0,50%	-0,12%
2018	0,17%	-0,28%	-0,49%	0,01%	0,55%	0,41%	0,15%	0,08%	0,26%	-0,18%	0,42%		1,10%	-0,34%

Source: Europerformance

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

CONTACT • Sales Department • 01 40 68 17 17 • contact@ofi-am.fr



OFI Asset Management • A portfolio management company authorised by the AMF under number GP 92-12 • Intracommunity VAT no.: FR 51384940342 • Public limited company with capital of €42,000,000 • Principal activity (APE) code 6630Z 22 rue Vernier 75017 Paris • Tel.: + 33 (0)1 40 68 17 17 • Fax: + 33 (0)1 40 68 17 18 • www.ofi-am.fr



# OFI RISK ARB ABSOLU GI

Monthly Factsheet - Absolute Return - november 2018



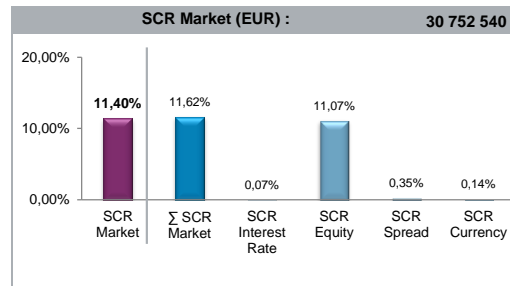
Since OFI Risk Arb Absolu is a feeder fund, the following data is the same as the master fund

## Top 5 Holdings

Name	Weight
AETNA INC	4,07%
GEMALTO	3,44%
PAPELES Y CARTONES DE EUROPA	3,11%
SODASTREAM INTERNATIONAL LTD	3,01%
ENERGEN CORP	2,62%
<b>TOTAL</b>	<b>16,25%</b>

Source: OFI AM

## Solvency Capital Requirement <sup>(1)</sup>



(1) Quarterly data as of 29/11/2018

Source: OFI AM

## Asset Management Strategy

OFI Risk Arb Absolu gained 42bps in November 2018.

Performance in November was mainly driven by the following:

- Completion of the takeover of Aetna by CVS Health at the end of the month after receiving approval from the state of New York.
- The conclusion of multiple M&A deals at month end, including the takeover of Amtrust Financial Services, Lasalle Hotel by Pebblebrook Hotel, Energen Corporation by Diamondback Energy and the Essilor offer for Luxottica nearly 2 years after it was first announced.

Positive performance was partially adversely affected by the lengthening of the haircut for the hostile bid from Husky Energy for Meg Energy following the fall in the oil price.

### Market overview:

With some fifteen new deals announced, November was an especially active month, particularly given the tense and volatile market environment.

It should be noted that the deals were mainly of medium size with a target enterprise value of below 5bn\$, mostly in the US.

It also seems appropriate to us to stress that despite significant tensions in the credit market, in November six deals with a financial rationale were announced, notably the takeover of the service company Athenahealth by Veritas Capital and Elliott for 5,5bn\$.

Finally, and just like in October, we note that in a volatile equities market the risk arbitrage haircuts remained fairly stable overall, despite a slight increase in haircuts for deals with a financial rationale (LBOs).

### Investment decisions:

We invested in 8 new positions, while five completed deals exited the portfolio. We also increased some positions already in the portfolio.

Following the completion of certain deals at month end, our investment ratio fell to 57,66% at the end of November, against 61,99% at the end of October.

We have maintained a high level of diversification, with 56 positions in the portfolio.

### Outlook and exposure:

Posting a technical fall due to simultaneous redemptions in late November and early December, our investment ratio is set to rise over the coming weeks. The offers announced over the past two months represent an attractive channel for investment.

In an uncertain macroeconomic environment, we are maintaining our prudent bias during the implementation of our strategy. Our investment ratio and diversification policy show that the fund has been able to absorb certain shocks while delivering positive performance.

Jean Charles NAUDIN

## SCR Informations

The **aggregate SCR** represents the total of all underlying risks. It does not take into account the effects of diversification.

The **SCR Market** represents the capital requirement taking into account the various risk factors (cf. correlation matrix arising from Delegated Regulation 2015/35).



## Main positions set up and unwound on the month

### Main set up

Name	Weight
SENDGRID INC	1,66%
ATHENAHEALTH INC	1,01%
CIZ HOLDINGS CO LTD	0,99%
DAIKYO INC	0,50%
SONIC CORP	0,50%

Source: OFI AM

### Main unwound

Name	Weight
PINNACLE FOODS INC	3,75%
FOREST CITY REALTY TRUST- A	3,13%
COM HEM HOLDING AB	2,28%
NEX GROUP PLC	1,76%
CA INC	1,60%

