

ANNUAL REPORT

Financial year ended on 30 September 2019



OFI RS EURO CONVERTIBLE BOND DEFENSIVE

Mutual fund

Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

Management Company

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

Depository and Custodian

CACEIS BANK FRANCE - 1-3 place Valhubert - 75206 Paris CEDEX 13

Administrative and accounts management:

CACEIS FUND ADMINISTRATION - 1-3 place Valhubert - 75206 Paris CEDEX 13

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September 2019

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MANAGEMENT DIRECTION

Management objective

The objective of the Fund is to achieve performance above that of its benchmark, calculated in euros, by mainly investing the portfolio in eurozone convertible bonds.

Benchmark

The benchmark is the Thomson Reuters Eurozone Focus Convertibles Hedged EUR (Ticker UCBIFX24 Index), calculated with coupons and/or reinvested.

The Thomson Reuters Eurozone Focus Convertibles Hedged EUR index is a eurozone convertible bond index.

However, the UCITS is not seeking to reproduce the performance of this index in one way or another. It makes investments based on criteria which can result in significant discrepancies in relation to the behaviour of this index.

Management strategy

A minimum of 60% of the net assets of the Fund are invested in eurozone convertible bonds. It will be exposed on one or more eurozone interest rate markets. In addition, the portfolio shall be invested, on a secondary basis, in shares which originate solely from the conversion of bond issues into equity.

Construction and management of the portfolio use three sources of value added: economic and monetary analysis, financial analysis of companies (stock picking and credit picking) and technical analysis (issue prospectuses, volatility) of products. The investment strategy does not envisage any allocation by small / medium / large capitalisations.

The recommendations for allocations in unit categories, sectors and geographic zones, made by a Committee within the Management Company, are the basis for the portfolio's strategic allocation.

The sector-based and geographic allocations of the portfolio stem from a comparative analysis between those on the European share market and those of convertible bond indices. However, it evolves on a discretionary basis, depending on the manager's expectations.

The fundamental analysis of shares and fundamental analysis of credit, along with the analysis of the technical particularities of the products (volatility/convexity, special situations, primary market, issue prospectuses) result in a selection of the underlying assets and subsequently of the products making up the portfolio.

Global exposure to the share and interest rate market is adjusted with futures contracts and share and interest rate index options.

The range of sensitivity to interest rates, within which the Fund is managed, is between 0 and 5.

The particularity of the Fund is that it has a share sensitivity of between 10% and 30%. Share sensitivity is the indicator measuring the fluctuation in the price of a convertible bond in relation to the fluctuation of the price of the underlying share.

Due to its management strategy, the EI C EUR unit is not exposed to foreign exchange risk.

The manager complements his study by analysis of extra-financial criteria in order to favour a "Socially Responsible Investment" (SRI) selection of companies in the portfolio.

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 1.

The eligible investment universe is defined by the limitation of companies presenting the lowest SRI Scores (established by our SRI Division) of all issuers covered by an ESG analysis (international private issuers, i.e. approximately 2,600 currently).

Maximum weighting of issuers by SRI category: Under supervision: 10% - Uncertain + Under supervision: 25% - Followers + Uncertain + Under supervision: 50%.

The mutual fund adheres to the AFG Eurosif Transparency Code for SRI funds open to the public, available at www.ofi-am.fr.

No particular limit in terms of rating or in terms of duration has been introduced.

The Fund may use financial contracts, traded on French and foreign regulated and organised and/or OTC markets, in order to cover or expose the portfolio, notably to share and interest rate risks, through the use of instruments such as futures contracts or options.

The derivative instruments used are mainly futures and share and interest rate options.

The Fund may also use credit derivatives with a view to hedging against the credit risk associated with the bonds held in the portfolio.

Risk profile

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

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

Risk associated with the holding of convertible bonds

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

Interest rate risk

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

Share risk

The UCITS is invested or exposed on one or more share markets which may experience marked variations. The investor's attention is drawn to the fact that fluctuations in the price of the portfolio assets and/or the market risk shall result in a significant reduction in the net asset value of the UCITS.

Credit risk

In the case of downgrading of private or public issuers, or their defaulting, the value of bonds may fall. The occurrence of this risk may result in a drop in the net asset value of the Fund.

Counterparty risk

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

High Yield risk

This is the credit risk applied to what are known as "speculative" securities which present probabilities of default higher than those of Investment Grade securities. In exchange, they offer higher levels of return. In the case of downgrading of the rating, the net asset value of the UCITS will fall.

Risk associated with holding small capitalisations

On account of its management direction, the fund may be exposed to small and medium capitalisations which, taking account of their specific characteristics, may present a liquidity risk. On account of the limited size of the market, the evolution of these stocks is more marked in an upward direction than a downward direction and will, in this latter case, generate a drop in the net asset value.

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

Risk associated with investment in certain UCIs

The UCITS may invest in a certain number of UCITS or Investment Funds (FCPR, FCIMT, FCPI, UCITS under alternative management) for which there is a risk associated with alternative management (that is, management decorrelated from any market index). The UCITS is exposed to a risk of liquidity or fluctuation in its net asset value by investing in this type of UCITS or Investment Fund.

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

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

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 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 CONVERTIBLE BOND DEFENSIVE	VaR (95%, 1-week)
Minimum level of VaR over the financial year	0.57%
Minimum level of VaR over the financial year	1.05%
Average level of VaR over the financial year	0.70%

CHANGE(S) MADE DURING THE FINANCIAL YEAR

As from 23 August 2019, a redemption capping mechanism has been put in place.

In accordance with the options offered through regulatory changes, OFI ASSET MANAGEMENT has sought to put in place a redemption capping mechanism. In exceptional circumstances, this mechanism will make it possible to manage market liquidity conditions in the best way possible in the interests of unitholders. In the event of significant redemption requests, the Management Company may temporarily spread the execution of these requests over a number of net asset values in order to ensure all necessary securities are sold without distorting the structure of the portfolio.

It is important to clarify that this redemption capping mechanism does not have any impact on the management strategy, the risk profile or the management fees of the UCITS.

FUTURE CHANGE(S)

Nil.

PROCEDURE FOR CHOOSING BROKERS

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

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

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

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

BROKERAGE FEE

On the website of the OFI Group, at <https://www.ofi-am.fr/informations-reglementaires>, you will find all the measures taken to get to grips with the new regulatory provisions linked to the MiFID.

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

INFORMATION RELATING TO REMUNERATIONS OF THE UCITS

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

1) Qualitative elements

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

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

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

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

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

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

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

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

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

And lastly, the performance of sales personnel is assessed based on traditional criteria, provided that they do not generate any conflicts of interest with the unitholders: 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.

Payment procedures and measures for adjusting remuneration:

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

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

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

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

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

2) Quantitative elements

Total remunerations allocated by the manager to its staff:

During the 2018 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. **218 beneficiaries (*)** (permanent staff/temporary staff/managing director) on 31 December 2018, amounted to **EUR 23,945,102**. This amount is broken down as follows:

- Total fixed remunerations allocated by OFI ASSET MANAGEMENT over the 2018 financial year: **EUR 18,831,102, or 78.64%** 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 2018 financial year: **EUR 5,114,000 (**), or 21.36%** of the total remunerations allocated by the manager to all its staff, were allocated in this form. All personnel are eligible for the variable remuneration scheme.

Furthermore, no carried interest was paid for the 2018 financial year.

Out of the total remunerations (fixed and variable, deferred and non-deferred) allocated over the course of the 2018 financial year, **EUR 4,617,000** related to "Directors and Executives" (**16 people** on 31 December 2018), **EUR 10,804,000** related to "Managers and Administrators" whose activities had a significant impact on the risk profile of the managed funds (**75 people** on 31 December 2018).

(* The number of staff on 31 December 2018)

(** 2018 bonus paid in March 2019)

MANAGEMENT COMMENTS

Economic and financial context for the year September 2018 / September 2019

The financial year was marked by two quite different events.

