

# ANNUAL REPORT

Financial year ended 31 December 2019

The Fund declares that it shall comply with the "governance charter for SICAVs under French law" drawn up by the Association Française de la Gestion Financière (French Asset Management Association). (More details are given under the heading "Actors" in the prospectus.)



## OFI FINANCIAL INVESTMENT

SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE (INVESTMENT FUND WITH VARIABLE SHARE CAPITAL) with sub-funds

### Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Management Company by delegation

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Depositary and Custodian

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

### Administrative and accounts management

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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# Board of Directors for the SICAV OFI FINANCIAL INVESTMENT

## Chair

**Ms Sabine CASTELLAN POQUET**  
263 rue de Tournay – 79410 SAINT-GELAIS

## Directors

**Mr Bruno PRIGENT**  
30 rue Geneviève Couturier, 5 Résidence Castellina Parc  
92500 RUEIL MALMAISON

**Mr Fabrice ZAMBONI**  
5 Villa des Entrepreneurs – 75015 PARIS

**Ms Sophie ELKRIEF**  
100 Rue du Bac – 75007 PARIS

**Mr Romain FITOUSSI**  
8 Rue Jean Laurent – 78110 LE VESINET

**Mr Roger CANIARD**  
8 Avenue Charles de Gaulle – 92100 BOULOGNE

**Mr Ferreol BAUDONNIERE**  
103 Rue de Charenton – 75012 PARIS

**Mr Franck Dussoge**  
16 Rue des Pins – 69630 CHAPONOST

**Ms Isabelle HABASQUE**  
100 Rue de Charonne – 75011 PARIS

## Managing Director

**Mr Jean Marie MERCADAL**  
40, rue Chardon Lagache - 75016 PARIS

## Auditor

**PRICEWATERHOUSECOOPERS AUDIT**  
63 Rue de Villiers – 92200 NEUILLY SUR SEINE  
Represented by Mr **Frédéric SELLAM**

## **DRAFT MANAGEMENT REPORT FROM THE BOARD OF DIRECTORS FOR THE OFI FINANCIAL INVESTMENT SICAV**

Ladies and gentlemen,

We have called this General Meeting, in accordance with the law and the Articles of Association, to report on your company's activity during the financial year ended on 31 December 2019 and to submit the results for your approval.

The OFI FINANCIAL INVESTMENT SICAV, created on 16 September 2019, is made up of six Sub-Funds with different management strategies which represent the core areas of expertise of OFI ASSET MANAGEMENT:

- OFI FINANCIAL INVESTMENT - RS EURO EQUITY
- OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA
- OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM
- OFI FINANCIAL INVESTMENT - RS EURO INVESTMENT GRADE CLIMATE CHANGE
- OFI FINANCIAL INVESTMENT - RS EUROPEAN CONVERTIBLE BOND
- OFI FINANCIAL INVESTMENT - PRECIOUS METALS

This is the first financial year for the SICAV, which was created on 16 September 2019.

The 2019 consolidated accounts for the OFI FINANCIAL INVESTMENT SICAV are presented below.

The management report and the annual accounts for each of the sub-funds will then be presented.

Please note that the SICAV's sub-funds are created through merger-absorption operations on existing UCIs, so the accounts will be presented for the 2019 financial year, but also for the financial year N-1: 2018

- The OFI FINANCIAL INVESTMENT - RS EURO EQUITY sub-fund was established through the merger-absorption of the OFI RS EURO EQUITY mutual fund.
- The OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA sub-fund was established through the merger-absorption of the OFI RS EURO EQUITY SMART BETA mutual fund.
- The OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM sub-fund was established through the merger-absorption of the OFI RS EURO CREDIT SHORT TERM mutual fund.
- The OFI FINANCIAL INVESTMENT - RS EURO INVESTMENT GRADE CLIMATE CHANGE sub-fund was established through the merger-absorption of the OFI RS EURO INVESTMENT GRADE CLIMATE CHANGE SICAV.
- The OFI FINANCIAL INVESTMENT - RS EUROPEAN CONVERTIBLE BOND sub-fund was established through the merger-absorption of the OFI RS EUROPEAN CONVERTIBLE BOND SICAV.
- The OFI FINANCIAL INVESTMENT - PRECIOUS METALS sub-fund was established through the merger-absorption of the OFI PRECIOUS METALS mutual fund.

## Aggregated balance sheet as at 31 December 2019 (in euros)

### AGGREGATED BALANCE SHEET ASSETS

	31/12/2019	N-1 <sup>(1)</sup>
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>1,870,991,255.45</b>	<b>1,503,731,844.84</b>
<b>Shares and similar securities</b>	<b>652,916,255.11</b>	<b>599,529,532.67</b>
Traded on a regulated or similar market	652,916,255.11	599,529,532.67
Not traded on a regulated or similar market	-	-
<b>Bonds and similar securities</b>	<b>663,371,011.20</b>	<b>676,545,824.39</b>
Traded on a regulated or similar market	663,371,011.20	676,545,824.39
Not traded on a regulated or similar market	-	-
<b>Debt securities</b>	<b>421,205,200.00</b>	<b>135,100,800.00</b>
Traded on a regulated market or similar	421,205,200.00	135,100,800.00
Transferable debt securities	421,205,200.00	135,100,800.00
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
<b>Mutual funds</b>	<b>107,578,997.99</b>	<b>81,599,687.11</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	107,578,997.99	81,599,687.11
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	-	-
<b>Temporary transactions on securities</b>	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	<b>25,919,791.15</b>	<b>10,956,000.67</b>
Transactions on a regulated or similar market	58,190.00	1,892,660.00
Other transactions	25,861,601.15	9,063,340.67
<b>Other financial instruments</b>	-	-
<b>Receivables</b>	<b>65,275,948.23</b>	<b>104,811,425.51</b>
Foreign exchange forward transactions	57,875,406.78	43,717,261.26
Others	7,400,541.45	61,094,164.25
<b>Financial accounts</b>	<b>42,581,540.46</b>	<b>40,623,019.19</b>
Liquid assets	42,581,540.46	40,623,019.19
<b>Total assets</b>	<b>1,978,848,744.14</b>	<b>1,649,166,289.54</b>

(1) The SICAV's sub-funds ended the previous financial years on different dates.

## Aggregated balance sheet as at 31 December 2019 (in euros)

### AGGREGATED BALANCE SHEET LIABILITIES

	31/12/2019	N-1 <sup>(1)</sup>
<b>Equity</b>		
<b>Capital</b>	1,681,948,504.84	1,463,924,343.29
Previous net capital gains and losses not distributed (a)	93,557,672.16	65,788,736.20
Carry forward (a)	15,315.31	27,718.85
Net capital gains and losses for the financial year (a, b)	104,931,320.76	-10,976,176.45
Result for the financial year (a, b)	17,434,568.37	22,263,516.88
<b>Equity total</b>	<b>1,897,887,381.44</b>	<b>1,541,028,138.77</b>
(= Amount representative of net assets)		
<b>Financial instruments</b>	<b>317,192.12</b>	<b>394,510.00</b>
Purchase and sale transactions on financial instruments	-	-
<b>Temporary transactions on securities</b>	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	<b>317,192.12</b>	<b>394,510.00</b>
Transactions on a regulated or similar market	58,190.00	394,510.00
Other transactions	259,002.12	-
<b>Payables</b>	<b>80,124,169.51</b>	<b>107,626,136.39</b>
Foreign exchange forward transactions	57,695,138.97	43,743,674.93
Others	22,429,030.54	63,882,461.46
<b>Financial accounts</b>	<b>520,001.07</b>	<b>117,504.38</b>
Current bank credit facilities	520,001.07	117,504.38
Borrowing	-	-
<b>Total liabilities</b>	<b>1,978,848,744.14</b>	<b>1,649,166,289.54</b>

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

(1) The SICAV's sub-funds ended the previous financial years on different dates.

## Aggregated off-balance sheet (in euros)

	31/12/2019	N-1 <sup>(1)</sup>
<b>HEDGING TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	<b>118,395,490.00</b>	<b>139,956,895.00</b>
RATES	118,395,490.00	139,956,895.00
SALE - FUTURE - EURO BUND	-	4,579,120.00
SALE - FUTURE - EURO SCHATZ	118,395,490.00	135,377,775.00
<b>OTC commitments</b>	-	-
<b>Other commitments</b>	-	-
<b>OTHER TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	<b>16,321,895.60</b>
EQUITIES	-	16,321,895.60
PURCHASE - OPTION - EQUITY AND INDEX OPTIONS	-	16,321,895.60
<b>OTC commitments</b>	<b>574,630,248.79</b>	<b>250,166,144.20</b>
CREDIT	58,000,000.00	54,000,000.00
SALE - CREDIT DERIVATIVES - CDS	58,000,000.00	54,000,000.00
OTHER	516,630,248.79	196,166,144.20
PURCHASE - SWAP - COMMODITY SWAPS	516,630,248.79	196,166,144.20
<b>Other commitments</b>	-	-

(1) The SICAV's sub-funds ended the previous financial years on different dates.

## Aggregated profit and loss account (in euros)

	31/12/2019	N-1 <sup>(1)</sup>
<b>Income on financial transactions</b>		
Income on deposits and financial accounts	11,805.14	1,308.87
Income on shares and similar securities	19,319,228.39	17,632,969.48
Income on bonds and similar securities	10,823,205.21	15,498,120.85
Income on debt securities	2,686.08	-
Income on acquisitions and temporary purchase and sale of securities	-	3,338.50
Income on financial contracts	-	-
Other financial income	-	-
<b>Total (I)</b>	<b>30,156,924.82</b>	<b>33,135,737.70</b>
<b>Expenses on financial transactions</b>		
Expenses on acquisitions and temporary purchase and sale of securities	-	5,925.83
Expenses on financial contracts	-	-
Expenses on financial receivables	120,878.98	110,483.58
Other financial expenses	-	-
<b>Total (II)</b>	<b>120,878.98</b>	<b>116,409.41</b>
<b>Result on financial transactions (I-II)</b>	<b>30,036,045.84</b>	<b>33,019,328.29</b>
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	9,324,414.56	9,635,880.79
<b>Net result for financial year (L. 214-17-1) (I - II + III - IV)</b>	<b>20,711,631.28</b>	<b>23,383,447.50</b>
Adjustment of income for financial year (V)	-3,277,062.91	-1,119,930.62
Advances on result paid in respect of financial year (VI)	-	-
<b>Result (I - II + III - IV +/- V - VI)</b>	<b>17,434,568.37</b>	<b>22,263,516.88</b>

(1) The SICAV's sub-funds ended the previous financial years on different dates.

# NOTES TO THE ANNUAL ACCOUNTS

## The method adopted for aggregating the accounts

The annual accounts were aggregated by adding together the items for each sub-fund. There were no disposals, as none of the sub-funds were holding units in other sub-funds.

## The currency adopted for aggregating the sub-funds

The aggregated annual accounts are presented in euros.

## The list of sub-funds as at 31 December 2019

### **OFI FINANCIAL INVESTMENT - RS EURO EQUITY**

Accounting currency: EUR

Exchange rates used for the aggregating accounts: 1.0000

### **OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA**

Accounting currency: EUR

Exchange rates used for the aggregating accounts: 1.0000

### **OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM**

Accounting currency: EUR

Exchange rates used for the aggregating accounts: 1.0000

### **OFI FINANCIAL INVESTMENT - RS EURO INVESTMENT GRADE CLIMATE CHANGE**

Accounting currency: EUR

Exchange rates used for the aggregating accounts: 1.0000

### **OFI FINANCIAL INVESTMENT - RS EUROPEAN CONVERTIBLE BOND**

Accounting currency: EUR

Exchange rates used for the aggregating accounts: 1.0000

### **OFI FINANCIAL INVESTMENT - PRECIOUS METALS**

Accounting currency: EUR

Exchange rates used for the aggregating accounts: 1.0000

## List of sub-funds opened and closed during the financial year

None.

## Valuation methods for asset, liability and off-balance sheet items

Please review the accounting rules and methods for each sub-fund.



# ANNUAL REPORT

Financial year ended 31 December 2019



## OFI FINANCIAL INVESTMENT - RS EURO EQUITY Sub-Fund

Eurozone country shares

### Marketer

MACIF - 2/4 rue Pied de Fond - 79037 NIORT Cedex 9

### Management Company by delegation

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Depositary and Custodian

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

### Account management

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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## MANAGEMENT DIRECTION

### AMF classification

Shares of eurozone countries.

The Sub-Fund is eligible for the SSP.

### Management objective

The objective of the Sub-Fund is to achieve, in the long term, outperformance in relation to the Euro Stoxx 50, using non-financial criteria by adopting an SRI approach. However, the Sub-Fund's objective is not to reproduce, in one way or another, the performance of this index. It makes investments based on criteria which can result in significant discrepancies in relation to the behaviour of this index. Investments in companies are made according to weightings which do not depend on the relative weight of each company in the index.

### Benchmark

The performance of the Sub-Fund may be compared to the performance of the Euro Stoxx 50 share index. It is calculated on the basis of reinvested dividends.

The Euro Stoxx 50 index is made up of the 50 largest and most liquid capitalisations in the eurozone. A certain number of details (description, prices, historical data, charts, etc.) about this index are available in the (financial) press and on certain specialist websites ([www.stoxx.com](http://www.stoxx.com)).

### Management strategy

The Sub-Fund uses an approach based notably on a non-financial analysis of the companies making up its benchmark, which makes it possible to determine the weightings of the securities in the portfolio. This approach enables the manager to project values and their expected yields over the long term.

A minimum 60% of the assets of OFI FINANCIAL INVESTMENT - RS EURO EQUITY are exposed in eurozone shares or similar (among securities making up the Euro Stoxx 50) but also up to a maximum 40% on securities making up the Euro Stoxx, whilst having 90% of the net assets permanently invested in shares of companies with their registered offices in a Member State of the European Union.

Concomitantly with the financial analysis, the manager complements his study with the analysis of non-financial criteria in order to favour a "Socially Responsible Investment" (SRI) selection of companies in the portfolio.

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

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

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

Depending on the management company's analysis, the Environmental, Social and Governance issues (ESG) constitute areas of risk which may have significant financial impacts on the issuers and therefore on their sustainability. Furthermore, issuers who include sustainable development issues in their growth strategy create opportunities which contribute to their economic development. To this end, the ESG analysis complements and enriches the traditional financial analysis.

The SRI analysis team defines a sector-based reference of the key issues (Environmental, Social, Governance listed above), selecting for each sector of activity the most important ESG issues for this sector. An ESG score is calculated per issuer using the sector-based reference for key issues which includes the key issue scores for Environment and Social (E and S) and scores for Governance (G) key issues.

Governance issues include a fixed weighting of 30% for corporate governance and a variable weighting of 10% to 40% reflecting the level of risk incurred by the conduct of directors and the company. This level varies depending on the sectors of activity.

The overall weighting of the E and S issues is then determined. The weighting of environmental, social and governance issues is specific to each sector of activity. This ESG score is calculated out of 10.

These scores may be subject to any penalties linked to controversies not yet included in the ratings of key issues and any bonuses or penalties awarded by the analyst responsible for the sector in the event of divergence on the assessment of an issue by the ratings agency.

For OFI FINANCIAL INVESTMENT - RS EURO EQUITY, the eligible investment universe is established by restricting companies with the lowest SRI Scores (Best In Class Scores calculated by our SRI Division) of the Euro Stoxx index, known hereinafter as the "investment universe").

### **Description of universe analysed (300 companies)**

In the Best In Class approach, within each sector, companies are ranked according to their SRI Score.

Each SRI category covers 20% of companies in the ICB2 sector (that is, its main sector according to the Industry Classification Benchmark, the ICB).

The eligible investment universe is defined by excluding the investment universe of companies with the SRI "Under Supervision" category, i.e. 20% of companies with the lowest rating in terms of SRI criteria.

The Sub-Fund adheres to the AFG Eurosif Transparency Code for SRI UCIs open to the public, available at [www.ofi-am.fr](http://www.ofi-am.fr). This Code describes in detail the non-financial analysis method, along with the SRI selection process applied.

Within the limits provided for by regulations, the Sub-Fund can operate on futures instruments (traded on French and foreign regulated and organised markets and/or over-the-counter).

The Sub-Fund can operate on futures contracts traded on French and foreign regulated markets or over-the-counter. In this context, the manager may take positions with a view to hedging the portfolio against and or exposing it to shares, securities and similar securities and indices, to take advantage of market variations or to attain the management objective.

The Sub-Fund may in particular, operate on futures contracts and options (sale, purchase, in or out of the currency) concerning the Euro Stoxx 50 index. Moreover, the manager may take positions with a view to hedging the portfolio against a potential foreign exchange risk.

Exposure of the portfolio is not intended to be greater than 100%.

### **Risk profile**

Through the Sub-Fund OFI FINANCIAL INVESTMENT - RS EURO EQUITY, the holder is mainly exposed to the following risks:

#### Equity and market risk

A minimum of 60% of the Sub-Fund is exposed to equities. If the markets fall, the net asset value of the Sub-Fund will fall.

#### Discretionary risk

The discretionary management style applied to the Sub-Fund is based on the selection of securities. There is a risk that the Sub-Fund will not be invested at all times on the best performing markets. The performance of the Sub-Fund may therefore be below the management objective. In addition, the Sub-Fund may have a negative performance.

#### Capital loss risk

The investor is advised that his capital is not guaranteed and may therefore not be returned to him.

#### Counterparty risk

This is risk linked to the use by the Sub-Fund of future financial instruments, over the counter. These transactions concluded with one or more eligible counterparties potentially expose the Sub-Fund to a risk of one of these counterparties defaulting and possibly resulting in failure to pay.

Secondary risks:

Interest rate risk

Part of the portfolio may be invested in interest rates. If interest rates rise, the value of the products invested in fixed rates may fall and cause the net asset value of the Sub-Fund to fall.

Foreign exchange risk

This is the risk of foreign currency variation affecting the value of the stocks held by the Sub-Fund. The investor's attention is drawn to the fact that the net asset value of the Sub-Fund will drop in the event of an unfavourable change to the rate of currencies other than the euro.

**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 commitment method.

**CHANGE(S) MADE DURING THE FINANCIAL YEAR**

The changes made over the financial year were as follows:

- In a context of streamlining its range of UCIs but also as part of its international development, OFI ASSET MANAGEMENT has decided to refocus its range of SICAVs on its core expertise. In addition, on 16 September 2019, OFI ASSET MANAGEMENT launched its SICAV sub-fund, OFI FINANCIAL INVESTMENT.

As OFI RS EURO EQUITY is one of these core areas of expertise, the approval of the Autorité des Marchés Financiers was obtained on 18 June 2019 to merge it into the OFI FINANCIAL INVESTMENT - RS EURO EQUITY Sub-Fund of our SICAV, OFI FINANCIAL INVESTMENT.

The OFI FINANCIAL INVESTMENT - RS EURO EQUITY Sub-Fund was specially created to absorb the OFI RS EURO EQUITY mutual fund.

It was named OFI FINANCIAL INVESTMENT - RS EURO EQUITY and retained the same characteristics as the OFI RS EURO EQUITY mutual fund. Its shares retained the same ISIN codes and the same performance as the units of the OFI RS EURO EQUITY mutual fund.

No changes were made to the management strategy, risk/return profile or management fees.

In order to help to ensure that the SICAV and its Sub-Funds can operate smoothly, a decision was also made to appoint a joint depositary, SOCIETE GENERALE, and a joint Statutory Auditor, PRICEWATERHOUSECOOPERS AUDIT.

Previously, the Auditor of OFI RS EURO EQUITY was APLITEC while its depositary was already SOCIETE GENERALE.

The merger-absorption operation was based on the net asset values of 13 September 2019 and took effect on 16 September 2019. The last net asset value of the OFI RS EURO EQUITY mutual fund on which subscriptions or redemptions could have been executed was the net asset value of 10 September 2019. As a result, the absorbed mutual fund suspended subscriptions and redemptions of its units as from 10 September 2019 at 12:01 pm.

- As from 2 October 2019, evolution of governance issues in the analysis of ESG criteria.

**FUTURE CHANGE(S)**

None.

## 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, Shares or UCI Shares, Financial contracts.

This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.

A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:

- Monitoring volumes of transactions per market broker;
- Analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties");
- The nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order;
- Feedback of operational incidents detected by the managers or the Middle Office.

At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.

This valuation can be based on an analysis report provided by an independent service provider.

The selection of UCIs relies on a threefold analysis:

- A quantitative analysis of the media selected;
- An additional qualitative analysis;
- Due diligence, which aims to validate the option of intervening on a given fund and of setting investment limits on the fund in question and on the corresponding management company.

A post-investment committee meets every six months to review all authorisations given and limits consumed.

For the execution of certain financial instruments, the Management Company uses 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 that assist 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](https://www.ofi-am.fr/pdf/info-reglementaire_CR-frais-intermediation.pdf)

## INFORMATION RELATING TO REMUNERATIONS OF THE UCITS

In accordance with the 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:

### 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 sets remuneration policy and ensures its implementation.

The Company's remuneration policy promotes sound, effective risk management, simultaneously aligns the interests of investors, of the Company and of the 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.

Fixed remuneration is the employee's normal pay for the work expected, corresponding to their qualification. Variable remuneration takes into account, in particular, the Company's results, its equity requirements and the quality of management and 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, and 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 an overall 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.

Depending on changes to the quantitative and qualitative criteria in the years that follow, this allocation may be revised downwards, applying the malus concept.

*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.*

## Quantitative elements

### Total remunerations allocated by the manager to their 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 2019

The 2019 financial and stock market year is coming to an end. It was very positive overall and in actual fact contrasted with the last quarter of 2018, which was characterised by violent consolidation phases.

The major trigger for this bounceback was linked to the drastic change in monetary policy by the US Federal Reserve (Fed). The interest rate "normalisation" phase conducted in 2018 ended sharply at the beginning of 2019 once it became quite clear that the global economy was heading towards a fairly pronounced slowdown.

The economic situation then gradually improved.

There were very negative expectations during the first part of the year, followed by the worst-case expectations. In one year, global growth of close to 4% fell to 3%. However, it may now stabilise. Indeed, the deterioration in statistics and leading indicators seems to be dissipating, and the International Monetary Fund (IMF) anticipates growth of +3.4% for 2020.

The US economy has not been easy to interpret, illustrating the hesitation that has typified the markets since the summer.

On the one hand, it is showing "late-cycle" signs, with a marked slowdown in industry. Companies have indeed been severely affected by the drop in confidence of their managers, who are only making small investments in the context of a trade war and international tensions. At the same time, consumption has held up well. This can be explained by the historically low unemployment rate and the first positive effects of the fall in interest rates which has been in place for a year now, and which also shores up the property market. There is therefore no risk of recession in the coming months, even though the economy is fairly "fragile". Growth will therefore be around 2.2% in 2019 and will slow to around 1.8- 2% next year, according to the IMF's most recent estimates.

In the short term, China must adapt to the tougher trade stance the United States has adopted, which is likely to lead to a reorganisation of global production chains. This will therefore logically weigh on the country's growth, with its growth potential also diminishing under the effect of natural ageing and overcapacities which still exist in industrial sectors and state enterprises. Potential growth will therefore naturally decrease over the next few years, and as the country develops and moves towards an economy with a greater emphasis on services and consumption. Growth will therefore be under 6% in 2020. The IMF forecasts a rate of 5.8%.

In the eurozone, Germany is slowing down more than France as a result of the structure of its economy, which is more industrial and thus more affected by the slowdown in international trade. The step needed to encourage it to opt for fiscal stimulus will probably not be taken or taken as a last resort, despite multiple sources of pressure including from France, which is lobbying the country to launch a large-scale investment plan. But Germany is not in recession as its growth is forecast to be 1.2% in 2020, meaning that emergency measures are not necessary, especially since consumption is holding up well. This is also the case in France, which is much less susceptible to developments in global trade. French growth should logically be a little better, at 1.3%. Growth of slightly more than 1% is expected for the eurozone as a whole, but Brexit is a very considerable hazard which will have an adverse effect in the event of a hard exit.

The Central Banks have already noted this macrostabilisation.

The Chair of the US Federal Reserve, Jerome Powell, has always described himself as pragmatic and "data-dependent", meaning that he intends to adapt his policy to economic developments. Against this backdrop, the Fed cut its key rates by 25 basis points (bps) three times in 2019, bringing the main key monetary rate to 1.75%.

At the European Central Bank (ECB), Mario Draghi laid the groundwork before leaving his post. We must accustom ourselves to the communication of its new President, Christine Lagarde. She entered her post at a sensitive point in time when the ECB's policy was heavily criticised for creating a negative interest rate environment which robs savers of their returns, with troubling consequences: the drop in returns, which should encourage more consumption, in actual fact reinforces the savings rate. In addition, this context weakens life insurance companies and banks. The new President took up her post without making any decisions, instead allowing herself time to conduct an in-depth analysis of the purpose and scope of the ECB's indicators.

### Interest rates

The start of the financial year was directly affected by the Fed's change of direction. Rates fell back again. At the end of the period, the Bund 10-year yield was, for the first time ever, firmly in negative territory at nearly -0.20%, 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 almost 3.25% in October 2018 to almost 1.92% at the end of the financial year, having reached a low of around 1.50% in September 2019. 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 1.4% at the end of the period.

In these circumstances, credit spreads also dropped from January 2019 onwards, in the wake of the new Fed measures and the general recovery of the bond markets in a context where investors facing an unprecedented period of negative interest rates were looking for returns.

Under these conditions, performances on the bond markets proved surprisingly positive. The eurozone government bond index rose by 6.6%, the Investment Grade (IG) bond index rose by over 7%, and the High-Yield (HY) segment rose by around 10% in the eurozone and by nearly 12% (in USD) in the United States.

Emerging bonds noticeably recovered against this backdrop of low interest rates and flows moved back towards this asset class boasting attractive returns. In the end, strong currency debt indices experienced growth of nearly 18% over the period, while local currency debt indices rose by nearly 15% in euros.

Convertible bonds also displayed two different phases in their performance and were significantly up in Europe at the end of the financial year, by 7-10% according to the index.

On currencies, the dollar gained almost 4% against the euro. The RMB, the Chinese currency, a potential source of instability for emerging currencies, was quite weak (defence measures taken by the Chinese authorities to counter the US trade war), falling almost 2% against the dollar over the period.

In Europe, the pound regained ground after the parliamentary elections in December, which gave the Conservative Party a clear majority and the markets a certain visibility: the pound ended the year up almost 4%.

Equity markets experienced a significant upturn from the beginning of 2019. At the same time as this turnaround in US monetary policy, the indices very quickly regained all the ground lost in Q4 2018 from May to June onwards. Then ensued a period of hesitation because of the many macroeconomic and geopolitical uncertainties, before another phase of acceleration at the end of the year as the economic news improved.

