

ANNUAL REPORT

Financial year ended on 29 December 2017



OFI RS EURO EQUITY SMART DELTA CONVEX

Mutual fund

Marketer

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Management Company

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as at 29 December 2017

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MANAGEMENT DIRECTION

OFI RS EURO EQUITY SMART DELTA CONVEX (the "Fund") is a Feeder Fund for the OFI RS EURO EQUITY SMART BETA Master Fund (the "Master Fund"). For all Fund units, investment will be made for a minimum of 85% of the Net Assets of the Fund in the XL units of the Master Fund. The rest of the assets can only be made up of cash holdings and financial contracts concluded for net hedging transactions so that its net equity exposure remains between 30% and 100%.

The range of equity exposure of the Master Fund OFI RS EURO EQUITY SMART BETA lies between 90% and 100% of the net assets.

Although the Feeder Fund has the same management indicator as its Master Fund OFI RS EURO EQUITY SMART BETA, it does have its own management objective: It must achieve a performance above that of the Euro Stoxx Reinvested Net Dividends index over the recommended investment period by adopting an SRI approach and using a structural approach on equity risk hedging strategies.

Due to its own hedging strategy and its own costs, the risk profile and performance of the Feeder Fund will differ from those of its Master Fund OFI RS EURO EQUITY SMART BETA.

The Fund will be structurally invested in a partial equity risk hedging strategy through one or more Total Return SWAPs (TRS).

Each TRS which forms part of this hedging strategy will systematically replicate the performance of a basket of put options. At the time of their acquisition, the TRS will have a maturity greater than or equal to 1 year.

On a discretionary basis, the management strategy may involve the sale and/or purchase of call options and/or futures options on EuroStoxx 50 in order to generate additional revenue while maintaining an overall hedging strategy. In addition to instruments such as Futures and Options on equities and equity indexes and other types of equity medium, Swaps and Forwards on equities and equity indexes, Swaps on equity derivatives and other types of equity media may also be used, although not systematically.

More specifically for I units, for investors subject to the Solvency II Directive, this hedging strategy also has the aim of mitigating risk within the meaning of Directive 2009/138/EC of 25 November 2009 (known as Solvency II), thereby reducing the Solvency Capital Requirement (SCR) level.

Reminder of characteristics of the Master Fund OFI RS EURO EQUITY SMART BETA

AMF classification: Shares of eurozone countries.

Management objective

The object of the Fund is to achieve a performance above that of the Euro Stoxx Reinvested Net Dividends index over the recommended investment period by adopting an SRI approach.

Benchmark

Investors can compare the Fund's performances with those of the calculated EURO STOXX Reinvested Net Dividends index (SXXT Ticker). However, the Fund's objective is not to reproduce, in one way or another, the performance of this index. It makes investments based on criteria which can result in significant differences in relation to the behaviour of the index.

Management strategy

The Fund investment universe is defined by all of the components of the EURO STOXX index. Based on dynamic allocation, the manager invests in the securities that make up the index for their universe without seeking to apply the same weighting to each security in their index, however. The Fund will mainly invest in the eurozone (90% of its Assets) and there will be no sector-based constraints when allocating them.

The investment processes apply both financial and extra-financial criteria in order to favour a "Socially Responsible Investment" (SRI) selection of companies in the portfolio.

- 1) Based on their investment universe, every three months or when required, depending on market conditions, the manager makes a sector allocation based on the volatility of each composite sector and their joint correlations, in order to offset their contributions to the overall risk (financial criterion).

- 2) The manager applies an SRI filter to the components in each sector in order to keep 2/3 of the companies with the best SRI scores for their sector, as established by the SRI team for the OFI group, that are kept (extra-financial criterion).
- 3) Finally, each security is allocated sector by sector on a discretionary basis. However, this is constrained by the initial sector allocation (financial criterion).

The SRI research team carries out a detailed analysis of the environmental and social issues specific to each sector of activity, and of governance issues.

This study is carried out taking into account Environmental, Social and Governance elements, namely:

- **the Environmental dimension:** direct or indirect impact of the issuer's activity on the environment: climate change, natural resources, project financing, toxic waste, green products;
- **the Social dimension:** direct or indirect impact of the issuer's activity on stakeholders: employees, customers, suppliers and civil society, by reference to universal values (notably: human rights, international work standards, environmental impact, prevention of corruption, etc.);
- **the Governance dimension:** processes as a whole, regulations, laws and institutions influencing the way the company is directed, administered and controlled.

Based on the sector-based reference for key issues, an ESG Score is calculated per issuer, which includes, first, the key issue scores (with a weighting of 70% for Environmental and Social issues and 30% for Governance), any penalties associated with controversies not yet integrated in the scores for key issues and any bonuses associated with analysis of the key issues. This ESG score is calculated out of 10.

Companies' ESG scores are used to establish an SRI score corresponding to the ranking of the issuer's ESG score compared to other actors in its ICB supersector (level 2). The SRI score is established on a scale of 0 to 5, 5 corresponding to the best ESG score in the sector.

The eligible investment universe is defined using a 'best in class' approach, by selecting 2/3 of the best SRI Scores in each sector within the investment universe for the Fund (Eurostoxx Index).

The Fund can operate on fixed-term or conditional financial instruments traded on regulated and organised markets (French, foreign and/or over-the-counter). In this context, the manager may take positions with a view to hedging the portfolio against or exposing the portfolio, on a discretionary basis, to equity risks by using instruments such as Futures and Forwards on equity and equity indices, Options on equity and equity indices, and Swaps on equity and equity indices. Total exposure of the portfolio is not intended to be above 100%.

Risk profile

The risk profile of the Fund differs from that of the Master Fund OFI RS EURO EQUITY SMART BETA as set out below, owing to its own hedging strategy.

Risk profile of the Master Fund:

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

The Fund is classified as "Shares of eurozone countries". Investors are therefore mainly exposed to the risks below, this list not being exhaustive.

Capital loss risk

The investor is advised that the performance of the UCITS may not meet their objectives and their capital might not be returned in full, since the Fund does not benefit from any guarantee or protection in terms of the capital invested.

Share risk

The Fund is invested in or exposed to one or several equity markets which may experience large fluctuations, and to small and medium capitalisations which, taking account of their specific characteristics, may present a liquidity risk. Investors' attention is drawn to the fact that fluctuations in the price of the portfolio assets and/or the market risk will result in a significant reduction in the net asset value of the Fund.

Interest rate risk

Because of its composition, the Fund may be subject to an interest rate risk. This risk results from the fact that, in general, the price of debt securities and fixed-rate bonds falls when rates rise. The net asset value will fall if interest rates rise.