Firstly, and in line with quite solid global growth, the Central Banks committed to a form of monetary normalisation, particularly as regards the US Federal Reserve (Fed).

Initial estimates from leading business institutes therefore anticipated a relatively increased level of activity, which resulted in worldwide growth of approximately 4% on average. During this period, "PMI" composite indices were between 55 points and 60 points on both sides of the Atlantic, which was clearly above the threshold of 50 points which marks the boundary between growth and recession.

Therefore, bond yield rose in the early part of the financial year, reaching a high of nearly 3.25% in US 10-year yield in October 2018.

Secondly, economic indicators gradually worsened, accelerating downwards at the end of 2018, under the effect in particular of fears of a trade war creating an uncertain international trade outlook, and weighed on company director and investor confidence. Therefore, in December, indicators were at around 51 points in the eurozone, which represents a clear slowdown. Even though France was occasionally adversely affected by a rising number of social movements, it has ultimately coped well, displaying resilience in consumer spending and a level of expected growth which could be better than that of Germany.

And lastly, global growth was revised downwards throughout the financial year, losing 1% in nearly one year, falling from a rate of nearly 4% to estimates of around 3% at the end of the financial year.

In these circumstances, the Central Banks completely changed direction early in 2019, and interest rates were consequently lowered. Similarly, and also on account of the drop in interest rates, government budget policies were much less strict, in order to support business. This was particularly the case in the two main countries, the United States and China. In America, the budgetary deficit was close to 5%, whilst debt was close to 100% of GDP. In China, the authorities also supported business through higher spending and tax cuts in particular.

These events have naturally had significant impacts on the financial markets and here too, there was a sequence of a fairly significant downturn in equities which marked Q4 2018, followed by an upturn, which was just as sudden and significant, from the start of 2019 through to the end of the financial year.

Interest rates

As a result, the start of the year saw a phase of normalisation of US monetary policy, with a consecutive rise in bond interest rates in the United States and, out of sympathy, a slight rise in Europe. Therefore, US 10-year Treasury Note returns quickly reached, and occasionally exceeded, the 3% mark at the start of the financial year. At the same time, the Bund yield occasionally exceeded 0.50%, although the European Central Bank (ECB) did not initiate any normalisation.

However, given the deterioration of the economic environment, this normalisation of US interest rates was quickly put on the back burner, and rates eased again. At the end of the period, the Bund 10-year yield was, for the first time ever, firmly in negative territory at nearly -0.50%, having reached lows of nearly -0.70 during September 2019. In the United States, the US 10-year Treasury Note returns fell spectacularly throughout nearly the whole period, falling in just under a year from a high of nearly 3.25% in October 2018 to nearly 1.70% at the end of the financial year, having reached a low of around 1.50% in September 2019.

It is worth noting that at the start of 2019, the Chairman of the Fed provided a very large boost to the bond markets, as well as to shares for that matter, by announcing the end of the policy of increasing key rates, for a few months at least. As a result, the markets realised that rates were going to stay low for a long time.

At the same time, "peripheral" debts benefited from this environment of low rates and a relative lack of budgetary discipline, including the highly controversial Italian government debts, which have seen 10-year rates fall, from a high of 3.8% in October 2018 to 0.8% at the end of the period.

Against this backdrop, credit spreads increased during the first part of the financial year, before decreasing again from January 2019, in the wake of new Fed measures and the widespread recovery of the bond markets against a backdrop of an extensive search for returns by investors facing an unprecedented period of negative interest rates.

Under these conditions, performances on the bond markets proved surprisingly positive. The eurozone government bond index therefore rose by 6.3%, the Investment Grade (IG) bond index rose by 6%, and the High-Yield (HY) segment rose by 4% in Europe and by nearly 6% (in USD) in the United States.

Emerging bonds noticeably recovered against this backdrop of low interest rates and flows moved back toward this asset class which boasted attractive returns. In the end, strong currency debt indices experienced growth of nearly 10% over the period while local currency debt indices rose by nearly 16% in euros.

Convertible bonds also displayed two different phases in their performance and were fairly stable in Europe by the end of the financial year.

On currencies, the dollar gained almost 5% against the euro. The RMB, the Chinese currency, a potential source of instability for emerging currencies, was quite weak (defence measures taken by Chinese authorities to counter the US trade war?) and was down almost 4% against the dollar over the period.

In Europe, the pound was surprisingly stable over the financial year, despite the many ups and downs around Brexit and new fears of a hard Brexit.

The equity markets initially experienced a sharp drop, while interest rates rose and economic forecasts were downgraded. The leading American and European indices posted a marked rise in the region of 15% to 20% during the first quarter of 2018. This led to a recovery phase from the beginning of 2019 and the reversal of US monetary policy: indices regained all the ground lost in Q4 2018 and were close to their highest levels at the end of the financial year. Performances ultimately proved rather poor over the period, concealing these large-scale movements.

American equities rose by nearly 4% (including dividends), in USD. The index was stimulated by growth stocks. Generally speaking, cyclical stocks broadly underperformed, which was the case for the majority of the markets.

European equities, exceptionally, outperformed US equities, in local currencies admittedly: the main indices rose by around 7% (+6% for the CAC 40).

For practically everywhere in the West, it is worth noting the difference between the defensive values and cyclical values that are sensitive to the rise in interest rates, with cyclical values subject to very significant declines and the prices achieved suggesting a recession scenario that is not yet visible.

Emerging markets were slightly up by 4% over the period, but once again, with high volatility,

Finally, in terms of commodities, the performance by gold stood out, posting an increase of 25% over the financial year. Oil saw growth of nearly 10%, primarily for reasons linked to the geopolitical context.

And the HFR Global index representing alternative management was stable (hedged in euros), which illustrates the struggle that managers are encountering in increasing value against this backdrop.

Management

Convertible Bond market

Despite a very poor start to 2018, European equity markets finally managed to grow over the 2018-2019 financial year: +5% on the Eurostoxx50, despite a still distressed banking sector (-18%). At the same time, credit spreads narrowed slightly (-42 base points (bp) on the 5-year Itraxx-Crossover to 232bp), but the main event was the move into negative territory by German 10-year interest rates, which fell from +0.47% to -0.57%!

In this environment, the asset class of European convertible bonds achieved a performance close to equilibrium with -0.07% for the Thomson Reuters Europe Focus Hedged index.

The share sensitivity of the European field, standing at 40% at the end of September 2018, quickly fell to 25% in December, then stabilising at around 30% during 2019.

With this level of share sensitivity, the European field continued to present a profile which was particularly well-adjusted to markets which are still more volatile, convexity remaining an undeniable plus.

Regarding the next financial year, the performance of equities will, of course, be the primary driver of performance, credit spreads and interest rates contributing, at this level, very little in positive terms to valuation.

If we look at open UCITS alone, outgoing flows on the asset class were huge: EUR -11.5 billion. But it seems that a large proportion was reinvested in dedicated funds or mandates.

Implicit volatility barely changed, remaining between 28 and 31%. We are therefore of the opinion that, at these levels, convertible bonds are technically rather attractive, the historic average being 31%.

The primary market remains dynamic in Europe: with EUR 11.9 billion at the end of September, we are almost in line with last year's figures for the same period (EUR 12.7 billion). The average size on issue was up (EUR 375 million compared to EUR 330 million), and issuers who are new entrants on the asset class represent 50% of new issues as last year.

Management Policy

During the 2018-2019 financial year, the total of the OFI RS EURO CONVERTIBLE BOND DEFENSIVE Fund fell from EUR 103 million at the end of September 2018 to EUR 77 million one year later.

We subscribed to eight issues on the primary market: Air France 0.13% 2026, Biocartis 4% 2024, GN Store 0% 2024, Worldline 0% 2026, Edenred 0% 2024, Veolia Evionnement 0% 2025, MTU Aero 0.05% 2027, and Ubisoft 0% 2024.