Finally, 2019 turned out to be the best year overall for almost 20 years:

American equities rose by 31% in USD (S&P 500 Index, including dividends). 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 followed this trend with performances of between 25% and 30% according to the index (+30.45% 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.

Emerging markets were also up sharply by more than 20% over the period, with a special mention for local Chinese equities (around 35%) and Brazilian equities (almost 30%), but also with high price volatility.

Finally, in terms of commodities, the performance by gold stood out, posting an increase of 17% over the financial year. Oil increased by nearly 35%, primarily for reasons linked to the geopolitical context.

The HFR Global Index representing alternative management rose by almost 5% (hedged in euros), which is satisfactory but disappointing in the general context and illustrates the struggle managers are facing to increase value against this backdrop.

## Management

Main contributions to the performance of the Euro Stoxx 50 over the financial year:

Positive contributions	Negative contributions
ASML	Nokia
LVMH	Telefonica
SAP	Orange

OFI FINANCIAL INVESTMENT - RS EURO EQUITY is a sustainable development Sub-Fund. The notions of sustainable development and growth seek to reconcile economic development, social equity and environmental protection. Complying with these criteria supports the longevity of companies and should, in the long term, have a positive impact in terms of economic performance. Information sources are several specialist rating agencies and the internal team of non-financial analysts.

The Sub-Fund has an investment universe corresponding to the members of the Euro Stoxx, i.e. a field of approximately 300 securities, whilst keeping the Euro Stoxx 50 benchmark, net dividends reinvested.

The Sub-Fund exercises the voting rights attached to the securities that it holds in order to pursue non-financial issues at general meetings of listed companies. In addition to its votes, the Sub-Fund participates in the initiatives of the SICAV Phitrust Active Investors France (formerly Proxy Active Investors), in which it holds shares. This SICAV is an initiative UCITS for the improvement of governance of European listed companies. Its aim is to encourage CAC 40 companies to apply favourable strategies in the interests of everyone, by establishing a dialogue with companies and through its votes and initiatives at shareholders' general meetings (filing of resolutions).

Many of the market transactions carried out during the financial year resulted from the quarterly updates to the ESG categories for companies in the investment universe being taken into account. Therefore, complete sales of Vinci, LVMH and Suez securities during the first half of the year and of Linde, Ipsen, Sanofi and Deutsche Post securities during the second half of the year occurred after these issues fell into the "Under monitoring" category, as well as Daimler (penalties for diesel and downgrading of governance) and BSCH (human capital issue and governance diminishing).

Furthermore, as it was removed from the Euro Stoxx 50 composition at the end of September, Unibail Rodamco WE was sold in its entirety, while Caixa Bank and Worldline securities were sold due to their low weighting in the Sub-Fund and the lack of catalysts.

New positions were initiated on Capgemini and SEB in Q2 and on Neste during the following quarter. SEB was highly exposed to the Chinese market potential (particularly under-penetrated for small household appliances), was a leading company on a number of markets and enjoyed significant differentiation through innovation and expected organic growth of at least 5% for 2019. Neste was in a leading position in biodiesel and enjoyed significant pricing power, growth opportunities in plastic and jet fuel and a beneficial IMO 2020 regulation (reduced harmful emissions in sea transport). Furthermore, Beiersdorf (resilient business, a strong brand and the recent acquisition of Coppertone in sun creams) and Puma (sustained growth, repositioning onto sport and improved margins) have integrated the Sub-Fund's assets. Brenntag also became part of the net assets during the previous quarter: the company provides resilient business with good prospects in terms of organic and external growth, making it possible to provide a 4-5% increase in operating profit. Brenntag is a world leader in chemicals (distribution) in a highly fragmented market, with a low capital-intensive model and a high-quality balance sheet. Finally, there was further investment in Orpea securities (organic growth boosted by international growth and upscaling, meaning that margins can also be increased). Its real estate is in city centres ("prime location"). The group's growth stands at 8-10% (half organic, half external growth), with 5,000 new beds expected per year.

Finally, there were partial profit-takings on Teleperformance, Gerresheimer, DSM, Michelin and Puma convictions and the overexposure to the insurance sector was adjusted through a reduction on Munich Re, while Natixis and Akzo Nobel were settled (upside potential and smaller catalysts).

From a tactical point of view, some units in the iShare Core Euro Stoxx 50 tracker were purchased during the mid-summer market downturns at 3,370 points and 3,310 points and sold at the end of the quarter at close to 3,500 points.

For three years, the Sub-Fund has complied with the specifications of the government SRI label. Management companies, and therefore funds, benefit from this label, and undertake in particular to define objectives, illustrated by calculation of measurable indicators, in terms of the environment, social policy and governance of financed companies. As a result, the indicators selected relate to the proportion of women and independent members on boards of directors and the amount of carbon emissions financed. The SRI label therefore contributes to reinforced transparency of SRI Funds and is regularly controlled.

In the light of its SRI profile, the Sub-Fund was on average, over the year, made up of more than 60% leader or involved companies, which are companies considered among the most active in considering ESG issues in their respective sector. In the index, this proportion totalled approximately 33% on average. The Sub-Fund did not retain any "under monitoring" securities, a category which makes up 24% on average in the Euro Stoxx 50.

In respect of the unit D coupon, OFI FINANCIAL INVESTMENT - RS EURO EQUITY distributed a unit amount of EUR 1.15 on 15 May 2019.

Main contributions to the performance of the portfolio over the fiscal year:

Positive contributions	Negative contributions
ASML	Nokia
Teleperformance	Seb
Schneider Electric	Telefonica

Performance

	OFI Financial Investment – RS Euro Equity					
	C share	D share	R share	RF share	N-D share	EIC EUR share
NAV as at 31/12/2018	€107.54	€78.45	€89.65	€89.25	€112.04	€89.16
NAV as at 31/12/2019	€136.12	€98.02	€112.98	€113.54	€139.98	€112.86
Performance (*) including coupons	26.58%	26.58% (*)	26.02%	27.22%	27.89% (*)	26.58%

The net assets in the portfolio stood at €382.10 million on 31 December 2019, compared to €358.30 million on 31 December 2018.

Over the same period, the Sub-Fund's benchmark, the Euro Stoxx 50 Reinvested Net Dividends index, rose by 28.20% to 7,949.64 points.

The portfolio ended 2019 with a substantial increase in its net asset value, but with a lag on the Euro Stoxx 50, which is mainly due to its overall market underexposure and the very strong performance by large market capitalisations, which are underrepresented in its assets.

Looking more closely, the household goods and personal care sector were the focal point for most of the underperformance within paper securities due to the loss of earnings as a result of the underweighting on LVMH and poor performances by Henkel and SEB convictions (published results were below expectations). Throughout the year, LVMH published reassuring quarterly business turnover figures and then announced the takeover of Tiffany for \$16.2 billion at the end of the quarter. It is worth noting that LVMH is classified as "under monitoring" by the in-house SRI analyst team. The group has been hit by a number of controversies recently: suspected tax evasion and fraud by its Foundation, and improper working conditions in the group's supply chain, particularly in Romania. It should be noted that other textile-sector companies have also been caught up in this controversy relating to working conditions. However, portfolio positions within chemicals (DSM conviction) and industrial goods and services (Teleperformance conviction) partially offset the sources of underperformance.

As at 31 December 2019, the rate of exposure to the shares market stood at 95.63%.

## 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 on the website ([http://www.ofi-am.fr/isr\\_la\\_recherche\\_ISR.php](http://www.ofi-am.fr/isr_la_recherche_ISR.php)) [in French], is part of the global procedure for integrating the Sustainable Development principles, which it translates in terms of the management of investments.

#### Aims

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

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

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

#### Scope

Scope of portfolio covered by ESG analyses at the end of December 2019

	% ASSETS MANAGED	% VALUED/ENTITY	% VALUED / ASSET CLASS
PRIVATE ISSUERS	93.99%	93.99%	100%
UCI and cash	6.01%	5.23%	87.02%
<b>TOTAL</b>	<b>100%</b>	<b>99.22%</b>	

#### Private issuers

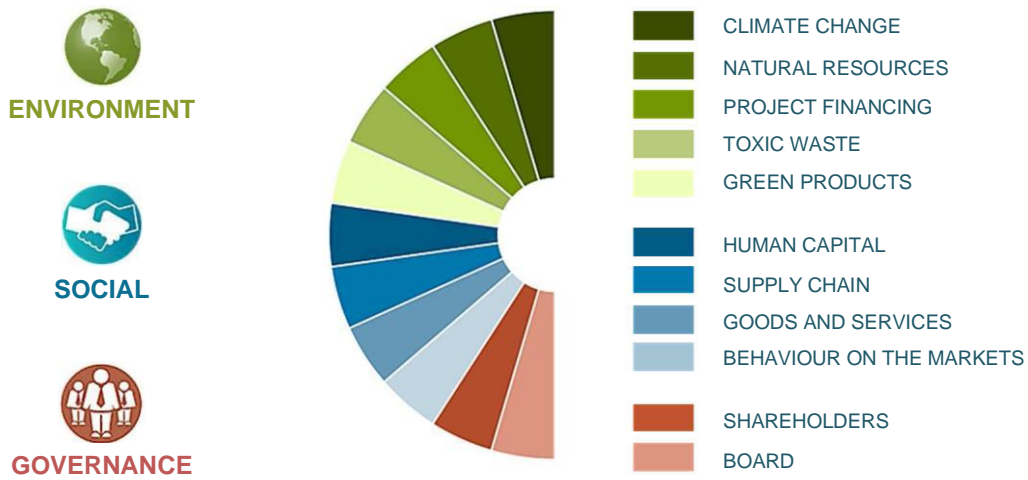
#### ESG analysis

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 into 11 main subject areas



### Reasons for choice of ESG criteria applied

On the list of all "generic" ESG issues

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



## Environmental criteria associated with climate change

### Criteria concerning physical risks

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

### Criteria concerning risks associated with the low carbon transition plan

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

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

## Information used for the analysis

The ESG analysis is based on several sources of information

- Analyses originating from specialist agencies: MSCI, VIGÉO, PROXINVEST, REPRISK
- Analyses and data originating from various media and specialist brokers
- Analyses carried out by OFI AM's SRI analysis team, covering ESG controversies and governance.
- 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 into a rating for 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 which have been slow to consider ESG issues, representing a minimum of 20% of issuers in the universe.

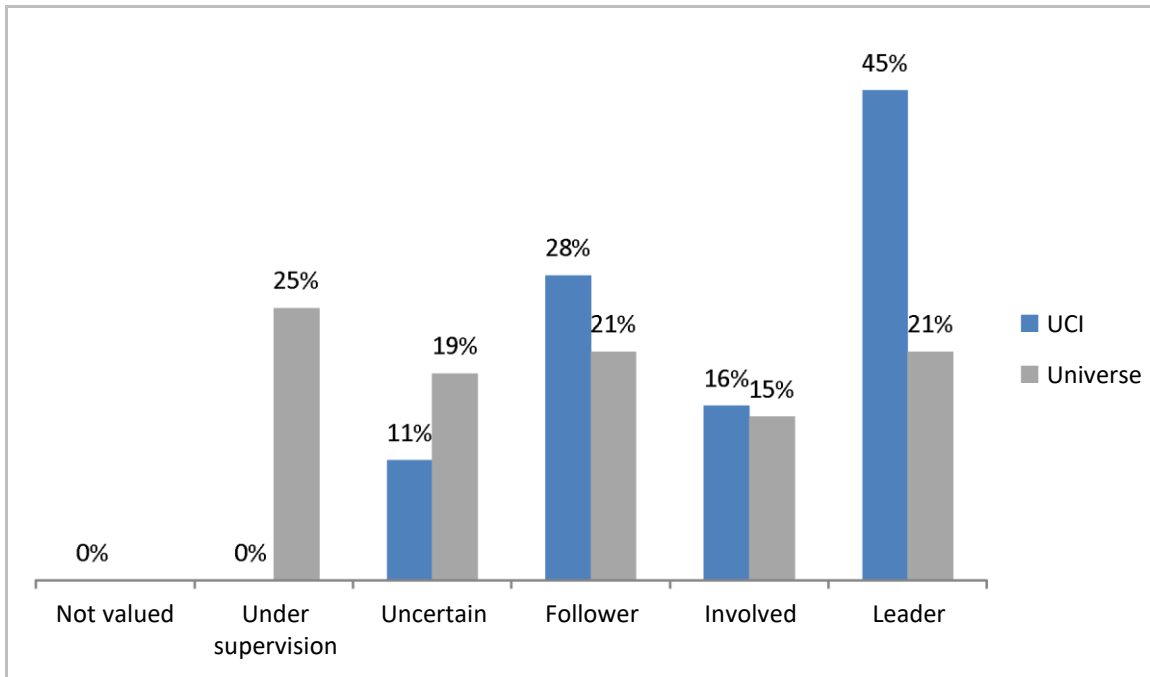
The other issuers are divided up into **4 categories which are equal in terms of number of issuers:**

- **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 the consideration of ESG issues

Results of the analysis as of 31 December 2019

At the end of December, 99.22% of the total number were covered by an ESG analysis.

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



Source: OFI AM on 31/12/2019

## **Assessment of ESG risks**

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

### Analyses of ESG controversies

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

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

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

Furthermore, a carbon-footprint evaluation is carried out:

#### **Carbon footprint evaluation: Emissions financed**

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

**Estimate of emissions financed (as of 31/12/2019): 118.3 tonnes of CO<sub>2</sub> equivalent**

**Availability of information: 99.22% of the total number in the portfolio**

Carbon emissions or GHG (Greenhouse Gas) emissions, expressed in tonnes of CO<sub>2</sub> 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 perimeter of the organisation, that is emissions originating from sources owned or controlled by the organisation, 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 Sub-Fund integrates the ESG analysis into its investment process.

A detailed overview of this process is available in the Sub-Fund's Transparency Code, which is available online at [www.ofi-am.fr](http://www.ofi-am.fr) [in French], by selecting the Fund, then the "Documents" tab.

#### Commitment and voting strategy

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

This commitment is reflected globally within the Management Company, and not fund by fund. It takes material form by the establishing of a direct dialogue with issuers, on specific subjects or issues. This dialogue is an integral part of the SRI analysis process and takes place based around the principles described in the Commitment Policy published on the site ([https://www.ofi-am.fr/pdf/ISR\\_politique-engagement.pdf](https://www.ofi-am.fr/pdf/ISR_politique-engagement.pdf)) [in French].

The commitment actions concern:

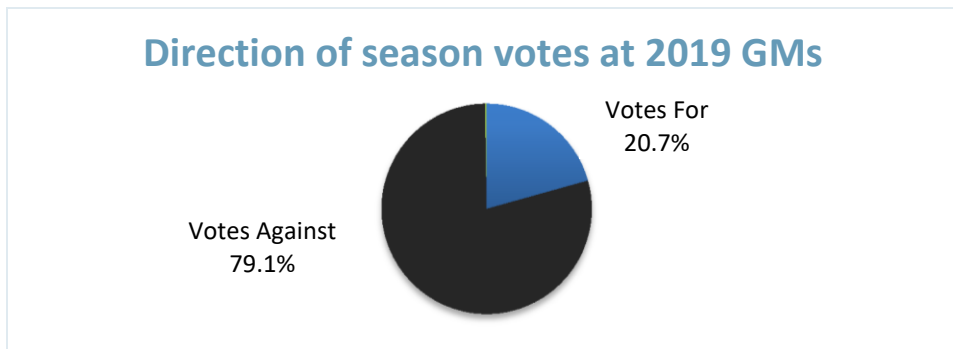
- Issuers for whom the evaluation of consideration of CSR issues reveals a delay in relation to their peers (issuers in the "Under supervision" SRI category);
- Issuers forming the subject of major controversies, when additional information may be useful to the ESG analysis (including information about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

An annual review of measures taken is published at ([https://www.ofi-am.fr/pdf/ISR\\_rapport-de-vote.pdf](https://www.ofi-am.fr/pdf/ISR_rapport-de-vote.pdf)) [in French]

## EXERCISE OF VOTING RIGHTS AT GENERAL MEETINGS

Number of...	GMs in 2019
GMs for which we exercised our voting rights	66
GMs with at least one vote Against or Abstention	60
Resolutions vote on	1113
Resolutions on which votes Against or Abstention	233
Resolutions submitted or jointly submitted with other shareholders	0
Resolutions submitted by shareholders which we supported (For)	7

#### Direction of votes



## 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 31/12/2019

Rates: No position on 31/12/2019

Credit: No position on 31/12/2019

Equities - CFD: No position on 31/12/2019

Commodities: No position on 31/12/2019

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

As at the year-end on 31 December 2019, the OFI FINANCIAL INVESTMENT - RS EURO EQUITY Sub-Fund performed neither securities financing transactions nor total return swaps.

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET ASSETS

	31/12/2019	31/12/2018
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>382,096,198.53</b>	<b>358,234,877.34</b>
<b>Shares and similar securities</b>	<b>359,113,383.22</b>	<b>336,562,427.27</b>
Traded on a regulated or similar market	359,113,383.22	336,562,427.27
Not traded on a regulated or similar market	-	-
<b>Bonds and similar securities</b>	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
<b>Debt securities</b>	-	-
Traded on a regulated market or similar	-	-
Transferable debt securities	-	-
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
<b>Mutual funds</b>	<b>22,982,815.31</b>	<b>21,672,450.07</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	22,982,815.31	21,672,450.07
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	-	-
<b>Temporary transactions on securities</b>	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	-
Transactions on a regulated or similar market	-	-
Other transactions	-	-
<b>Other financial instruments</b>	-	-
<b>Receivables</b>	-	<b>14,478.77</b>
Foreign exchange forward transactions	-	-
Others	-	14,478.77
<b>Financial accounts</b>	<b>239,842.25</b>	<b>244,656.06</b>
Liquid assets	239,842.25	244,656.06
<b>Total assets</b>	<b>382,336,040.78</b>	<b>358,494,012.17</b>

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET LIABILITIES

	31/12/2019	31/12/2018
<b>Equity</b>		
<b>Capital</b>	336,451,976.03	326,544,024.20
<b>Previous net capital gains and losses not distributed (a)</b>	21,185,075.91	12,069,710.29
<b>Carry forward (a)</b>	8,034.99	14,184.03
<b>Net capital gains and losses for the financial year (a, b)</b>	17,010,866.59	12,889,553.05
<b>Result for the financial year (a, b)</b>	7,438,309.83	6,743,932.08
<b>Equity total</b>	<b>382,094,263.35</b>	<b>358,261,403.65</b>
(= Amount representative of net assets)		
<b>Financial instruments</b>	-	-
<b>Purchase and sale transactions on financial instruments</b>	-	-
<b>Temporary transactions on securities</b>	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	-
Transactions on a regulated or similar market	-	-
Other transactions	-	-
<b>Payables</b>	<b>241,777.43</b>	<b>220,809.73</b>
Foreign exchange forward transactions	-	-
Others	241,777.43	220,809.73
<b>Financial accounts</b>	-	<b>11,798.79</b>
Current bank credit facilities	-	11,798.79
Borrowing	-	-
<b>Total liabilities</b>	<b>382,336,040.78</b>	<b>358,494,012.17</b>

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

## Off-balance sheet (in euros)

	31/12/2019	31/12/2018
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets	-	-
OTC commitments	-	-
Other commitments	-	-
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets	-	-
OTC commitments	-	-
Other commitments	-	-

## Profit and loss account (in euros)

	31/12/2019	31/12/2018
<b>Income on financial transactions</b>		
Income on deposits and financial accounts	144.62	-
Income on shares and similar securities	10,303,654.88	9,797,308.48
Income on bonds and similar securities	-	-
Income on debt securities	-	-
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
<b>Total (I)</b>	<b>10,303,799.50</b>	<b>9,797,308.48</b>
<b>Expenses on financial transactions</b>		
Expenses on acquisitions and temporary purchase and sale of securities	-	-
Expenses on financial contracts	-	-
Expenses on financial receivables	755.83	188.65
Other financial expenses	-	-
<b>Total (II)</b>	<b>755.83</b>	<b>188.65</b>
<b>Result on financial transactions (I-II)</b>	<b>10,303,043.67</b>	<b>9,797,119.83</b>
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	2,608,149.36	2,874,954.39
<b>Net result for financial year (L. 214-17-1) (I - II + III - IV)</b>	<b>7,694,894.31</b>	<b>6,922,165.44</b>
Adjustment of income for financial year (V)	-256,584.48	-178,233.36
Advances on result paid in respect of financial year (VI)	-	-
<b>Result (I - II + III - IV +/- V - VI)</b>	<b>7,438,309.83</b>	<b>6,743,932.08</b>

# APPENDIX

## ACCOUNTING RULES AND METHODS

The Sub-Fund 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 management company.

The accounting currency for the fund is the euro.

The net asset value is calculated every non-holiday trading day worked (in Paris), and is dated that same day. The net asset value of the Sub-Fund is calculated on the basis of the closing price of the trading session on day D 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 Sub-Fund values its securities at the current value, resulting from the market value or, in the absence of any existing 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

### Transferable securities

Transferable securities admitted for trading on a securities market are valued at the closing price.

### Futures and options transactions

Positions on futures and options markets are valued at the price corresponding to the trading time taken into account for valuation of the underlying assets.

### UCI

Units or shares of UCI are valued at the last known net asset value.

### Transferable debt securities

Negotiable debt securities (NDS) with a residual duration of more than three months are valued at the market price recorded by the managers at the time of publication of inter-bank market prices by the A.F.B. The rate applied, in the absence of significant transactions, is the Euribor for securities at less than one year, the rate of BTAN (published by the leading primary dealers (SVT)) for securities at more than one year, plus, where applicable, a discrepancy representative of the intrinsic characteristics of the issuer of the security.

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.

The valuation method applied, which is maintained throughout the period of holding of the security, is:

- for instruments with long-term coupons and for which the annual coupon is determined according to an actuarial calculation (bond type): evaluation using the actuarial method;
- for instruments of a term less than one year issued in the form of discounted interest or in fine: evaluation using the discount method on the global redemption value over the outstanding term.

### Acquisitions and temporary purchase and sale of securities

The Sub-Fund is not designed to carry out acquisitions transactions or temporary purchase or sale of securities.

### Transactions with deferred settlement

Securities purchased on the deferred settlement market are valued at their market value. They are registered in the portfolio on their date of trading.

Securities sold on the deferred settlement market leave the portfolio on the day of trading.

### Description of off-balance sheet commitments

Securities assigned with option of repurchase are registered off-balance sheet at their contractual value.

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

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

### Option chosen regarding posting of costs

The Sub-Fund has opted for posting with costs excluded.

### Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the Sub-Fund, when each net asset value is calculated. The maximum rate applied on the basis of net assets may not be more than:

- 1.08% incl. tax for C, D and EI C EUR shares; all UCIs included
- 1.80% incl. tax for R shares; all UCIs included
- 1.40% incl. tax for RF shares; all UCIs included
- 0.10% incl. tax for N-D shares; all UCIs included

These fees cover all costs charged directly to the Sub-Fund, with the exception of transaction 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:

- turnover fee charged to the Sub-Fund;

### Allocation of distributable sums

#### Distributable amounts relating to the net result:

##### C, EI C EUR, R and RF shares:

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

##### D and N-D shares:

pure distribution: the sums 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:

Each year, the management company decides on how to allocate the capital gains made for all share classes. The management company may decide on the payment of exceptional part payments.



## Evolution of net assets of the UCI (in euros)

	31/12/2019	31/12/2018
<b>Net assets at the beginning of the financial year</b>	<b>358,261,403.65</b>	<b>424,207,939.51</b>
Subscriptions (including subscription fees retained by the UCI)	26,735,451.77	30,957,913.42
Redemptions (after deduction of redemption fees retained by the UCI)	-87,492,861.83	-44,595,470.67
Capital gains made on deposits and financial instruments	30,670,342.65	20,022,089.11
Capital losses made on deposits and financial instruments	-11,970,251.56	-6,219,214.58
Capital gains made on financial contracts	-	-
Capital losses made on financial contracts	-	-
Transaction costs	-955,734.01	-642,743.67
Exchange differences	143,139.13	300,413.37
Change in difference in estimate of deposits and financial instruments	64,158,081.07	-66,604,875.29
Difference of estimate financial year N	59,366,953.74	
Difference of estimate financial year N - 1	-4,791,127.33	
Change in difference in estimate of financial contracts	-	-
Difference of estimate financial year N	-	-
Difference of estimate financial year N - 1	-	-
Distribution for the previous financial year on net capital gains and losses	-	-
Distribution for the previous financial year on result	-5,150,381.78	-6,086,812.99
Net result of the financial year before accruals account	7,694,894.31	6,922,165.44
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	179.95 <sup>(2)</sup>	-
<b>Net assets at the end of the financial year</b>	<b>382,094,263.35</b>	<b>358,261,403.65</b>

(2) Merger/contribution balancing payment

## Allocation by legal or economic nature

Designation of securities	Nominal	%
<b>Assets</b>		
<b>Bonds and similar securities</b>	-	-
Indexed Bonds	-	-
Convertible Bonds	-	-
Equity Securities	-	-
Other Bonds	-	-
<b>Debt securities</b>	-	-
Short-term negotiable securities	-	-
Medium-term negotiable securities	-	-
<b>Liabilities</b>		
<b>Purchase and sale transactions on financial instruments</b>	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Others	-	-
<b>Off-balance sheet</b>		
Rate	-	-
Shares	-	-
Credit	-	-
Others	-	-

## Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	239,842.25	0.06
<b>Liabilities</b>								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-

## Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Allocation by residual maturity

	< 3 months	%	]3 months – 1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>Assets</b>										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	239,842.25	0.06	-	-	-	-	-	-	-	-
<b>Liabilities</b>										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

## Allocation by currency

	SEK	%	NOK	%		%		%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Shares and similar securities	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
UCI	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Financial accounts	144,087.89	0.04	95,754.09	0.03	-	-	-	-

## Allocation by currency (continued)

	SEK	%	NOK	%		%		%
<b>Liabilities</b>								
Purchase and sale transactions on financial instruments	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Sundry debtors and creditors

	31/12/2019
<b>Receivables</b>	
Total receivables	-
<b>Payables</b>	
Provision for fixed management fees payable	-236,847.47
Provision for variable management fees payable	-5.74
Turnover fee provision	-4,924.22
<b>Total payables</b>	<b>-241,777.43</b>
<b>Total</b>	<b>-241,777.43</b>

## Subscriptions-redemptions

<b>C share class</b>	
Shares issued	55,029.3434
Shares redeemed	125,549.6957
<b>D share class</b>	
Shares issued	121,278.4044
Shares redeemed	612,205.6140
<b>N-D share class</b>	
Shares issued	24,467.5577
Shares redeemed	128,350.7222
<b>R share class</b>	
Shares issued	56,570.1861
Shares redeemed	5,780.2137

## Commissions

<b>C share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>D share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>N-D share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>R share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

## Management fees

<b>C share class</b>	
Percentage of fixed management fees	1.08
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>D share class</b>	
Percentage of fixed management fees	1.08
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>N-D share class</b>	
Percentage of fixed management fees	0.05
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>EI C EUR share class</b>	
Percentage of fixed management fees	1.08
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>R share class</b>	
Percentage of fixed management fees	1.80
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>RF share class</b>	
Percentage of fixed management fees	0.59
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	3,836.382	4,356.13	16,711,778.72

## 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)

	31/12/2019	31/12/2018
<b>C share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	1,052,232.64	873,834.42
<b>Total</b>	<b>1,052,232.64</b>	<b>873,834.42</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	1,052,232.64	873,834.42
<b>Total</b>	<b>1,052,232.64</b>	<b>873,834.42</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>D share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	4,104.85	7,759.84
Profit/loss	2,598,156.91	2,475,495.40
<b>Total</b>	<b>2,602,261.76</b>	<b>2,483,255.24</b>
<b>Allocation</b>		
Distribution	2,595,532.36	2,477,939.51
Carry forward for the financial year	6,729.40	5,315.73
Capitalisation	-	-
<b>Total</b>	<b>2,602,261.76</b>	<b>2,483,255.24</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1,663,802.7969	2,154,730.0065
Unit distribution	1.56	1.15
Tax credits attached to distribution of result	-	-
<b>N-D share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	3,930.14	6,424.19
Profit/loss	3,723,177.75	3,393,952.24
<b>Total</b>	<b>3,727,107.89</b>	<b>3,400,376.43</b>
<b>Allocation</b>		
Distribution	3,717,994.88	3,396,056.71
Carry forward for the financial year	9,113.01	4,319.72
Capitalisation	-	-
<b>Total</b>	<b>3,727,107.89</b>	<b>3,400,376.43</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1,047,322.5015	1,151,205.6660

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

	31/12/2019	31/12/2018
Unit distribution	3.55	2.95
Tax credits attached to distribution of result	-	-
<b>EI C EUR share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	891.63	647.19
<b>Total</b>	<b>891.63</b>	<b>647.19</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	891.63	647.19
<b>Total</b>	<b>891.63</b>	<b>647.19</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>R share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	63,848.55	0.98
<b>Total</b>	<b>63,848.55</b>	<b>0.98</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	63,848.55	0.98
<b>Total</b>	<b>63,848.55</b>	<b>0.98</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	2.35	1.85 <sup>(3)</sup>
<b>Total</b>	<b>2.35</b>	<b>1.85</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	2.35	1.85



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

	31/12/2019	31/12/2018
<b>Total</b>	<b>2.35</b>	<b>1.85</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

(3) The RF unit category was created on 9 March 2018.