Risk model

The management process for the Fund is based in part on using two proprietary models. One of these is used to determine the risk level of an asset compared to other assets in the portfolio, while the other is a non-financial scoring model (including some ESG criteria). There is a risk that these models are not efficient. The performance of the Fund may therefore be below the management objective.

Counterparty risk

This is risk linked to the Fund using futures contracts traded OTC. These transactions made with one or more eligible counterparties could potentially expose the Fund to the risk of one of these counterparties defaulting, which could lead to a payment default.

As the Feeder Fund may take positions, using up to 15% of its net assets, with a view to hedging its portfolio against its Master Fund's exposure to equity risk, it can be potentially exposed to the risk of its counterparties defaulting.

Counterparty risk of the Feeder Fund: This is risk linked to the Fund using futures contracts traded OTC. These transactions made with one or more eligible counterparties could potentially expose the Fund to the risk of one of these counterparties defaulting, which could lead to a payment default.

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

The method chosen to calculate the global risk differs from that of the Master Fund.

Method used for the Master Fund OFI RS EURO EQUITY SMART BETA:

The method applied for calculation of the global risk is the commitment method.

Method used for the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX:

The commitment is calculated according to the probability method with a VaR at a horizon of one week with a probability of 95%. This VaR must not exceed 5% of the net assets.

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 100%. However, the fund reserves the option of seeking a higher leverage level, depending on the situation of the markets.

INFORMATION RELATIVE TO THE VAR

OFI RS EURO EQUITY SMART DELTA CONVEX	VaR 5d 95% over 2017
Average	3.06%
Maximum	3.74%
Minimum	2.68%

CHANGE(S) MADE DURING THE FINANCIAL YEAR

The following changes were made to the Master Fund:

From 17 January 2017, the Master Fund OFI SMART BETA ISR changed its name to OFI RS EURO EQUITY SMART BETA.

Next, on 23 June 2017, the Master UCI, by its nature, was eligible for the SSP, but its prospectus did not specify this explicitly. Therefore, we amended its wording in order to convey this.

As of 7 July 2017, the RC unit has been created.

Lastly, on 22 December 2017, the SRRI for the Master Fund was reduced to 5 compared to the previous 6.

The following changes were made to the Feeder Fund:

From 11 August 2017, the Fund OFI RS EURO EQUITY SMART DELTA CONVEX is still a Feeder Fund: investment made for a minimum of 85% of its assets in the XL units of OFI EURO EQUITY SMART BETA but change of management objective and investment universe: the Range of equity exposure is now constantly between 30% and 100% and the Fund is structurally invested in a partial equity risk hedging strategy through one or more TRS. Change of method used for calculating the global risk.

Next, on 8 September 2017:

- For the R unit: implementation of subscription and redemption fee retained by the Fund of 0.125% - Management fees were changed to 1.40% maximum instead of 1.65% maximum.
- For the I unit: implementation of subscription and redemption fee retained by the Fund of 0.125% - Management fees rise from 0.10% maximum to 0.65% maximum.

FUTURE CHANGE(S)

From 19 January 2018, for the Master UCI of OFI RS EURO EQUITY SMART BETA, creation of the GIC unit and the GRC unit.

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 Group's website, at <http://www.ofi-am.fr/inout/animations/espaceMIF.php> you will find all the measures taken to get to grips with the new regulatory provisions linked to the MIF. It features in particular, the report on brokers' fees in accordance with Article 314-82 of the AMF's General Regulation.

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 and members of the Company's Board of Directors. It does not include any staff representatives, since the Company is not itself subject to such a regulatory or statutory obligation. 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 UCITS 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 Fund 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 people whose variable remuneration is less than EUR 100,000 or 30% of the fixed salary, this is paid in full and immediately, 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 UCITS parties (AIFM 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.

2) Quantitative elements

Total remunerations allocated by the manager to its staff:

During the 2016 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. **231 beneficiaries** on 31 December 2016) amounted to **EUR 24,157,205**. This amount is broken down as follows:

- Total fixed remunerations allocated by OFI ASSET MANAGEMENT over the financial year: **EUR 19,023,705, or 78.75%** 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 financial year: **EUR 5,133,500, or 21.25%** 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 financial year.

Out of the total remunerations (fixed and variable, deferred and non-deferred) allocated over the course of the financial year, **EUR 3,683,079** related to "directors and executives" (**18 people** on 31 December 2016), **EUR 10,207,369** related to "Managers and Administrators" whose activities had a significant impact on the risk profile of the managed funds (**78 people** on 31 December 2016).

MANAGEMENT COMMENTS

Economic context and financial year 2017

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.

However, the political context was very complex. Investors, who had been surprised by the vote in favour of Brexit, were surprised a second time with the unexpected election of Donald Trump as President of America. But, each time, the markets held the view that this could favour a scenario of reflation through a logic of budgetary recovery.

These political doubts were ultimately lifted in the spring of 2017, with the election of Emmanuel Macron in France.

In the end, growth prospects were revised upwards. The rate of growth accelerated and the IMF therefore expects growth of close to 3.5% in 2017 and 2018. This financial year has also been characterised by major synchronisation worldwide; there are practically no more countries in recession.

In the United States, growth initially exceeded 3% before falling back in the middle of the year, and accelerating once again at the end of the period, stimulated by the programme to reduce taxes for corporations and households decided on at the end of the year. In the end, US growth for 2017 should exceed 2% at the end of the period.

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 has exceeded 2%, which is considered its potential level. Some countries are starting to reap dividends from the reforms implemented, for example, 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 should stabilise at around 1.5%.

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.

Interest rates

In these circumstances, the Central Banks maintained accommodating policies, but started to prepare the markets for the imminence of an exit strategy. This is why rates rose over the period, but in a limited way.

The German 10-year bond yield rose from a negative rate of -0.11% to 0.45% at the end of the period. Similarly, the yield on US 10-year Treasury notes rose from 1.59% to 2.40%. These tensions however, were limited as investors were already, overall, positioned for a rise in rates and in addition, eurozone purchasing programmes are drying up the market.

Peripheral spreads held in the light of the more favourable context. Corporate spreads remained tight and stable over the period. High Yield bonds also made marked progress: 7.5% in the US and 6.2% in Europe, bringing yields to unequal lows for this asset class (2.2% on European growth potential).