Apart from the primary markets, purchase were primarily focused on SGL Carbon 3% 2023, JP Morgan in Siemens 0% 2022, America Movil in KPN 0% 2020, and Haniel in Ceconomy 0% 2020.

Reductions or sales concerned Wereldhave 1% 2019, Veolia 0% 2021, Kering 0% 2023, Credit Agricole in Eurazeo 0% 2019 and Nexity 0.125% 2023.

We obtained reimbursement of Sagerpar in GBL 0.375 2018, ACS in Iberdrola 2.625% 2018, Sacyr 4% 2019, and also Rallye in Casino 1% 2020 with exercise of the put in October 2018.

We also converted into equities Covivio 0.875% 2019.

Performances

As at 30 September 2019, the net asset value of the GI unit was EUR 95.38 compared to EUR 99.98 as at 28 September 2018, i.e. a drop of 4.60%.

As at 30 September 2019, the net asset value of the IC unit was EUR 324.35 compared to EUR 340.08 as at 28 September 2018, i.e. a drop of 4.63%.

As at 30 September 2019, the net asset value of the ID unit, coupon invested, was EUR 364.99 compared to EUR 382.69 as at 28 September 2018, i.e. a drop of 4.63%.

As at 30 September 2019, the net asset value of the RF unit was EUR 94.63 compared to EUR 99.32 as at 28 September 2018, i.e. a drop of 4.72%.

As at 30 September 2019, the net asset value of the EICEU unit was EUR 94.33 compared to EUR 99.25 as at 28 September 2018, i.e. a drop of 4.96%.

As at 30 September 2019, the net asset value of the R unit was EUR 93.89 compared to EUR 99.07 as at 28 September 2018, i.e. a drop of 5.23%.

By comparison, the Fund's benchmark, Thomson Reuters Eurozone Focus Convertibles Hedged EUR, posted a fall of 0.07% over the period.

Based on prudent management (share sensitivity of between 10% and 30%), OFI RS EURO CONVERTIBLE BOND DEFENSIVE therefore posted a performance below its benchmark. The portfolio's share sensitivity was maintained at between 11 and 20% over this twelve-month period (average 15%), the index reaching on average 27%.

Hedging via the sale of Eurostoxx50 sales therefore cost the Fund 70bp. The same applied for Société Générale, Axa and Renault call options, which impacted performance by 46bp.

Although during the financial year, we did not use credit derivative instruments, we did use instruments on futures markets (EUREX, MATIF, MONEP) for the purposes of adjusting the portfolio's exposure. These tactical measures of exposure or hedging are carried out over very variable periods of time (from one day to several months) through the use of averagely liquid and inexpensive Eurostoxx50 futures, in an attempt to capture performance.

Among the strongest negative contributions, we will mention Ubisoft 0% 2021 (-71bp; -30%), Ence Energia 1.25% 2023 (-66bp; -26.8%), Greenyard (-39bp; -34%), Airbus in Dassault Aviation 0% 2021 (-38bp; -10.1%), Fresenius Medical Care 1.125% 2020 (-38bp; -20%), SGL Carbon 3% 2023 (-30bp; -10.3%), and also Vallourec 4.125% 2022 (-29bp; -19.4%).

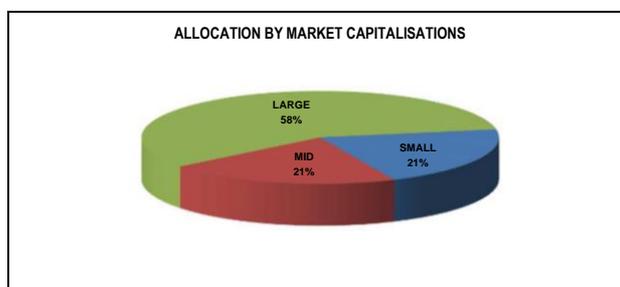
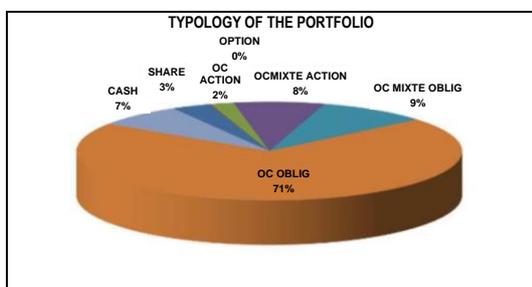
By contrast, we note the increases in MTU 0.125% 2023 (+31bp; +24.1%), Remy Cointreau 0.125% 2026 (+27bp; +9.3%), BE Semiconductor

0.5% 2024 (+25bp; +12.8%), Immofinanz 1.5% 2024 (+23bp; +8.6%), Archer in Kering 0% 2023 (+20bp; +2.6%), Ingenico 0% 2022 (+19bp; +4.7%), and also Neopost 3.375% 2022 (+18bp; +5.7%).

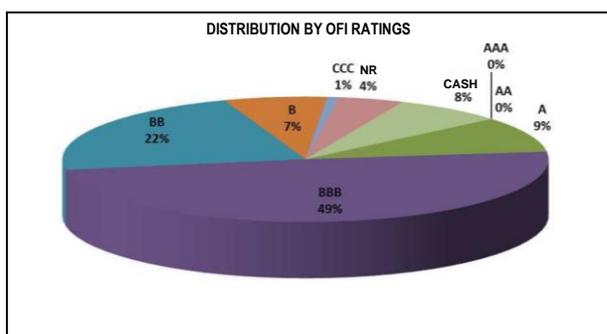
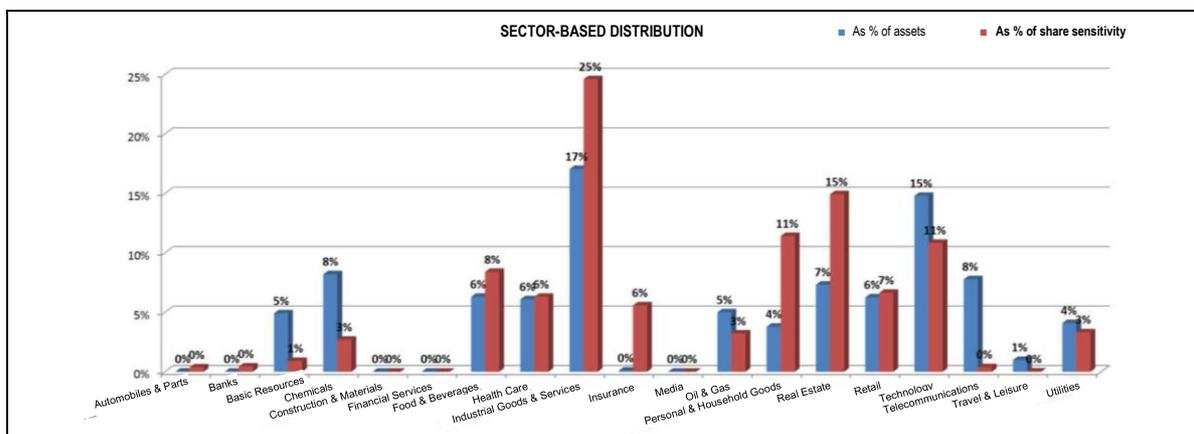
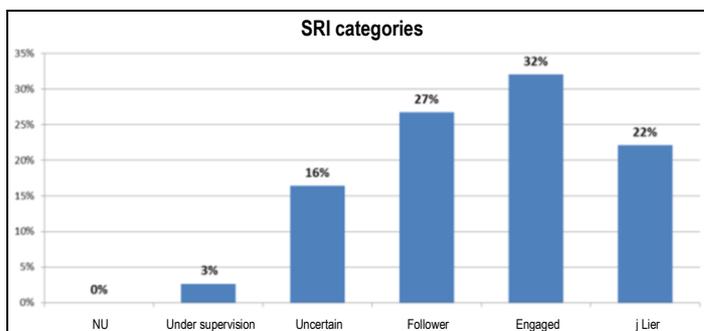
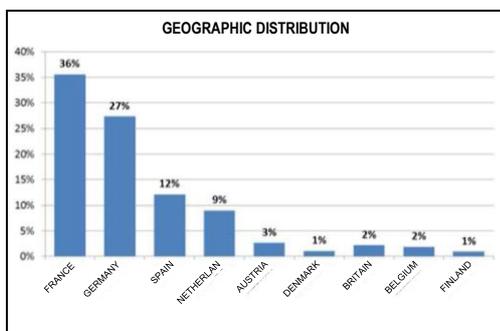
At the end of September 2019, the Fund posted share sensitivity of 13% (-16 point), an ordinary return (coupon related to price of convertible) of 1.08% (+9bp) for an average life of 2.8 years (unchanged). Liquid assets emerge at 7%.