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

	31/12/2019	31/12/2018
<b>C share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	3,562,343.37	1,921,704.17
Net capital gains and losses for the financial year	2,946,461.00	2,154,166.33
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>6,508,804.37</b>	<b>4,075,870.50</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	6,508,804.37	4,075,870.50
Capitalisation	-	-
<b>Total</b>	<b>6,508,804.37</b>	<b>4,075,870.50</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	489,199.8513	559,720.2036
Unit distribution	-	-
<b>D share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	8,973,940.58	5,526,972.01
Net capital gains and losses for the financial year	7,270,100.98	6,094,849.32
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>16,244,041.56</b>	<b>11,621,821.33</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	16,244,041.56	11,621,821.33
Capitalisation	-	-
<b>Total</b>	<b>16,244,041.56</b>	<b>11,621,821.33</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1,663,802.7969	2,154,730.0065
Unit distribution	-	-

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

	31/12/2019	31/12/2018
<b>N-D share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	8,423,869.55	4,620,489.92
Net capital gains and losses for the financial year	6,538,787.18	4,638,936.80
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>14,962,656.73</b>	<b>9,259,426.72</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	14,962,656.73	9,259,426.72
Capitalisation	-	-
<b>Total</b>	<b>14,962,656.73</b>	<b>9,259,426.72</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1,047,322.5015	1,151,205.6660
Unit distribution	-	-
<b>EI C EUR share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	2,138.66	543.07
Net capital gains and losses for the financial year	2,496.75	1,595.59
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>4,635.41</b>	<b>2,138.66</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	4,635.41	2,138.66
Capitalisation	-	-
<b>Total</b>	<b>4,635.41</b>	<b>2,138.66</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	500.0000	500.0000
Unit distribution	-	-
<b>R share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	222,782.00	1.12
Net capital gains and losses for the financial year	253,015.71	3.26
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>475,797.71</b>	<b>4.38</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	475,797.71	4.38
Capitalisation	-	-
<b>Total</b>	<b>475,797.71</b>	<b>4.38</b>

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

	31/12/2019	31/12/2018
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	50,790.9724	1.0000
Unit distribution	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	1.75	-
Net capital gains and losses for the financial year	4.97	1.75 <sup>(4)</sup>
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>6.72</b>	<b>1.75</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	6.72	1.75
Capitalisation	-	-
<b>Total</b>	<b>6.72</b>	<b>1.75</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	1.0000
Unit distribution	-	-

(4) The RF unit category was created on 9 March 2018.

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

	31/12/2019	31/12/2018	29/12/2017	30/12/2016	31/12/2015
<b>Net assets</b>					
EUR units	382,094,263.35	358,261,403.65	424,207,939.51	389,521,180.57	429,643,570.29
<b>Number of securities</b>					
C share class	489,199.8513	559,720.2036	618,070.4251	784,246.9685	848,285.0850
D share class	1,663,802.7969	2,154,730.0065	2,119,491.0065	1,924,290.2234	1,717,346.0374
N-D share class	1,047,322.5015	1,151,205.6660	1,222,084.3828	1,233,651.7530	1,772,982.4694
EI C EUR share class	500.0000	500.0000	500.0000	-	-
R share class	50,790.9724	1.0000	1.0000	-	-
RF share class	1.0000	1.0000	-	-	-
<b>Unit net asset value</b>					
C share class in EUR	136.12	107.54	122.15	110.08	105.93
D share class in EUR	98.02	78.45	90.23	82.47	80.21
N-D share class in EUR	139.98	112.04	128.79	117.11	113.95
EI C EUR share class in EUR	112.86	89.16	101.28 <sup>(5)</sup>	-	-
R share class in EUR	112.98	89.65	102.17 <sup>(6)</sup>	-	-

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

	31/12/2019	31/12/2018	29/12/2017	30/12/2016	31/12/2015
RF share class in EUR	113.54	89.25 <sup>(7)</sup>	-	-	-
<b>Unit distribution on net capital gains and losses (including advances)</b>					
C share class in EUR	-	-	-	-	-
D share class in EUR	-	-	-	-	-
N-D share class in EUR	-	-	-	-	-
EI C EUR share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit distribution on result (including advances)</b>					
C share class in EUR	-	-	-	-	-
D share class in EUR	1.56	1.15	1.16	1.29	0.80
N-D share class in EUR	3.55	2.95	2.94	2.49	1.86
EI C EUR share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit tax credit transferred to bearer (individuals)</b>					
C share class in EUR	-	-	-	-	-
D share class in EUR	-	-	-	-	-
N-D share class in EUR	-	-	-	-	-
EI C EUR share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit capitalisation</b>					
C share class in EUR	2.15	1.56	1.55	1.66	5.33
D share class in EUR	-	-	-	-0.14	3.26
N-D share class in EUR	-	-	-	-	4.63
EI C EUR share class in EUR	1.78	1.29	-0.10	-	-
R share class in EUR	1.25	0.98	-0.35	-	-
RF share class in EUR	2.35	1.85	-	-	-

(5) The EI C EUR unit category was created on 28 July 2017 with a nominal value of EUR 100.00.

(6) The R unit category was created on 28 August 2017 with a nominal value of EUR 100.00.

(7) The RF unit category was created on 9 March 2018 with a nominal value of EUR 100.00.

## Portfolio inventory as of 31 December 2019

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
<b>Deposits</b>			-	-
<b>Financial instruments</b>				
<b>Shares and similar securities</b>			<b>359,113,383.22</b>	<b>93.99</b>
Traded on a regulated or similar market			359,113,383.22	93.99
ADIDAS NOM	EUR	12,924.00	3,745,375.20	0.98
AIR LIQUIDE	EUR	44,120.00	5,567,944.00	1.46
ALLIANZ SE-NOM	EUR	50,178.00	10,958,875.20	2.87
AMADEUS IT GROUP SA	EUR	50,578.00	3,682,078.40	0.96
ANHEUSER BUSCH INBEV SA/NV	EUR	46,209.00	3,359,856.39	0.88
ARKEMA	EUR	57,537.00	5,448,753.90	1.43
ASML HOLDING N.V.	EUR	71,825.00	18,940,252.50	4.96
ATOS SE	EUR	35,034.00	2,603,726.88	0.68
AXA	EUR	541,261.00	13,591,063.71	3.56
BANCO BILBAO VIZCAYA ARGENTA	EUR	1,569,227.00	7,819,458.14	2.05
BAYERISCHE MOTORENWERKE	EUR	49,784.00	3,641,201.76	0.95
BEIERSDORF	EUR	27,671.00	2,951,112.15	0.77
BNP PARIBAS	EUR	104,558.00	5,523,799.14	1.45
BRENNTAG AG	EUR	126,505.00	6,132,962.40	1.61
CAP GEMINI SE	EUR	33,060.00	3,600,234.00	0.94
CRH PLC	EUR	304,485.00	10,860,979.95	2.84
DANONE SA	EUR	71,314.00	5,270,104.60	1.38
DEUTSCHE BOERSE AG	EUR	24,926.00	3,493,378.90	0.91
ENEL SPA	EUR	1,587,694.00	11,228,171.97	2.94
ENGIE SA	EUR	243,039.00	3,499,761.60	0.92
ESSILOR LUXOTTICA SA	EUR	38,980.00	5,293,484.00	1.39
GALP ENERGIA SGPS SA-B	EUR	242,325.00	3,610,642.50	0.94
GERRESHEIMER AG	EUR	102,755.00	7,090,095.00	1.86
HEINEKEN NV	EUR	54,181.00	5,142,860.52	1.35
HENKEL KGAA VZ PFD	EUR	38,995.00	3,595,339.00	0.94
IBERDROLA SA	EUR	594,099.00	5,453,828.82	1.43
INDITEX	EUR	237,911.00	7,482,300.95	1.96
ING GROUP NV	EUR	349,634.00	3,736,888.19	0.98
INTESA SANPAOLO SPA	EUR	4,304,415.00	10,108,918.63	2.65
JC DECAUX	EUR	94,838.00	2,606,148.24	0.68
KBC GROUPE	EUR	99,548.00	6,675,688.88	1.75
KERING	EUR	9,665.00	5,655,958.00	1.48
KONINKLIJKE AHOLD DELHAIZE	EUR	158,686.00	3,537,904.37	0.93
KONINKLIJKE DSM NV	EUR	72,435.00	8,409,703.50	2.20
KONINKLIJKE KPN NV	EUR	2,325,612.00	6,118,685.17	1.60
KONINKLIJKE PHILIPS N.V.	EUR	132,581.00	5,769,925.12	1.51
L'OREAL SA	EUR	53,239.00	14,055,096.00	3.68
MERCK KGAA	EUR	57,244.00	6,030,655.40	1.58
MICHELIN (CGDE)-SA	EUR	38,678.00	4,219,769.80	1.10
MUENCHENER RUECKVERSICHERUNGS AG-NOM	EUR	20,746.00	5,456,198.00	1.43
NESTE CORPORATION	EUR	182,152.00	5,650,355.04	1.48

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
NOKIA OYJ	EUR	1,058,797.00	3,489,794.91	0.91
ORANGE	EUR	252,305.00	3,310,241.60	0.87
ORPEA	EUR	47,561.00	5,436,222.30	1.42
PEUGEOT SA	EUR	183,947.00	3,918,071.10	1.03
PUMA AG	EUR	41,145.00	2,812,260.75	0.74
REPSOL	EUR	372,414.00	5,187,727.02	1.36
REPSOL SA RGT 07/01/2020	EUR	372,414.00	157,531.12	0.04
REXEL	EUR	166,613.00	1,973,530.99	0.52
RTL GROUP	EUR	27,003.00	1,187,591.94	0.31
SAP SE	EUR	80,080.00	9,635,225.60	2.52
SCHNEIDER ELECTRIC SA	EUR	145,364.00	13,300,806.00	3.48
SEB	EUR	24,726.00	3,273,722.40	0.86
SIEMENS AG-NOM	EUR	47,159.00	5,495,909.86	1.44
SMURFIT KAPPA	EUR	112,309.00	3,847,706.34	1.01
TECHNIPFMC PLC	EUR	230,920.00	4,366,697.20	1.14
TELEFONICA SA	EUR	768,549.00	4,785,754.62	1.25
TELEPERFORMANCE SE	EUR	58,790.00	12,780,946.00	3.34
TOTAL	EUR	75,294.00	3,704,464.80	0.97
UNICREDIT SPA	EUR	176,951.00	2,303,902.02	0.60
UNILEVER NV	EUR	139,751.00	7,159,443.73	1.87
VINCI SA	EUR	34,003.00	3,366,297.00	0.88
Not traded on a regulated or similar market			-	-
<b>Bonds and similar securities</b>			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
<b>Debt securities</b>			-	-
Traded on a regulated market or similar			-	-
Transferable debt securities			-	-
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
<b>Mutual funds</b>			<b>22,982,815.31</b>	<b>6.01</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			22,982,815.31	6.01
ISHARES VII PLC CORE EURO STOXX 50 UCITS ETF	EUR	27,084.00	3,295,581.12	0.86
OFI RS LIQUIDITES	EUR	3,836.382	16,711,778.72	4.37
PHITRUST ACTIVE INVESTORS FRANCE SICAV ACT D DIS	EUR	15,821.00	2,975,455.47	0.78
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			-	-
<b>Temporary transactions on securities</b>			-	-
Receivables representative of securities under repurchase agreements			-	-
Receivables representative of securities lent			-	-

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Securities borrowed			-	-
Securities given under a repurchase agreement			-	-
Payables representative of securities given under a repurchase agreement			-	-
Payables representative of securities borrowed			-	-
Other temporary transactions			-	-
<b>Purchase and sale transactions on financial instruments</b>			-	-
<b>Financial contracts</b>			-	-
Transactions on a regulated or similar market			-	-
Other transactions			-	-
<b>Other financial instruments</b>			-	-
<b>Receivables</b>			-	-
<b>Payables</b>			-241,777.43	-0.06
<b>Financial accounts</b>			239,842.25	0.06
<b>NET ASSETS</b>			<b>382,094,263.35</b>	<b>100.00</b>

## ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

OFI Asset Management has notified the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of its intention to distribute the units of the Fund **OFI FINANCIAL INVESTMENT – RS EURO EQUITY** in the Federal Republic of Germany and has been authorized to distribute the units in the Federal Republic of Germany upon completion of the notification procedure.

It will be ensured that the Fund continuously qualify as a “mixed fund”, as defined in the German Investment Tax Act 2018.

### Paying and Information Agent

OLDENBURGISCHE LANDESBANK AG, a bank established under the laws of Germany, having its registered office at Stau 15/17, 26122 Oldenburg, registered with the Oldenburg Trade Registry, number HRB 3003, has undertaken the function of Paying and Information Agent for the Fund in the Federal Republic of Germany (the “German Paying and Information Agent”)

### Information and Documents

For unit-holders resident in Germany, the following documents are available for inspection in hard copy, free of charge and upon request at the German Paying and Information Agent:

- Prospectus
- Key Investor Information Documents
- Articles of Incorporation
- The latest annual report, and the most recent semi-annual report, if published thereafter
- Custody and Administration Agreements
- Paying Agency Agreement

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

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



# ANNUAL REPORT

Financial year ended 31 December 2019



## OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA Sub-Fund

Eurozone country shares

### Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Management Company by delegation

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Depository and Custodian

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

### Administrative and accounts management

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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## MANAGEMENT DIRECTION

### AMF classification

Shares of eurozone countries.

The Sub-Fund is eligible for the SSP.

### Management objective

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

### Benchmark

Investors can compare the Sub-Fund's performances with those of the calculated EURO STOXX Reinvested Net Dividends index (SXXT Ticker). The EURO STOXX index is the subgroup made up of the most liquid names in the STOXX Europe 600 index. The index has a variable number of components (around 300) and represents large, medium-sized and small capitalisations in eurozone countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. It is calculated daily. (For more information about this index, please visit [www.stoxx.com](http://www.stoxx.com)). However, the Sub-Fund's objective is not to reproduce, in one way or another, the performance of this index. It makes investments based on criteria which can result in significant differences in relation to the behaviour of the index.

### Management strategy

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

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

1. Based on their investment universe, every three months or when required, depending on market conditions, the manager makes a sector allocation based on the volatility of each composite sector and their joint correlations, in order to offset their contributions to the overall risk (financial criterion).
2. The manager applies an SRI filter to the components in each sector in order to keep 2/3 of the companies with the best SRI scores for their sector, as established by the SRI team for the OFI group, that are kept (extra-financial criterion).
3. Finally, each security is allocated sector by sector on a discretionary basis. However, this is constrained by the initial sector allocation (financial criterion).

The SRI research team carries out a detailed analysis of the environmental and social issues specific to each sector of activity, and of governance issues. This study is carried out taking into account Environmental, Social and Governance elements, namely:

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

The SRI analysis team defines a sector-based reference of the key issues (Environmental, Social, Governance listed above), selecting for each sector of activity the most important ESG issues for this sector. An ESG score is calculated per issuer using the sector-based reference for key issues which includes the key issue scores for Environment and Social (E and S) and scores for Governance (G) key issues.

Governance issues include a fixed weighting of 30% for corporate governance and a variable weighting of 10% to 40% reflecting the level of risk incurred by the conduct of directors and the company. This level varies depending on the sectors of activity. The overall weighting of the E and S issues is then determined. The weighting of environmental, social and governance issues is specific to each sector of activity.

These scores may be subject to any penalties linked to controversies not yet included in the ratings of key issues and any bonuses or penalties awarded by the analyst responsible for the sector in the event of divergence on the assessment of an issue by the ratings agency.

This ESG score is calculated out of 10. Companies' ESG scores are used to establish an SRI score corresponding to the ranking of the issuer's ESG score compared to other actors in its ICB supersector (level 2).

The SRI score is established on a scale of 0 to 5, 5 corresponding to the best ESG score in the sector.

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

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

### **Risk profile**

The Sub-Fund is classified as "Shares of eurozone countries".

Investors are therefore mainly exposed to the risks below, this list not being exhaustive.

#### Capital risk and performance risk

The investor is advised that the performance of the Sub-Fund might not conform to his objectives and that his capital might not be returned in full, the Sub-Fund not benefiting from any guarantee or protection of capital invested.

#### Share risk

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

#### Interest rate risk

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

#### Risk model

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

#### Counterparty risk

This is risk linked to the Sub-Fund using futures contracts. These transactions concluded with one or more eligible counterparties potentially expose the Sub-Fund to a risk of one of these counterparties defaulting and possibly resulting in failure to pay.

### **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 commitment method.

## CHANGE(S) MADE DURING THE FINANCIAL YEAR

The changes made over the financial year were as follows:

- From 9 January 2019, the net asset value is calculated every non-holiday trading day worked in Paris and Frankfurt, and is dated that same day. However, on the final day of the year, if the Paris or Frankfurt stock exchange is closed, a net asset value will be calculated based on the latest known prices. However, this will not be used for subscriptions/redemptions.
- In a context of streamlining its range of UCIs but also as part of its international development, OFI ASSET MANAGEMENT has decided to refocus its range of SICAVs on its core expertise. In addition, on 16 September 2019, OFI ASSET MANAGEMENT launched its SICAV sub-fund, OFI FINANCIAL INVESTMENT.

As OFI RS EURO EQUITY SMART BETA is one of these core areas of expertise, the approval of the Autorité des Marchés Financiers was obtained on 18 June 2019 to merge it into the OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA Sub-Fund of our SICAV, OFI FINANCIAL INVESTMENT.

The OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA Sub-Fund was specially created to absorb the OFI RS EURO EQUITY SMART BETA mutual fund.

It was named OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA and retained the same characteristics as the OFI RS EURO EQUITY SMART BETA mutual fund, its shares retained the same ISIN codes and the same performance as the units of the OFI RS EURO EQUITY SMART BETA mutual fund.

No changes were made to the management strategy, risk/return profile or management fees.

The merger-absorption operation was based on the net asset values of 13 September 2019 and took effect on 16 September 2019. The last net asset value of the OFI RS EURO EQUITY SMART BETA mutual fund on which subscriptions or redemptions could have been executed was the net asset value of 10 September 2019. As a result, the absorbed mutual fund suspended subscriptions and redemptions of its units as from 10 September 2019 at 12:01 pm.

- As from 2 October 2019, evolution of governance issues in the analysis of ESG criteria.

## FUTURE CHANGE(S)

None.

## 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, Shares or UCI Shares, Financial contracts.

This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.

A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:

- Monitoring volumes of transactions per market broker;
- Analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties");
- The nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order;
- Feedback of operational incidents detected by the managers or the Middle Office.

At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.

This valuation can be based on an analysis report provided by an independent service provider.

The selection of UCIs relies on a threefold analysis:

- A quantitative analysis of the media selected;
- An additional qualitative analysis;
- Due diligence, which aims to validate the option of intervening on a given fund and of setting investment limits on the fund in question and on the corresponding management company.

A post-investment committee meets every six months to review all authorisations given and limits consumed.

For the execution of certain financial instruments, the Management Company uses 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 that assist 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](https://www.ofi-am.fr/pdf/info-reglementaire_CR-frais-intermediation.pdf)

### **INFORMATION RELATING TO REMUNERATIONS OF THE UCITS**

In accordance with the 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:

#### **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 sets remuneration policy and ensures its implementation.

The Company's remuneration policy promotes sound, effective risk management, simultaneously aligns the interests of investors, of the Company and of the 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.

Fixed remuneration is the employee's normal pay for the work expected, corresponding to their qualification. Variable remuneration takes into account, in particular, the Company's results, its equity requirements and the quality of management and 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, and 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 an overall 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.

Depending on changes to the quantitative and qualitative criteria in the years that follow, this allocation may be revised downwards, applying the malus concept.

*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.*

## Quantitative elements

**Total remunerations allocated by the manager to their 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 2019

The 2019 financial and stock market year is coming to an end. It was very positive overall and in actual fact contrasted with the last quarter of 2018, which was characterised by violent consolidation phases.

The major trigger for this bounceback was linked to the drastic change in monetary policy by the US Federal Reserve (Fed). The interest rate "normalisation" phase conducted in 2018 ended sharply at the beginning of 2019 once it became quite clear that the global economy was heading towards a fairly pronounced slowdown.

The economic situation then gradually improved.

There were very negative expectations during the first part of the year, followed by the worst-case expectations. In one year, global growth of close to 4% fell to 3%. However, it may now stabilise. Indeed, the deterioration in statistics and leading indicators seems to be dissipating, and the International Monetary Fund (IMF) anticipates growth of +3.4% for 2020.

The US economy has not been easy to interpret, illustrating the hesitation that has typified the markets since the summer.

On the one hand, it is showing "late-cycle" signs, with a marked slowdown in industry. Companies have indeed been severely affected by the drop in confidence of their managers, who are only making small investments in the context of a trade war and international tensions. At the same time, consumption has held up well. This can be explained by the historically low unemployment rate and the first positive effects of the fall in interest rates which has been in place for a year now, and which also shores up the property market. There is therefore no risk of recession in the coming months, even though the economy is fairly "fragile". Growth will therefore be around 2.2% in 2019 and will slow to around 1.8- 2% next year, according to the IMF's most recent estimates.

In the short term, China must adapt to the tougher trade stance the United States has adopted, which is likely to lead to a reorganisation of global production chains. This will therefore logically weigh on the country's growth, with its growth potential also diminishing under the effect of natural ageing and overcapacities which still exist in industrial sectors and state enterprises. Potential growth will therefore naturally decrease over the next few years, and as the country develops and moves towards an economy with a greater emphasis on services and consumption. Growth will therefore be under 6% in 2020. The IMF forecasts a rate of 5.8%.

In the eurozone, Germany is slowing down more than France as a result of the structure of its economy, which is more industrial and thus more affected by the slowdown in international trade. The step needed to encourage it to opt for fiscal stimulus will probably not be taken or taken as a last resort, despite multiple sources of pressure including from France, which is lobbying the country to launch a large-scale investment plan. But Germany is not in recession as its growth is forecast to be 1.2% in 2020, meaning that emergency measures are not necessary, especially since consumption is holding up well. This is also the case in France, which is much less susceptible to developments in global trade. French growth should logically be a little better, at 1.3%. Growth of slightly more than 1% is expected for the eurozone as a whole, but Brexit is a very considerable hazard which will have an adverse effect in the event of a hard exit.

The Central Banks have already noted this macrostabilisation.

The Chair of the US Federal Reserve, Jerome Powell, has always described himself as pragmatic and "data-dependent", meaning that he intends to adapt his policy to economic developments. Against this backdrop, the Fed cut its key rates by 25 basis points (bps) three times in 2019, bringing the main key monetary rate to 1.75%.

At the European Central Bank (ECB), Mario Draghi laid the groundwork before leaving his post. We must accustom ourselves to the communication of its new President, Christine Lagarde. She entered her post at a sensitive point in time when the ECB's policy was heavily criticised for creating a negative interest rate environment which robs savers of their returns, with troubling consequences: the drop in returns, which should encourage more consumption, in actual fact reinforces the savings rate. In addition, this context weakens life insurance companies and banks. The new President took up her post without making any decisions, instead allowing herself time to conduct an in-depth analysis of the purpose and scope of the ECB's indicators.

### Interest rates

The start of the financial year was directly affected by the Fed's change of direction. Rates fell back again. At the end of the period, the Bund 10-year yield was, for the first time ever, firmly in negative territory at nearly -0.20%, 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 almost 3.25% in October 2018 to almost 1.92% at the end of the financial year, having reached a low of around 1.50% in September 2019. 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 1.4% at the end of the period.

In these circumstances, credit spreads also dropped from January 2019 onwards, in the wake of the new Fed measures and the general recovery of the bond markets in a context where investors facing an unprecedented period of negative interest rates were looking for returns.

Under these conditions, performances on the bond markets proved surprisingly positive. The eurozone government bond index rose by 6.6%, the Investment Grade (IG) bond index rose by over 7%, and the High-Yield (HY) segment rose by around 10% in the eurozone and by nearly 12% (in USD) in the United States.