Emerging market bonds were also sought-after with, in the end, performances of 15.21% in local currencies and 10.26% in strong currencies. Monetary rates did not change in the eurozone, although the EONIA remained in negative territory: its performance over the financial year is -0.36%. In the US, the FED was also very cautious in its strategy for raising interest rates: the target for Fed Funds settled at 1.25/1.50% after three rises of 25 basis points.

Convertible bonds achieved excellent performances, in conjunction with the performance of equities: 10% for the World Index (in dollars), +3.5% in Europe and +7% in the Eurozone on the best indexes.

On foreign exchange, the dollar fell against most currencies, notably by 12% 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 5% over the financial year. We note the stability of the RMB, the Chinese currency, against the dollar during the period. In Europe, the fall in the pound eased, this currency losing only 4.5% against the euro over the period.

The share markets benefited from the economic improvement and from the fall in the country risk premium.

In fact, investors were encouraged by companies' results and the prospects set out by their directors. For the first time in several years, analysts therefore revised their estimates upwards.

This resulted in excellent performances on the share markets over the period: +9% for the international equities index (in euros), +22% on Wall Street (in dollars) where the major indexes beat historical records: +12.5% for eurozone equities, +13% for the CAC 40 and +21% for emerging country equities (in euros).

The growth trend continued to outperform, notably thanks to technology stock in the United States. Also to be noted: the performance of Chinese equities, listed locally, which also saw growth of nearly 25% 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

The net asset value of the R unit rose from 1,016.90 as of 30/12/2016 to 1,131.13 as of 29/12/2017. It posts a performance of +11.23%.

The net asset value of the I unit rose from 42,306.57 as of 30/12/2016 to 47,650.25 as of 29/12/2017. It posts a performance of +12.63%.

The Fund OFI RS EURO EQUITY SMART DELTA CONVEX ends 2017 on a positive performance of +12.63% (I unit), whilst the benchmark, EuroStoxx Reinvested Net Dividends posts performance of +12.55%.

As a reminder, the Fund became the Feeder Fund of the Master UCITS OFI RS EURO EQUITY SMART BETA on 25/11/2016. Management subsequently changed direction on 11/08/2017. Since that date, in addition to its eurozone equity investment via its Master UCITS (minimum investment of 85%), the Fund is structurally invested in an equity risk hedging strategy allowing exposure to the equity markets of between 30% and 100%. The management team ensure hedging of the Fund through one or more Total Return Swaps (TRS) which replicate the performance of a basket of hedging instruments: put options on EuroStoxx 50 index at maturity of 1 day to 1 year selected according to a systematic procedure. The prospectuses and KIID for the Master UCITS OFI RS EURO Equity Smart Beta and the Feeder UCITS OFI RS EURO EQUITY SMART DELTA CONVEX are available on our website ww.ofi-am.fr.

In the context of management of the Master Fund, the management team carries out a quarterly rebalancing. This process is divided into several stages, firstly adopting an approach involving sector allocation, taking into account the volatility of each sector concerned and the correlation between sectors. The latter is taken into account in order to offset their contribution to the overall risk. An SRI filter is then applied in order to improve the rating of the securities in which the Fund invests. Finally, the securities held are weighted within each sector. This process was only carried out during the quarterly adjustments. No special rebalancing took place.

OFI RS EURO EQUITY SMART BETA did not use derivative instruments during the year.

The instruments in which OFI RS EURO EQUITY SMART BETA invested are only denominated in euros.

OFI RS EURO EQUITY SMART BETA generated a significant outperformance (in the region of 3% compared to its benchmark) during the first half of the year, which saw eurozone equity markets progress above 10% from the start of the year. Subsequently, during the stock market consolidation phase up until the autumn, the Fund relaxed a part of this outperformance. The reduction in outperformance can be explained by the relative good performance of certain sectors which were underweighted and the poor stock market performance of certain securities (e.g.: Siemens GAMESA). During the last quarter of the year, allocation and selection allowed the Fund to return to outperformance.

Since redirecting its management as of 11/08/2017, OFI RS EQUITY SMART DELTA CONVEX realises a performance of +3.47% compared to +4.38% for its benchmark, EuroStoxx Reinvested Net Dividends, dated 29/12/2017. Over this period, the Fund was invested on the eurozone equity market on the basis of 100% and at the same time, in a hedging Total Return Swap replicating the performance of a basket of put options on the EuroStoxx 50 index on the basis of 50% of the Fund's assets. The convexity profile of hedging instruments enabled the Fund to follow the upward trend of markets, whilst realising over 70% of positive performance.

Main movements during the financial year of the Master Fund

The Fund is managed according to a systematic modelled approach.

Management performs a rebalancing every quarter.

The portfolio was permanently invested on 2/3 of securities in its investment universe, namely EUROSTOXX 300.

This process was only carried out during the quarterly adjustments. No special rebalancing took place.

The Fund did not use derivative instruments during 2017.

To adjust Assets after the Fund's liabilities transactions, the portfolio is adjusted in its entirety in proportion to the target weights of the various securities which were calculated at the time of the last rebalancing.

SRI COMMENTS ON THE MASTER FUND OFI RS EURO EQUITY SMART BETA

Information relating to social, environmental and governance quality issues (Art. 173 of Law 2015-992 on the energy transition and Decree no. 2015-1850 of 29 December 2015)

Information relating to the entity

General approach

OFI AM's SRI policy, available at (http://www.ofi-am.fr/isr_la_recherche_ISR.php), is part of the global procedure for integration of Sustainable Development principles, which it translates in terms of management of investments.

Aims

This approach is based on the conviction that issuers who integrate Environmental, Social and Governance (ESG) issues into their strategy offer better long-term prospects. Consideration of ESG impacts associated with their activities allows them to identify zones of risk, but also development opportunities (for example, in "green" technologies).

The aim of the introduction of this SRI policy is to better grasp the risks associated with non-financial issues, in order to improve the quality of the investments without diminishing performance.