The Fund is made up of 71% (+40 points) in bond type convertibles, mixed type convertibles represent 17% (-17 points), share type convertibles being at 2% (-12 points). Shares resulting from conversion represent 3% (+1 point, with Deutsche Post, Econocom, Nokia and Covivio).

In terms of allocation by market capitalisations, Large Caps represent 58% of investments (+2 points), Mid Caps and Small Caps posting 21% each (-13 points and +11 points, respectively).



The figures below also show geographical and sector-based exposure, SRI categories along with the allocation by OFI rating produced by our credit analysis research.



SRI COMMENTS

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), [in French], 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 September 2019

	% OUTSTANDING	% VALUED/UCI	% VALUED / ASSET CLASS
PRIVATE ISSUERS	92.77%	92.77%	100%
UCI and cash	7.23%	7.12%	98.47%
TOTAL	100%	99.89%	

Private issuers

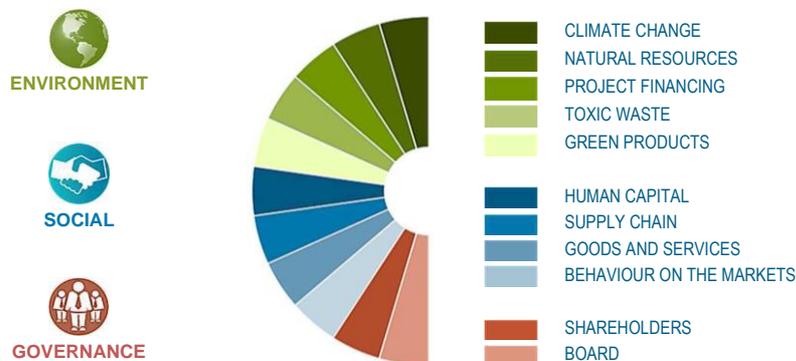
ESG analysis

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 risk 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

Portfolio construction process

Beyond the preliminary quantitative SRI filter, which determines the eligible universe, ESG analyses of companies are taken into account when constructing portfolios.

Taking account of the mutual fund management strategy when the underlying asset is different from the issuer, the SRI rating of the underlying asset is used.

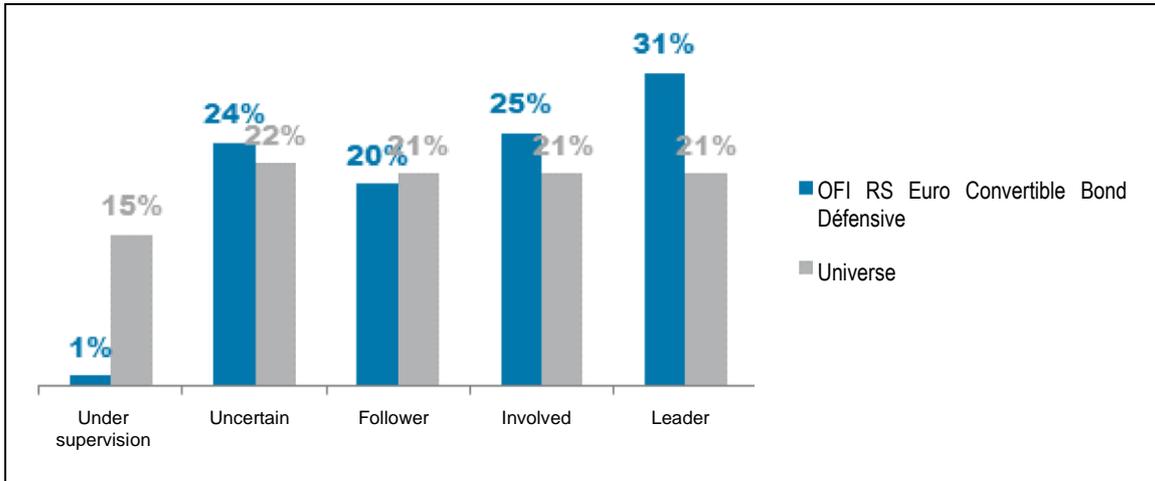
Unrated issuers may not exceed 10% of the portfolio. The limits below are applied to the portfolio:

MAXIMUM WEIGHTING OF ISSUERS BY SRI CATEGORY

- Under supervision: 10%
- Uncertain + Under supervision: 25%
- Followers + Uncertain + Under supervision: 50%

Results of the analysis as at 30 September 2019

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



Source: OFI AM

The universe analysed is made up of 2,700 issuers (MSCI World and Stoxx Europe 600 companies, along with issuers of unlisted private and European government bonds)

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.

A carbon footprint evaluation is carried out:

Carbon footprint evaluation: Emissions financed

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

Estimate of emissions financed (as at 30/09/2019): 151.71 tonnes of CO2 equivalent

Availability of information: 85% 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 [in French], by selecting the fund, then the "Documents" tab.

EXERCISE OF VOTING RIGHTS AT GENERAL MEETINGS

During the financial year, we exercised voting rights at three General Meetings for which the Fund was holder of shares: Deutsche Post, Econocom and Nokia.

Policy of commitment associated with the portfolio

The policy of commitment applicable to the Fund consists of asking issuers for certain improvements, according to a schedule, and of selling stock if improvements are not established at the end of the period considered necessary for their achievement. This period may not exceed 18 months.

The Fund systematically implements a specific commitment approach:

- Vis-à-vis issuers (or underlyings if different) in the portfolio with an SRI category of "Under supervision" and with stocks held at a maturity of less than two years.
- Issuers belonging to the "Under supervision" category may not be acquired by the Fund. They however survive either because they were acquired before the conversion of the Fund into an SRI Fund, or because their SRI category was downgraded during the stock holding period, or because they did not have a score at the time of acquisition.

For these issuers, the SRI analysis team:

- contacts the issuer and identifies the ESG questions requiring particular follow-up. It communicates with credit analysis and management in order to coordinate contacts.
- carries out an in-depth analysis of the areas of improvement of the ESG performances and/or of the transparency of the issuer. A plan for improvements and a schedule, based on the questions, is outlined.

Follow-up of results of commitment actions

- Follow-up is carried out biannually. It is organised in conjunction with regular follow-up of credit analysis and management.
- If, after 18 months at the most, the updating of ESG analyses does not show any significant progress in issuers' practices, the manager proceeds with assignment of portfolio stocks within approximately 3 months, depending on market liquidity.

Dialogues initiated in the context of the 2017-2018 policy of commitment

We have identified a certain number of ESG insufficiencies among certain issuers with which we have wanted to initiate a dialogue.

▪ **Econocom**

We had initiated a dialogue with the company in November 2017 and this continued throughout the last financial year. A lack of communication by the company explained, in part, its low non-financial rating. A structured CSR initiative is being developed, which indicates improvements in the future. We watched carefully as these happened. We should point out a significant change to the group's ESG score over our period of commitment.