Emerging bonds noticeably recovered against this backdrop of low interest rates and flows moved back towards this asset class boasting attractive returns. In the end, strong currency debt indices experienced growth of nearly 18% over the period, while local currency debt indices rose by nearly 15% in euros.

Convertible bonds also displayed two different phases in their performance and were significantly up in Europe at the end of the financial year, by 7-10% according to the index.

On currencies, the dollar gained almost 4% against the euro. The RMB, the Chinese currency, a potential source of instability for emerging currencies, was quite weak (defence measures taken by the Chinese authorities to counter the US trade war), falling almost 2% against the dollar over the period.

In Europe, the pound regained ground after the parliamentary elections in December, which gave the Conservative Party a clear majority and the markets a certain visibility: the pound ended the year up almost 4%.

Equity markets experienced a significant upturn from the beginning of 2019. At the same time as this turnaround in US monetary policy, the indices very quickly regained all the ground lost in Q4 2018 from May to June onwards. Then ensued a period of hesitation because of the many macroeconomic and geopolitical uncertainties, before another phase of acceleration at the end of the year as the economic news improved.

Finally, 2019 turned out to be the best year overall for almost 20 years:

American equities rose by 31% in USD (S&P 500 Index, including dividends). 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 followed this trend with performances of between 25% and 30% according to the index (+30.45% 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.

Emerging markets were also up sharply by more than 20% over the period, with a special mention for local Chinese equities (around 35%) and Brazilian equities (almost 30%), but also with high price volatility.

Finally, in terms of commodities, the performance by gold stood out, posting an increase of 17% over the financial year. Oil increased by nearly 35%, primarily for reasons linked to the geopolitical context.

The HFR Global Index representing alternative management rose by almost 5% (hedged in euros), which is satisfactory but disappointing in the general context and illustrates the struggle managers are facing to increase value against this backdrop.

## Management

	OFI Financial Investment – RS Euro Equity Smart Beta					
	XL share	I share	RC EUR share	GI share	GR share	RF share
NAV as at 31/12/2018	€76.29	€113.26	€90.78	€83.77	€83.69	€87.6
NAV as at 31/12/2019	€93.54	€139.03	€112.36	€104.81	€104.6	€109.11
Performance (*) including coupons	25.40% (*)	25.10% (*)	23.77%	25.12%	24.99%	24.55%

Over the same period, the Sub-Fund's benchmark, the Euro Stoxx Reinvested Net Dividends index, rose by 26.11%.

The net assets in the portfolio stood at €285.72 million on 31 December 2019, compared to €257.49 million on 31 December 2018.



Management performs a rebalancing every quarter. This process is divided into several stages, firstly adopting an approach involving sector allocation, taking into account the volatility of each sector concerned and the correlation between sectors. The latter is taken into account in order to offset their contribution to the overall risk. An SRI filter is then applied in order to improve the rating of the securities in which the Sub-Fund invests. Finally, the securities held are weighted within each sector.

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

The Sub-Fund did not use derivative instruments during the year.

Instruments in which the Sub-Fund invested are denominated in euros only.

The OFI FINANCIAL INVESTMENT – RS EURO EQUITY SMART BETA Sub-Fund initially underperformed its benchmark (in particular, due to the effect of an unfavourable allocation as a result of the combination of an overweighting on the Telecommunications sector and an underweighting on the Industrial and Consumer goods sectors) during the first half of 2019, which saw eurozone equity markets post a performance of +17.66% since the start of the year.

Subsequently, during July and August, against a backdrop of returning volatility on the financial markets fuelled by tensions between China and the United States on the issue of trade negotiations between the two countries, the Sub-Fund made up some of the lag in its performance thanks to the resilient effect of the allocations at a sector level.

#### Main movements during the financial year

The Sub-Fund is managed using a systematic modelled approach.

Management performs a rebalancing every quarter.

The portfolio was permanently invested on two-thirds of securities in its investment universe, namely Euro Stoxx 300.

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

The Sub-Fund did not use derivative instruments during 2019.

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

## SRI COMMENTS

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 on the website ([http://www.ofi-am.fr/isr\\_la\\_recherche\\_ISR.php](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 December 2019

	% ASSETS MANAGED	% VALUED/ENTITY	% VALUED / ASSET CLASS
PRIVATE ISSUERS	99.84%	99.84%	100%
UCI	0.16%	0.16%	100%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	

#### Private issuers

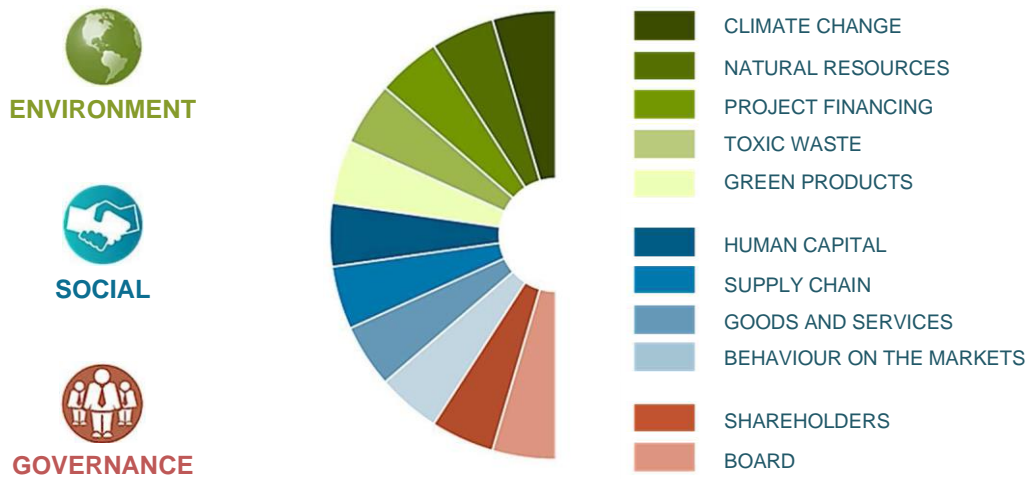
#### ESG analysis

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 into 11 main subject areas



### Reasons for choice of ESG criteria applied

On the list of all "generic" ESG issues

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



## Environmental criteria associated with climate change

### Criteria concerning physical risks

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

### Criteria concerning risks associated with the low carbon transition plan

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

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

## Information used for the analysis

The ESG analysis is based on several sources of information

- Analyses originating from specialist agencies: MSCI, VIGÉO, PROXINVEST, REPRISK
- Analyses and data originating from various media and specialist brokers
- Analyses carried out by OFI AM's SRI analysis team, covering ESG controversies and governance.
- 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 into a rating for 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 20% of issuers in the universe.

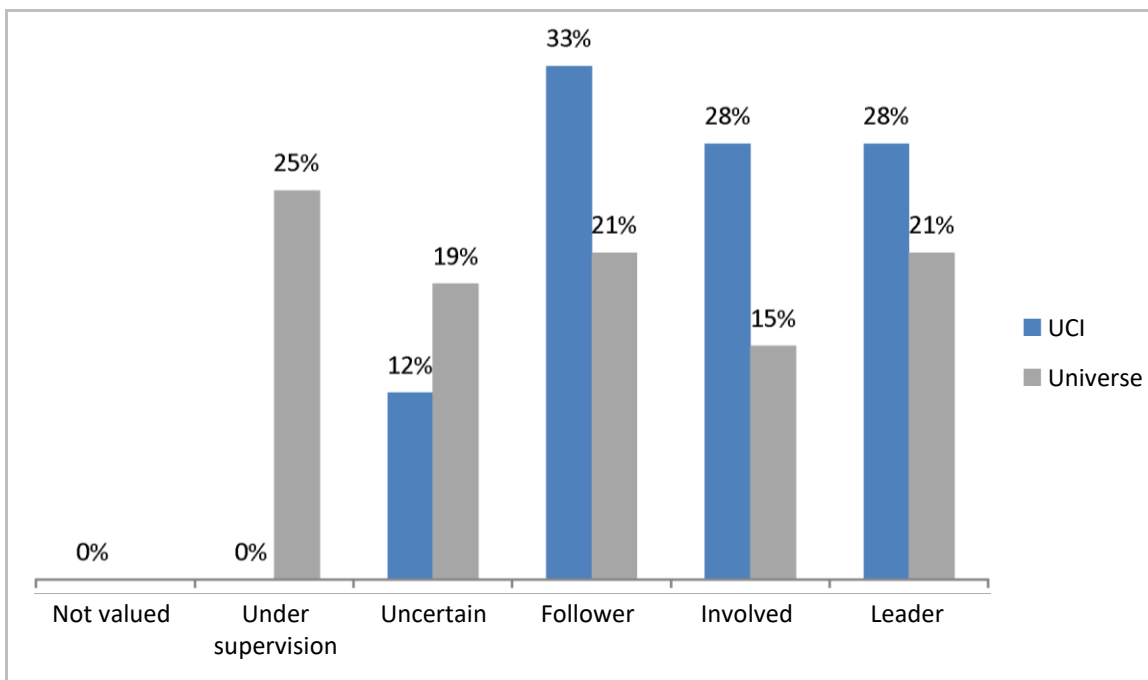
The other issuers are divided up into **4 categories which are equal in terms of number of issuers:**

- **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 the consideration of ESG issues

### Results of the analysis as of 31 December 2019

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

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



Source: OFI AM on 31/12/2019

## **Assessment of ESG risks**

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

### **Analyses of ESG controversies**

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

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

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

Furthermore, a carbon-footprint evaluation is carried out:

#### **Carbon footprint evaluation: Emissions financed**

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

**Estimate of emissions financed (as of 31/12/2019): 130.5 tonnes of CO2 equivalent**

**Availability of information: 97.85% of the total number in the portfolio**

Carbon emissions or GHG (Greenhouse Gas) emissions, expressed in tonnes of CO<sub>2</sub> 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 perimeter of the organisation, that is emissions originating from sources owned or controlled by the organisation, 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 Sub-Fund integrates the ESG analysis into its investment process.

A detailed presentation of this process is available in the Sub-Fund's Transparency Code, which can be found online at [www.ofi-am.fr](http://www.ofi-am.fr) [in French], by selecting the Sub-Fund, then the "Documents" tab.

#### Commitment and voting strategy

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

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

The commitment actions concern:

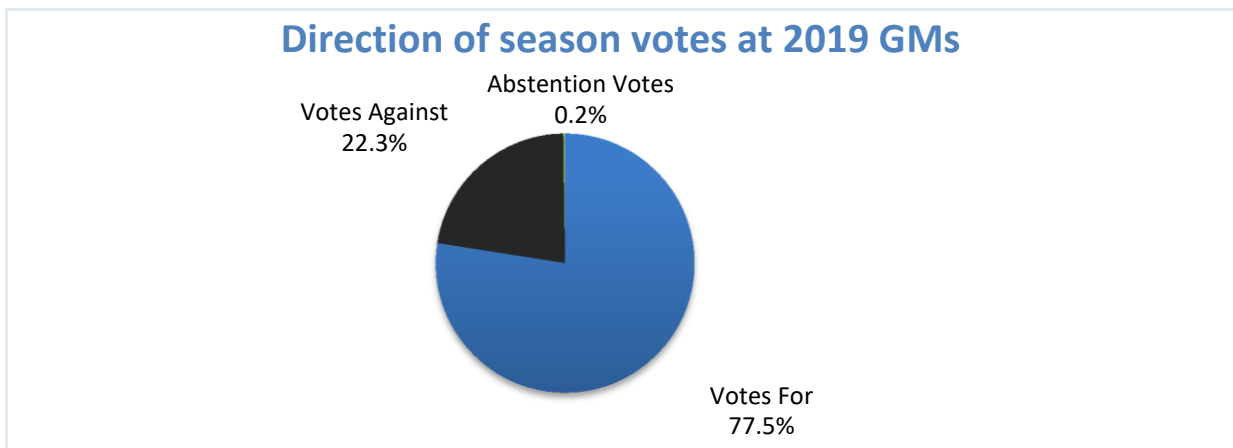
- Issuers for whom the evaluation of consideration of CSR issues reveals a delay in relation to their peers (issuers in the "Under supervision" SRI category);
- Issuers forming the subject of major controversies, when additional information may be useful to the ESG analysis (including information about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

An annual review of measures taken is published at ([https://www.ofi-am.fr/pdf/ISR\\_rapport-de-vote.pdf](https://www.ofi-am.fr/pdf/ISR_rapport-de-vote.pdf)) [in French]

## EXERCISE OF VOTING RIGHTS AT GENERAL MEETINGS

Number of...	GMs in 2019
GMs for which we exercised our voting rights	210
GMs with at least one vote Against or Abstention	175
Resolutions vote on	3139
Resolutions on which votes Against or Abstention	707
Resolutions submitted or jointly submitted with other shareholders	0
Resolutions submitted by shareholders which we supported (For)	9

#### Direction of votes



## 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 31/12/2019

Rates: No position on 31/12/2019

Credit: No position on 31/12/2019

Equities - CFD: No position on 31/12/2019

Commodities: No position on 31/12/2019

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

As at the year-end on 31 December 2019, the OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA Sub-Fund performed neither securities financing transactions nor total return swaps.



## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET ASSETS

	31/12/2019	31/12/2018
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>286,146,278.83</b>	<b>258,015,610.26</b>
<b>Shares and similar securities</b>	<b>285,695,050.41</b>	<b>257,118,907.60</b>
Traded on a regulated or similar market	285,695,050.41	257,118,907.60
Not traded on a regulated or similar market	-	-
<b>Bonds and similar securities</b>	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
<b>Debt securities</b>	-	-
Traded on a regulated market or similar	-	-
Transferable debt securities	-	-
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
<b>Mutual funds</b>	<b>451,228.42</b>	<b>896,702.66</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	451,228.42	896,702.66
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	-	-
<b>Temporary transactions on securities</b>	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	-
Transactions on a regulated or similar market	-	-
Other transactions	-	-
<b>Other financial instruments</b>	-	-
<b>Receivables</b>	<b>70,337.90</b>	<b>455,884.91</b>
Foreign exchange forward transactions	-	-
Others	70,337.90	455,884.91
<b>Financial accounts</b>	<b>12,602.49</b>	<b>18,855.87</b>
Liquid assets	12,602.49	18,855.87
<b>Total assets</b>	<b>286,229,219.22</b>	<b>258,490,351.04</b>

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET LIABILITIES

	31/12/2019	31/12/2018
<b>Equity</b>		
<b>Capital</b>	274,750,443.93	250,578,308.36
<b>Previous net capital gains and losses not distributed (a)</b>	-	1.63
<b>Carry forward (a)</b>	7,280.32	13,534.82
<b>Net capital gains and losses for the financial year (a, b)</b>	4,044,189.27	547,289.05
<b>Result for the financial year (a, b)</b>	6,924,331.18	6,356,408.02
<b>Equity total</b>	<b>285,726,244.70</b>	<b>257,495,541.88</b>
(= Amount representative of net assets)		
<b>Financial instruments</b>	-	-
<b>Purchase and sale transactions on financial instruments</b>	-	-
<b>Temporary transactions on securities</b>	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	-
Transactions on a regulated or similar market	-	-
Other transactions	-	-
<b>Payables</b>	<b>502,973.15</b>	<b>994,809.16</b>
Foreign exchange forward transactions	-	-
Others	502,973.15	994,809.16
<b>Financial accounts</b>	<b>1.37</b>	-
Current bank credit facilities	1.37	-
Borrowing	-	-
<b>Total liabilities</b>	<b>286,229,219.22</b>	<b>258,490,351.04</b>

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

## Off-balance sheet (in euros)

	31/12/2019	31/12/2018
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets	-	-
OTC commitments	-	-
Other commitments	-	-
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets	-	-
OTC commitments	-	-
Other commitments	-	-

## Profit and loss account (in euros)

	31/12/2019	31/12/2018
<b>Income on financial transactions</b>		
Income on deposits and financial accounts	314.22	149.47
Income on shares and similar securities	8,818,657.28	7,509,560.78
Income on bonds and similar securities	-	90,524.94
Income on debt securities	-	-
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
<b>Total (I)</b>	<b>8,818,971.50</b>	<b>7,600,235.19</b>
<b>Expenses on financial transactions</b>		
Expenses on acquisitions and temporary purchase and sale of securities	-	-
Expenses on financial contracts	-	-
Expenses on financial receivables	4,719.04	338.98
Other financial expenses	-	-
<b>Total (II)</b>	<b>4,719.04</b>	<b>338.98</b>
<b>Result on financial transactions (I-II)</b>	<b>8,814,252.46</b>	<b>7,599,896.21</b>
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	805,539.05	1,343,139.36
<b>Net result for financial year (L. 214-17-1) (I - II + III - IV)</b>	<b>8,008,713.41</b>	<b>6,256,756.85</b>
Adjustment of income for financial year (V)	-1,084,382.23	99,651.17
Advances on result paid in respect of financial year (VI)	-	-
<b>Result (I - II + III - IV +/- V - VI)</b>	<b>6,924,331.18</b>	<b>6,356,408.02</b>

# APPENDIX

## ACCOUNTING RULES AND METHODS

The Sub-Fund 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 management company.

The accounting currency for the fund is the euro.

The net asset value is calculated for every non-holiday trading day worked (in Paris), 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 Sub-Fund values its securities at the actual value, the value resulting from the market value or in the absence of any existing market, by using 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

Futures or options, traded on European regulated or similar markets, are valued at the settlement price, or failing this, based on the closing price.

#### Financial contracts not traded on a regulated or similar market (i.e. traded over-the-counter)

- *Financial contracts not traded on a regulated or similar market and settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued at the settlement price.
- *Financial contracts not traded on a regulated or similar market and not settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued using mark-to-model or mark-to-market pricing using prices provided by the counterparties.

## Acquisitions and temporary purchase and sale of securities

Not Applicable

## Deposits

Deposits are valued at their book value.

## Foreign currencies

Foreign currencies in cash are valued with the prices published daily on the financial databases used by the management company.

## Description of off-balance sheet commitments

Futures contracts feature off-balance sheet for their market value, a value equal to the price (or the estimate if the transaction is OTC) multiplied by the number of contracts multiplied by the nominal and potentially translated to the fund posting currency.

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

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

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

## Option chosen regarding posting of costs

The Sub-Fund has opted for posting with costs excluded.

## Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the Sub-Fund, when each net asset value is calculated. The maximum rate applied on the basis of net assets may not be more than:

- 0.35% (including tax); the whole UCI included, for the XL share class
- 0.65% (including tax); the whole UCI included, for the I share class
- 1.50% (including tax); the whole UCI included, for the RC share class
- 0.95% (including tax); the whole UCI included, for the RF share class
- 1.65% (including tax); the whole UCI included, for the GRC share class
- 0.95% (including tax); the whole UCI included, for the GIC share class

These fees cover all costs charged directly to the Sub-Fund, with the exception of transaction costs. Transaction costs include brokerage fees (brokerage, stock market taxes, etc.) and turnover commission, which is charged by the depositary and management company, in particular.

The following may be added to the operating and management fees:

- outperformance commission. This is paid to the management company once the Sub-Fund has exceeded its objectives. It is therefore charged to the Sub-Fund;
- turnover fee charged to the Sub-Fund;

## Description of the method for calculating variable management fees on XL - I - RC and RF shares

Variable fees correspond to an outperformance fee. The calculation period for the outperformance fee runs between 1 August and 31 July each year. Each time the net asset value is established, the outperformance of the Sub-Fund is defined as the positive difference between the net assets of the Sub-Fund before consideration of any provision for outperformance fee, and the net assets of a notional Sub-Fund achieving a performance corresponding to that of the Sub-Fund's benchmark (calculated on the basis of reinvested net dividends) and registering the same pattern of subscriptions and redemptions as the actual Sub-Fund.

Each time the net asset value is established, the outperformance fee, then defined equal to 20% (including tax) of the performance above the Euro Stoxx Reinvested Net Dividends index, forms the subject of a provision, or a provision reversal limited to the existing allocation. Such a provision can only be posted on the condition that the net asset value, after consideration after any provision for outperformance fee, is higher than the net asset value at the start of the financial year. In the case of negative absolute performance, when the relative performance of the Sub-Fund is positive, this same outperformance fee shall also be collected, but this shall be limited to 1.5% of the Net Assets.

By way of exception for RF shares, the initial calculation period for the outperformance fee will run between 09/03/2018 and 31 July 2019.

In the case of redemptions, the share of the outperformance fee corresponding to the redeemed shares is collected by the management company. Apart from redemptions, the outperformance fee is collected by the management company after 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

#### Distributable amounts relating to the net result:

##### XL and I shares:

the management company decides, each year, on allocation of the net result. The management company may decide on the payment of exceptional part payments.

##### RC – RF – GIC – GRC shares:

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 on the allocation of the capital gains made on an annual basis. The management company may decide on the payment of exceptional part payments.

## Evolution of net assets of the UCI (in euros)

	31/12/2019	31/12/2018
<b>Net assets at the beginning of the financial year</b>	<b>257,495,541.88</b>	<b>292,857,965.12</b>
Subscriptions (including subscription fees retained by the UCI)	54,187,845.19	53,469,985.75
Redemptions (after deduction of redemption fees retained by the UCI)	-83,658,824.52	-45,989,889.40
Capital gains made on deposits and financial instruments	24,861,332.86	17,000,966.89
Capital losses made on deposits and financial instruments	-19,273,136.53	-15,727,477.80
Capital gains made on financial contracts	-	-
Capital losses made on financial contracts	-	-
Transaction costs	-892,952.01	-637,925.95
Exchange differences	58,914.87	259,864.96
Change in difference in estimate of deposits and financial instruments	51,655,818.87	-45,518,179.51
Difference of estimate financial year N	25,666,553.46	
Difference of estimate financial year N - 1	-25,989,265.41	
Change in difference in estimate of financial contracts	-	-
Difference of estimate financial year N	-	-
Difference of estimate financial year N - 1	-	-
Distribution for the previous financial year on net capital gains and losses	-	-
Distribution for the previous financial year on result	-6,717,009.32	-4,599,976.09
Net result of the financial year before accruals account	8,008,713.41	6,256,756.85
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-	123,451.06 <sup>(8)</sup>
<b>Net assets at the end of the financial year</b>	<b>285,726,244.70</b>	<b>257,495,541.88</b>

(8) Compensation to the fund paid by the management company and the broker



## Allocation by legal or economic nature

Designation of securities	Nominal	%
<b>Assets</b>		
<b>Bonds and similar securities</b>	-	-
Indexed Bonds	-	-
Convertible Bonds	-	-
Equity Securities	-	-
Other Bonds	-	-
<b>Debt securities</b>	-	-
Short-term negotiable securities	-	-
Medium-term negotiable securities	-	-
<b>Liabilities</b>		
<b>Purchase and sale transactions on financial instruments</b>	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Others	-	-
<b>Off-balance sheet</b>		
Rate	-	-
Shares	-	-
Credit	-	-
Others	-	-

## Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	12,602.49	0.00
<b>Liabilities</b>								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	1.37	0.00

## Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Allocation by residual maturity

	< 3 months	%	]3 months – 1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>Assets</b>										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	12,602.49	0.00	-	-	-	-	-	-	-	-
<b>Liabilities</b>										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	1.37	0.00	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

## Allocation by currency

	GBP	%	USD	%		%		%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Shares and similar securities	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
UCI	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Financial accounts	-	-	0.01	0.00	-	-	-	-

## Allocation by currency (continued)

	GBP	%	USD	%		%		%
<b>Liabilities</b>								
Purchase and sale transactions on financial instruments	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-
Financial accounts	1.37	0.00	-	-	-	-	-	-
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Sundry debtors and creditors

	31/12/2019
<b>Receivables</b>	
Coupons receivable	69,813.58
Subscriptions receivable	524.32
<b>Total receivables</b>	<b>70,337.90</b>
<b>Payables</b>	
Provision for fixed management fees payable	-131,273.61
Provision for variable management fees payable	-371,699.54
<b>Total payables</b>	<b>-502,973.15</b>
<b>Total</b>	<b>-432,635.25</b>

## Subscriptions-redemptions

<b>XL share class</b>	
Shares issued	553,161.1296
Shares redeemed	758,029.6396
<b>I share class</b>	
Shares issued	50,949.3468
Shares redeemed	132,654.5737
<b>RC share class</b>	
Shares issued	6,989.5488
Shares redeemed	2,655.9208
<b>RF share class</b>	
Shares issued	100.0000
Shares redeemed	-

## Commissions

<b>XL share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>I share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>RC share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>RF share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

## Management fees

<b>XL share class</b>	
Percentage of fixed management fees	0.35
Performance commission (variable costs)	-277,350.38
Retrocession of management fees	-
<b>I share class</b>	
Percentage of fixed management fees	0.65
Performance commission (variable costs)	-59,350.76
Retrocession of management fees	-
<b>RC share class</b>	
Percentage of fixed management fees	1.35
Performance commission (variable costs)	436.90
Retrocession of management fees	-
<b>GIC share class</b>	
Percentage of fixed management fees	0.55
Performance commission (variable costs)	0.00
Retrocession of management fees	-
<b>GRC share class</b>	
Percentage of fixed management fees	0.66
Performance commission (variable costs)	0.00
Retrocession of management fees	-
<b>RF share class</b>	
Percentage of fixed management fees	0.85
Performance commission (variable costs)	29.81
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)
<b>Current value of financial instruments forming the subject of temporary acquisition</b>				
Nil				
<b>Current value of financial instruments constituting guarantee deposits</b>				
<b>Financial instruments received as guarantee and not posted on the balance sheet</b>				
Nil				
<b>Financial instruments given as guarantee and kept in their original entry</b>				
Nil				
<b>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</b>				
FR0000008997	OFI RS LIQUIDITES	103.5847	4,356.13	451,228.42

## 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)

	31/12/2019	31/12/2018
<b>XL share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	5,526.49	13,534.82
Profit/loss	6,140,841.66	5,553,766.27
<b>Total</b>	<b>6,146,368.15</b>	<b>5,567,301.09</b>
<b>Allocation</b>		
Distribution	-	5,561,351.97
Carry forward for the financial year	-	5,949.12
Capitalisation	6,146,368.15	-
<b>Total</b>	<b>6,146,368.15</b>	<b>5,567,301.09</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	2,676,661.0064	2,881,529.5164
Unit distribution	-	1.93
Tax credits attached to distribution of result	-	-
<b>I share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	1,753.83	-
Profit/loss	777,037.56	802,628.56
<b>Total</b>	<b>778,791.39</b>	<b>802,628.56</b>
<b>Allocation</b>		
Distribution	-	800,302.44
Carry forward for the financial year	-	2,326.12
Capitalisation	778,791.39	-
<b>Total</b>	<b>778,791.39</b>	<b>802,628.56</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	250,370.4733	332,075.7002
Unit distribution	-	2.41
Tax credits attached to distribution of result	-	-
<b>RC share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	6,236.93	7.33
<b>Total</b>	<b>6,236.93</b>	<b>7.33</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	6,236.93	7.33
<b>Total</b>	<b>6,236.93</b>	<b>7.33</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-

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

	31/12/2019	31/12/2018
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>GIC share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	2.40	1.94 <sup>(9)</sup>
<b>Total</b>	<b>2.40</b>	<b>1.94</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	2.40	1.94
<b>Total</b>	<b>2.40</b>	<b>1.94</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>GRC share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	2.31	1.87 <sup>(10)</sup>
<b>Total</b>	<b>2.31</b>	<b>1.87</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	2.31	1.87
<b>Total</b>	<b>2.31</b>	<b>1.87</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	210.32	2.05 <sup>(11)</sup>
<b>Total</b>	<b>210.32</b>	<b>2.05</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	210.32	2.05

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

	31/12/2019	31/12/2018
<b>Total</b>	<b>210.32</b>	<b>2.05</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

(9) The GIC unit category was created on 19 January 2018.