Information relating to consideration of social, environmental and governance quality issues in the investment policy

Scope

Scope of portfolio covered by ESG analyses at the end of December 2017

	% OUTSTANDING	% VALUED/ENTITY	% VALUED/ASSET CLASS
PRIVATE ISSUERS	99.8%	99.8%	100%
UCI	0.2%	0.2%	100%
TOTAL	100.00%	100%	

Private issuers

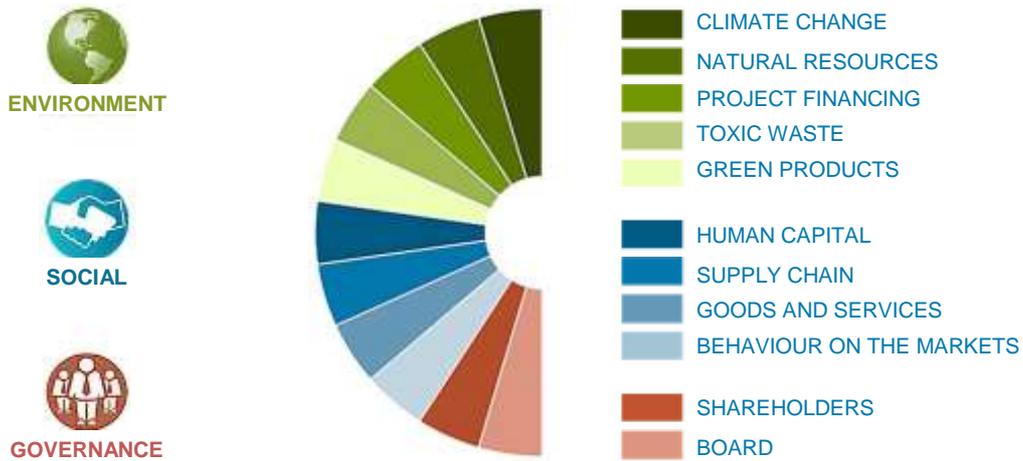
ESG analysis

The ESG analysis is carried out by OFI Asset Management's SRI Analysis Division.

Nature of ESG criteria taken into account

Based on an exhaustive study of founding international texts on Sustainable Development, in particular the Global Compact, international regulations (OECD, WTO) and national codes of European countries, a list of "generic" issues has been drawn up by the SRI analysis team

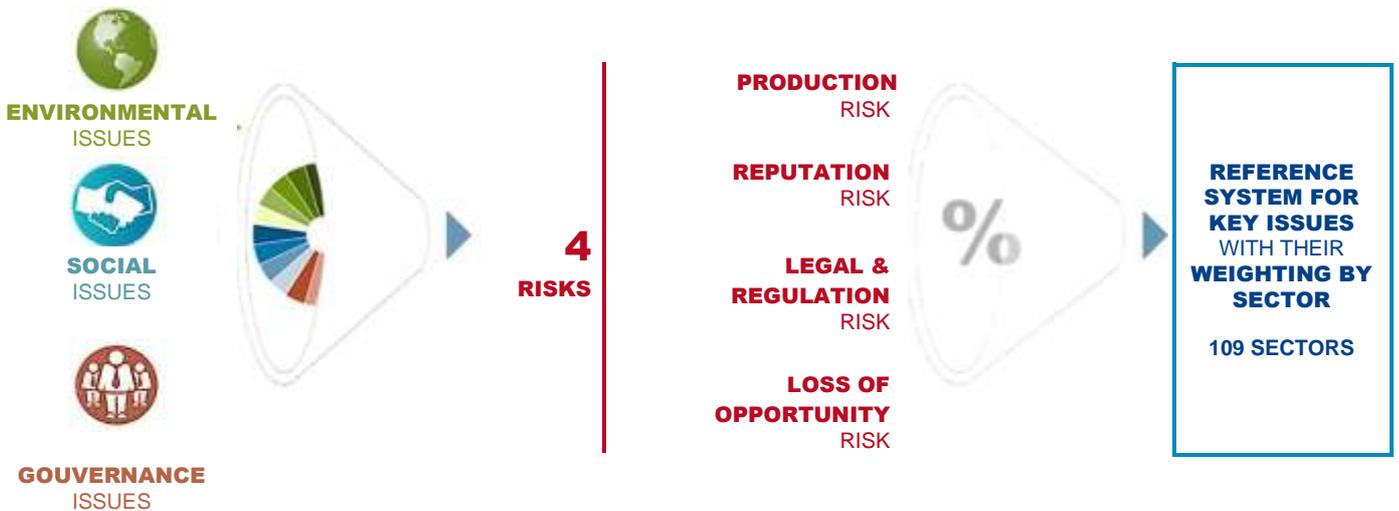
These issues are categorised in 11 main subject areas



Reasons for choice of ESG criteria applied

On the list of all "generic" ESG issues,

- For each sector of activity, the Environmental and Social issues having a significant impact for this sector are selected. This selection is the result of an analysis of risks likely to impact the issuer's stakeholders and the issuer itself.
- The Governance issues are identical for all sectors of activity. In fact, the good practices expected in this sector are independent from the nature of the activities, both in the functioning of the Board as well as in relations with minority shareholders.



Environmental criteria associated with climate change

Criteria concerning physical risks

- The main risks are:
 - The risks associated with rising waters and the increase in the number of natural disasters
 - The risks of drought
 - Health risks (upsurge in diseases)
- The issues analysed, depending on the sectors of activity, are:
 - The impact of the activity on water
 - For example: for drinks producers, geographic location in zones subject to water stress, measures deployed to limit water consumption, results obtained, etc.
 - The impact of the activity on commodities (for example, agricultural products).
 - Integration of this subject into insurance products.

Criteria concerning risks associated with the low carbon transition plan

The issues analysed, depending on the sectors of activity, are:

- Carbon emissions from the production process
 - Exposure of the company depending on the portfolio of activities and the carbon regulation in force, according to geographic locations
 - Efforts to reduce these emissions: reduction targets, adaptation / technological developments, introduction of carbon-capture processes, use of energies producing fewer emissions, etc.
 - Efforts to improve the energy efficiency of production processes, but also of the supply chain, transportation of products and on use of products
 - Results observed
- Upstream carbon emissions (raw materials, etc.) and downstream carbon emissions (on use of products and their recycling)
 - Exposure of the company depending on the energy intensity of its activities
 - Efforts to reduce emissions linked to raw materials, logistics and product distribution
 - Results observed
- Development opportunities in "green" technologies
 - Renewable energies,
 - Eco-design buildings,
 - Technologies improving energy efficiency,
 - Recycling solutions
 - Green chemistry, etc.

Information used for the analysis

The ESG analysis is based on several sources of information

- Analyses originating from specialist agencies: MSCI, VIGÉO, PROXINVEST, REPRISK.
- Analyses and data originating from various media and specialist brokers
- Analyses carried out by OFI AM's analysis team, concerning ESG controversies, governance, CSR management tools, etc.
- Analyses originating from civil society (NGO, unions etc.)
- Company's official communication (Annual Report, SD Report, direct contact, etc.)

Methodology and results of analysis

The ESG analysis methodology is based on a sector-based approach which emphasises issues which are significant for issuers in the light of their activities. Issues are selected by comparison with a risk matrix which makes it possible to keep those which may have an immediate or deferred impact on the issuer's security.

