

### 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.

### An overview of the features of the Master Fund

#### **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**

Investors are advised that the performance of the UCITS might not conform to their objectives and that their capital might not be returned in full, as the Fund does not benefit from any guarantee or protection of 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.

## CHANGE(S) MADE DURING THE CURRENT HALF-YEAR

### For the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX

As of 12 March 2018, RF units were created.

### For the Master Fund OFI RS EURO EQUITY SMART BETA - XL UNITS

Nil.

## CHANGE(S) MADE DURING THE PREVIOUS HALF-YEAR

### For the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX

As of 11 August 2017, the changes were as follows:

- the Fund remains a Feeder Fund: investment made for a minimum of 85% of its assets in the XL units of the Master Fund OFI EURO EQUITY SMART BETA but change of management objective and investment universe: the range of equity exposure will constantly be between 30% and 100% and the Fund will be structurally invested in a partial equity risk hedging strategy through one or more TRS;
- OFI RS EURO EQUITY SMART BETA changed its name to OFI RS EURO EQUITY SMART DELTA CONVEX;
- Change of method used for calculating the global risk;
- Development of the hedging strategy through the use of derivative contracts on equities and equity indexes.

Then, on 8 September 2017, the changes were as follows:

- Implementation of subscription and redemption fees retained on the Fund of 0.125%;
- For the R unit, the management fees are changed to 1.40% max instead of 1.65% max;
- For the I unit, the management fees increase from 0.10% max to 0.65% max;

### For the Master Fund OFI RS EURO EQUITY SMART BETA -XL UNITS

As of 22 December 2017, the SRR1 was reduced to 5 compared to the previous 6.

## FUTURE CHANGE(S)

### For the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX

Nil.

### For the Master Fund OFI RS EURO EQUITY SMART BETA - XL PARTS

Nil.

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

### General information as at 29/06/2018

- 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 31,000,000, i.e. 52.21% of assets managed in the Fund.

### Information about concentration as at 29/06/2018

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

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 as follows:

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 total return swaps were as follows:

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
BNP PARIBAS PARIS	31,000,000	80,000

#### Information about transactions

As at 29/06/2018, 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.

## Statement of assets

Elements on the statement of assets	Amount on the periodic statement
Eligible financial securities mentioned in Article L. 214-20 (1)(1) of the Monetary and Financial Code	-
Bank assets	5,044,638.49
Other assets held by the UCI	55,240,508.84
Total assets held by the UCI	60,285,147.33
Financial accounts	-0.47
Financial instruments and Receivables	-192,018.32
Total liabilities	-192,018.79
<b>Net asset value</b>	<b>60,093,128.54</b>

## Changes in net assets

	29/06/2018	29/12/2017	30/12/2016	31/12/2015	31/12/2014	31/12/2013
<b>NET ASSETS</b>						
in EUR	60,093,128.54	57,048,698.09	13,256,726.18	35,419,956.08	68,644,369.04	57,667,762.26
<b>Number of securities</b>						
Category of I units	1,280.0000	1,180.0000	286.0000	674.0000	1,064.2977	779.0000
Category of R units	650.6647	726.1735	1,137.8115	2,723.3628	8,762.6118	10,528.4564
Category of RF units	1.0000	-	-	-	-	-
<b>Unit net asset value</b>						
Category of I EUR units	46,389.96	47,650.25	42,306.57	47,854.70	53,657.76	55,455.75
Category of R EUR units	1,097.15	1,131.13	1,016.90	1,162.49	1,316.56	1,374.15
Category of RF EUR units	98.27	-	-	-	-	-
<b>Unit distribution on net capital gains and losses (including advances)</b>						
in EUR	-	-	-	-	-	-
<b>Unit distribution on result (including advances)</b>						
in EUR	-	-	-	-	-	-
<b>Unit tax credit transferred to bearer (individuals)</b>						
Category of I EUR units	-	-	-	-	-	-
Category of R EUR units	-	-	-	-	-	-
Category of RF EUR units	-	-	-	-	-	-
<b>Unit capitalisation</b>						
Category of I EUR units	-	386.04	-8,295.53	-5,890.94	-206.06	3,454.14
Category of R EUR units	-	-4.85	-207.84	-156.43	-18.39	65.69
Category of RF EUR units	-	-	-	-	-	-

## Securities portfolio

Elements of the securities portfolio	Percentage	
	Net assets	Total assets
Eligible financial securities and money market instruments admitted for trading on a regulated market within the meaning of Article L. 422-1 of the Monetary and Financial Code.	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Eligible financial securities and money market instruments admitted for trading on another regulated market, duly functioning, recognised and open to the public, and with its registered office in a Member State of the European Union or in another State party to the Agreement on the European Economic Area.	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Eligible financial securities and money market instruments admitted for official trading on a stock market of a third country or traded on another market of a third country, regulated, duly functioning, recognised and open to the public, provided that this stock market or this market does not feature on a list drawn up by the Autorité des Marchés Financiers or the choice of this stock market or this market is provided for by law or by regulation or by the articles of association of the UCITS	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
The newly issued securities mentioned in Article R.214-11(1)(4) of the Monetary and Financial Code	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Other assets: These are the assets mentioned in II of Article R. 214-11 of the Monetary and Financial Code	90.18	89.89
Variable capital UCI	90.18	89.89
OFI RS EURO EQUITY SMART BETA XL	90.18	89.89
Shares	-	-
Bonds	-	-
Debt securities	-	-

## Indication of movements occurring in the composition of the securities portfolio, during the reference period

Elements of the securities portfolio	Movements (in amount)	
	Acquisitions	Purchase and sale
Eligible financial securities and money market instruments admitted for trading on a regulated market within the meaning of Article L. 422-1 of the Monetary and Financial Code.	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-

**Indication of movements occurring in the composition of the securities portfolio, during the reference period (continued)**

Elements of the securities portfolio	Movements (in amount)	
	Acquisitions	Purchase and sale
Eligible financial securities and money market instruments admitted for trading on another regulated market, duly functioning, recognised and open to the public, and with its registered office in a Member State of the European Union or in another State party to the Agreement on the European Economic Area.	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Eligible financial securities and money market instruments admitted for official trading on a stock market of a third country or traded on another market of a third country, regulated, duly functioning, recognised and open to the public, provided that this stock market or this market does not feature on a list drawn up by the Autorité des Marchés Financiers or the choice of this stock market or this market is provided for by law or by regulation or by the articles of association of the UCITS	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
The newly issued securities mentioned in Article R.214-11(1)(4) of the Monetary and Financial Code	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Other assets: These are the assets mentioned in II of Article R. 214-11 of the Monetary and Financial Code	10,093,640.00	5,388,297.14
Variable capital UCI	10,093,640.00	5,388,297.14

**Promoters:** OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS  
**Management Company:** OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS  
**Depositary and Custodian:** SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris  
**Administrative and accounts management:** SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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

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