

# OFI RS European Convertible Bond GI

Monthly Factsheet - Convertible Bonds - june 2018



OFI RS EUROPEAN CONVERTIBLE BOND is a European convertible bond fund. It allows investors to benefit from the convexity of convertible bonds and part of the performance of a selection of European stocks. The fund's objective is to participate in the growth of tomorrow's leading companies by investing in their convertible issues to help finance their development.

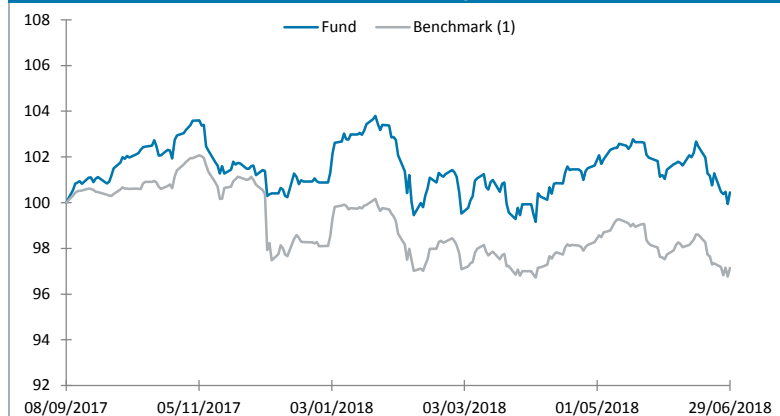
## Key figures as of 29/06/2018

NAV of the part GI (EUR):	100,45
Net Assets of the part GI (EUR):	100,45
Total Net Assets (EUR M):	210,95
Delta:	41%
Modified duration:	1,96
Current yield:	0,95%
Number of holdings:	77

## Characteristics

ISIN Code:	FR0013274941
Ticker:	OFIMCGI FP Equity
AMF Classification:	Diversified
Europerformance Classification:	European convertible bonds
Management Company:	OFI Asset Management
Benchmark (1):	Thomson Reuters Europe Focus Hedged Convertibles Bond Index
Main Risks:	Capital and performance Market : equity, fixed income and credit
Fund Manager:	Nancy Scribot Blanchet
Legal Form:	SICAV (UCITS IV)
Distribution Policy:	Capitalisation
Currency:	EUR
Inception date:	08/09/2017
Recommended investment horizon:	Over 3 years
Valuation:	Daily
Subscription cut-off:	D at 12h
Redemption cut-off:	D at 12h
Settlement:	D+2
Subscription fees Max/Real:	2%/None
Redemption fees Max/Real:	None/None
Outperformance fees:	None
Ongoing charge:	0,52%
Custodian:	CACEIS
Administrative agent:	CACEIS Fund Administration

## Return since inception



Source: Europerformance

## Risk Profile

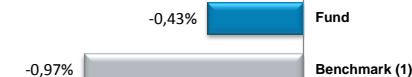
Level: 1 2 3 4 5 6 7

## Monthly return



Source: Europerformance

## YTD return



Source: Europerformance

## Return & Volatility

	Since inception (cum.)		3 Years (cum.)		1 Year		YTD		6 Months	3 Months
	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Return
OFI RS EUROPEAN CONVERTIBLE BOND GI	0,45%	6,52%	-	-	-	-	-0,43%	7,15%	-0,43%	0,52%
Benchmark (1)	-2,86%	6,11%	-	-	-	-	-0,97%	5,10%	-0,97%	0,14%

Source: Europerformance

## Monthly returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year	Benchmark
2017									1,50%*	1,66%	-1,51%	-0,73%	0,88%	-1,91%
2018	1,97%	-1,69%	-1,19%	1,69%	-0,58%	-0,57%							-0,43%	-0,97%

\*Return from 08/09/2017 to 29/09/2017

Source: Europerformance

(1) Benchmark : Thomson Reuters Eurozone Focus Convertibles Hedged EUR

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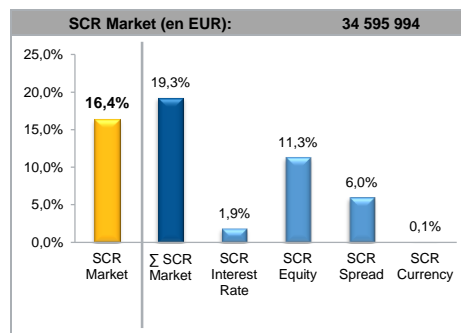


## TOP 10 Holdings

Name	Weight
SIEMENS 1.650 2019_08	2,62%
LVMH 0 2021_02	2,43%
VALLOUREC 4.125 2022_10	2,26%
COVESTRO/BAYER 0.050 2020_06	2,20%
EURAZEO/CA 0 2019_10	2,16%
ENCE ENERGIA Y CELULOSA 1.250 2023_03	2,10%
DASSAULT AVIATION/AIRBUS 0 2021_06	2,08%
STMICROELECTRONICS 0.250 2024_07	2,00%
GENFIT 3.500 2022_10	1,98%
FUGRO 4.000 2021_10	1,92%
<b>TOTAL</b>	<b>21,76%</b>

Source: OFI AM

## Solvency Capital Requirement



\*Quarterly data as of 29/06/2018

Source: OFI AM

## Asset management strategy

Once the Italian political crisis had been digested and the Spanish situation eased, further escalation in trade tension between China and the USA is increasing the risk of a global trade war, with Europe also coming into president Trump's firing line. Regarding the central banks, the ECB announced that its QE programme would be extended from September to December and pushes back the prospect of rate hikes to after the summer of 2019, whereas the FED has raised its key rate for the 7th time since 2015; it is now tabling two further increases in 2018 and three in 2019.