This analysis is translated by a rating of each issuer. The results obtained are then ranked within each ICB supersector (known as the Best in Class approach). Depending on their ESG performance levels, an SRI category (Socially Responsible Investment) is then allocated to each issuer:

- **Under supervision:** issuers lagging behind in consideration of ESG issues, representing a minimum of 15% of issuers in the universe.

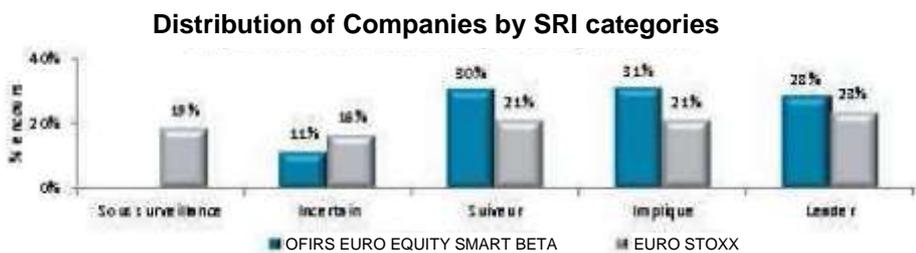
The other issuers are divided up into 4 categories, each representing 21% of the number of issuers

- **Uncertain:** issuers whose ESG issues are poorly managed
- **Followers:** issuers whose ESG issues are averagely managed
- **Involved:** issuers active in the consideration of ESG issues
- **Leaders:** issuers most advanced in consideration of ESG issues

Results of the analysis as at 29 December 2017

At the end of December, 100% of the total number were covered by an ESG analysis.

The distribution by SRI categories of the securities held in the portfolio was the following:



Source: OFI AM as at 29/12/2017

Assessment of ESG risks

Issuers in the "Under supervision" category are regarded as "at risk" in terms of ESG, on account of their low level of consideration of CSR, and which form the subject of significant ESG controversies.

Analyses of ESG controversies

ESG controversies concerning issuers in the portfolio are monitored weekly by OFI AM's SRI Analysis Division. Depending on the intensity and/or recurrent nature of these controversies, the issuer's ESG score may be revised.

Assessment of the contribution to respect of the international target on limiting global warming and to achievement of the energy transition objectives

Analysis of consideration by issuers of matters linked to climate change is integrated into the issues covered by the ESG analysis, for the sectors of activity where this is a key issue.

Furthermore, a carbon-footprint evaluation is carried out:

Carbon footprint evaluation: Emissions financed

Calculation method: $\text{Total number held} \times \frac{\text{Company's total carbon emissions}}{\text{Company's total liabilities}}$

Estimate of emissions financed (as at 29/12/2017): 166.2 tonnes of CO2 equivalent

Availability of information: 95% of the total number of corporate issuers in the portfolio

Carbon emissions or GHG (Greenhouse Gas) emissions, expressed in tonnes of CO2 equivalent, are data which originate either from the companies - directly or via declarations made to the Carbon Disclosure Project - or from data estimated by a service-provider (MSCI).

There are three categories of these emissions (source: ADEME):

- Direct GHG emissions (or SCOPE 1): Direct emissions originating from fixed or mobile installations situated within the organisational scope, that is, emissions originating from sources owned or controlled by the organisation, such as for example: combustion of fixed and mobile sources, industrial processes excluding combustion, emissions from ruminant livestock, biogas from industrial landfill sites, leaks of refrigerants, nitrogen fertilisation, biomasses, etc.
- Indirect energy emissions (or SCOPE 2): Indirect emissions associated with the production of electricity, heat or steam imported for the organisation's activities.
- Other indirect emissions (or SCOPE 3): Other emissions indirectly produced by the organisation's activities which are not included under 2 but which are linked to the whole value chain, such as, for example: the purchase of raw materials, services or other products, employee travel, upstream and downstream transportation of goods, management of waste generated by the entity's activities, use and end of life of products and services sold, immobilisation of production assets and equipment, etc.,

Although it would be desirable to use the three Scopes to calculate intensities, the level of standardisation of Scope 3 is currently insufficient to allow relevant use in the comparison between several companies

INVESTMENT ESG INFORMATION

Information relating to consideration of social, environmental and governance quality issues in the investment policy

Changes made following the analysis

Integration of ESG analysis into investment policy

This fund integrates the ESG analysis into its investment process.

A detailed presentation of this process is available in the Transparency Code, which can be found online at www.ofi-am.fr, by selecting the fund, then the "Documents" tab.

Commitment and voting strategy

The aim of the commitment strategy is to enter into a dialogue with issuers in order to promote improved consideration of ESG issues by the latter and/or greater transparency around their consideration of these issues.

This commitment is translated globally within the Management Company, and not fund by fund. It takes material form by the establishing of a direct dialogue with issuers, on specific subjects or issues. This dialogue forms an integral part of the SRI analysis process and is implemented according to the principles described in the Commitment Policy published on the site (https://www.ofi-am.fr/isr_la_recherche_ISR.php).

The commitment actions concern:

- issuers for whom the evaluation of consideration of CSR issues reveals a delay in relation to their peers (issuers in the "Under supervision" SRI category);
- issuers forming the subject of major controversies, when additional information may be useful to the ESG analysis (including information about measures taken to avoid renewal of such controversies).

An annual review of measures taken is published at (https://www.ofi-am.fr/isr_la_recherche_ISR.php).

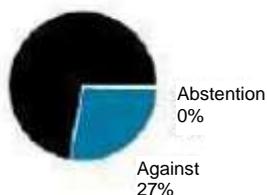
EXERCISE OF VOTING RIGHTS AT GENERAL MEETINGS

During the financial year, votes were taken at 186 General Meetings

Number of	Period
GMs at which we exercised our voting rights	186
GMs with at least one vote Against or Abstention	161
Resolutions vote on	2,605
Resolutions on which votes Against or Abstention	718
Resolutions submitted or jointly submitted with other shareholders	0
Resolutions submitted by shareholders which we supported (vote For)	0

Direction of votes

For 72%



INFORMATION RELATIVE TO THE ESMA

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

As at 29/12/2017, 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 29/12/2017

Rates: No position on 29/12/2017

Credit: No position on 29/12/2017

Shares - CFD: Positions as at 29/12/2017

Portfolios	Currency	Nominal	Counterparty
2YR SWAP OFI EURO EQUITY PROTECT 95 100	EUR	28,500,000.00	BNP PARIBAS PARIS

Commodities: No position on 29/12/2017

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

General information

As of 29/12/2017:

- the securities loaned by the Fund represented 0% of the total assets which can be loaned;
- the assets borrowed by the Fund represented a total of EUR 0, i.e. 0% of the assets managed in the Fund;
- the assets committed in a repurchase transaction represented a total of EUR 0, i.e. 0% of assets managed in the Fund;
- the assets committed in a purchase-resale or sale-redemption transaction represented a total of EUR 0, i.e. 0% of assets managed in the Fund;
- the assets committed in a loan transaction with margin call represented a total of EUR 0, i.e. 0% of assets managed in the Fund;
- the assets committed in a total return swap represented a total of EUR 28,500,000, i.e. 49.96% of assets managed in the Fund.