▪ Fresenius SE

A dialogue was initiated in June 2016 with Fresenius SE, which then belonged to the "Under supervision" category. We attempted to ascertain whether this poor performance was due to a lack of communication. It is apparent from our exchanges that the group had made little progress in implementing a CSR initiative, and that it would not be able to demonstrate robust performances for many months. In accordance with our commitment policy, due to the improvement of the group's CRS rating after an 18-month period, the decision was taken to sell the portfolio position.

▪ Genfit

Dialogue was initiated in the last quarter of the 2017-2018 financial year, and discussions with management focused on the company's values and main CSR challenges and risks. We sent a discussion guide before our dialogue was initiated. Despite a limited level of maturity in terms of CSR, Genfit is aware of its main ESG challenges and seems to be introducing appropriate measures to respond. By contrast, the company is looking into formalisation and communication. A more in-depth assessment of the issues is required to confirm this preliminary diagnosis and consider areas for improvement.

▪ Sacyr

Following the downgrading of the stock's SRI category in October 2017 and its placement in the "Under supervision" category, we initiated dialogue which proved very constructive. The group's environment and social performances are in line with those of its peers. However, we have identified a certain number of insufficiencies in terms of governance, particularly in terms of independence and diversity of manager profiles. An intention to rebalance the composition of the Board by 2020 has been expressed. We therefore carefully watched the company's progress in this area, in the context of continuation of the dialogue which has taken place since. The first step was taken in the first half-year of 2019, with tangible improvements in terms of the composition of the Board. We will carefully watch monitoring of the commitments made by the company in this area.

▪ Figeac Aero

In September 2018, when the security's SRI score had fallen with the fear of being placed in the "Under supervision" category at the time of the next quarterly rating, we initiated a commitment with Figeac Aero. Two points were discussed in particular: clearly identified shortcomings in terms of governance and a lack of transparency on anti-bribery policies. While Figeac Aero had been proactive in terms of introducing anti-bribery policies in the last few months, notably in connection with the Sapin II Law, a lack of communication in this area could be improved. In 2019, we intended to monitor commitments made in terms of transparency of anti-bribery policies and to continue to question the group about changes expected in terms of the composition of its Board.

INFORMATION RELATIVE TO THE ESMA

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

This information can be found in the "Information relating to transparency of securities financing transactions and re-use" section.

2) Financial contracts (derivatives)

Foreign exchange: No position on 30/09/2019

Rates: No position on 30/09/2019

Credit: No position on 30/09/2019

Equities - CFD: No position on 30/09/2019

Commodities: No position on 30/09/2019

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

As of the end-of-year at 30 September 2019, the Fund had performed neither securities financing transactions nor total return swaps.

Balance sheet as at 30 September 2019 (in euros)

BALANCE SHEET ASSETS

	30/09/2019	28/09/2018
Net fixed assets	-	-
Deposits	-	-
Financial instruments	77,117,778.64	96,726,248.84
Shares and similar securities	2,574,614.32	2,368,618.96
Traded on a regulated or similar market	2,574,614.32	2,368,618.96
Not traded on a regulated or similar market	-	-
Bonds and similar securities	68,834,211.11	84,512,810.12
Traded on a regulated or similar market	68,834,211.11	84,512,810.12
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	5,485,398.21	9,032,259.76
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	5,485,398.21	9,032,259.76
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	223,555.00	812,560.00
Transactions on a regulated or similar market	223,555.00	812,560.00
Other transactions	-	-
Other financial instruments	-	-
Receivables	164,110.40	2,167.98
Foreign exchange forward transactions	-	-
Others	164,110.40	2,167.98
Financial accounts	-	6,534,952.52
Liquid assets	-	6,534,952.52
Total assets	77,281,889.04	103,263,369.34

Balance sheet as at 30 September 2019 (in euros)

BALANCE SHEET LIABILITIES

	30/09/2019	28/09/2018
Equity		
Capital	73,215,171.64	99,360,377.68
Previous net capital gains and losses not distributed (a)	2,772,412.10	4,318,832.46
Carry forward (a)	120.85	-
Net capital gains and losses for the financial year (a, b)	915,997.31	-737,178.02
Result for the financial year (a, b)	171,888.07	136,719.27
Equity total	77,075,589.97	103,078,751.39
(= Amount representative of net assets)		
Financial instruments	134,400.00	132,700.00
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	134,400.00	132,700.00
Transactions on a regulated or similar market	134,400.00	132,700.00
Other transactions	-	-
Payables	44,227.29	51,917.95
Foreign exchange forward transactions	-	-
Others	44,227.29	51,917.95
Financial accounts	27,671.78	-
Current bank credit facilities	27,671.78	-
Borrowing	-	-
Total liabilities	77,281,889.04	103,263,369.34

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

Off-balance sheet (in euros)

	30/09/2019	28/09/2018
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets	5,688,000.00	13,039,950.00
EQUITIES	5,688,000.00	13,039,950.00
SALE - FUTURE - EURO STOXX 50	5,688,000.00	13,039,950.00
OTC commitments	-	-
Other commitments	-	-
OTHER TRANSACTIONS		
Commitments on regulated or similar markets	1,013,845.42	7,592,219.04
EQUITIES	1,013,845.42	7,592,219.04
PURCHASE - FUTURE - DJES BANKS	-	2,970,800.00
PURCHASE - OPTION - AXA - CALL 22.00 - 2019-12	836,130.01	1,431,313.57
PURCHASE - OPTION - AXA - CALL 26.00 - 2018-12	-	255,645.45
PURCHASE - OPTION - RENAULT - CALL 72.00 - 2019-12	77,557.65	1,232,826.00
PURCHASE - OPTION - RENAULT - CALL 88.00 - 2018-12	-	261,301.30
PURCHASE - OPTION - SOCIETE GENERALE - CALL 36.00 - 2019-12	100,157.76	1,282,119.60
PURCHASE - OPTION - SOCIETE GENERALE - CALL 44.00 - 2018-12	-	158,213.12
OTC commitments	-	-
Other commitments	-	-

Profit and loss account (in euros)

	30/09/2019	28/09/2018
Income on financial transactions		
Income on deposits and financial accounts	-	12.49
Income on shares and similar securities	84,297.48	31,818.78
Income on bonds and similar securities	749,243.58	725,214.06
Income on debt securities	-	-
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
Total (I)	833,541.06	757,045.33
Expenses on financial transactions		
Expenses on acquisitions and temporary purchase and sale of securities	-	-
Expenses on financial contracts	-	-
Expenses on financial receivables	9,191.85	2,335.88
Other financial expenses	-	-
Total (II)	9,191.85	2,335.88
Result on financial transactions (I-II)	824,349.21	754,709.45
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	644,310.76	646,640.26
Net result for financial year (L. 214-17-1) (I - II + III - IV)	180,038.45	108,069.19
Adjustment of income for financial year (V)	-8,150.38	28,650.08
Advances on result paid in respect of financial year (VI)	-	-
Result (I - II + III - IV +/- V - VI)	171,888.07	136,719.27

APPENDIX

ACCOUNTING RULES AND METHODS

The UCI has complied with the accounting rules established by the amended Accounting Standards Authority regulation no. 2014-01 on the accounting plan of open-ended UCIs.

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

The accountancy currency for the UCI is the euro.

The net asset value is calculated daily. The net asset value is calculated every non-holiday trading day and is dated that same day.

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 portfolio 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

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

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

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

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

Financial contracts traded on a regulated or similar market

Fixed or conditional futures instruments, 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).

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

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

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, for all UCITS, may not be more than

- 1.10% incl. tax for the IC – ID – EI C EUR units
- 1.70% incl. tax for the R units
- 1.40% incl. tax for the GI units
- 0.95% incl. tax for the RF units.