After rebounding at the start of the month, European equities markets have gone into reverse: Euro Stoxx 50 has fallen 0,2%, the CAC40 is down 0,95% while US markets remain positive at 0,5%. On the credit front, the 5-year Crossover rose by 16 bps to 322 bps, while German 10-year yields fell back by 4 bps to 0,30%. In currencies, the euro strengthened against the CHF (up 0,6%) and sterling (0,3%), while stabilising against the USD (-0,1%). Against this backdrop, European convertible bonds lost ground, with the Thomson Reuters Europe Focus Hgd (EUR) down 0,38% and **OFI RS European Convertible Bond** down 0,57%.

The European primary market remained calm this month, related to the return of volatility in equities markets: A total of 1,3bn EUR in issues from Swiss Ré/ELM 3,25% 2024 (500m USD - Switzerland - Insurance), Safran 0% 2023 (700m USD - France - Services & Industrial Goods) which has opportunistically re-entered the market, and SOITEC 0% 2023 (175m EUR - France - Technology).

Regarding performance, the negative equities contributions come from Econocom (-12 bps, -10,7%), LVMH 2021 (-11 bps, -4,4%) both of which have been affected by lower equities markets, Valeo 2021 (-10 bps, -4,9%) driven by the Automotive sector, Greenyard 2021 (-8 bps, -5,8%) which continues to fall having failed to publish in Q1 18, and STMico 2024 (-8 bps, -3,8%) which is suffering like the Technology sector from the US/China issues. Among those posting positive performance, the best contributions come from Inmarsat 2023 (+28 bps, +33%) which is subject to an acquisition offer from Echostar, although this has currently been rejected by the board with the potential purchaser having until 6 July to respond, Ence Energia y Celulosa 2023 (+13 bps, +6,9%) whose rating has been raised by Moody's from Ba3 to Ba2 with stable outlook, and Symrise 2024 (+7 bps, +3,8%).

As far as movements are concerned, we are completing our reduced position in Iberdrola/ACS 2019 commenced in late May following an ISR alert, and we are selling our position in Steinhoff 2021 producing a sale price of 80% of the nominal value. The month-end cash position was 5,2%.

Portfolio equity sensitivity stands at 41% at end June, the current yield at 0,95% for an average maturity of 3,4 years and the modified duration at 1,96.

Nancy Scribot Blanchet - Fund Manager(s)

## SCR informations

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

The SCR Market represents the capital requirement taking into account the various risk factors (see correlation matrix arising under regulation n°2015/35).



## Main movements of the month

Buy / Increase			
Name	Weight M-1	Weight M	
AROUNDTOWN	Buy	0,73%	

Source: OFI AM

Sell / Decrease			
Name	Weight M-1	Weight M	
STEINHOF INT/STEINHOF FIN 4.000 2021_01	0,83%	Sell	
AROUNDTOWN 1.500 2021_01	0,74%	Sell	
IBERDROLA/ACS ACTIV FIN2 1.625 2019_03	1,01%	0,80%	

Source: OFI AM

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

Bêta	Alpha	Tracking Error	Sharpe Ratio <sup>(2)</sup>	Information Ratio	Frequency of profit	Worst draw down
-	-	-	-	-	-	-

Source: Europerformance

(2) Risk free rate: compounded EONIA

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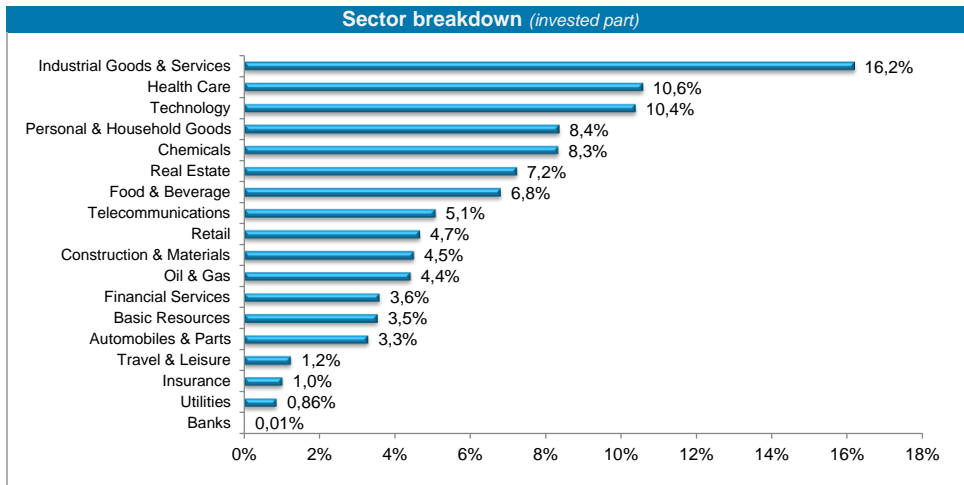