Information about concentration

As of 29/12/2017:

- the main counterparties to the Fund's loan-borrowing were:

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
NA	NA	NA
NA	NA	NA

- the main counterparties to the Fund's repurchase transactions were:

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
NA	NA	NA
NA	NA	NA

- the main counterparties to total return swaps of the Fund were:

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
BNP PARIBAS PARIS	28,500,000	0

Information about transactions

As of 29/12/2017, the characteristics of the Fund's transactions were as follows:

Type of transaction	Total return swaps	Loan-borrowing	Repurchase
Type and quality of guarantees	Cash	NA	NA
Expiry of guarantee	Open transactions	NA	NA
Currency of collateral	Euro	NA	NA
Maturity of transactions	Open transactions	NA	NA
Jurisdiction of counterparties	France	NA	NA
Settlement and compensation	Bilateral	NA	NA

Data on reuse of collateral

The guarantees received from the counterparties are held in a cash account held by the Fund depositary.

Safe-keeping

The guarantees received by the Fund are kept by the Fund depositary, SOCIETE GENERALE SECURITIES SERVICES France.
The guarantees furnished by the Fund are kept by its counterparties in grouped accounts.

Income

The Fund receives the entirety of the income generated by securities financing transactions and total return swaps. Neither the management company nor any third party receives any remuneration in respect of these transactions.

Balance sheet as at 29 December 2017 (in euros)

BALANCE SHEET ASSETS

	29/12/2017	30/12/2016
Net fixed assets	-	-
Deposits	-	-
Financial instruments	51,374,219.48	13,263,151.27
Shares and similar securities	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
Bonds and similar securities	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
Debt securities	-	-
Traded on a regulated market or similar	-	-
Transferable debt securities	-	-
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
Mutual funds	51,236,459.48	13,263,151.27
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	51,236,459.48	13,263,151.27
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	-	-
Temporary transactions on securities	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
Financial contracts	137,760.00	-
Transactions on a regulated or similar market	137,760.00	-
Other transactions	-	-
Other financial instruments	-	-
Receivables	399,768.52	7,099.03
Foreign exchange forward transactions	-	-
Other	399,768.52	7,099.03
Financial accounts	5,467,608.79	-
Liquid assets	5,467,608.79	-
Total assets	57,241,596.79	13,270,250.30

Balance sheet as at 29 December 2017 (in euros)

BALANCE SHEET LIABILITIES

	29/12/2017	30/12/2016
Equity		
Capital	54,302,054.62	15,865,743.20
Previous net capital gains and losses not distributed (a)	-	-
Carry forward (a)	-	-
Net capital gains and losses for the financial year (a, b)	2,294,629.65	-2,470,361.78
Result for the financial year (a, b)	452,013.82	-138,655.24
Equity total	57,048,698.09	13,256,726.18
(= Amount representative of net assets)		
Financial instruments	173,566.25	-
Purchase and sale transactions on financial instruments	-	-
Temporary transactions on securities	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
Financial contracts	173,566.25	-
Transactions on a regulated or similar market	137,760.00	-
Other transactions	35,806.25	-
Payables	19,331.99	13,450.97
Foreign exchange forward transactions	-	-
Other	19,331.99	13,450.97
Financial accounts	0.46	73.15
Current bank credit facilities	0.46	73.15
Borrowing	-	-
Total liabilities	57,241,596.79	13,270,250.30

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

Off-balance sheet (in euros)

	29/12/2017	30/12/2016
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets	-	-
OTC commitments	28,500,000.00	-
EQUITIES	28,500,000.00	-
- EQUITY SWAP - 2YR SWAP OFI EURO EQUITY PROTECT 95 100	28,500,000.00	-
Other commitments	-	-
OTHER TRANSACTIONS		
Commitments on regulated or similar markets	5,658,660.00	-
EQUITIES	5,658,660.00	-
PURCHASE - FUTURE - EURO STOXX 50	5,658,660.00	-
OTC commitments	-	-
Other commitments	-	-

Profit and loss account (in euros)

	29/12/2017	30/12/2016
Income on financial transactions		
Income on deposits and financial accounts	-380.40	5.77
Income on shares and similar securities	106,621.34	-
Income on bonds and similar securities	-	-
Income on debt securities	-	-
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
Total (I)	106,240.94	5.77
Expenses on financial transactions		
Expenses on acquisitions and temporary purchase and sale of securities	-	-
Expenses on financial contracts	-	-
Expenses on financial receivables	2,828.61	5,483.15
Other financial expenses	-	-
Total (II)	2,828.61	5,483.15
Result on financial transactions (I-II)	103,412.33	-5,477.38
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	72,712.38	258,059.14
Net result for financial year (L. 214-17-1) (I - II + III - IV)	30,699.95	-263,536.52
Adjustment of income for financial year (V)	421,313.87	124,881.28
Advances on result paid in respect of financial year (VI)	-	-
Result (I - II + III - IV +/- V - VI)	452,013.82	-138,655.24

APPENDIX

ACCOUNTING RULES AND METHODS

The Fund 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 SICAVs.

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

The accounting currency for the fund is the euro.

The net asset value is calculated every non-holiday trading day worked in Paris and Frankfurt, and is dated that same day.

However, on the final day of the year, if the Paris and Frankfurt stock exchange is closed, a net asset value will be calculated based on the latest known prices. However, this will not be used for Subscriptions/Redemptions.

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, excluding costs.

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 UCI 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 forward and options transactions

Financial instruments

Equity securities

Nil

Debt securities

Debt 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.

UCI

The securities in the portfolio are 1 units of the OFI SMART BETA ISR UCITS Master Fund and are valued based on the last known 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.

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.

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 are translated as an underlying equivalent of the option (quantity x quota x price of underlying x delta potentially translated to fund posting currency).

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.