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. They are therefore invoiced in the OPC;
- turnover commission invoiced to the UCI;

Description of the method for calculating variable management fees

For the IC – ID – EI C EUR – R – RF units

Variable fees correspond to an outperformance fee. The period of calculation of outperformance fee runs from 1 May to 30 April each year. Each time the net asset value is established, the outperformance of the UCITS is defined as the positive difference between the net assets of the UCITS before consideration of any provision for outperformance fee, and the net assets of a notional UCITS achieving exactly the same performance as the benchmark and registering the same pattern of subscriptions and redemptions as the actual UCITS.

Whenever the net asset value is established, the outperformance fee, then defined as equal to 15% of the performance above that of the benchmark (from 1 February 2018: change from benchmark to the Thomson Reuters Eurozone Focus Convertibles Hedged EUR index instead of the Exane Eurozone Convertible Bond index) forms the subject of a provision, or a provision reversal limited to the existing allocation. In the case of negative absolute performance, when the relative performance of the Fund is positive, this same outperformance fee shall also be collected but limited to 1.5% of the Net Assets.

The outperformance fee shall therefore be equal to 15% above the Exane Eurozone Convertible Bond index over the period from 1 May 2017 to 31 January 2018, and then shall be linked to an outperformance fee equal to 15% above the Thomson Reuters Eurozone Focus Convertibles Hedged EUR index over the period from 1 February 2018 to 30 April 2019.

By exception, the calculation period for the outperformance fee for IC and ID units will be extended from 1 May 2017 to 30 April 2019.

By exception, the calculation period for the outperformance fee for EI C EUR units will be extended from 15 May 2017 to 30 April 2019.

By exception, the calculation period for the outperformance fee for R units will extend from their date of creation to 30 April 2019.
By exception, the calculation period for the outperformance fee for RF units will extend from their date of creation to 30 April 2019

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

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

Allocation of distributable sums

IC – EI C EUR – GI – R – RF units

Distributable amounts relating to the net result:

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

Distributable sums relating to capital gains made:

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

ID units

Distributable amounts relating to the net result:

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

Distributable sums relating to capital gains made:

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

Evolution of net assets of the UCI (in euros)

	30/09/2019	28/09/2018
Net assets at the beginning of the financial year	103,078,751.39	63,974,871.65
Subscriptions (including subscription fees retained by the UCI)	20,274,409.10	51,929,141.92
Redemptions (after deduction of redemption fees retained by the UCI)	-41,337,624.30	-11,909,610.55
Capital gains made on deposits and financial instruments	2,420,794.82	247,589.15
Capital losses made on deposits and financial instruments	-415,268.27	-1,090,484.62
Capital gains made on financial contracts	1,266,325.00	1,442,550.00
Capital losses made on financial contracts	-2,154,750.00	-1,176,815.00
Transaction costs	-25,393.01	-53,567.50
Exchange differences	-	-
Change in difference in estimate of deposits and financial instruments	-6,132,956.77	624,280.16
Difference of estimate financial year N	-8,324,472.77	
Difference of estimate financial year N - 1	-2,191,516.00	
Change in difference in estimate of financial contracts	-24,980.00	-971,200.00
Difference of estimate financial year N	-722,400.00	
Difference of estimate financial year N - 1	-697,420.00	
Distribution for the previous financial year on net capital gains and losses	-17,574.22	-46,073.01
Distribution for the previous financial year on result	-36,182.22	-
Net result of the financial year before accruals account	180,038.45	108,069.19
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-	-
Net assets at the end of the financial year	77,075,589.97	103,078,751.39

Allocation by legal or economic nature

Designation of securities	Nominal	%
Assets		
Bonds and similar securities	68,834,211.11	89.31
Indexed bonds	-	-
Convertible Bonds	68,834,211.11	89.31
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	-	-
Others	-	-
Off-balance sheet		
Rate	-	-
Shares	6,701,845.42	8.70
Credit	-	-
Others	-	-

Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
Assets								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	68,834,211.11	89.31	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-
Liabilities								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	27,671.78	0.04

Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
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	0.92	0.00	11,887,340.54	15.42	18,020,738.69	23.38	24,825,693.94	32.21	14,100,437.02	18.29
Debt securities	-	-	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-	-	-
Liabilities										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	27,671.78	0.04	-	-	-	-	-	-	-	-
Off-balance sheet										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

Allocation by currency

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

Allocation by currency (continued)

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

Sundry debtors and creditors

	30/09/2019
Receivables	
Guarantee deposit on futures contracts	161,133.60
Coupons receivable	803.75
Subscriptions receivable	2,173.05
Total receivables	164,110.40
Payables	
Provision for fixed management fees payable	-42,998.37
Provision for variable management fees payable	-5.00
Other	-1,223.92 ⁽¹⁾
Total payables	-44,227.29
Total	119,883.11

(1) Provision for fees for order receipt/transmission

Subscriptions-redemptions

Category of IC units	
Units issued	1,785.7188
Units redeemed	58,116.0113
Category of ID units	
Units issued	80,034.1890
Units redeemed	91,854.3745
Category of R units	
Units issued	-
Units redeemed	1.1969

Commissions

Category of IC units	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
Category of ID units	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
Category of R units	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

Management fees

Category of IC units	
Percentage of fixed management fees	0.75
Performance commission (variable costs)	5.00
Retrocession of management fees	-
Category of ID units	
Percentage of fixed management fees	0.75
Performance commission (variable costs)	-
Retrocession of management fees	-
Category of EI C EUR units	
Percentage of fixed management fees	1.10
Performance commission (variable costs)	-
Retrocession of management fees	-
Category of R units	
Percentage of fixed management fees	1.50
Performance commission (variable costs)	-298.60
Retrocession of management fees	-
Category of GI units	
Percentage of fixed management fees	0.56
Performance commission (variable costs)	-
Retrocession of management fees	-
Category of RF units	
Percentage of fixed management fees	0.85
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				
FR0000008997	OFI RS LIQUIDITES	1,258.3815	4,359.09	5,485,398.21

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)

	30/09/2019	28/09/2018
Category of IC units		
Sums yet to be allocated		
Carry forward	-	-
Profit/loss	121,779.48	102,571.97
Total	121,779.48	102,571.97
Allocation		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	121,779.48	102,571.97
Total	121,779.48	102,571.97
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 ID units		
Sums yet to be allocated		
Carry forward	120.85	-
Profit/loss	51,091.69	36,337.14
Total	51,212.54	36,337.14
Allocation		
Distribution	50,385.79	36,200.75
Carry forward for the financial year	826.75	136.39
Capitalisation	-	-
Total	51,212.54	36,337.14
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	91,610.5225	103,430.7080
Unit distribution	0.55	0.35
Tax credits attached to distribution of result	-	-
Category of EI C EUR units		
Sums yet to be allocated		
Carry forward	-	-
Profit/loss	-302.80	-349.44
Total	-302.80	-349.44
Allocation		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-302.80	-349.44
Total	-302.80	-349.44
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	-	-

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

	30/09/2019	28/09/2018
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
Category of R units		
Sums yet to be allocated		
Carry forward	-	-
Profit/loss	-1,059.28	-1,662.58
Total	-1,059.28	-1,662.58
Allocation		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-1,059.28	-1,662.58
Total	-1,059.28	-1,662.58
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 GI units		
Sums yet to be allocated		
Carry forward	-	-
Profit/loss	-0.36	-0.22
Total	-0.36	-0.22
Allocation		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-0.36	-0.22
Total	-0.36	-0.22
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 RF units		
Sums yet to be allocated		
Carry forward	-	-
Profit/loss	379.34	-177.60 ⁽²⁾
Total	379.34	-177.60
Allocation		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	379.34	-177.60

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

	30/09/2019	28/09/2018
Total	379.34	-177.60
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

(2) The category of RF units was created on 02 January 2018.