(10) The GRC unit category was created on 19 January 2018.

(11) The RF unit category was created on 9 March 2018.

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

	31/12/2019	31/12/2018
<b>XL share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	3,543,994.54	470,730.51
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>3,543,994.54</b>	<b>470,730.51</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	3,543,994.54	470,730.51
<b>Total</b>	<b>3,543,994.54</b>	<b>470,730.51</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	2,676,661.0064	2,881,529.5164
Unit distribution	-	-
<b>I share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	492,724.49	76,485.19
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>492,724.49</b>	<b>76,485.19</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	492,724.49	76,485.19
<b>Total</b>	<b>492,724.49</b>	<b>76,485.19</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	250,370.4733	332,075.7002



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

	31/12/2019	31/12/2018
Unit distribution	-	-
<b>RC share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	1.63
Net capital gains and losses for the financial year	7,323.27	75.56
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>7,323.27</b>	<b>77.19</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	7,323.27	77.19
<b>Total</b>	<b>7,323.27</b>	<b>77.19</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	4,603.0913	269.4633
Unit distribution	-	-
<b>GIC share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	1.39	-0.66 <sup>(12)</sup>
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>1.39</b>	<b>-0.66</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	1.39	-0.66
<b>Total</b>	<b>1.39</b>	<b>-0.66</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	1.0000
Unit distribution	-	-
<b>GRC share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	1.37	-0.71 <sup>(13)</sup>
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>1.37</b>	<b>-0.71</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-

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

	31/12/2019	31/12/2018
Capitalisation	1.37	-0.71
<b>Total</b>	<b>1.37</b>	<b>-0.71</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	1.0000
Unit distribution	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	144.21	-0.84 <sup>(14)</sup>
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>144.21</b>	<b>-0.84</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	144.21	-0.84
<b>Total</b>	<b>144.21</b>	<b>-0.84</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	101.0000	1.0000
Unit distribution	-	-

(12) The GIC unit category was created on 19 January 2018.

(13) The GRC unit category was created on 19 January 2018.

(14) The RF unit category was created on 9 March 2018.

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

	31/12/2019	31/12/2018	29/12/2017	30/12/2016	31/12/2015
<b>Net assets</b>					
EUR units	285,726,244.70	257,495,541.88	292,857,965.12	137,758,332.70	98,598,356.24
<b>Number of securities</b>					
XL share class	2,676,661.0064	2,881,529.5164	2,793,737.3570	1,305,208.3719	1,137,001.0000
I share class	250,370.4733	332,075.7002	328,014.1207	304,323.8197	114,140.0000
RC share class	4,603.0913	269.4633	1.0000	-	-
GIC share class	1.0000	1.0000	-	-	-
GRC share class	1.0000	1.0000	-	-	-
RF share class	101.0000	1.0000	-	-	-
<b>Unit net asset value</b>					
XL share class in EUR	93.54	76.29	89.46	78.85	75.66

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

	31/12/2019	31/12/2018	29/12/2017	30/12/2016	31/12/2015
I share class in EUR	139.03	113.26	130.87	114.48	110.07 <sup>(15)</sup>
RC share class in EUR	112.36	90.78	104.11 <sup>(16)</sup>	-	-
GIC share class in EUR	104.81	83.77 <sup>(17)</sup>	-	-	-
GRC share class in EUR	104.60	83.69 <sup>(18)</sup>	-	-	-
RF share class in EUR	109.11	87.60 <sup>(19)</sup>	-	-	-
<b>Unit distribution on net capital gains and losses (including advances)</b>					
XL share class in EUR	-	-	-	-	-
I share class in EUR	-	-	-	-	-
RC share class in EUR	-	-	-	-	-
GIC share class in EUR	-	-	-	-	-
GRC share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit distribution on result (including advances)</b>					
XL share class in EUR	-	1.93	1.64	0.88	1.19
I share class in EUR	-	2.41	-	-	1.67
RC share class in EUR	-	-	-	-	-
GIC share class in EUR	-	-	-	-	-
GRC share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit tax credit transferred to bearer (individuals)</b>					
XL share class in EUR	-	-	-	-	-
I share class in EUR	-	-	-	-	-
RC share class in EUR	-	-	-	-	-
GIC share class in EUR	-	-	-	-	-
GRC share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit capitalisation</b>					
XL share class in EUR	3.62	0.16	6.48	-	2.14
I share class in EUR	5.07	0.23	12.19	0.92	3.11
RC share class in EUR	2.94	0.31	-0.16	-	-
GIC share class in EUR	3.79	1.28	-	-	-
GRC share class in EUR	3.68	1.16	-	-	-
RF share class in EUR	3.51	1.21	-	-	-

(15) The I unit category was created on 16 January 2015 with a nominal value of EUR 100.00.

(16) The RC unit category was created on 7 July 2017 with a nominal value of EUR 100.00.

(17) The GIC unit category was created on 19 January 2018 with a nominal value of EUR 100.00.

(18) The GRC unit category was created on 19 January 2018 with a nominal value of EUR 100.00.

(19) The RF unit category was created on 9 March 2018 with a nominal value of EUR 100.00.

## Portfolio inventory as of 31 December 2019

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
<b>Deposits</b>			-	-
<b>Financial instruments</b>				
<b>Shares and similar securities</b>			<b>285,695,050.41</b>	<b>99.99</b>
Traded on a regulated or similar market			285,695,050.41	99.99
A2A SPA	EUR	1,764,747.00	2,950,656.98	1.03
AALBERTS BR BEARER SHS	EUR	14,986.00	599,589.86	0.21
ABN AMRO GROUP N.V.	EUR	37,102.00	601,794.44	0.21
ACCOR SA	EUR	37,359.00	1,559,738.25	0.55
ADIDAS NOM	EUR	3,561.00	1,031,977.80	0.36
ADP	EUR	3,350.00	589,935.00	0.21
AEGON NV	EUR	155,407.00	632,040.27	0.22
AENA SME SA	EUR	3,163.00	539,291.50	0.19
AGEAS NV	EUR	11,614.00	611,825.52	0.21
AIR LIQUIDE	EUR	14,083.00	1,777,274.60	0.62
AKZO NOBEL NV	EUR	20,345.00	1,844,070.80	0.65
ALLIANZ SE-NOM	EUR	2,810.00	613,704.00	0.21
ALSTOM	EUR	14,157.00	597,850.11	0.21
ALSTRIA OFFICE REIT AG	EUR	37,056.00	620,688.00	0.22
AMPLIFON	EUR	67,242.00	1,724,084.88	0.60
AMUNDI SA	EUR	9,470.00	661,953.00	0.23
ANDRITZ AG	EUR	14,741.00	566,054.40	0.20
ARGEN-X N V	EUR	14,518.00	2,084,784.80	0.73
ARKEMA	EUR	19,645.00	1,860,381.50	0.65
ASM INTERNATIONAL NV	EUR	18,671.00	1,869,900.65	0.65
ASML HOLDING N.V.	EUR	6,966.00	1,836,934.20	0.64
ASSICURAZIONI GENERALI	EUR	33,587.00	617,832.87	0.22
ATOS SE	EUR	24,013.00	1,784,646.16	0.62
AXA	EUR	25,863.00	649,419.93	0.23
BANCO BILBAO VIZCAYA ARGENTA	EUR	126,392.00	629,811.34	0.22
BANCO DE SABADELL	EUR	682,007.00	709,287.28	0.25
BANCO ESPERITO SANTO REG	EUR	139,808.00	13.98	0.00
BANKIA	EUR	341,796.00	650,266.89	0.23
BANKINTER	EUR	105,061.00	686,258.45	0.24
BAYERISCHE MOTORENWERKE	EUR	15,513.00	1,134,620.82	0.40
BEIERSDORF	EUR	9,388.00	1,001,230.20	0.35
BIOMERIEUX SA	EUR	20,021.00	1,588,666.35	0.56
BNP PARIBAS	EUR	13,513.00	713,891.79	0.25
BOLSAS Y MERCADOS ESPANOLES	EUR	25,412.00	873,664.56	0.31
BRENNTAG AG	EUR	37,409.00	1,813,588.32	0.63
BUREAU VERITAS	EUR	24,052.00	559,449.52	0.20
CAIXABANK	EUR	249,587.00	698,344.43	0.24
CAP GEMINI SE	EUR	14,443.00	1,572,842.70	0.55
CARL ZEISS MEDITEC	EUR	14,393.00	1,636,484.10	0.57
CASINO GUICHARD	EUR	32,533.00	1,356,626.10	0.47
CHRISTIAN DIOR SE	EUR	2,310.00	1,055,208.00	0.37

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
CNH INDUSTRIAL N.V	EUR	56,757.00	555,651.03	0.19
CNP ASSURANCES	EUR	33,431.00	592,731.63	0.21
COMMERZBANK	EUR	114,208.00	630,085.54	0.22
COMPAGNIE DE SAINT-GOBAIN SA	EUR	14,979.00	546,733.50	0.19
CONTINENTAL AG	EUR	8,414.00	969,797.64	0.34
COVESTRO AG	EUR	36,779.00	1,524,489.55	0.53
COVIVIO SA REITS	EUR	6,206.00	628,047.20	0.22
CREDIT AGRICOLE SA	EUR	54,248.00	701,155.40	0.25
CRH PLC	EUR	17,502.00	624,296.34	0.22
DANONE SA	EUR	12,646.00	934,539.40	0.33
DASSAULT SYSTEMES	EUR	12,009.00	1,759,918.95	0.62
DAVIDE CAMPARI MILANO SP	EUR	119,806.00	975,220.84	0.34
DEUTSCHE BOERSE AG	EUR	4,245.00	594,936.75	0.21
DEUTSCHE LUFTHANSA NOM	EUR	96,637.00	1,585,813.17	0.56
DEUTSCHE WOHNEN AG REIT	EUR	17,900.00	651,918.00	0.23
DIALOG SEMICONDUCTOR	EUR	36,197.00	1,632,846.67	0.57
DIASORIN SPA	EUR	14,378.00	1,659,221.20	0.58
E.ON SE	EUR	328,121.00	3,125,024.40	1.09
EDENRED	EUR	12,433.00	573,161.30	0.20
EDP - ENERGIAS DE PORTUGAL	EUR	827,181.00	3,196,227.38	1.12
ELIA SYSTEM OPERATOR	EUR	39,787.00	3,147,151.70	1.10
ELIS SA	EUR	33,413.00	618,140.50	0.22
ELISA OYJ	EUR	103,951.00	5,119,586.75	1.79
ENAGAS	EUR	136,568.00	3,105,556.32	1.09
ENDESA	EUR	123,128.00	2,929,215.12	1.03
ENEL SPA	EUR	437,246.00	3,092,203.71	1.08
ERSTE GROUP BANK	EUR	19,655.00	659,621.80	0.23
ESSILOR LUXOTTICA SA	EUR	11,739.00	1,594,156.20	0.56
EUROFINS SCIENTIFIC	EUR	3,531.00	1,745,020.20	0.61
EUTELSAT COMMUNICATIONS	EUR	82,318.00	1,192,787.82	0.42
EVONIK INDUSTRIES AG	EUR	73,722.00	2,005,975.62	0.70
EVOTEC SE	EUR	75,031.00	1,729,464.55	0.61
EXOR HOLDINGS N.V	EUR	9,823.00	678,572.84	0.24
FAURECIA	EUR	23,453.00	1,126,447.59	0.39
FERRARI NV	EUR	7,148.00	1,057,189.20	0.37
FERROVIAL SA	EUR	20,684.00	557,847.48	0.20
FINECOBANK	EUR	61,956.00	662,309.64	0.23
FLUTTER ENTMT RG	EUR	13,690.00	1,483,311.50	0.52
FRAPORT	EUR	7,028.00	532,581.84	0.19
FREENET	EUR	255,652.00	5,225,526.88	1.83
GALP ENERGIA SGPS SA-B	EUR	262,345.00	3,908,940.50	1.37
GEA GROUP AG	EUR	21,367.00	629,899.16	0.22
GECINA REIT	EUR	4,161.00	664,095.60	0.23
GERRESHEIMER AG	EUR	23,325.00	1,609,425.00	0.56
GETLINK SE	EUR	39,366.00	610,566.66	0.21

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
GRAND CITY PROPERTIES S.A.	EUR	29,180.00	623,868.40	0.22
GRENKE AG	EUR	7,883.00	727,206.75	0.25
GRIFOLS SA	EUR	56,959.00	1,790,221.37	0.63
GROUPE BRUXELLES LAMBERT	EUR	6,815.00	640,337.40	0.22
HEINEKEN NV	EUR	10,278.00	975,587.76	0.34
HELLA GMBH & CO KGAA	EUR	24,005.00	1,184,406.70	0.41
HENKEL KGAA VZ PFD	EUR	11,125.00	1,025,725.00	0.36
HERA SPA	EUR	782,826.00	3,053,021.40	1.07
HOCHTIEF	EUR	5,048.00	573,957.60	0.20
IBERDROLA SA	EUR	316,752.00	2,907,783.36	1.02
ICADE REIT	EUR	7,366.00	714,870.30	0.25
ILIAD	EUR	56,326.00	6,508,469.30	2.28
IMCD B.V	EUR	24,735.00	1,924,383.00	0.67
INDITEX	EUR	50,803.00	1,597,754.35	0.56
INFINEON TECHNOLOGIES AG-NOM	EUR	94,601.00	1,921,346.31	0.67
INGENICO GROUP SA	EUR	17,716.00	1,714,908.80	0.60
INMOBILIARIA COLONIAL SA	EUR	53,639.00	609,339.04	0.21
INTESA SANPAOLO SPA	EUR	275,629.00	647,314.71	0.23
ITALGAS SPA	EUR	501,414.00	2,729,697.82	0.96
JC DECAUX	EUR	56,308.00	1,547,343.84	0.54
JERONIMO MARTINS SGPS SA	EUR	94,034.00	1,379,008.61	0.48
KBC GROUPE	EUR	10,198.00	683,877.88	0.24
KERING	EUR	3,110.00	1,819,972.00	0.64
KERRY GROUP A	EUR	9,446.00	1,049,450.60	0.37
KESKO OYJ B	EUR	24,789.00	1,563,690.12	0.55
KINGSPAN GROUP PLC	EUR	11,927.00	649,425.15	0.23
KLEPIERRE REITS	EUR	19,433.00	657,807.05	0.23
KONE B	EUR	10,294.00	599,934.32	0.21
KONECRANES OYJ	EUR	18,511.00	507,201.40	0.18
KONINKLIJKE AHOLD DELHAIZE	EUR	62,250.00	1,387,863.75	0.49
KONINKLIJKE DSM NV	EUR	15,141.00	1,757,870.10	0.62
KONINKLIJKE KPN NV	EUR	1,743,898.00	4,588,195.64	1.61
KONINKLIJKE PHILIPS N.V.	EUR	36,620.00	1,593,702.40	0.56
KONINKLIJKE VOPAK N.V.	EUR	11,484.00	555,021.72	0.19
L'OREAL SA	EUR	4,009.00	1,058,376.00	0.37
LEG IMMOBILIEN REIT	EUR	5,693.00	600,896.15	0.21
LEGRAND	EUR	8,278.00	601,313.92	0.21
LEONARDO AZIONE POST RAGGRUPPAMENTO	EUR	49,823.00	520,650.35	0.18
MERCK KGAA	EUR	14,704.00	1,549,066.40	0.54
METSO OYJ	EUR	15,916.00	559,924.88	0.20
MICHELIN (CGDE)-SA	EUR	9,696.00	1,057,833.60	0.37
MORPHOSYS	EUR	15,609.00	1,979,221.20	0.69
MUENCHENER RUECKVERSICHERUNGS AG-NOM	EUR	2,519.00	662,497.00	0.23
NATIXIS	EUR	159,076.00	629,622.81	0.22
NATURGY ENERGY GROUP SA	EUR	120,751.00	2,704,822.40	0.95

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
NESTE CORPORATION	EUR	122,075.00	3,786,766.50	1.33
NN GROUP NV	EUR	18,752.00	634,192.64	0.22
NOKIA OYJ	EUR	339,343.00	1,118,474.53	0.39
NOKIAN RENKAAT OYJ	EUR	38,229.00	979,809.27	0.34
OMV AG	EUR	73,859.00	3,698,858.72	1.29
ORPEA	EUR	13,839.00	1,581,797.70	0.55
OSRAM LICHT	EUR	13,294.00	586,930.10	0.21
PERNOD RICARD	EUR	6,176.00	984,454.40	0.34
PEUGEOT SA	EUR	44,586.00	949,681.80	0.33
PIRELLI C SPA	EUR	183,962.00	945,564.68	0.33
PROSIEBENSAT1 MEDIA SE	EUR	111,991.00	1,557,794.81	0.55
PROXIMUS	EUR	176,759.00	4,510,889.68	1.58
PRYSMIAN SPA	EUR	27,733.00	595,982.17	0.21
PUMA AG	EUR	14,324.00	979,045.40	0.34
QIAGEN NV	EUR	50,622.00	1,541,946.12	0.54
RANDSTAD HOLDING NV	EUR	11,772.00	640,867.68	0.22
RED ELECTRICA CORPORACION SA	EUR	158,721.00	2,845,073.93	1.00
REMY COINTREAU	EUR	8,207.00	898,666.50	0.31
REPSOL	EUR	252,611.00	3,518,871.23	1.23
REPSOL SA RGT 07/01/2020	EUR	261,457.00	110,596.31	0.04
REXEL	EUR	54,574.00	646,429.03	0.23
RTL GROUP	EUR	32,183.00	1,415,408.34	0.50
SAP SE	EUR	14,449.00	1,738,503.68	0.61
SARTORIUS STEDIM BIOTECH	EUR	11,880.00	1,754,676.00	0.61
SARTORIUS VZ PFD	EUR	3,232.00	616,665.60	0.22
SCHNEIDER ELECTRIC SA	EUR	6,759.00	618,448.50	0.22
SCOR SE ACT PROV	EUR	15,619.00	584,462.98	0.20
SES GLOBAL FDR	EUR	86,252.00	1,078,150.00	0.38
SIEMENS AG-NOM	EUR	5,497.00	640,620.38	0.22
SIEMENS GAMESA RENEWABLE ENERGY SA	EUR	294,575.00	4,605,680.13	1.61
SIGNIFY NV	EUR	21,215.00	591,049.90	0.21
SMURFIT KAPPA	EUR	19,517.00	668,652.42	0.23
SNAM RETE GAS	EUR	779,720.00	3,653,767.92	1.28
SOCIETE GENERALE A	EUR	24,195.00	750,407.93	0.26
SODEXO	EUR	13,965.00	1,475,402.25	0.52
SOLVAY	EUR	17,575.00	1,815,497.50	0.64
SOPRA STERIA GROUP SA	EUR	13,599.00	1,951,456.50	0.68
SPIE SA	EUR	29,087.00	528,219.92	0.18
STMICROELECTRONICS NV	EUR	88,573.00	2,123,094.81	0.74
STORA ENSO OYJ-R	EUR	150,316.00	1,948,846.94	0.68
TAKEAWAY COM HOLDING BV	EUR	19,460.00	1,599,612.00	0.56
TECHNIPFMC PLC	EUR	167,450.00	3,166,479.50	1.11
TELECOM ITALIA SPA	EUR	9,304,114.00	5,176,809.03	1.81
TELEFONICA DEUTSCHLAND HOLDING AG	EUR	1,914,801.00	4,947,845.78	1.73
TELEFONICA SA	EUR	701,314.00	4,367,082.28	1.53

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
TELENET GROUP HOLDING	EUR	32,763.00	1,312,485.78	0.46
TELEPERFORMANCE SE	EUR	2,723.00	591,980.20	0.21
TERNA SPA	EUR	501,758.00	2,987,467.13	1.05
UBISOFT ENTERTAINMENT	EUR	15,585.00	959,724.30	0.34
UCB SA	EUR	22,666.00	1,607,019.40	0.56
UMICORE SA	EUR	48,784.00	2,115,274.24	0.74
UNIBAIL RODAMCO SE REITS	EUR	4,905.00	689,888.25	0.24
UNICREDIT SPA	EUR	55,218.00	718,938.36	0.25
UNILEVER NV	EUR	17,540.00	898,574.20	0.31
UPM KYMMENE OYJ	EUR	60,882.00	1,881,862.62	0.66
VALEO SA	EUR	34,223.00	1,074,944.43	0.38
VALMET CORPORATION	EUR	31,137.00	665,086.32	0.23
VERBUND A	EUR	59,821.00	2,676,391.54	0.94
VINCI SA	EUR	5,564.00	550,836.00	0.19
VOESTALPINE AG	EUR	78,392.00	1,948,825.12	0.68
VONOVIA SE NAMEN AKT REIT	EUR	12,735.00	611,280.00	0.21
WARTSILA OYJ	EUR	53,273.00	524,739.05	0.18
WENDEL ACT	EUR	4,812.00	570,222.00	0.20
WIENERBERGER	EUR	24,289.00	641,715.38	0.22
WOLTERS KLUWER CVA	EUR	21,563.00	1,402,026.26	0.49
WORLDLINE	EUR	9,370.00	591,715.50	0.21
ZALANDO	EUR	34,432.00	1,555,637.76	0.54
Not traded on a regulated or similar market			-	-
<b>Bonds and similar securities</b>			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
<b>Debt securities</b>			-	-
Traded on a regulated market or similar			-	-
Transferable debt securities			-	-
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
<b>Mutual funds</b>			<b>451,228.42</b>	<b>0.16</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			451,228.42	0.16
OFI RS LIQUIDITES	EUR	103.5847	451,228.42	0.16
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			-	-
<b>Temporary transactions on securities</b>			-	-
Receivables representative of securities under repurchase agreements			-	-
Receivables representative of securities lent			-	-
Securities borrowed			-	-



## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Securities given under a repurchase agreement			-	-
Payables representative of securities given under a repurchase agreement			-	-
Payables representative of securities borrowed			-	-
Other temporary transactions			-	-
<b>Purchase and sale transactions on financial instruments</b>			-	-
<b>Financial contracts</b>			-	-
Transactions on a regulated or similar market			-	-
Other transactions			-	-
<b>Other financial instruments</b>			-	-
<b>Receivables</b>			70,337.90	0.02
<b>Payables</b>			-502,973.15	-0.18
<b>Financial accounts</b>			12,601.12	0.00
<b>NET ASSETS</b>			<b>285,726,244.70</b>	<b>100.00</b>

## ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

OFI Asset Management has notified the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of its intention to distribute the units of the Fund **OFI FINANCIAL INVESTMENT – RS EURO EQUITY SMART BETA** in the Federal Republic of Germany and has been authorized to distribute the units in the Federal Republic of Germany upon completion of the notification procedure.

It will be ensured that the Fund continuously qualify as a “mixed fund”, as defined in the German Investment Tax Act 2018.

### Paying and Information Agent

OLDENBURGISCHE LANDESBANK AG, a bank established under the laws of Germany, having its registered office at Stau 15/17, 26122 Oldenburg, registered with the Oldenburg Trade Registry, number HRB 3003, has undertaken the function of Paying and Information Agent for the Fund in the Federal Republic of Germany (the “German Paying and Information Agent”)

### Information and Documents

For unit-holders resident in Germany, the following documents are available for inspection in hard copy, free of charge and upon request at the German Paying and Information Agent:

- Prospectus
- Key Investor Information Documents
- Articles of Incorporation
- The latest annual report, and the most recent semi-annual report, if published thereafter
- Custody and Administration Agreements
- Paying Agency Agreement

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

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

# ANNUAL REPORT

Financial year ended 31 December 2019



## OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM Sub-Fund

Bonds and other debt securities  
denominated in euros

### Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Management Company by delegation

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Depository and Custodian

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

### Administrative and accounts management

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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as of 31 December 2019

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## MANAGEMENT DIRECTION

### AMF classification

Bonds and other debt securities denominated in euros.

### Management objective

The management objective of the Sub-Fund is to achieve a performance greater than that of the EONIA index capitalised daily over the recommended investment period, through exposure to interest rate products, implementing an SRI approach.

### Benchmark

The benchmark against which the investor can compare performance of the Sub-Fund is the EONIA capitalised daily. The EONIA (Euro OverNight Index Average) corresponds to the average overnight rate in the eurozone; it is calculated by the European Central Bank and represents the European risk-free rate. In accordance with the European Benchmark Regulation, EMMI the supplier of the benchmark is not registered on the ESMA register. For further information on the capitalised EONIA index, please refer to the supplier's website: <https://www.emmi-benchmarks.eu/euribor-eonia-org/about-eonia.html>.

The Management Company is able to replace the benchmark if it is substantially modified or ceases to be provided.

### Management strategy

The portfolio is built and managed based on a quantitative and qualitative investment universe, in order to integrate securities into the Sub-Fund that are deemed to suit the management objectives and constraints.

The aim of the Sub-Fund is to take advantage of:

- Developments in short-term rates over the monetary cycle change period; It will be the responsibility of the managers to actively guide the sensitivity of the Sub-Fund. So in the event that the managers favour a rise in rates, the sensitivity of the Sub-Fund will be reduced in order to lessen the impact of the expected rise on the net asset value. Conversely, when a dip in key rates occurs, the sensitivity will be increased in order to benefit from the appreciation in fixed-rate securities.

The sensitivity of the Sub-Fund will change within a range of 0 to 2

- Active management of issuers coming into the composition of the portfolio. The development of credit spreads (credit margins existing between securities issued by private entities and those issued by States) will have a significant impact on the development of the net asset value. The choice of issuers in which the Sub-Fund invests is an important part of building up the expected performance. The selection of individual issuers calls on the combined expertise of OFI AM credit analysts (fundamental analysis) and credit managers (market analysis), as well as a quantitative analysis in order to select issuers who suit the management constraints and offer the best potential for appreciation. Please note that there is no investment in sovereign issuers.