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 UCI, on calculation of each net asset value. The maximum rate applied on the basis of net assets may not be more than:

- 0.10% (including tax); all UCI included, for the category of I units up to 7 September 2017, then 0.65% (including tax); all UCI included from 8 September 2017
- 1.65% (including tax); all UCI included, for the category of R units up to 7 September 2017, then, 1.40% (including tax); all UCI included from 8 September 2017

These fees cover all costs charged directly to the UCI, 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 UCI has exceeded its objectives. It is therefore charged to the UCI;
- turnover fee charged to the UCI;

Description of the method for calculating fixed management fees of the OFI SMART BETA ISR UCITS Master Fund

Management fees are directly charged to the profit and loss account of the UCITS, when each net asset value is calculated. The maximum rate applied on the basis of net assets may not be more than 0.35% (including tax); all UCI included on XL units.

Description of the method for calculating variable management fees of the OFI SMART BETA ISR UCITS Master Fund

The variable management fees correspond to 20% (including tax) of the performance exceeding the Euro Stoxx Reinvested Net Dividends index. These will be provisioned on each net asset value.

Allocation of distributable sums

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.

Evolution of net assets of the UCI (in euros)

	29/12/2017	30/12/2016
Net assets at the beginning of the financial year	13,256,726.18	35,419,956.08
Subscriptions (including subscription fees retained by the UCI)	47,060,803.57	3,222,070.77
Redemptions (after deduction of redemption fees retained by the UCI)	-4,917,098.45	-22,310,944.54
Capital gains made on deposits and financial instruments	550,095.22	7,813.64
Capital losses made on deposits and financial instruments	-57.12	-73,043.62
Capital gains made on financial contracts	532,650.00	5,662,171.26
Capital losses made on financial contracts	-706,292.20	-9,118,930.21
Transaction costs	-2,990.82	-112,001.86
Exchange differences	0.04	-1,419.90
Change in difference in estimate of deposits and financial instruments	1,417,892.66	833,876.39
Difference of estimate financial year N	2,240,426.69	
Difference of estimate financial year N - 1	822,534.03	
Change in difference in estimate of financial contracts	-173,566.25	-9,450.00
Difference of estimate financial year N	-173,566.25	
Difference of estimate financial year N - 1	-	
Distribution for the previous financial year on net capital gains and losses	-	-
Distribution for the previous financial year on result	-	-
Net result of the financial year before accruals account	30,699.95	-263,536.52
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-164.69 ⁽¹⁾	164.69 ⁽²⁾
Net assets at the end of the financial year	57,048,698.09	13,256,726.18

(1) Adjustment coupon

(2) Adjustment coupon

Allocation by legal or economic nature

Designation of securities	Nominal	%
Assets		
Bonds and similar securities	-	-
Indexed bonds	-	-
Convertible Bonds	-	-
Equity securities	-	-
Other bonds	-	-
Debt securities	-	-
Short-term negotiable securities	-	-
Medium-term negotiable securities	-	-
Liabilities		
Purchase and sale transactions on financial instruments	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Other	-	-
Off-balance sheet		
Rate	-	-
Equities	5,658,660.00	9.92
Credit	-	-
Other	28,500,000.00	49.96

Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
Assets								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	5,467,608.79	9.58
Liabilities								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	0.46	0.00

Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
Off-balance sheet								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

Allocation by residual maturity

	< 3 months	%]3 months - 1 year]	%]1 - 3 years]	%]3 - 5 years]	%	> 5 years	%
Assets										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	5,467,608.79	9.58	-	-	-	-	9.58	-	-	-
Liabilities										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	0.46	0.00	-	-	-	-	-	-	-	-
Off-balance sheet										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

Allocation by currency

	CHF	%		%		%		%
Assets								
Deposits	-	-	-	-	-	-	-	-
Shares and similar securities	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
UCI	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-

Allocation by currency (continued)

	CHF	%		%		%		%
Liabilities								
Purchase and sale transactions on financial instruments	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-
Financial accounts	0.46	0.00	-	-	-	-	-	-
Off-balance sheet								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

Sundry debtors and creditors

	29/12/2017
Receivables	
Guarantee deposit on futures contracts	398,893.71
Other	874.81 ⁽³⁾
Total receivables	399,768.52
Payables	
Provision for fixed management fees payable	-19,331.99
Total payables	-19,331.99
Total	380,436.53

(3) Provision balancing payment receivable equity swap

Subscriptions-redemptions

Category of I units	
Units issued	993.0000
Units redeemed	99.0000
Category of R units	
Units issued	150.1439
Units redeemed	561.7819

Commissions

Category of I units	
Amount of subscription fees retained	57,214.03
Amount of redemption fees retained	1,135.09
Category of R units	
Amount of subscription fees retained	1,330.48
Amount of redemption fees retained	17.55

Management fees

Category of I units	
Percentage of fixed management fees	0.27
Performance commission (variable costs)	-
Retrocession of management fees	-
Category of R units	
Percentage of fixed management fees	1.48
Performance commission (variable costs)	-
Retrocession of management fees	-

Commitments received and given

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

Other information

Code	Name	Quantity	Price	Current value (in euros)
Current value of financial instruments forming the subject of temporary acquisition				
	Nil			
Current value of financial instruments constituting guarantee deposits				
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			
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				

Other information (continued)

Code	Name	Quantity	Price	Current value (in euros)
FR0010436618	OFI RS EURO EQUITY SMART BETA XL	572,730.3765	89.46	51,236,459.48

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)

	29/12/2017	30/12/2016
Category of I units		
Sums yet to be allocated		
Carry forward	-	-
Profit/loss	455,538.06	-115,334.96
Total	455,538.06	-115,334.96
Allocation		
Retailing	-	-
Carry forward for the financial year	-	-
Capitalisation	455,538.06	-115,334.96
Total	455,538.06	-115,334.96
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
Category of R units		
Sums yet to be allocated		
Carry forward	-	-
Profit/loss	-3,524.24	-23,320.28
Total	-3,524.24	-23,320.28
Allocation		
Retailing	-	-
Carry forward for the financial year	-	-

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

	29/12/2017	30/12/2016
Capitalisation	-3,524.24	-23,320.28
Total	-3,524.24	-23,320.28
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

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

	29/12/2017	30/12/2016
Category of I units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	2,261,942.42	-2,257,189.36
Advances paid on net capital gains and losses for the financial year	-	-
Total	2,261,942.42	-2,257,189.36
Allocation		
Retailing	-	-
Net capital gains and losses not distributed	2,261,942.42	-
Capitalisation	-	-2,257,189.36
Total	2,261,942.42	-2,257,189.36
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	1,180.0000	286.0000
Unit distribution	-	-
Category of R units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	32,687.23	-213,172.42
Advances paid on net capital gains and losses for the financial year	-	-
Total	32,687.23	-213,172.42
Allocation		
Retailing	-	-
Net capital gains and losses not distributed	32,687.23	-
Capitalisation	-	-213,172.42
Total	32,687.23	-213,172.42
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	726.1735	1,137.8115
Unit distribution	-	-