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

	30/09/2019	28/09/2018
Category of IC units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	1,989,917.54	3,223,228.68
Net capital gains and losses for the financial year	638,443.56	-539,336.14
Advances paid on net capital gains and losses for the financial year	-	-
Total	2,628,361.10	2,683,892.54
Allocation		
Distribution	-	-
Net capital gains and losses not distributed	2,628,361.10	2,683,892.54
Capitalisation	-	-
Total	2,628,361.10	2,683,892.54
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	165,674.8609	222,005.1534
Unit distribution	-	-
Category of ID units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	780,546.57	1,089,987.02
Net capital gains and losses for the financial year	268,118.85	-191,048.30
Advances paid on net capital gains and losses for the financial year	-	-
Total	1,048,665.42	898,938.72
Allocation		
Distribution	-	17,583.22
Net capital gains and losses not distributed	1,048,665.42	881,355.50
Capitalisation	-	-
Total	1,048,665.42	898,938.72
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	91,610.5225	103,430.7080
Unit distribution	-	0.17

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

	30/09/2019	28/09/2018
Category of EI C EUR units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	925.05	2,698.60
Net capital gains and losses for the financial year	2,807.85	-1,773.55
Advances paid on net capital gains and losses for the financial year	-	-
Total	3,732.90	925.05
Allocation		
Distribution	-	-
Net capital gains and losses not distributed	3,732.90	925.05
Capitalisation	-	-
Total	3,732.90	925.05
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	2,500.0000	2,500.0000
Unit distribution	-	-
Category of R units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	1,022.49	2,917.08
Net capital gains and losses for the financial year	3,024.60	-1,894.14
Advances paid on net capital gains and losses for the financial year	-	-
Total	4,047.09	1,022.94
Allocation		
Distribution	-	-
Net capital gains and losses not distributed	4,047.09	1,022.94
Capitalisation	-	-
Total	4,047.09	1,022.94
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	2,699.8031	2,701.0000
Unit distribution	-	-
Category of GI units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	0.45	1.08
Net capital gains and losses for the financial year	1.14	-0.63
Advances paid on net capital gains and losses for the financial year	-	-
Total	1.59	0.45
Allocation		
Distribution	-	-
Net capital gains and losses not distributed	1.59	0.45
Capitalisation	-	-
Total	1.59	0.45

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

	30/09/2019	28/09/2018
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	1.0000	1.0000
Unit distribution	-	-
Category of RF units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	3,601.31	-3,125.26 ⁽³⁾
Advances paid on net capital gains and losses for the financial year	-	-
Total	3,601.31	-3,125.26
Allocation		
Distribution	-	-
Net capital gains and losses not distributed	3,601.31	-3,125.26
Capitalisation	-	-
Total	3,601.31	-3,125.26
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	3,201.0000	3,201.0000
Unit distribution	-	-

(3) The category of RF units was created on 02/01/2018.

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

	30/09/2019	28/09/2018	29/09/2017	30/09/2016	30/09/2015
Net assets					
in EUR	77,075,589.97	103,078,751.39	63,974,871.65	37,850,323.94	43,065,801.37
Number of securities					
Category of IC units	165,674.8609	222,005.1534	122,182.9765	77,417.3687	90,706.5055
Category of ID units	91,610.5225	103,430.7080	82,815.4435	50,715.7400	63,515.6348
Category of EI C EUR units	2,500.0000	2,500.0000	2,500.0000	-	-
Category of R units	2,699.8031	2,701.0000	1.0000	-	-
Category of GI units	1.0000	1.0000	1.0000	-	-
Category of RF units	3,201.0000	3,201.0000	-	-	-
Unit net asset value					
Category of IC EUR units	324.35	340.08	343.93	326.14	308.51
Category of ID EUR units	246.10	258.58	262.02	248.46	237.44
Category of EI C EUR EUR units	94.33	99.25	100.65 ⁽⁴⁾	-	-
Category of R EUR units	93.89	99.07	100.87 ⁽⁵⁾	-	-
Category of GI EUR units	95.38	99.98	100.87 ⁽⁶⁾	-	-

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

	30/09/2019	28/09/2018	29/09/2017	30/09/2016	30/09/2015
Category of RF EUR units	94.63	99.32 ⁽⁷⁾	-	-	-
Unit distribution on net capital gains and losses (including advances)					
Category of IC EUR units	-	-	-	-	-
Category of ID EUR units	-	0.17	0.52	-	1.41
Category of EI C EUR EUR units	-	-	-	-	-
Category of R EUR units	-	-	-	-	-
Category of GI EUR units	-	-	-	-	-
Category of RF EUR units	-	-	-	-	-
Unit distribution on result (including advances)					
Category of IC EUR units	-	-	-	-	-
Category of ID EUR units	0.55	0.35	-	-	0.96
Category of EI C EUR EUR units	-	-	-	-	-
Category of R EUR units	-	-	-	-	-
Category of GI EUR units	-	-	-	-	-
Category of RF EUR units	-	-	-	-	-
Unit tax credit transferred to bearer (individuals)					
Category of IC EUR units	-	-	-	-	-
Category of ID EUR units	-	-	-	-	-
Category of EI C EUR EUR units	-	-	-	-	-
Category of R EUR units	-	-	-	-	-
Category of GI EUR units	-	-	-	-	-
Category of RF EUR units	-	-	-	-	-
Unit capitalisation					
Category of IC EUR units	0.73	0.46	-0.41	4.45	34.80
Category of ID EUR units	-	-	-0.30	2.03	24.69
Category of EI C EUR EUR units	-0.12	-0.13	-0.01	-	-
Category of R EUR units	-0.39	-0.61	-	-	-
Category of GI EUR units	-0.36	-0.22	-	-	-
Category of RF EUR units	0.11	-0.05	-	-	-

(4) The category of EI C EUR units was created on 24/08/2017 with a nominal value of EUR 100.00.

(5) The category of R units was created on 28/08/2017 with a nominal value of EUR 100.00

(6) The category of GI units was created on 28/08/2017 with a nominal value of EUR 100.00.

(7) The category of RF units was created on 00/01/2018 with a nominal value of EUR 100.