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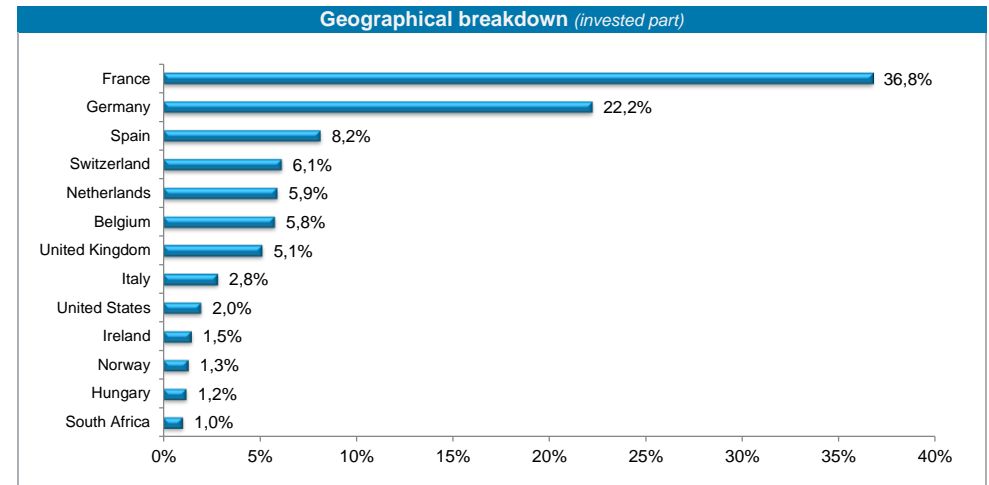


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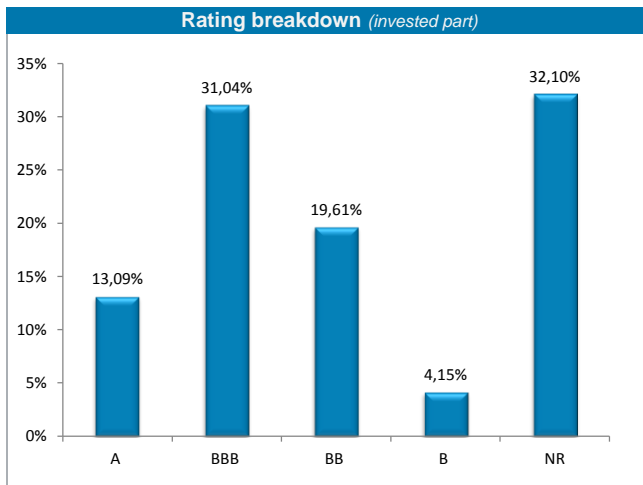
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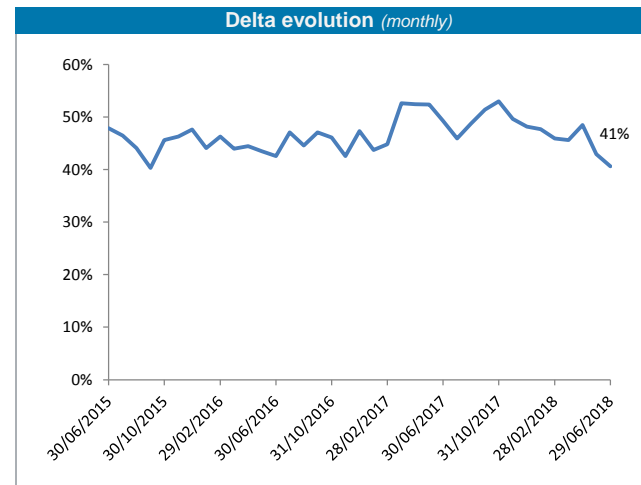
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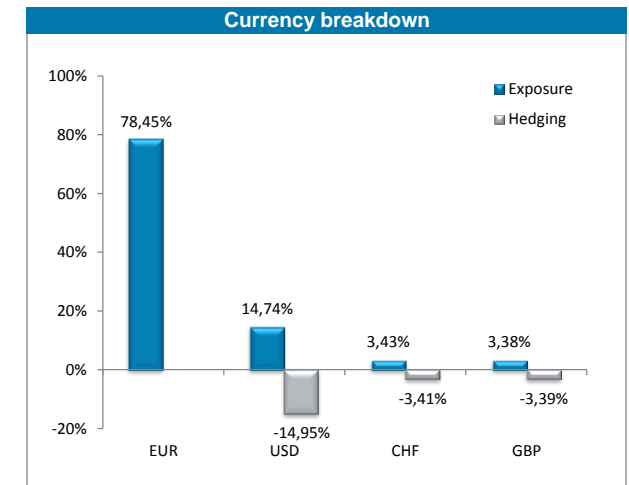
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