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

	29/12/2017	30/12/2016	31/12/2015	31/12/2014	31/12/2013
Net assets					
in EUR	57,048,698.09	13,256,726.18	35,419,956.08	68,644,369.04	57,667,762.26
Number of securities					
Category of I units	1,180.0000	286.0000	674.0000	1,064.2977	779.0000
Category of R units	726.1735	1,137.8115	2,723.3628	8,762.6118	10,528.4564
Unit net asset value					
Category of I units in EUR	47,650.25	42,306.57	47,854.70	53,657.76	55,455.75
Category of R units in EUR	1,131.13	1,016.90	1,162.49	1,316.56	1,374.15
Unit distribution on net capital gains and losses (including advances)					
Category of I units in EUR	-	-	-	-	-
Category of R units in EUR	-	-	-	-	-
Unit distribution on result (including advances)					
Category of I units in EUR	-	-	-	-	-
Category of R units in EUR	-	-	-	-	-
Unit tax credit transferred to bearer (individuals)					
Category of I units in EUR	-	-	-	-	-
Category of R units in EUR	-	-	-	-	-
Unit capitalization					
Category of I units in EUR	386.04	-8,295.53	-5,890.94	-206.06	3,454.14
Category of R units in EUR	-4.85	-207.84	-156.43	-18.39	65.69

Portfolio inventory as at 29 December 2017

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Deposits			-	-
Financial instruments				
Shares and similar securities			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
Bonds and similar securities			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
Debt securities			-	-
Traded on a regulated market or similar			-	-
Transferable debt securities			-	-
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
Mutual funds			51,236,459.48	89.81
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			51,236,459.48	89.81
OFI RS EURO EQUITY SMART BETA XL	EUR	572,730.3765	51,236,459.48	89.81
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			-	-
Temporary transactions on securities			-	-
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			-	-
Purchase and sale transactions on financial instruments			-	-
Financial contracts			-35,806.25	-0.06
Transactions on a regulated or similar market			-	-
EUR margin calls	EUR	137,760.00	137,760.00	0.24
EURO STOXX 50 0318	EUR	162.00	-137,760.00	-0.24
Other transactions			-35,806.25	-0.06
EQSWAP 2YR OFI EURO	EUR	-28,500,000.00	-35,806.25	-0.06
Other financial instruments			-	-
Receivables			399,768.52	0.70
Payables			-19,331.99	-0.03
Financial accounts			5,467,608.33	9.58

Portfolio inventory as at 29 December 2017 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
NET ASSETS			57,048,698.09	100.00



**AUDITOR'S REPORT
ON THE ANNUAL ACCOUNTS
Financial year ended on 29 December 2017**

OFI RS EURO EQUITY SMART DELTA CONVEX
UCITS CONSTITUTED IN THE FORM OF A FEEDER MUTUAL FUND
Governed by the Monetary and Financial Code

Management Company
OFI ASSET MANAGEMENT
22, rue Vernier
75017 PARIS

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 UCITS constituted in the form of a feeder mutual fund OFI RS EURO EQUITY SMART DELTA CONVEX relating to the financial year ended 29 December 2017, 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 UCITS constituted in the form of a mutual feeder 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 on us under these standards are set out in the section of this report titled "*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 30/12/2016 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.

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Public accounting company registered in the Roll of the Order of Certified Accountants of the Paris-Ile-de-France region. Public accounting company, member of the Regional Association of Versailles. Simplified joint stock company with capital of EUR 2,510,460. Registered office: 63, rue de Villiers, 92200 Neuilly-sur-Seine. Companies Register Nanterre 672 006 483. VAT no. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920-Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.



OFI RS EURO EQUITY SMART DELTA CONVEX

Justification of assessments

Pursuant to the provisions of Articles L. 823-9 and R.823-7 of the Commercial Code relating to the justification of our assessments, we hereby inform you that, in our professional opinion, the most important assessments that we made, were related to the appropriate nature of the accounting principles applied, the reasonable nature of the significant estimates made and the presentation of the accounts as a whole.

The assessments provided fall 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 other documents sent to unitholders

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 and in the documents sent to unit-holders on the financial situation and the annual accounts.

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OFI RS EURO EQUITY SMART DELTA CONVEX

Responsibilities of management and of the individuals comprising corporate governance relating to the annual accounts

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

When drawing up the annual financial statements, the management company is responsible for assessing the UCI's ability to continue its operations, for presenting in these statements, where applicable, the necessary information relating to the continuity of its operation and for applying the standard accounting policy for continuity of its operation, unless it is planned to liquidate the UCI or to cease its activity.

It is the responsibility of the management company to monitor the process for preparing financial information and monitor the effectiveness of internal control and risk management systems, and of internal audits, as regards the procedures relating to the preparation and processing of accounting and financial information.

The annual accounts were drawn up by the management company.

Responsibilities of the statutory auditors relating to auditing the annual accounts

Audit objective and procedure

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 Commercial Code, our mission of certification of accounts does not consist in guaranteeing the viability or quality of the management of the UCI.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises their professional judgement throughout the audit. Moreover:

- they identify and assess the risks that the annual accounts contain significant anomalies, whether they originate from fraud or error, define and implement audit procedures to deal with these risks, and gather 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 evasion of internal control;

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OFI RS EURO EQUITY SMART DELTA CONVEX

- they familiarise themselves with the internal control mechanism relevant to the audit in order to define appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of the internal control mechanism;
- 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 appropriateness of the management company's application of the standard accounting policy for the continuity of operation and, depending on the information collected, whether or not there is any significant uncertainty related to events or circumstances that could jeopardise the UCI's ability to continue its 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 that there is a significant uncertainty, they draw the attention of the reader of their report to the information provided in the annual financial statements about that uncertainty or, if that information is not provided or is irrelevant, they issue a qualified opinion or a refusal to certify the accounts;
- they assess the overall presentation of the annual financial statements and assess whether the annual financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.

Neuilly-sur-Seine, date of electronic signature

Document authenticated by electronic signature
The Auditor
PricewaterhouseCoopers Audit
Frédéric SELLAM

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 RS EURO EQUITY SMART DELTA CONVEX** 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. 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.