Portfolio inventory as at 30 September 2019

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Deposits			-	-
Financial instruments				
Shares and similar securities			2,574,614.32	3.34
Traded on a regulated or similar market			2,574,614.32	3.34
COVIVIO SA	EUR	3,530.00	342,763.00	0.44
DEUTSCHE POST AG NAMEN	EUR	48,856.00	1,497,192.12	1.94
NOKIA (AB) OYJ	EUR	158,400.00	734,659.20	0.95
Not traded on a regulated or similar market			-	-
Bonds and similar securities			68,834,211.11	89.31
Traded on a regulated or similar market			68,834,211.11	89.31
AIRBUS GRO ZCP 14/06/2021 EMTN	EUR	2,000,000.00	2,230,000.00	2.89
AMERICA MOVIL SAB DE ZCP 28/05/2020	EUR	3,000,000.00	2,995,200.00	3.89
ARCHER OBLIGATIONS ZCP 31/03/2023	EUR	1,400,000.00	1,819,300.00	2.36
BAYER 0.05% 15/06/2020	EUR	3,100,000.00	3,098,601.61	4.02
BE SEMICONDUCTOR INDUSTRIES NV 0.5% 06/12/2024	EUR	1,000,000.00	1,728,920.00	2.24
BIOCARTIS GROUP NV 4.0% 09/05/2024	EUR	1,000,000.00	812,069.57	1.05
CO ECONIMICA DELTA SA 1.0% 01/12/2023	EUR	2,200,000.00	2,183,413.44	2.83
DEUTSCHE WOHNEN AG 0.6% 05/01/2026	EUR	1,000,000.00	1,923,909.04	2.50
EDENRED ZCP 06/09/2024 CV	EUR	15,638.00	1,019,284.84	1.32
FIELDUNK NV 3.75% 22/12/2021 CV	EUR	1,100,000.00	635,195.90	0.82
FIGEAC AERO 1.125% 18/10/2022	EUR	31,880.00	770,539.60	1.00
FRES MEDI 1.125% 31/01/2020 CV	EUR	1,500,000.00	1,511,438.93	1.96
FUGRO NV 4.0% 26/10/2021	EUR	1,900,000.00	1,538,956.39	2.00
FUGRO NV 4.5% 02/11/2024 CV	EUR	800,000.00	631,080.00	0.82
GENFIT 3.5% 16/10/2022	EUR	28,378.00	684,761.14	0.89
GN GREAT NORDIC LTD AS ZCP 21/05/2024	EUR	800,000.00	808,560.00	1.05
GRUPO EMPRERIAL ENCE 1.25% 05/03/2023	EUR	1,000,000.00	1,712,928.96	2.22
HANI FINA DEUT ZCP 12/05/2020 CV	EUR	3,000,000.00	2,995,500.00	3.89
IMMOFINANZ AG 1.5% 24/01/2024	EUR	1,600,000.00	2,018,645.22	2.62
INDR SIST 1.25% 07/10/2023	EUR	2,400,000.00	2,428,750.16	3.15
INGENICO ZCP 26/06/2022CV	EUR	22,708.00	3,865,582.84	5.02
JPMORGAN CHASE BANK N A ZCP 24/05/2022	EUR	1,400,000.00	1,480,500.00	1.92
KORIAN SA 2.5% PERP CV	EUR	18,892.00	884,712.36	1.15
LOYALTOUCH 4.2% 22/06/2012CV - EN LIQUIDATION	EUR	49.00	0.49	0.00
MAISON DU MONDE SAS 0.125% 06/12/2023	EUR	7,961.00	358,404.22	0.47
MTU AERO ENGINES GMBH 0.05% 18/03/2027	EUR	900,000.00	944,207.50	1.23
NEOPOST SA FR 3.375% PERP CV	EUR	46,300.00	2,649,286.00	3.44
NEX 0.125% 01/01/2023 CV	EUR	20,340.00	1,354,847.40	1.76
PIERRE ET VACANCES 2.0% 01/04/2023	EUR	14,409.00	773,907.39	1.00
PROXIMANIA 4.2% 07-12 CV	EUR	43.00	0.43	0.00
RAG STIFTUNG ZCP 16/03/2023	EUR	3,200,000.00	3,225,600.00	4.18
REMY COIN 0.125% 07/09/2026	EUR	14,400.00	2,052,144.00	2.66
SALZ FINA BV ZCP 05/06/2022	EUR	2,100,000.00	2,076,270.00	2.69

Portfolio inventory as at 30 September 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
SGL CARBON AG 3.0% 20/09/2023 CV	EUR	2,700,000.00	2,369,520.00	3.07
SUEZ ZCP 27/02/2020 CV	EUR	70,000.00	1,286,600.00	1.67
TECHNIP 0.875% 25/01/2021	EUR	1,600,000.00	1,687,245.56	2.19
TELE ZCP 09/03/2021 EMTN	EUR	3,000,000.00	2,998,800.00	3.89
UBISOFT ZCP 24/09/2024 CV	EUR	8,626.00	1,056,685.00	1.37
UBISOFT ZCP 27/09/2021	EUR	22,700.00	1,508,188.00	1.96
VALLOUREC 4.125% 04/10/2022 CV	EUR	250,610.00	1,428,477.00	1.85
VEOLIA ENVIRONNEMENT SA ZCP 01/01/2025	EUR	59,460.00	1,862,287.20	2.42
WORLDLINE ZCP 30/07/2026 CV	EUR	13,121.00	1,423,890.92	1.85
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			5,485,398.21	7.12
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			5,485,398.21	7.12
OFI RS LIQUIDITES	EUR	1,258.3815	5,485,398.21	7.12
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			89,155.00	0.12
Transactions on a regulated or similar market			89,155.00	0.12
CACEIS margin calls	EUR	134,400.00	134,400.00	0.17
EAXA/1219/C22.0	EUR	485.00	84,875.00	0.11
ERNL/1219/C72.0	EUR	280.00	3,080.00	0.00
ESGE/1219/C36.0	EUR	600.00	1,200.00	0.00
EUR XEUR FESX D 1219	EUR	-160.00	-134,400.00	-0.17
Other transactions			-	-

Portfolio inventory as at 30 September 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Other financial instruments			-	-
Receivables			164,110.40	0.21
Payables			-44,227.29	-0.06
Financial accounts			-27,671.78	-0.04
NET ASSETS			77,075,589.97	100.00

Auditor's Report

on the annual accounts

**OFI RS EURO CONVERTIBLE
BOND DEFENSIVE**

Mutual Fund
OFI ASSET MANAGEMENT
22 Rue Vernier
75017 Paris

Financial year ended on 30 September 2019

Grant Thornton

an accounting and Auditing company
with capital of EUR 2,297,184 registered in
the Roll of the Order of Certified Accountants
of the Paris Region - Ile de France and
member of the Regional Association of
Versailles
Companies Register Nanterre B 632 013 843
29, Rue du Pont
CS 20070
92578 Neuilly-sur-Seine Cedex France

Statutory Auditor's report on the annual accounts

OFI RS EURO CONVERTIBLE BOND DEFENSIVE

Financial year ended on 30 September 2019

Ladies and gentlemen,

Opinion

In fulfilment of the mission which was entrusted to us by your management company, we have carried out an audit of the annual accounts of the mutual fund OFI RS EURO CONVERTIBLE BOND DEFENSIVE relating to the financial year ended 30 September 2019, 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 fund at the end of that financial year.

Basis of the opinion

Audit reference system

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

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

Independence

We carried out our audit mission in compliance with the rules of independence applicable to us, over the period from 1 July 2018 to the date of issue of our report; in particular, we did not provide any of the services prohibited by the code of ethics of the statutory auditors' profession.

Justification of assessments

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to justification of our assessments, we would like to advise you that the most important assessments we made, according to our professional judgement, concerned the appropriate nature of the accounting principles applied.

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

Verification of the management report and other documents sent to the manager

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 the manager and unitholders on the financial situation and the annual accounts.

Responsibilities of management and persons constituting the corporate governance structure relating to the annual financial statements

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

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

The annual accounts were drawn up by the management company.

Responsibilities of the statutory auditors relating to auditing the annual accounts

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

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

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

- they identify and assess the risks that the annual accounts contain significant anomalies, whether they originate from fraud or error, defines and implements audit procedures to deal with these risks, and gathers the information they deem sufficient and appropriate in order to support their opinion. The risk of non-detection of a significant anomaly resulting from fraud is higher than the risk of a significant anomaly resulting from an error, as fraud can entail collusion, falsification, deliberate omissions, false declarations or diversion of internal control;
- they take note of the relevant internal control for the audit, so as to define appropriate audit procedures in the circumstances, and not with a view to expressing an opinion on the effectiveness of the internal control;

- they assess the appropriate nature of the accounts methods applied and the reasonable nature of the accounts estimates made by the managers, along with the information concerning them provided in the annual accounts;
- they assess the appropriate nature of the application by management of the accounting agreement on continuity of operation and, depending on the information gathered, the existence or not of significant uncertainty relating to events or circumstances likely to call into question the capacity of the mutual fund to continue operation. This assessment is based on the information gathered up to the day of their report, it being reiterated, however, that subsequent circumstances or events might call continuity of operation into question. If they conclude the existence of a significant uncertainty, they draw the attention of the readers of their report to the information provided in the annual accounts on the subject of this uncertainty or, if this information is not provided or is not relevant, they prepare certification with reservations, or a refusal to certify;
- they assess the overall presentation of the annual accounts and assess whether the annual accounts reflect the operations and underlying events in such a way as to provide a faithful image.

Neuilly-sur-Seine, 19 December 2019

The Auditor
Grant Thornton
French member of Grant Thornton International

Hervé Grondin