In the context of his management, the manager will select securities whose maturity is at most three years.

These strategies can be implemented simultaneously in the Sub-Fund.

Concomitantly with the financial analysis, the manager complements his study with the analysis of non-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.

The SRI analysis team defines a sector-based reference of the key issues (Environmental, Social, Governance listed above), selecting for each sector of activity the most important ESG issues for this sector. Based on the sectoral benchmark for key issues, an ESG Score is calculated per issuer, which includes, on the one hand, the key issue scores (with a weighting of 70% for Environmental and Social issues and 30% for Governance), any penalties linked to controversies not yet integrated into the scores for key issues and any bonuses linked to the analysis of the key issues. This ESG score is calculated out of 10.

On OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM, the analysed universe is defined through limiting companies with poorer SRI scores (Best In Class scores as established by our SRI section) out of all issuers covered by an ESG analysis (private international issuers - who number approximately 2,700 at the moment - referred to hereinafter by the term "analysed universe").

The portfolio will be made up of at least the following: 60% of the two best SRI categories (Leader and Involved) and 75% of the three best SRI categories (Leader, Involved and Followers).

The Sub-Fund adheres to the AFG Eurosif Transparency Code for SRI UCIs open to the public, which is available online at [www.ofi-am.fr](http://www.ofi-am.fr).

The Sub-Fund may invest up to a maximum of 110% of its assets in debt securities, bonds and money market instruments. These will mainly be negotiable bonds and debt securities, including convertible bonds (within a limit of 10% of the Sub-Fund assets), listed on a regulated market in an OECD country (the largest area for investing being the eurozone), denominated in euros and issued by private or public companies.

Portfolio securities, or failing that their issuers, must be rated Investment Grade, according to the rating policy implemented by the management company. This debt securities rating policy provides for a single rule in terms of allocation of a long-term rating on bond securities. Under this policy, a rating is determined according to ratings allocated by one or more recognised agencies, and that resulting from the analyses of the management company's Credit Analysis team.

In the event of any downgrading into the "non-Investment Grade" category for the rating of a security allocated in accordance with the chosen ratings policy, the manager shall have the option of maintaining the portfolio as it is, subject to a credit analysis or risk management, otherwise he should take any corrective action necessary to once again comply with the composition of the portfolio within a maximum period of three months. The Sub-Fund may hold "non investment grade" securities (according to the agency rating or an internal analysis by the Management Company, or which hold no rating) up to an overall limit of 10% of its net assets.

The Sub-Fund may act on regulated French and foreign financial futures markets (futures contracts and options) and carry out over-the-counter transactions (swaps, caps and floors, options and forwards) as part of its management objective.

The Sub-Fund may also invest in money market instruments (including a maximum of 10% of the assets in euro commercial paper) as part of its cash investment.

For interest rates, managers can use futures financial instruments negotiated OTC or on a regulated market for the purposes of hedging and exposure.

For foreign exchange, the managers may use derivative instruments (swaps, forwards, options or agreements) for the purposes of hedging currency risk.

The managers may also use the purchase or sale of futures financial instruments which meet the specifications of credit derivatives (credit default swap) as defined by the framework agreements for French investment (FBF) or international investment (ISDA).

The exposure of the Sub-Fund to credit derivatives may not exceed 100% of the net assets.

The Sub-Fund may be exposed, in minority proportions, to convertible bonds when the latter offer more attractive opportunities than the aforementioned bonds. Generally, share sensitivity, at the time of acquisition of these convertible bonds, is negligible but evolution of the markets may show residual share sensitivity.

## Risk profile

The Sub-Fund is a UCITS classified as "Bonds and other debt securities denominated in euros" and consequently investors are mainly exposed to the following risks:

### Capital loss risk

The investor is advised that the performance of the Sub-Fund might not conform to his objectives and that his capital might not be returned in full, the Sub-Fund not benefiting from any guarantee or protection of capital invested.

### Interest rate risk

The interest rate risk corresponds to the risk linked to a rise in the rate of bond markets, which causes a drop in bond prices and therefore a drop in the net asset value of the Sub-Fund. The sensitivity of the Sub-Fund may vary between 0 and 2.

### Credit risk

This represents the possible risk of downgrading the issuer's credit rating, which would have a negative impact on the rate of the security and therefore on the net asset value of the Sub-Fund. The use of credit derivatives may increase this risk.

### Commitment risk

The Sub-Fund may use derivative products in addition to the securities in the portfolio, with a maximum overall commitment of 200% of the assets. In the event of any unfavourable developments in the markets, the net asset value of the Sub-Fund may undergo a more significant drop.

### Risk linked to investment in convertible bonds

The value of convertible bonds depends on a number of factors: level of interest rates, changes in the price of underlying shares, changes in the price of derivatives embedded in the convertible bond. These various elements may lead to a drop in the net asset value of the Sub-Fund. If the underlying shares for convertible and similar bonds, and shares held directly in the portfolio or in the indices to which the portfolio is exposed fall, the net asset value may drop. Share risk remains ancillary in this Sub-Fund.

### Counterparty risk

This is risk linked to the use by the Sub-Fund of future financial instruments, over the counter. These transactions concluded with one or more eligible counterparties potentially expose the Sub-Fund to a risk of one of these counterparties defaulting and possibly resulting in failure to pay.

And secondarily

### Foreign exchange risk

Exchange risk is due to investments in currencies other than the euro – it is a secondary consideration for this Sub-Fund.

### Share risk

This is the risk of variation in the share prices to which the portfolio is exposed. A minority portion of the Sub-Fund may be exposed to convertible bonds, where such bonds present more attractive opportunities than the above-mentioned bonds. Generally speaking, the share sensitivity at the time of purchasing these convertible bonds is negligible, but the development of the markets may bring forth a residual share sensitivity.

### High Yield risk ("Speculative High Yield"):

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 Sub-Fund will fall.

### Risk associated with contingent bonds

CoCos are hybrid securities issued by financial institutions (such as banks and insurance companies) that allow losses to be absorbed when their regulatory capital falls below a certain predefined threshold (or trigger) or is deemed insufficient by the regulator of these financial institutions. The first case is referred to as a mechanical trigger and the second case is referred to a discretionary trigger of the absorption mechanism by the regulator. The trigger, specified in the prospectus at issue, corresponds to the level of capital from which the absorption of losses is mechanically triggered. This absorption of losses is achieved either by conversion into shares or by a reduction in the nominal value (partial or total).

The main specific risks associated with the use of Cocos are the risks of:

- Triggering of the loss absorption mechanism. This involves either the conversion of the CoCos into shares ("equity conversion") or the partial or total reduction of the nominal value ("write down");
- Non-payment of coupons: Payment of coupons is at the discretion of the issuer (but with the systematic prior consent of the regulator) and non-payment of coupons does not constitute a default on the part of the issuer;
- Non-repayment on call date: AT1 CoCos are perpetual bonds but redeemable on certain dates (call dates) at the discretion of the issuer (with the agreement of its regulator). Non-repayment on the call date increases the maturity of the bond and therefore has a negative effect on the price of the bond. It also exposes the investor to the risk of never being repaid;
- Capital structure: In the event of bankruptcy of the issuer, the CoCo holder will be repaid only after full repayment of non-subordinated bond holders. In some cases (e.g. CoCo with permanent write-down), the holder of the CoCo may suffer a greater loss than the shareholders.
- Valuation: Given the complexity of these instruments, their valuation for investment or later requires specific expertise. The absence of regularly observable data on the issuer and the possibility of discretionary intervention by the issuer's regulatory authority may call into question the valuation of these instruments;
- Liquidity: Trading ranges can be high in stress situations. And in some scenarios, it may not be possible to find any trading counterparties.

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

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 Sub-Fund, given for information only, calculated as the sum of the nominal values of the positions on financial futures instruments used, is 200%. However, the Sub-Fund reserves the option of seeking a higher leverage level, depending on the situation of the markets.

#### INFORMATION RELATIVE TO THE VAR

OFI FINANCIAL INVESTMENT – RS EURO CREDIT SHORT TERM	VaR 5d 95% over 2019
Average	0.10%
Maximum	1.46%
Minimum	0.07%

#### CHANGE(S) MADE DURING THE FINANCIAL YEAR

The changes made over the financial year were as follows:

- Following the merger-absorption of the OFI OPTIMA TAUX mutual fund by its OFI RS EURO CREDIT SHORT TERM Master Fund, N-D units (FR0013218609) for the OFI RS EURO CREDIT SHORT TERM Master Fund (reserved for Feeder Funds) served no further purpose and were therefore removed from 29 March 2019.
- In a context of streamlining its range of UCIs but also as part of its international development, OFI ASSET MANAGEMENT has decided to refocus its range of SICAVs on its core expertise. In addition, on 16 September 2019, OFI ASSET MANAGEMENT launched its SICAV sub-fund, OFI FINANCIAL INVESTMENT.

As OFI RS EURO CREDIT SHORT TERM is one of these core areas of expertise, the approval of the Autorité des Marchés Financiers was obtained on 18 June 2019 to merge it into the OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM Sub-Fund of our SICAV, OFI FINANCIAL INVESTMENT.

The OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM Sub-Fund was specially created to absorb the OFI RS EURO CREDIT SHORT TERM mutual fund.

It was named OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM and retained the same characteristics as the OFI RS EURO CREDIT SHORT TERM mutual fund. Its shares retained the same ISIN codes and the same performance as the units of the OFI RS EURO CREDIT SHORT TERM mutual fund.

No changes were made to the management strategy, risk/return profile or management fees.

In order to help to ensure that the SICAV and its Sub-Funds can operate smoothly, a decision was also made to appoint a joint depositary, SOCIETE GENERALE, and a joint Auditor, PRICEWATERHOUSECOOPERS AUDIT. In addition, a decision was made to have a joint financial year to December.

Previously, the OFI RS EURO CREDIT SHORT TERM mutual fund's Statutory Auditor was APLITEC, while its depositary was already SOCIETE GENERALE.

Each year, the SICAV and its Sub-Funds will close on the last non-holiday trading day in December, whereas each year the OFI RS EURO CREDIT SHORT TERM mutual fund closed on the last non-holiday trading day in March.

As the OFI RS EURO CREDIT SHORT TERM mutual fund closed in March 2019, while the OFI FINANCIAL INVESTMENT – RS EURO CREDIT SHORT TERM Sub-Fund will once again close in December 2019: an exceptional annual report on a period of 9 months will therefore be produced on the last non-holiday trading day of December 2019.

The merger-absorption operation was based on the net asset values of 13 September 2019 and took effect on 16 September 2019. The last net asset value of the OFI RS EURO CREDIT SHORT TERM mutual fund on which subscriptions or redemptions could have been executed was the net asset value of 10 September 2019. As a result, the absorbed mutual fund suspended subscriptions and redemptions of its units as from 10 September 2019 at 12:01 pm.

## **FUTURE CHANGE(S)**

None.

## **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, Shares or UCI Shares, Financial contracts.

This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.

A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:

- Monitoring volumes of transactions per market broker;
- Analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties");
- The nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order;
- Feedback of operational incidents detected by the managers or the Middle Office.

At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.

This valuation can be based on an analysis report provided by an independent service provider.

The selection of UCIs relies on a threefold analysis:

- A quantitative analysis of the media selected;
- An additional qualitative analysis;
- Due diligence, which aims to validate the option of intervening on a given fund and of setting investment limits on the fund in question and on the corresponding management company.



A post-investment committee meets every six months to review all authorisations given and limits consumed.

For the execution of certain financial instruments, the Management Company uses 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 that assist 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](https://www.ofi-am.fr/pdf/info-reglementaire_CR-frais-intermediation.pdf)

## **INFORMATION RELATING TO REMUNERATIONS OF THE UCITS**

In accordance with the 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:

### **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 sets remuneration policy and ensures its implementation.

The Company's remuneration policy promotes sound, effective risk management, simultaneously aligns the interests of investors, of the Company and of the 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.

Fixed remuneration is the employee's normal pay for the work expected, corresponding to their qualification. Variable remuneration takes into account, in particular, the Company's results, its equity requirements and the quality of management and 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, and 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 an overall 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.

Depending on changes to the quantitative and qualitative criteria in the years that follow, this allocation may be revised downwards, applying the malus concept.

*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.*

### Quantitative elements

#### Total remunerations allocated by the manager to their 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 2019

The 2019 financial and stock market year is coming to an end. It was very positive overall and in actual fact contrasted with the last quarter of 2018, which was characterised by violent consolidation phases.

The major trigger for this bounceback was linked to the drastic change in monetary policy by the US Federal Reserve (Fed). The interest rate "normalisation" phase conducted in 2018 ended sharply at the beginning of 2019 once it became quite clear that the global economy was heading towards a fairly pronounced slowdown.

The economic situation then gradually improved.

There were very negative expectations during the first part of the year, followed by the worst-case expectations. In one year, global growth of close to 4% fell to 3%. However, it may now stabilise. Indeed, the deterioration in statistics and leading indicators seems to be dissipating, and the International Monetary Fund (IMF) anticipates growth of +3.4% for 2020.

The US economy has not been easy to interpret, illustrating the hesitation that has typified the markets since the summer.

On the one hand, it is showing "late-cycle" signs, with a marked slowdown in industry. Companies have indeed been severely affected by the drop in confidence of their managers, who are only making small investments in the context of a trade war and international tensions. At the same time, consumption has held up well. This can be explained by the historically low unemployment rate and the first positive effects of the fall in interest rates which has been in place for a year now, and which also shores up the property market. There is therefore no risk of recession in the coming months, even though the economy is fairly "fragile". Growth will therefore be around 2.2% in 2019 and will slow to around 1.8- 2% next year, according to the IMF's most recent estimates.

In the short term, China must adapt to the tougher trade stance the United States has adopted, which is likely to lead to a reorganisation of global production chains. This will therefore logically weigh on the country's growth, with its growth potential also diminishing under the effect of natural ageing and overcapacities which still exist in industrial sectors and state enterprises. Potential growth will therefore naturally decrease over the next few years, and as the country develops and moves towards an economy with a greater emphasis on services and consumption. Growth will therefore be under 6% in 2020. The IMF forecasts a rate of 5.8%.

In the eurozone, Germany is slowing down more than France as a result of the structure of its economy, which is more industrial and thus more affected by the slowdown in international trade. The step needed to encourage it to opt for fiscal stimulus will probably not be taken or taken as a last resort, despite multiple sources of pressure including from France, which is lobbying the country to launch a large-scale investment plan. But Germany is not in recession as its growth is forecast to be 1.2% in 2020, meaning that emergency measures are not necessary, especially since consumption is holding up well. This is also the case in France, which is much less susceptible to developments in global trade. French growth should logically be a little better, at 1.3%. Growth of slightly more than 1% is expected for the eurozone as a whole, but Brexit is a very considerable hazard which will have an adverse effect in the event of a hard exit.

The Central Banks have already noted this macrostabilisation.

The Chair of the US Federal Reserve, Jerome Powell, has always described himself as pragmatic and "data-dependent", meaning that he intends to adapt his policy to economic developments. Against this backdrop, the Fed cut its key rates by 25 basis points (bps) three times in 2019, bringing the main key monetary rate to 1.75%.

At the European Central Bank (ECB), Mario Draghi laid the groundwork before leaving his post. We must accustom ourselves to the communication of its new President, Christine Lagarde. She entered her post at a sensitive point in time when the ECB's policy was heavily criticised for creating a negative interest rate environment which robs savers of their returns, with troubling consequences: the drop in returns, which should encourage more consumption, in actual fact reinforces the savings rate. In addition, this context weakens life insurance companies and banks. The new President took up her post without making any decisions, instead allowing herself time to conduct an in-depth analysis of the purpose and scope of the ECB's indicators.

### Interest rates

The start of the financial year was directly affected by the Fed's change of direction. Rates fell back again. At the end of the period, the Bund 10-year yield was, for the first time ever, firmly in negative territory at nearly -0.20%, 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 almost 3.25% in October 2018 to almost 1.92% at the end of the financial year, having reached a low of around 1.50% in September 2019. 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 1.4% at the end of the period.

In these circumstances, credit spreads also dropped from January 2019 onwards, in the wake of the new Fed measures and the general recovery of the bond markets in a context where investors facing an unprecedented period of negative interest rates were looking for returns.

Under these conditions, performances on the bond markets proved surprisingly positive. The eurozone government bond index rose by 6.6%, the Investment Grade (IG) bond index rose by over 7%, and the High-Yield (HY) segment rose by around 10% in the eurozone and by nearly 12% (in USD) in the United States.

Emerging bonds noticeably recovered against this backdrop of low interest rates and flows moved back towards this asset class boasting attractive returns. In the end, strong currency debt indices experienced growth of nearly 18% over the period, while local currency debt indices rose by nearly 15% in euros.

Convertible bonds also displayed two different phases in their performance and were significantly up in Europe at the end of the financial year, by 7-10% according to the index.

On currencies, the dollar gained almost 4% against the euro. The RMB, the Chinese currency, a potential source of instability for emerging currencies, was quite weak (defence measures taken by the Chinese authorities to counter the US trade war), falling almost 2% against the dollar over the period.

In Europe, the pound regained ground after the parliamentary elections in December, which gave the Conservative Party a clear majority and the markets a certain visibility: the pound ended the year up almost 4%.

Equity markets experienced a significant upturn from the beginning of 2019. At the same time as this turnaround in US monetary policy, the indices very quickly regained all the ground lost in Q4 2018 from May to June onwards. Then ensued a period of hesitation because of the many macroeconomic and geopolitical uncertainties, before another phase of acceleration at the end of the year as the economic news improved.

Finally, 2019 turned out to be the best year overall for almost 20 years:

American equities rose by 31% in USD (S&P 500 Index, including dividends). 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 followed this trend with performances of between 25% and 30% according to the index (+30.45% 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.

Emerging markets were also up sharply by more than 20% over the period, with a special mention for local Chinese equities (around 35%) and Brazilian equities (almost 30%), but also with high price volatility.

Finally, in terms of commodities, the performance by gold stood out, posting an increase of 17% over the financial year. Oil increased by nearly 35%, primarily for reasons linked to the geopolitical context.

The HFR Global Index representing alternative management rose by almost 5% (hedged in euros), which is satisfactory but disappointing in the general context and illustrates the struggle managers are facing to increase value against this backdrop.

## Management

As the OFI RS EURO CREDIT SHORT TERM SICAV was merged with/absorbed by the OFI FINANCIAL INVESTMENT – RS EURO CREDIT SHORT TERM Sub-Fund of the main OFI FINANCIAL INVESTMENT SICAV on 16 September 2019, the financial year lasted nine months.

	OFI Financial Investment – RS Euro Credit Short Term		
	I share	R share	RF share
NAV as at 29/03/2019	€109.78	€99.40	€99.90
NAV as at 31/12/2019	€109.98	€99.41	€100.28
Performance	0.18%	0.01%	0.38%

Over the same period, the Sub-Fund's benchmark, the Capitalised EONIA, shrank by -0.31%.

The net assets in the portfolio stood at €445.10 million on 31 December 2019, compared to €454.64 million on 29 March 2019.

Thanks to the U-turn by central banks at the start of the year (particularly the Fed's U-turn), all financial markets were able to post strong growth, despite a deterioration in the fundamentals (global growth revised downwards below 3% and low inflation) and geopolitical turmoil (such as the trade war and Brexit).

These aspects once again drove rates down despite the change in direction observed since the beginning of September.

As a result, the 10-year German Bund benchmark went from +0.24% on 31 December 2018 to -0.18% on 31 December 2019, after hitting a historic low of -0.7% at the end of August. Over the period, 5-year and 10-year swap rates fell by 30 and 60 basis points (bps) respectively.

Efforts to find yields in a universe with low rates benefited the Euro Investment Grade bond market, which posted a positive performance of +6.25% over 2019 and experienced a significant tightening in credit spreads (decrease by 41bps to 63bps on 31 December 2019).

In contrast with 2018, we witnessed a tightening in spreads caused by falls down the rating scales and spread curves flattening. High beta bonds outperformed other less risky sub-funds, as shown in the performances of corporate hybrids (+12.6%) and financial subordinates (+10.3%) over the period.

The 1-3 year Euro Investment Grade bond sub-fund also performed very well, with a positive performance of +1.38% over the period and a 32bp credit-spread tightening.

2019 was a record year, with more than €550 billion worth of new issues sold flooding the market (€340 billion Corp, €190 billion Senior Fin and €40 billion Sub Fin). This surge in securities did not stop credit spreads from tightening due to large inflows into the funds/ETFs.

The Sub-Fund maintained its exposure to the credit market through its Investment Grade (IG), High Yield (HY) and Credit Default Swap (CDS) categories, all while remaining flexible towards market conditions.

During the financial year, our exposure to the HY category rose to 6% of the net assets, on average.

Schatz futures were used in order to under-sensitise the portfolio to interest-rate risks. Protective puts on CDS (particularly on the index) were also used in order to expose us to the credit market.

Generally speaking, the Sub-Fund benefited from its exposure to the credit market during the financial year, but was adversely affected by the hedging on the 2-year German bond yield.

The main sales transactions in the profile during this financial year were as follows:

Position	Date	Nominal processed	Price
VW LEASING 0.250 2020_10	05/04/2019	- 8,243,000	100.2
GOLDMAN SACHS 2.625 2020_08	03/07/2019	- 7,000,000	103.2
NATWEST MARKET 5.375 2019_09	04/09/2019	- 4,000,000	100.4
GENERAL! 2.875 2020_01	04/09/2019	- 4,000,000	101.1
INTESA SANPAOLO 1.125 2020_01	04/09/2019	- 4,000,000	100.5

The main purchase transactions in the profile during this financial year were as follows:

Position	Date	Nominal processed	Price
AMADEUS IT HLDG EUR3M+45 2022_03	02/08/2019	7,000,000	100.3
MANPOWERGROUP 1.875 2022_09	05/11/2019	6,150,000	104.7
SWEDBANK 1.000 2022_06	14/06/2019	6,000,000	102.6
ENAGAS FIN 2.500 2022_04	31/07/2019	5,000,000	107.4
INGENICO 2.500 2021_05	03/10/2019	5,000,000	104.2

## 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 on the website ([http://www.ofi-am.fr/isr\\_la\\_recherche\\_ISR.php](http://www.ofi-am.fr/isr_la_recherche_ISR.php)) [in French], is part of the global procedure for integrating the Sustainable Development principles, which it translates in terms of the management of investments.

#### Aims

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

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

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

#### Scope

Scope of portfolio covered by ESG analyses at the end of December 2019

	% ASSETS MANAGED	% VALUED	% VALUED / ASSET CLASS
PRIVATE ISSUERS	93.91%	89.33%	95.12%
UCI and cash	6.08%	6.66%	91.29%
<b>TOTAL</b>	<b>100%</b>	<b>95.99%</b>	

Private issuers

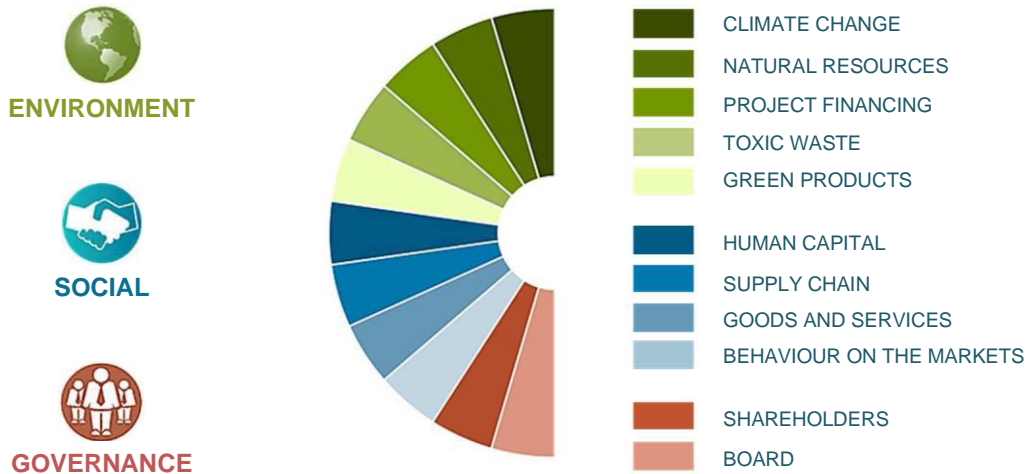
ESG analysis

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 into 11 main subject areas



Reasons for choice of ESG criteria applied

On the list of all "generic" ESG issues,

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



## Environmental criteria associated with climate change

### Criteria concerning physical risks

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

### Criteria concerning risks associated with the low carbon transition plan

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

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

## Information used for the analysis

The ESG analysis is based on several sources of information

- Analyses originating from specialist agencies: MSCI, VIGÉO, PROXINVEST, REPRISK
- Analyses and data originating from various media and specialist brokers
- Analyses carried out by OFI AM's SRI analysis team, covering ESG controversies and governance.
- 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 into a rating for 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 which have been slow to consider ESG issues, representing a minimum of 20% of issuers in the universe.

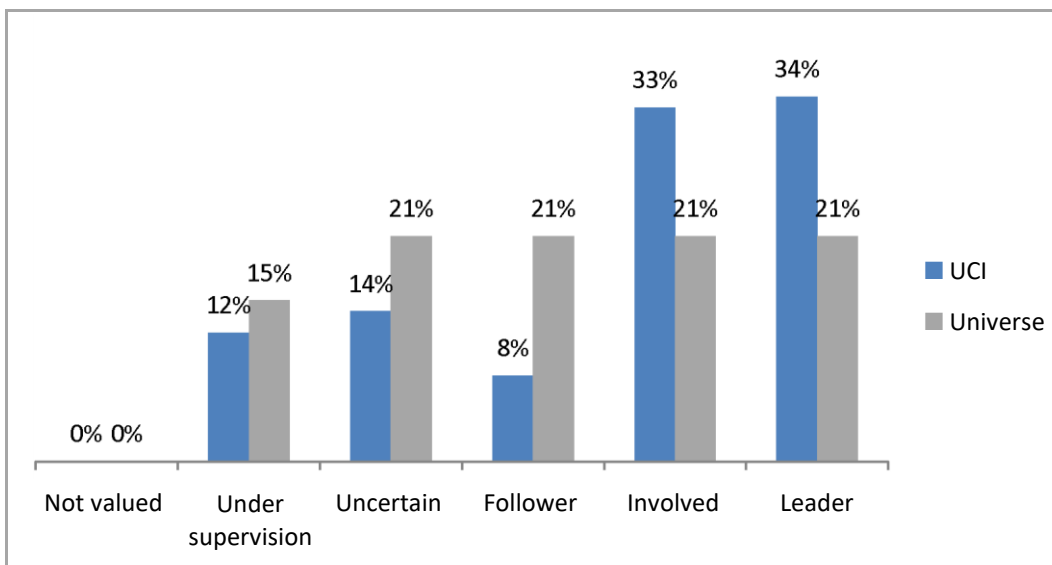
The other issuers are divided up into **4 categories which are equal in terms of number of issuers:**

- **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 the consideration of ESG issues

### Results of the analysis as of 31 December 2019

At the end of December, 95.99% of the total number were covered by an ESG analysis.