Source: OFI AM

## Main mergers announced during the month

Target	Acquirer	Target sector	Size (EUR M)	Country
ARRIS INTERNATIONAL PLC	COMMScope HOLDING CO INC	Communications	6 110	UNITED STATES
NEWFIELD EXPLORATION CO	ENCANA CORP	Energy	4 796	UNITED STATES
ATHENAHEALTH INC	Private (multiple acquirers)	Technology	4 684	UNITED STATES
BTG PLC	BOSTON SCIENTIFIC CORP	Consumer, Non-cyclical	3 343	BRITAIN
FINISAR CORPORATION	II-VI INC	Communications	1 948	UNITED STATES

Sources: Bloomberg & OFI AM

This is a non-contractual document provided for information only. This document is intended solely for unitholders or shareholders in the Fund. The information contained in this document is of no contractual value. Only the Fund's full prospectus and latest financial statements shall be deemed legally binding. Past performance is no guarantee of future performance and is not constant over time. Stated performance includes all fees with the exception of subscription and redemption fees. Investors in this fund are exposed to risks associated with changes in the value of units or shares in the Fund arising from market fluctuations. As such, the value of an investment may rise or fall, and investors may consequently lose some or all of their initial investment. This document is provided for information purposes only and is not intended to be either legally binding or contractual in nature. The investor acknowledges having received a copy of the prospectus filed with the AMF prior to investing. In spite of the care taken in preparing this document, the management company cannot guarantee that the information it contains is accurate, complete and up to date. The company may not be held liable for any losses incurred by investors who base their investment decisions solely on this document. The information in this document may not be reproduced in full or in part without the prior consent of its author. All requests for further information about the Fund should be directed to OFI Asset Management, 22 rue Vernier, 75017 Paris, France.

CONTACT • Sales Department • 01 40 68 17 17 • [contact@ofi-am.fr](mailto:contact@ofi-am.fr)



OFI Asset Management • A portfolio management company authorised by the AMF under number GP 92-12 • Intracommunity VAT no.: FR 51384940342 •  
Public limited company with capital of €42,000,000 • Principal activity (APE) code 6630Z 22 rue Vernier 75017 Paris •  
Tel.: + 33 (0)1 40 68 17 17 • Fax: + 33 (0)1 40 68 17 18 • [www.ofi-am.fr](http://www.ofi-am.fr)

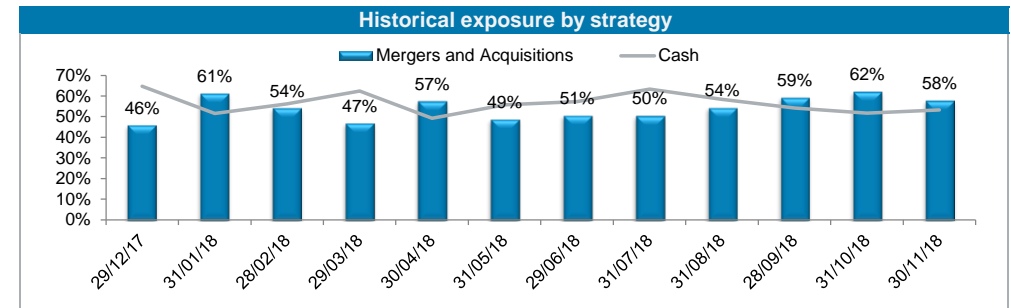
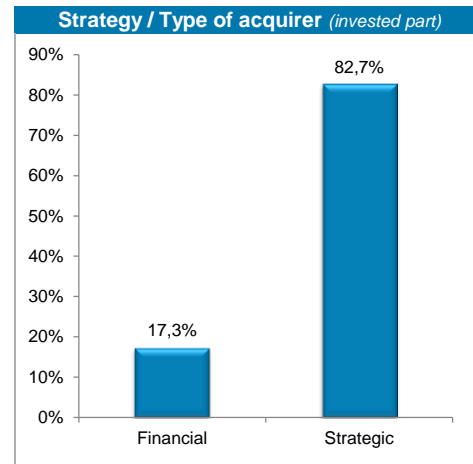
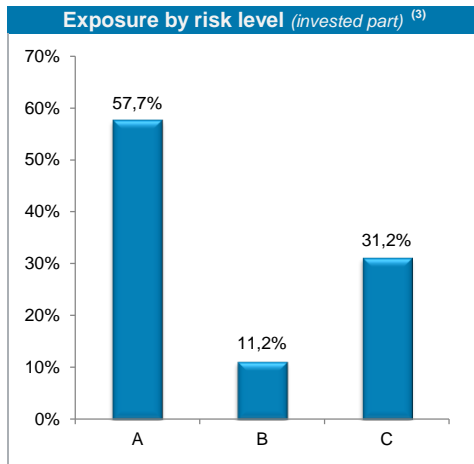
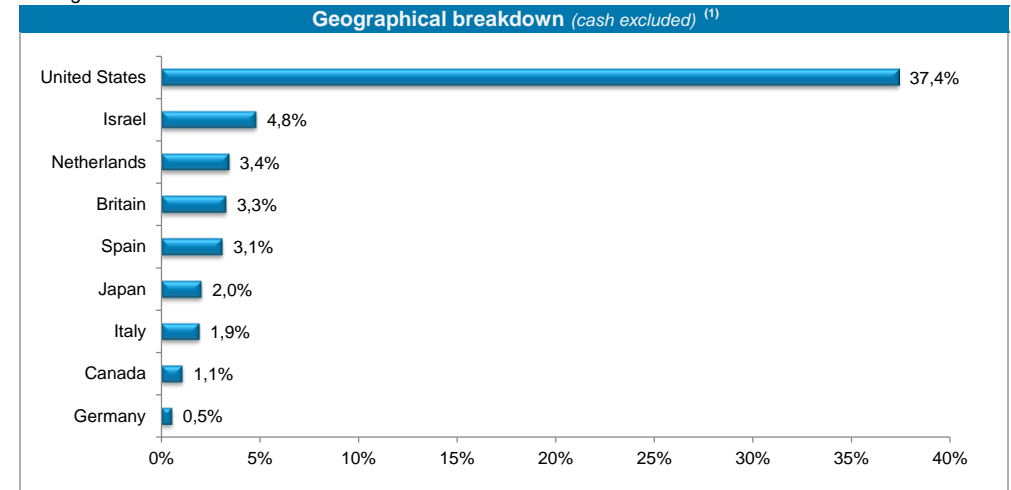
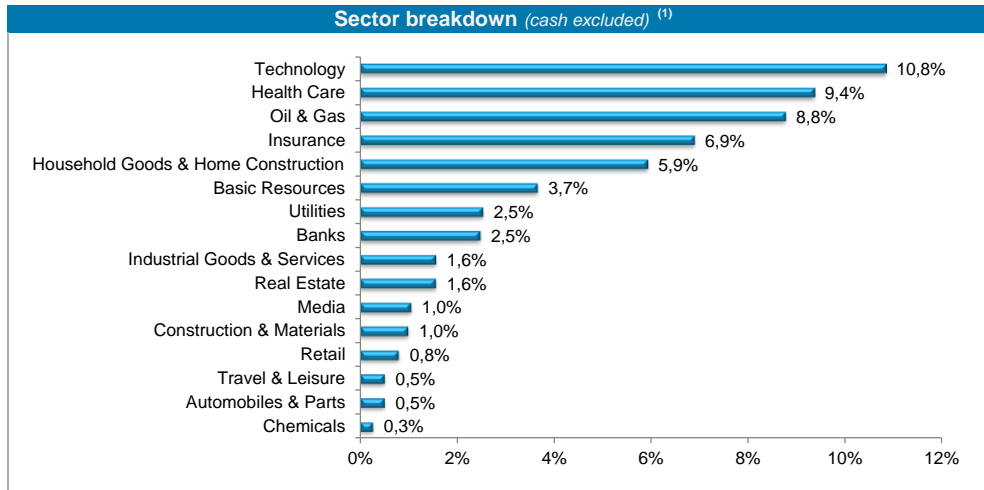