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



Source: OFI AM on 31/12/2019

## **Assessment of ESG risks**

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

### Analyses of ESG controversies

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

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

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

Furthermore, a carbon-footprint evaluation is carried out:

#### **Carbon footprint evaluation: Emissions financed**

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

**Estimate of emissions financed (as of 31/12/2019): 128.11 tonnes of CO<sub>2</sub> equivalent**

**Availability of information: 99.5% of total number in the portfolio**

Carbon emissions or GHG (Greenhouse Gas) emissions, expressed in tonnes of CO<sub>2</sub> 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 perimeter of the organisation, that is emissions originating from sources owned or controlled by the organisation, 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 Sub-Fund integrates the ESG analysis into its investment process.

A detailed presentation of this process is available in the Sub-Fund's Transparency Code, which can be found online at [www.ofi-am.fr](http://www.ofi-am.fr) [in French], by selecting the Sub-Fund, then the "Documents" tab.

#### Commitment and voting strategy

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

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

The commitment actions concern:

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

An annual review of measures taken is published at ([https://www.ofi-am.fr/pdf/ISR\\_rapport-de-vote.pdf](https://www.ofi-am.fr/pdf/ISR_rapport-de-vote.pdf)) [in French]

## EXERCISE OF VOTING RIGHTS AT GENERAL MEETINGS

As this Sub-Fund is a bond fund, it does not hold any equity securities and is therefore not affected by votes at General Meetings.

## 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 31/12/2019

Rates: No position on 31/12/2019

Credit: Positions open as at 31/12/2019

Portfolios	Allotment	Entity	Nominal	Counterparty	Maturity	Currency
CDS ATLANTIA S.P.A. 39BP(1) 12/20 SG	CDS	OFI FI RS EURO CREDIT SHORT TERM	- 4,000,000	SOCIETE GENERALE CIB	20/12/2020	EUR
CDS Electricite de 29BP(1) 12/20 JP	CDS	OFI FI RS EURO CREDIT SHORT TERM	- 4,000,000	JP MORGAN SECURITIES PLC	20/12/2020	EUR
CDS iTraxx Europe 28 25BP(1) 12/20 JP	CDS	OFI FI RS EURO CREDIT SHORT TERM	- 10,000,000	JP MORGAN SECURITIES PLC	20/12/2020	EUR
CDS iTraxx Europe 29 43BP(1) 06/21 BNP	CDS	OFI FI RS EURO CREDIT SHORT TERM	- 10,000,000	BNP PARIBAS PARIS	20/06/2021	EUR
CDS iTraxx Europe 30 40BP(1) 12/21 BNP	CDS	OFI FI RS EURO CREDIT SHORT TERM	- 10,000,000	BNP PARIBAS PARIS	20/12/2021	EUR
CDS iTRAXX EUROPE 31 06/22	CDS	OFI FI RS EURO CREDIT SHORT TERM	- 10,000,000	LCH CDS CLEAR BANQUE CENTRALE D	20/06/2022	EUR
CDS iTraxx Europe 30 51BP(I) 12/21 SG	CDS	OFI FI RS EURO CREDIT SHORT TERM	- 10,000,000	SOCIETE GENERALE CIB	20/12/2021	EUR

Equities - CFD: No position on 31/12/2019

Commodities: No position on 31/12/2019

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

As at the year-end on 31 December 2019, the OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM Sub-Fund performed neither securities financing transactions nor total return swaps.

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET ASSETS

	31/12/2019 <sup>(20)</sup>	29/03/2019
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>438,363,023.96</b>	<b>453,326,745.11</b>
<b>Shares and similar securities</b>	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
<b>Bonds and similar securities</b>	<b>411,660,800.45</b>	<b>419,974,979.71</b>
Traded on a regulated or similar market	411,660,800.45	419,974,979.71
Not traded on a regulated or similar market	-	-
<b>Debt securities</b>	-	-
Traded on a regulated market or similar	-	-
Transferable debt securities	-	-
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
<b>Mutual funds</b>	<b>25,820,434.35</b>	<b>32,254,272.25</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	25,820,434.35	32,254,272.25
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	-	-
<b>Temporary transactions on securities</b>	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	<b>881,789.16</b>	<b>1,097,493.15</b>
Transactions on a regulated or similar market	58,190.00	278,070.00
Other transactions	823,599.16	819,423.15
<b>Other financial instruments</b>	-	-
<b>Receivables</b>	<b>666,527.93</b>	<b>53,287,908.16</b>
Foreign exchange forward transactions	-	-
Others	666,527.93	53,287,908.16
<b>Financial accounts</b>	<b>6,645,206.49</b>	<b>3,142,920.02</b>
Liquid assets	6,645,206.49	3,142,920.02
<b>Total assets</b>	<b>445,674,758.38</b>	<b>509,757,573.29</b>

(20) Due to its conversion into a sub-fund, it had an exceptional financial year of 9 months.

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET LIABILITIES

	31/12/2019 <sup>(20)</sup>	29/03/2019
<b>Equity</b>		
<b>Capital</b>	446,096,762.66	453,643,044.56
Previous net capital gains and losses not distributed (a)	-	-
Carry forward (a)	-	-
Net capital gains and losses for the financial year (a, b)	-7,266,546.07	-9,565,187.20
Result for the financial year (a, b)	6,243,990.91	10,570,362.06
<b>Equity total</b>	445,074,207.50	454,648,219.42
(= Amount representative of net assets)		
<b>Financial instruments</b>	317,192.12	278,070.00
Purchase and sale transactions on financial instruments	-	-
<b>Temporary transactions on securities</b>	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	317,192.12	278,070.00
Transactions on a regulated or similar market	58,190.00	278,070.00
Other transactions	259,002.12	-
<b>Payables</b>	283,358.76	54,831,283.87
Foreign exchange forward transactions	-	-
Others	283,358.76	54,831,283.87
<b>Financial accounts</b>	-	-
Current bank credit facilities	-	-
Borrowing	-	-
<b>Total liabilities</b>	445,674,758.38	509,757,573.29

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

(20) Due to its conversion into a sub-fund, it had an exceptional financial year of 9 months.

## Off-balance sheet (in euros)

	31/12/2019 <sup>(20)</sup>	29/03/2019
<b>HEDGING TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	<b>118,395,490.00</b>	<b>135,377,775.00</b>
RATES	118,395,490.00	135,377,775.00
SALE - FUTURE - EURO SCHATZ	118,395,490.00	135,377,775.00
<b>OTC commitments</b>	-	-
<b>Other commitments</b>	-	-
<b>OTHER TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	-
<b>OTC commitments</b>	<b>58,000,000.00</b>	<b>54,000,000.00</b>
CREDIT	58,000,000.00	54,000,000.00
SALE - CREDIT DERIVATIVES - CDS / 2,000,000.	-	2,000,000.00
SALE - CREDIT DERIVATIVES - CDS ATLANTIA SPA 39B	4,000,000.00	4,000,000.00
SALE - CREDIT DERIVATIVES - CDS BANCO SANTANDER 35BP (1) 06/19 JP	-	4,000,000.00
SALE - CREDIT DERIVATIVES - CDS ELECTRICITE DE29BP12/20	4,000,000.00	4,000,000.00
SALE - CREDIT DERIVATIVES - CDS ITRAXX EUROPE S 25BP 12/20 JPM	10,000,000.00	10,000,000.00
SALE - CREDIT DERIVATIVES - CDS ITRAXX EUROPE 31 06/22	10,000,000.00	-
SALE - CREDIT DERIVATIVES - CDS ITX EUR 4	10,000,000.00	10,000,000.00
SALE - CREDIT DERIVATIVES - CDSREF/10,000,000.	10,000,000.00	10,000,000.00
SALE - CREDIT DERIVATIVES - CDSREF/10,000,000.	10,000,000.00	10,000,000.00
<b>Other commitments</b>	-	-

(20) Due to its conversion into a sub-fund, it had an exceptional financial year of 9 months.

## Profit and loss account (in euros)

	31/12/2019 <sup>(20)</sup>	29/03/2019
<b>Income on financial transactions</b>		
Income on deposits and financial accounts	512.98	-197.08
Income on shares and similar securities	-	-
Income on bonds and similar securities	6,968,438.46	12,300,722.08
Income on debt securities	2,686.08	-
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
<b>Total (I)</b>	<b>6,971,637.52</b>	<b>12,300,525.00</b>
<b>Expenses on financial transactions</b>		
Expenses on acquisitions and temporary purchase and sale of securities	-	-
Expenses on financial contracts	-	-
Expenses on financial receivables	9,943.83	5,118.40
Other financial expenses	-	-
<b>Total (II)</b>	<b>9,943.83</b>	<b>5,118.40</b>
<b>Result on financial transactions (I-II)</b>	<b>6,961,693.69</b>	<b>12,295,406.60</b>
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	727,127.21	743,007.85
<b>Net result for financial year (L. 214-17-1) (I - II + III - IV)</b>	<b>6,234,566.48</b>	<b>11,552,398.75</b>
Adjustment of income for financial year (V)	9,424.43	-982,036.69
Advances on result paid in respect of financial year (VI)	-	-
<b>Result (I - II + III - IV +/- V - VI)</b>	<b>6,243,990.91</b>	<b>10,570,362.06</b>

(20) Due to its conversion into a sub-fund, it had an exceptional financial year of 9 months.

# APPENDIX

## ACCOUNTING RULES AND METHODS

The Sub-Fund has complied with the accounting rules established by the amended Accounting Standards Authority regulation no. 2014-01 on the chart of accounts for open-ended UCIs.

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

The accounting currency for the fund is the euro.

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

The financial year ended on 31 December 2019 had an exceptional length of 9 months.

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.

The Sub-Fund values its securities at the actual value, the value resulting from the market value or in the absence of any existing market, by using 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 futures 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

Futures or options, traded on European regulated or similar markets, are valued at the settlement price, or failing this, based on the closing price.

#### Financial contracts not traded on a regulated or similar market (i.e. traded over-the-counter)

- *Financial contracts not traded on a regulated or similar market and settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued at the settlement price.
- *Financial contracts not traded on a regulated or similar market and not settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued using mark-to-model or mark-to-market pricing using prices provided by the counterparties. Credit Default Swaps are valued mark-to-market, based on the closing price, taking account of the residual life of the financial instrument. CFD are valued at the closing rate of the underlying asset of the instrument.



#### Acquisitions and temporary purchase and sale of securities

Not applicable.

#### Deposits

Deposits are valued at their book value.

#### Foreign currencies

Foreign currencies in cash are valued with the prices published daily on the financial databases used by the management company.

#### Description of off-balance sheet commitments

Futures contracts feature off-balance sheet for their market value, a value equal to the price (or the estimate if the transaction is OTC) multiplied by the number of contracts multiplied by the nominal and potentially translated to the fund posting currency.

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

Commitments on interest rate or currency swaps are posted off-balance sheet at the nominal value or, in the absence of a nominal value, for an equivalent amount, at the time of the initial transaction.

Credit Default Swaps feature on the off-balance sheet for their nominal value.

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

The result is calculated based on accrued coupons

#### Option chosen regarding posting of costs

The Sub-Fund has opted for posting with costs excluded.

#### Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the Sub-Fund, when each net asset value is calculated. The maximum rate applied on the basis of net assets; all UCI included; may not be more than

- 0.55% (including tax) for the I share class
- 0.60% (including tax) for the R share class
- 0.50% (including tax) for the RF share class

These fees cover all costs charged directly to the Sub-Fund, with the exception of transaction 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 is paid to the management company once the Sub-Fund has exceeded its objectives. It is therefore charged to the Sub-Fund;
- turnover fee charged to the Sub-Fund;

#### Description of the method for calculating variable management fees

The variable fees apply only to the I share class.

Variable fees correspond to an outperformance fee. The period of calculation of the outperformance fee runs from 1 April to 31 March each year. Each time the net asset value is established, the outperformance of the Sub-Fund is defined as the positive difference between the net assets of the Sub-Fund before consideration of any provision for outperformance fee, and the net assets of a notional Sub-Fund achieving a performance corresponding to the EONIA capitalised daily +25 bps and zero (0)% registering the same pattern of subscriptions and redemptions as the actual Fund.

Each time the net asset value is established, the outperformance fee, then defined equal to 20% incl. tax of the performance compared to the EONIA capitalised daily +25 bps and zero (0)%, forms the subject of a provision, or a provision reversal limited to the existing allocation. Such a provision can only be posted on the condition that the net asset value, after consideration after any provision for outperformance fee, is higher than the net asset value at the start of the financial year. In the case of redemptions, the share of the outperformance fee corresponding to the redeemed shares is collected by the Management Company. Apart from redemptions, the outperformance fee is collected by the Management Company on the end date 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

### 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 on the allocation of the capital gains made on an annual basis. The management company may decide on the payment of exceptional part payments.

## Evolution of net assets of the UCI (in euros)

	31/12/2019 <sup>(20)</sup>	29/03/2019
<b>Net assets at the beginning of the financial year</b>	<b>454,648,219.42</b>	<b>482,856,546.38</b>
Subscriptions (including subscription fees retained by the UCI)	167,924,337.77	293,512,815.56
Redemptions (after deduction of redemption fees retained by the UCI)	-178,326,881.36	-320,039,144.80
Capital gains made on deposits and financial instruments	106,844.23	60,253.60
Capital losses made on deposits and financial instruments	-7,240,672.61	-10,048,913.68
Capital gains made on financial contracts	946,975.93	343,227.34
Capital losses made on financial contracts	-920,415.00	-529,440.00
Transaction costs	-57,421.58	-111,232.81
Exchange differences	2.51	853.35
Change in difference in estimate of deposits and financial instruments	1,468,208.93	-2,869,121.35
Difference of estimate financial year N	-9,924,504.20	
Difference of estimate financial year N - 1	-11,392,713.13	
Change in difference in estimate of financial contracts	290,442.78	65,764.46
Difference of estimate financial year N	831,795.93	
Difference of estimate financial year N - 1	541,353.15	
Distribution for the previous financial year on net capital gains and losses	-	-
Distribution for the previous financial year on result	-	-146,015.62
Net result of the financial year before accruals account	6,234,566.48	11,552,398.75
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-	228.24 <sup>(21)</sup>
<b>Net assets at the end of the financial year</b>	<b>445,074,207.50</b>	<b>454,648,219.42</b>

(20) Due to its conversion into a sub-fund, it had an exceptional financial year of 9 months.

(21) Merger balancing payment

## Allocation by legal or economic nature

Designation of securities	Nominal	%
<b>Assets</b>		
<b>Bonds and similar securities</b>	<b>411,660,800.45</b>	<b>92.49</b>
Indexed Bonds	-	-
Convertible Bonds	-	-
Equity Securities	-	-
Other Bonds	411,660,800.45	92.49
<b>Debt securities</b>	-	-
Short-term negotiable securities	-	-
Medium-term negotiable securities	-	-
<b>Liabilities</b>		
<b>Purchase and sale transactions on financial instruments</b>	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Others	-	-
<b>Off-balance sheet</b>		
Rate	118,395,490.00	26.60
Shares	-	-
Credit	58,000,000.00	13.03
Others	-	-

## Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	394,373,310.83	88.61	-	-	17,287,489.62	3.88	-	-
Debt securities	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	6,645,206.49	1.49
<b>Liabilities</b>								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-

## Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Off-balance sheet</b>								
Hedging transactions	118,395,490.00	26.60	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Allocation by residual maturity

	< 3 months	%	]3 months – 1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>Assets</b>										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	31,991,131.90	7.19	91,832,077.74	20.63	287,837,590.81	64.67	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	6,645,206.49	1.49	-	-	-	-	-	-	-	-
<b>Liabilities</b>										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>										
Hedging transactions	-	-	-	-	118,395,490.00	26.60	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

## Allocation by currency

	USD	%		%		%		%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Shares and similar securities	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
UCI	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Financial accounts	10,034.09	0.00	-	-	-	-	-	-

## Allocation by currency (continued)

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

## Sundry debtors and creditors

	31/12/2019 <sup>(20)</sup>
<b>Receivables</b>	
Guarantee deposit on futures contracts	619,263.62
Coupons receivable	33,247.50
Subscriptions receivable	14,016.81
<b>Total receivables</b>	<b>666,527.93</b>
<b>Payables</b>	
Provision for fixed management fees payable	-75,874.66
Provision for variable management fees payable	-207,230.24
Turnover fee provision	-253.86
<b>Total payables</b>	<b>-283,358.76</b>
<b>Total</b>	<b>383,169.17</b>

(20) Due to its conversion into a sub-fund, it had an exceptional financial year of 9 months.

## Subscriptions-redemptions

<b>I share class</b>	
Shares issued	1,519,235.7578
Shares redeemed	1,616,711.5309
<b>R share class</b>	
Shares issued	8,564.6520
Shares redeemed	5,474.5399

## Commissions

<b>I share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>R share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

## Management fees

<b>I share class</b>	
Percentage of fixed management fees	0.15 <sup>(22)</sup>
Performance commission (variable costs)	207,230.24
Retrocession of management fees	-
<b>R share class</b>	
Percentage of fixed management fees	0.45 <sup>(23)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>RF share class</b>	
Percentage of fixed management fees	0.01 <sup>(24)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-

(22) The financial year was 9 months long – the rate presented has been annualised.

(23) The financial year was 9 months long – the rate presented has been annualised.

(24) The financial year was 9 months long – the rate presented has been annualised.

## Commitments received and given

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

## Other information

Code	Name	Quantity	Price	Current value (in euros)
<b>Current value of financial instruments forming the subject of temporary acquisition</b>				
Nil				
<b>Current value of financial instruments constituting guarantee deposits</b>				
<b>Financial instruments received as guarantee and not posted on the balance sheet</b>				

## Other information (continued)

Code	Name	Quantity	Price	Current value (in euros)
	Nil			
<b>Financial instruments given as guarantee and kept in their original entry</b>				
	Nil			
<b>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</b>				
FR0000008997	OFI RS LIQUIDITES	5,927.3792	4,356.13	25,820,434.35

## Advances on result paid in respect of financial year

	Date	Total amount	Unit amount	Total tax credits	Unit tax credit
<b>Total advances</b>		-	-	-	-

## Advances on net capital gains and losses paid in respect of financial year

	Date	Total amount	Unit amount
<b>Total advances</b>		-	-

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

	31/12/2019 <sup>(20)</sup>	29/03/2019
<b>I share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	6,193,493.86	10,490,606.76
<b>Total</b>	<b>6,193,493.86</b>	<b>10,490,606.76</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	6,193,493.86	10,490,606.76
<b>Total</b>	<b>6,193,493.86</b>	<b>10,490,606.76</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>R share class</b>		
<b>Sums yet to be allocated</b>		



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

	31/12/2019 <sup>(20)</sup>	29/03/2019
Carry forward	-	-
Profit/loss	50,496.20	79,753.39
<b>Total</b>	<b>50,496.20</b>	<b>79,753.39</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	50,496.20	79,753.39
<b>Total</b>	<b>50,496.20</b>	<b>79,753.39</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	0.85	1.91
<b>Total</b>	<b>0.85</b>	<b>1.91</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	0.85	1.91
<b>Total</b>	<b>0.85</b>	<b>1.91</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

(20) Due to its conversion into a sub-fund, it had an exceptional financial year of 9 months.

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

	31/12/2019 <sup>(20)</sup>	29/03/2019
<b>I share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	-7,199,159.14	-9,477,664.65
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-7,199,159.14</b>	<b>-9,477,664.65</b>
<b>Allocation</b>		
Distribution	-	-

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

	31/12/2019 <sup>(20)</sup>	29/03/2019
Net capital gains and losses not distributed	-	-
Capitalisation	-7,199,159.14	-9,477,664.65
<b>Total</b>	<b>-7,199,159.14</b>	<b>-9,477,664.65</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	4,009,214.1473	4,106,689.9204
Unit distribution	-	-
<b>R share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	-67,385.91	-87,521.05
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-67,385.91</b>	<b>-87,521.05</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	-67,385.91	-87,521.05
<b>Total</b>	<b>-67,385.91</b>	<b>-87,521.05</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	41,465.3471	38,375.2350
Unit distribution	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	-1.02	-1.50
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-1.02</b>	<b>-1.50</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	-1.02	-1.50
<b>Total</b>	<b>-1.02</b>	<b>-1.50</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	1.0000
Unit distribution	-	-

(20) Due to its conversion into a sub-fund, it had an exceptional financial year of 9 months.

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

	31/12/2019 <sup>(20)</sup>	29/03/2019	29/03/2018	31/03/2017	31/03/2016
<b>Net assets</b>					
EUR units	445,074,207.50	454,648,219.42	482,856,546.38	350,572,656.97	294,489,440.69
<b>Number of securities</b>					
I share class	4,009,214.1473	4,106,689.9204	4,343,526.4302	3,119,393.7699	2,692,738.5117
N-D share class	-	-	52,199.8687	83,054.3476	-
R share class	41,465.3471	38,375.2350	266.0000	-	-
RF share class	1.0000	1.0000	1.0000	-	-
<b>Unit net asset value</b>					
I share class in EUR	109.98	109.78	109.96	109.71	109.36
N-D share class in EUR	-	-(25)	99.69	100.09 <sup>(26)</sup>	-
R share class in EUR	99.41	99.40	99.86 <sup>(27)</sup>	-	-
RF share class in EUR	100.28	99.90	99.96 <sup>(28)</sup>	-	-
<b>Unit distribution on net capital gains and losses (including advances)</b>					
I share class in EUR	-	-	-	-	-
N-D share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit distribution on result (including advances)</b>					
I share class in EUR	-	-	-	-	-
N-D share class in EUR	-	-	2.84	0.78	-
R share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit tax credit transferred to bearer (individuals)</b>					
I share class in EUR	-	-	-	-	-
N-D share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit capitalisation</b>					
I share class in EUR	-0.25	0.24	0.03	-0.07	1.98
N-D share class in EUR	-	-	-2.66	-0.77	-
R share class in EUR	-0.40	-0.20	0.08	-	-
RF share class in EUR	-0.17	0.41	0.19	-	-

(20) Due to its conversion into a sub-fund, it had an exceptional financial year of 9 months.

(25) The N-D unit category was removed on 15 March 2019.

(26) The N-D unit category was created on 3 January 2017 with a nominal value of EUR 100.00.

(27) The R unit category was created on 20 June 2017 with a nominal value of EUR 100.00.

(28) The RF unit category was created on 12 March 2018 with a nominal value of EUR 100.02.