# OFI RISK ARB ABSOLU GI

Monthly Factsheet - Absolute Return - november 2018



Since OFI Risk Arb Absolu is a feeder fund, the following data is the same as the master fund



### Statistical Indicators (weekly)

Sharpe ratio <sup>(2)</sup>	Frequency of profit	Worst drawdown	Drawdown period	Payback period
1,52	59,62%	-0,91%	14 week(s)	5 week(s)

Source: Europerformance

(1) Sum of long positions.

(2) Risk free rate: EONIA

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

This is a non-contractual document provided for information only. This document is intended solely for unitholders or shareholders in the Fund. The information contained in this document is of no contractual value. Only the Fund's full prospectus and latest financial statements shall be deemed legally binding. Past performance is no guarantee of future performance and is not constant over time. Stated performance includes all fees with the exception of subscription and redemption fees. Investors in this fund are exposed to risks associated with changes in the value of units or shares in the Fund arising from market fluctuations. As such, the value of an investment may rise or fall, and investors may consequently lose some or all of their initial investment. This document is provided for information purposes only and is not intended to be either legally binding or contractual in nature. The investor acknowledges having received a copy of the prospectus filed with the AMF prior to investing. In spite of the care taken in preparing this document, the management company cannot guarantee that the information it contains is accurate, complete and up to date. The company may not be held liable for any losses incurred by investors who base their investment decisions solely on this document. The information in this document may not be reproduced in full or in part without the prior consent of its author. All requests for further information about the Fund should be directed to OFI Asset Management, 22 rue Vernier, 75017 Paris, France.

CONTACT • Sales Department • 01 40 68 17 17 • [contact@ofi-am.fr](mailto:contact@ofi-am.fr)



OFI Asset Management • A portfolio management company authorised by the AMF under number GP 92-12 • Intracommunity VAT no.: FR 51384940342 •  
Public limited company with capital of €42,000,000 • Principal activity (APE) code 6630Z 22 rue Vernier 75017 Paris •  
Tel.: + 33 (0)1 40 68 17 17 • Fax: + 33 (0)1 40 68 17 18 • [www.ofi-am.fr](http://www.ofi-am.fr)