## Portfolio inventory as of 31 December 2019

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
<b>Deposits</b>			-	-
<b>Financial instruments</b>				
<b>Shares and similar securities</b>			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
<b>Bonds and similar securities</b>			<b>411,660,800.45</b>	<b>92.49</b>
Traded on a regulated or similar market			411,660,800.45	92.49
A2A SPA 3.625% 13/01/2022	EUR	3,000,000.00	3,328,670.55	0.75
A2A SPA 4.375% 10/07/2021	EUR	2,400,000.00	2,613,386.30	0.59
ABN AMRO BANK NV 7.125% 06/07/2022	EUR	4,300,000.00	5,191,113.32	1.17
ACCOR SA 2.625% 05/02/2021	EUR	3,000,000.00	3,161,930.14	0.71
ACHMEA BANK NV 1.125% 25/04/2022	EUR	3,500,000.00	3,619,968.24	0.81
ACHMEA BV 2.5% 19/11/2020	EUR	9,000,000.00	9,244,563.93	2.08
ACHMEA HYPOTHEEKBANK 2.75% 18/02/2021	EUR	2,000,000.00	2,114,268.49	0.48
ALSTOM 4.5% 18/03/2020	EUR	2,000,000.00	2,090,957.38	0.47
AMADEUS IT GROUP SA FRN 18/03/2022	EUR	11,000,000.00	11,028,864.00	2.48
ARCELORMITTAL 3% 09/04/2021	EUR	2,500,000.00	2,646,872.95	0.59
ARCELORMITTAL 3.125% 14/01/2022	EUR	2,500,000.00	2,714,520.55	0.61
AREVA 3.50% 22/03/2021	EUR	1,700,000.00	1,818,397.10	0.41
ATOS SE 0.75% 07/05/2022	EUR	9,700,000.00	9,916,683.69	2.23
BANCA POP DI VICENZA 2.75% 20/03/2020	EUR	1,000,000.00	1,028,214.48	0.23
BANCO BILBAO VIZCAYA ARG 0.625% 17/01/2022	EUR	4,000,000.00	4,082,841.10	0.92
BANCO BILBAO VIZCAYA ARG 1% 20/01/2021	EUR	1,000,000.00	1,022,334.25	0.23
BANCO SANTANDER SA 1.375% 09/02/2022	EUR	5,000,000.00	5,206,280.82	1.17
BANK OF AMERICA CORP 0% 31/05/2021	EUR	2,041,000.00	2,425,320.30	0.54
BANK OF AMERICA CORP FRN 07/02/2022	EUR	1,500,000.00	1,509,192.88	0.34
BANK OF AMERICA CORP VAR 07/02/2022	EUR	3,000,000.00	3,047,562.74	0.68
BANQUE FED CRED MUTUEL 4% 22/10/2020	EUR	4,300,000.00	4,471,906.01	1.00
BANQUE POSTALE 4.375% 30/11/2020	EUR	3,000,000.00	3,132,492.62	0.70
BARCLAYS BK 1.5% 01/04/2022	EUR	2,000,000.00	2,088,704.92	0.47
BARCLAYS PLC 1.875% 23/03/2021	EUR	3,000,000.00	3,113,854.92	0.70
BOMBARDIER INC 6.125% 15/05/2021	EUR	1,400,000.00	1,487,033.33	0.33
BRITISH TELECOMMUNICATION 0.625% 10/03/2021	EUR	2,000,000.00	2,028,411.75	0.46
BUREAU VERITAS 3.125% 21/01/2021	EUR	10,800,000.00	11,476,176.16	2.58
CAP GEMINI SA 1.75% 01/07/2020	EUR	800,000.00	811,114.75	0.18
CAPGEMINI SA 0.5% 09/11/2021	EUR	1,000,000.00	1,009,051.37	0.23
CHRISTIAN DIOR SE 0.75% 24/06/2021	EUR	5,000,000.00	5,059,274.59	1.14
CITIGROUP INC 1.375% 27/10/2021	EUR	6,000,000.00	6,179,127.87	1.39
COMMERZBANK 4% 16/09/2020	EUR	5,000,000.00	5,205,062.84	1.17
COMMERZBANK AG 1.5% 21/09/2022	EUR	2,000,000.00	2,079,924.59	0.47
CREDIT AGRICOLE SA 4.5% 30/06/2020	EUR	2,000,000.00	2,045,578.26	0.46
CRITERIA CAIXAHOLDING 1.625% 21/04/2022	EUR	3,900,000.00	4,087,241.02	0.92
DAIMLER AG 2% 07/04/2020	EUR	4,000,000.00	4,083,634.97	0.92
DAIMLER INTL FINANCE BV 0.25% 09/08/2021	EUR	2,000,000.00	2,012,208.20	0.45
EDENRED 2.625% 30/10/2020	EUR	3,200,000.00	3,289,478.03	0.74

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
EDP FINANC 4.125% 29/06/2020	EUR	2,100,000.00	2,189,855.90	0.49
EDP FINANCE BV 2.625% 18/01/2022	EUR	7,000,000.00	7,556,998.63	1.70
ELSEVIER FINANCE 2.5% 24/09/2020	EUR	4,000,000.00	4,107,595.63	0.92
ENAGAS FINANCIIONES SA 2.5% 11/04/2022	EUR	5,000,000.00	5,375,688.52	1.21
ENI SPA 4.25% 03/02/2020	EUR	4,000,000.00	4,171,161.64	0.94
FCA BANK SPA IRELAND 1.00% 15/11/2021	EUR	1,500,000.00	1,529,158.20	0.34
FCA CAPITAL IRELAND PLC 1.375% 17/04/2020	EUR	2,000,000.00	2,028,810.66	0.46
FCE BANK PLC 1.114% 13/05/2020	EUR	4,850,000.00	4,904,575.75	1.10
FERROVIE DELLO 4% 22/07/2020	EUR	1,074,000.00	1,117,961.81	0.25
FIAT FINANCE AND TRADE LTD S.A 4.75% 22/03/2021	EUR	1,500,000.00	1,645,570.90	0.37
FINMEC FINANCE SA 4.5% 19/01/2021	EUR	1,800,000.00	1,960,069.32	0.44
FORTUM OYJ 2.25% 06/09/2022	EUR	6,000,000.00	6,385,293.44	1.43
FRESENIUS FIN IRELAND PL 0.875% /01/2022	EUR	2,000,000.00	2,045,757.53	0.46
FRESENIUS FINANCE BV 2.875% 15/07/2020	EUR	2,000,000.00	2,059,433.33	0.46
BCE GROUP 3.55% 08/10/2020	EUR	300,000.00	310,758.49	0.07
BCE GROUP 4.03% 02/07/2020	EUR	3,300,000.00	3,367,355.36	0.76
HAVAS 1.875% 08/12/2020	EUR	6,800,000.00	6,898,137.38	1.55
HEIDELBERGCEMENT 3.25% 21/10/2021	EUR	3,200,000.00	3,403,840.00	0.76
HELLENIC TELECOM 3.50% 09/07/2020	EUR	1,500,000.00	1,554,632.79	0.35
HSBC FRANCE 0.2% 04/09/2021	EUR	3,000,000.00	3,018,483.61	0.68
HUNTSMAN INTERNATIONAL LLC 5.125% 15/04/2021	EUR	1,500,000.00	1,601,556.25	0.36
IMERYSA 0.875% 31/03/2022	EUR	2,000,000.00	2,038,092.35	0.46
IMPERIAL BRANDS FIN PLC 0.5% 27/07/2021	EUR	3,000,000.00	3,027,557.38	0.68
ING GROEP 0.75% 09/03/2022	EUR	4,300,000.00	4,397,814.43	0.99
INGENICO 2.5% 20/05/2021	EUR	6,000,000.00	6,297,442.62	1.41
INTESA SANPAOLO SPA 0.875% 27/06/2022	EUR	4,000,000.00	4,086,569.40	0.92
INTESA SANPAOLO SPA 1.125% 04/03/2022	EUR	2,000,000.00	2,059,750.00	0.46
INTESA SANPAOLO SPA 3.5% 17/01/2022	EUR	2,000,000.00	2,202,515.07	0.49
INTESA SANPAOLO SPA 4.125% 14/04/2020	EUR	1,450,000.00	1,510,688.44	0.34
IREN SPA 2.75% 02/11/2022	EUR	1,000,000.00	1,077,758.47	0.24
ITALCEMENTI MULTICPON 19/03/2020	EUR	2,890,000.00	3,047,183.63	0.68
JOHNSON CONTROLS INTL PL 0% 04/12/2020	EUR	5,900,000.00	5,903,540.00	1.33
K+S 4.125% 06/12/2021	EUR	1,500,000.00	1,612,883.61	0.36
LEASEPLAN CORPORATION NV 1% 25/02/2022	EUR	4,000,000.00	4,110,191.78	0.92
LEASEPLAN CORPORATION NV 1.00% 24/05/2021	EUR	5,800,000.00	5,921,337.27	1.33
LLOYDS TBS 6.5% 24/03/2020	EUR	6,600,000.00	7,029,757.38	1.58
MANPOWERGROUP 1.875% 11/09/2022	EUR	6,150,000.00	6,450,367.01	1.45
MEDIOBANCA 4.5% 14/05/2020	EUR	3,000,000.00	3,139,111.48	0.71
MEDIOBANCA SPA 0.625% 27/09/2022	EUR	2,000,000.00	2,023,546.99	0.45
MEDIOBANCA SPA 0.75% 17/02/2020	EUR	2,000,000.00	2,015,350.68	0.45
MEDIOBANCA SPA 1.625% 19/01/2021	EUR	1,400,000.00	1,445,832.74	0.32
METROVACESA SA 2.375% 23/05/2022	EUR	3,000,000.00	3,194,101.23	0.72
NASDAQ OMX GROUP 3.875% 07/06/2021	EUR	2,000,000.00	2,157,267.21	0.48
NATIONWIDE BLDG 6.75% 22/07/2020	EUR	1,129,000.00	1,205,354.64	0.27
NATIONWIDE BLDG SOCIETY 1.125% 03/06/2022	EUR	5,000,000.00	5,178,889.34	1.16

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
NEXANS SA 3.25% 26/05/2021	EUR	1,700,000.00	1,797,772.30	0.40
NN GROUP NV 1% 18/03/2022	EUR	2,900,000.00	2,993,237.38	0.67
OI EUROPEAN GROUP BV 4.875% 31/03/2021	EUR	1,800,000.00	692,098.16	0.16
ORANGE SA 0.5% 15/01/2022	EUR	2,000,000.00	2,032,471.23	0.46
PLASTIC OMNIUM 2.875% 29/0/20	EUR	9,400,000.00	9,672,626.97	2.17
PSA BANQUE FINANCE 0.5% 17/01/2020	EUR	2,200,000.00	2,211,238.08	0.50
PSA BANQUE FRANCE 0.5% 12/04/2022	EUR	5,000,000.00	5,068,169.40	1.14
RABOBANK 6.875% 19/03/2020	EUR	4,000,000.00	4,277,496.17	0.96
RCI BANQUE SA 0.625% 04/03/2020	EUR	1,800,000.00	1,812,075.00	0.41
RCI BANQUE SA 1.375% 17/11/2020	EUR	6,000,000.00	6,090,394.26	1.37
RCI BANQUE SA 2.25% 29/03/2021	EUR	1,000,000.00	1,046,913.11	0.24
RENAULT SA 3.125% 05/03/2021	EUR	2,500,000.00	2,657,140.71	0.60
RENTOKIL INITIAL PLC 3.25% 07/10/2021	EUR	2,299,000.00	2,428,926.16	0.55
ROLLS- ROLLS 2.125% 18/06/20/2021	EUR	8,500,000.00	8,860,858.67	1.99
ROYAL BK OF SCOTLAND PLC 0.625% 02/03/2022	EUR	1,500,000.00	1,524,663.73	0.34
RYANAIR 1.875% 17/06/2021	EUR	2,000,000.00	2,078,491.80	0.47
SAFRAN SA VAR 13/07/2020	EUR	1,700,000.00	1,701,870.00	0.38
SANTAN CONSUMER FINANCE 0.875% 24/01/2022	EUR	4,000,000.00	4,108,186.30	0.92
SECURITAS AB 1.25% 15/03/2022	EUR	4,000,000.00	4,146,563.93	0.93
SECURITAS AB 2.625% 22/02/2021	EUR	4,200,000.00	4,427,027.26	0.99
SES SA 4.625% 09/03/2020	EUR	2,000,000.00	2,093,019.67	0.47
SOCIETE GENERALE 1% 01/04/2022	EUR	5,000,000.00	5,150,341.53	1.16
SWEDBANK AB 1% 01/06/2022	EUR	6,000,000.00	6,179,409.84	1.39
SYDBANK AS 1.25% 04/02/2022	EUR	1,550,000.00	1,599,296.37	0.36
TELECOM ITALIA SPA 4.875% 25/09/2020	EUR	1,700,000.00	1,785,543.44	0.40
TELEFONICA EMISIONES 1.477% 14/09/2021	EUR	4,200,000.00	4,330,533.59	0.97
TERNA SPA 0.875% 02/02/2022	EUR	1,000,000.00	1,027,030.82	0.23
THALES SA 2.25% 19/03/2021	EUR	1,500,000.00	1,570,391.80	0.35
THYSSENKRUPP AG 2.750% 08/03/2021	EUR	1,800,000.00	1,878,689.02	0.42
TUI AG 2.125% 26/10/2021	EUR	1,500,000.00	1,543,959.22	0.35
UNICREDIT SPA 3.25% 14/01/2021	EUR	4,800,000.00	5,117,378.63	1.15
VIVENDI SA 0.75% 26/05/2021	EUR	3,000,000.00	3,047,247.54	0.68
VOLKSWAGEN FIN SERV AG 0.625% 01/04/2022	EUR	4,000,000.00	4,061,320.77	0.91
VOLKSWAGEN LEASING 2.125% 04/04/2022	EUR	4,000,000.00	4,244,433.88	0.95
VOLVO TREASURY AB 0.1% 24/05/2022	EUR	6,340,000.00	6,351,488.22	1.43
WHIRLPOOL CORP 0.625% 12/03/2020	EUR	2,200,000.00	2,214,677.79	0.50
Not traded on a regulated or similar market			-	-
<b>Debt securities</b>			-	-
Traded on a regulated market or similar			-	-
Transferable debt securities			-	-
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
<b>Mutual funds</b>			<b>25,820,434.35</b>	<b>5.80</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			25,820,434.35	5.80

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
OFI RS LIQUIDITES	EUR	5,927.3792	25,820,434.35	5.80
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			-	-
<b>Temporary transactions on securities</b>			-	-
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 agreement			-	-
Payables representative of securities borrowed			-	-
Other temporary transactions			-	-
<b>Purchase and sale transactions on financial instruments</b>			-	-
<b>Financial contracts</b>			<b>564,597.04</b>	<b>0.13</b>
Transactions on a regulated or similar market			-	-
EUR margin calls	EUR	-58,190.00	-58,190.00	-0.01
EURO SCHATZ 0320	EUR	-1,058.00	58,190.00	0.01
Other transactions			564,597.04	0.13
EUR margin call	EUR	-209,008.89	-209,008.89	-0.05
CDS ATLANTIA SPA 39B	EUR	4,000,000.00	-49,993.23	-0.01
CDS ELECTRICITE DE29BP12/20	EUR	4,000,000.00	36,968.65	0.01
CDS ITRAX EUROPE S 25BP 12/20 JPM	EUR	10,000,000.00	95,385.93	0.02
CDS iTRAXX EUROPE 31 06/22	EUR	10,000,000.00	209,008.89	0.05
CDSREF/10,000,000.	EUR	10,000,000.00	172,830.03	0.04
CDSREF/10,000,000.	EUR	10,000,000.00	172,830.03	0.04
cds itx eur 4	EUR	10,000,000.00	136,575.63	0.03
<b>Other financial instruments</b>			-	-
<b>Receivables</b>			<b>666,527.93</b>	<b>0.15</b>
<b>Payables</b>			<b>-283,358.76</b>	<b>-0.06</b>
<b>Financial accounts</b>			<b>6,645,206.49</b>	<b>1.49</b>
<b>NET ASSETS</b>			<b>445,074,207.50</b>	<b>100.00</b>

# ANNUAL REPORT

Financial year ended 31 December 2019



## OFI FINANCIAL INVESTMENT - RS EURO INVESTMENT GRADE CLIMATE CHANGE Sub-Fund

Bonds and other debt securities  
denominated in euros

### Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Management Company by delegation

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Depositary and Custodian

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

### Administrative and accounts management

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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as of 31 December 2019

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## MANAGEMENT DIRECTION

### AMF classification

Bonds and other debt securities denominated in euros.

### Management objective

The objective of the Sub-Fund is to achieve performance above that of its benchmark: the Bank of America Merrill Lynch Euro Corporate Index, by implementing an SRI approach. In addition, the Sub-Fund will also implement a low carbon approach in the context of the energy transition by constructing a portfolio whose greenhouse gas ("GHG") emissions produced by the underlying companies are lower than those generated by the issuers comprising the benchmark index, namely the Bank of America Merrill Lynch Euro Corporate Index.

### Benchmark

The Bank of America Merrill Lynch Euro Corporate Index is an index published by Merrill Lynch consisting of bonds rated in the investment grade category denominated in euros and issued by financial and non-financial corporations. The index is published on the website [www.mlindex.ml.com](http://www.mlindex.ml.com) under the code ER00 or on Bloomberg using the ticker "ER00 Index". This index is calculated with coupons reinvested.

### Management strategy

The investment strategy aims to construct a portfolio of bonds composed of bonds issued in euros by companies whose registered offices are mainly based in an OECD Member State. Issuers whose registered office is located outside the OECD area may not exceed 10% of the net assets. The initial universe is wholly composed of investment grade bonds (according to OFI AM's rating policy) issued in euros by companies.

In the event of a downgrade in the rating of the securities, or that of their issuer, the Sub-Fund may hold a maximum of 10% of securities with a "Speculative High Yield" rating if the risk of default is not deemed "high" by the credit analysis. Otherwise the securities must be sold within 3 months. However, the manager may invest in "unrated" bonds, provided that the credit analysis gives a favourable opinion for a future investment grade rating through a "summary" sheet.

Each issuer with a BBB- rating may not represent an overexposure of more than 1.50% in relation to the benchmark. Each issuer with a rating greater than BBB- may not represent an overexposure of more than 3.00% in relation to the benchmark.

This debt securities rating policy provides for a single rule in terms of allocation of a long-term rating on bond securities. Under this policy, a rating is determined according to ratings allocated by one or more recognised agencies, and that resulting from the analyses of the management company's Credit Analysis team.

Consequently, investment decisions or credit instrument transfer decisions are not mechanically and exclusively based on the criterion of their rating and are based, among other things, on an internal analysis of the credit or market risk. The decision to buy or to assign an asset is also based on other criteria at the manager's discretion.

In the event that the above limits are exceeded (through a market effect or the downgrading of a rating for a security allocated based on the chosen rating policy), the manager shall take any corrective action he deems necessary to fulfil his commitments to the composition of the portfolio within a maximum period of three months.

In conjunction with the financial analysis, the manager completes his study for the SICAV's main eligible assets, namely bonds and other debt securities as well as credit derivatives (issuer CDS) representing between 80% and 100% of the Sub-Fund's net assets:

- **By the analysis of extra-financial criteria** in order to favour a "Socially Responsible Investment" (SRI) selection of bonds. This study is carried out taking into account Environmental, Social and Governance aspects, 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.

The SRI analysis team defines a sector-based reference of the key issues (Environmental, Social, Governance listed above), selecting for each sector of activity the most important ESG issues for this sector. An ESG score is calculated per issuer using the sector-based reference for key issues which includes the key issue scores for Environment and Social (E and S) and scores for Governance (G) key issues.

Governance issues include a fixed weighting of 30% for corporate governance and a variable weighting of 10% to 40% reflecting the level of risk incurred by the conduct of directors and the company. This level varies depending on the sectors of activity.

The overall weighting of the E and S issues is then determined. The weighting of environmental, social and governance issues is specific to each sector of activity.

These scores can be the subject of: any penalties linked to controversies not yet included in the ratings of key issues and any bonuses or penalties awarded by the analyst responsible for the sector in the event of divergence on the assessment of an issue by the ratings agency. This ESG score is calculated out of 10.

- **Through an energy and environmental transition analysis** in order to assess the behaviour of private issuers in relation to the issue of climate change and to obtain the relevant selection criteria relating to the challenges associated with Energy Transition. The analysis will be carried out along two main lines of focus: the carbon intensity of the company's activities and the level of the company's involvement in the energy transition.

The scope studied will be that of the sectors with the most intensive greenhouse gas (GHG) emissions activity, which are most likely to act to significantly reduce global GHG emissions. Emissions of GHG, expressed in equivalent weight of CO<sub>2</sub>, are data which come either from companies (directly or via declarations made to the Carbon Disclosure Project) or from data estimated by a service provider (MSCI).

As a reminder, there are three categories of these emissions:

Scope 1: Direct GHG emissions;

Scope 2: Indirect energy emissions;

Scope 3: Other indirect emissions.

Our data cover only the two of the three scopes representing all categories of greenhouse gas emissions. Some data are reported but not subject to mandatory verification. As a result, the Sub-Fund may hold in its portfolio companies that emit large amounts of Greenhouse Gases, provided that they are heavily involved in the Energy and Environmental Transition.

The SRI analysis team will award companies a bonus based on the level of their revenue in "green" technologies. This bonus, if any, will be awarded at the company's "Energy Transition" level.

A penalty of -4 will be awarded to companies that directly or indirectly own, in a majority way, "thermal" coal mines. This penalty, if any, will be awarded to the company's "Carbon intensity of activities" and "Energy transition" levels.

Issuers of debt securities that do not have an ESG analysis or an energy and environmental transition assessment (for carbon-intensive sectors) may not exceed 10% of the net assets of the portfolio.

The portfolio is mainly invested in bonds and other debt securities denominated in euros: fixed and/or floating rate bonds, and/or indexed, and/or bond-style convertibles. The portfolio may also include convertible bonds (resulting in indirect exposure to equity markets) and subordinated securities. These securities are issued or guaranteed by corporate or financial companies incorporated mainly in an OECD Member State and secondarily outside the OECD area. The portfolio will not be invested in government securities.

Within the limits provided by regulations, the Sub-Fund may enter into financial contracts (swaps, futures, options) traded on regulated and organised French and foreign and/or over-the-counter markets in order to hedge and/or expose itself against equity, interest rate, credit and currency risks.

The overall sensitivity of the portfolio will fluctuate between the limits of +/- 150 basis points compared to the sensitivity of its benchmark: the Bank of America Merrill Lynch Euro Corporate Index.

The Sub-Fund does not have a range of sensitivity but is subject to a constraint wherein the sensitivity of the portfolio must not deviate by more than +/- 150 basis points from that of the benchmark. As an indication, over the last two years (between 30 September 2014 and 30 September 2016), the sensitivity of the benchmark has fluctuated between 4.60 and 5.35. It is recalled that past sensitivity is no indication of future sensitivity.

## **Risk profile**

The Sub-Fund is classified as "bonds and other debt securities denominated in euros". The investor is therefore exposed to the risks below, this list not being exhaustive.

### Capital loss risk

The investor is advised that the performance of the Sub-Fund might not conform to his objectives and that his capital might not be returned in full, the Sub-Fund not benefiting from any guarantee or protection of capital invested.

### Counterparty risk

This is risk linked to the use by the Sub-Fund of future and/or over the counter financial instruments. These transactions concluded with one or more eligible counterparties potentially expose the Sub-Fund to a risk of defaulting of one of these counterparties possibly resulting in failure to pay which may reduce the net asset value of the Sub-Fund.

### Risk inherent in discretionary management

Discretionary management is based on expectations of developments on the various markets and of the selected UCITS. There is a risk that the Sub-Fund will not be invested at all times on the best performing markets. Similarly, there is a risk that the selected UCIs will not be the best performing, and/or that they will achieve a performance below their benchmark. The net asset value of the Sub-Fund would then be affected by this drop.

### Interest rate risk

Because of its composition, the Sub-Fund 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 investor in bonds or other fixed-income securities may record negative performances as a result of fluctuations in interest rates. The occurrence of this risk may result in a drop in the net asset value of the Sub-Fund.

### Credit risk

This represents the possible risk of downgrading the issuer's credit rating, which would have a negative impact on the rate of the security and therefore on the net asset value of the Sub-Fund. The use of credit derivatives may increase this risk.

### Liquidity risk

The liquidity risk of the portfolio depends on the liquidity of the investment media used: this liquidity risk present in the Sub-Fund essentially exists on account of OTC positions and, in the case of events which may interrupt the trading of shares on the markets on which they are traded. A stock's lack of liquidity may increase the cost of liquidation of a position and hence cause a drop in the net asset value of the Sub-Fund.

### Risk associated with the impact of techniques such as derivatives

The use of derivatives may result in significant changes in the net asset value over short periods of time in the event of exposure in a direction contrary to market developments.

And secondarily

### Risk arising from holding Convertible Bonds

The Sub-Fund may be 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 Sub-Fund will drop in the case of an unfavourable change.

### Share risk

This is the risk of variation in the share prices to which the portfolio is exposed.

A minority portion of the Sub-Fund may be exposed to convertible bonds, where such bonds present more attractive opportunities than the above-mentioned bonds. Generally speaking, the share sensitivity at the time of purchasing these convertible bonds is negligible, but the development of the markets may bring forth a residual share sensitivity. The occurrence of this risk may result in a drop in the net asset value of the Sub-Fund.

### Foreign exchange risk

This is the risk of foreign currency fluctuation affecting the value of the stocks held by the Sub-Fund.

The exchange risk of investments denominated in currencies other than the euro is left to the discretion of the manager, who may, depending on the circumstances, hedge this risk. The investor's attention is drawn to the fact that the performance of the net asset value of the Sub-Fund might be affected by the development of the rate of currencies other than the euro. The occurrence of this risk may result in a drop in the net asset value of the Sub-Fund.

### Emerging markets risk

The conditions of functioning and supervision of the emerging markets may deviate from standards prevailing on major international markets: information about certain securities may be incomplete and their liquidity more reduced. The performance of these securities can therefore be volatile. The occurrence of this risk may result in a drop in the net asset value of the Sub-Fund.

### High Yield risk ("Speculative High Yield"):

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 Sub-Fund will fall.

### Risk associated with contingent bonds

CoCos are hybrid securities issued by financial institutions (such as banks and insurance companies) that allow losses to be absorbed when their regulatory capital falls below a certain predefined threshold (or trigger) or is deemed insufficient by the regulator of these financial institutions. The first case is referred to as a mechanical trigger and the second case is referred to a discretionary trigger of the absorption mechanism by the regulator. The trigger, specified in the prospectus at issue, corresponds to the level of capital from which the absorption of losses is mechanically triggered. This absorption of losses is achieved either by conversion into shares or by a reduction in the nominal value (partial or total).

The main specific risks associated with the use of Cocos are the risks of:

- Triggering of the loss absorption mechanism: This involves either the conversion of the CoCos into shares ("equity conversion") or the partial or total reduction of the nominal value ("write down");
- Non-payment of coupons: Payment of coupons is at the discretion of the issuer (but with the systematic prior consent of the regulator) and non-payment of coupons does not constitute a default on the part of the issuer;
- Non-repayment on call date: AT1 CoCos are perpetual bonds but redeemable on certain dates (call dates) at the discretion of the issuer (with the agreement of its regulator). Non-repayment on the call date increases the maturity of the bond and therefore has a negative effect on the price of the bond. It also exposes the investor to the risk of never being repaid;
- Capital structure: In the event of bankruptcy of the issuer, the CoCo holder will be repaid only after full repayment of non-subordinated bond holders. In some cases (e.g. CoCo with permanent write-down), the holder of the CoCo may suffer a greater loss than the shareholders.
- Valuation: Given the complexity of these instruments, their valuation for investment or later requires specific expertise. The absence of regularly observable data on the issuer and the possibility of discretionary intervention by the issuer's regulatory authority may call into question the valuation of these instruments;
- Liquidity: Trading ranges can be high in stress situations. And in some scenarios, it may not be possible to find any trading counterparties.

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

The calculation method used to calculate the overall risk is the absolute VaR without exemption from the 5% upper limit.

The maximum leverage of the Sub-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 Sub-Fund reserves the option of seeking a higher leverage level, depending on the situation of the markets.

### **INFORMATION RELATIVE TO THE VAR**

<b>OFI FINANCIAL INVESTMENT – RS EURO INVESTMENT GRADE CLIMATE CHANGE</b>	<b>VaR 5d 95% over 2019</b>
Average	0.45%
Maximum	0.56%
Minimum	0.39%

## CHANGE(S) MADE DURING THE FINANCIAL YEAR

The changes made over the financial year were as follows:

- In a context of streamlining its range of UCIs but also as part of its international development, OFI ASSET MANAGEMENT has decided to refocus its range of SICAVs on its core expertise. In addition, on 16 September 2019, OFI ASSET MANAGEMENT launched its SICAV sub-fund, OFI FINANCIAL INVESTMENT.

As OFI RS EURO INVESTMENT GRADE CLIMATE CHANGE is one of these core areas of expertise, the approval of the Autorité des Marchés Financiers was obtained on 18 June 2019 to merge it into the OFI FINANCIAL INVESTMENT - RS EURO INVESTMENT GRADE CLIMATE CHANGE Sub-Fund of our SICAV, OFI FINANCIAL INVESTMENT.

The OFI FINANCIAL INVESTMENT – RS EURO INVESTMENT GRADE CLIMATE CHANGE Sub-Fund has been specially created to absorb the OFI RS EURO INVESTMENT GRADE CLIMATE CHANGE SICAV.

It was named OFI FINANCIAL INVESTMENT - RS EURO INVESTMENT GRADE CLIMATE CHANGE and retained the same characteristics as the OFI RS EURO INVESTMENT GRADE CLIMATE CHANGE SICAV. Its shares retained the same ISIN codes and the same performance as the shares for the OFI RS EURO INVESTMENT GRADE CLIMATE CHANGE SICAV.

No changes were made to the management strategy, risk/return profile or management fees.

The merger-absorption operation was based on the net asset values of 13 September 2019 and took effect on 16 September 2019. The last net asset value of the OFI RS EURO INVESTMENT GRADE CLIMATE CHANGE SICAV on which subscriptions or redemptions could have been executed was the net asset value of 10 September 2019. As a result, the absorbed SICAV suspended subscriptions and redemptions of its shares as from 10 September 2019 at 12:01 pm.

- As from 2 October 2019, evolution of governance issues in the analysis of ESG criteria.

## FUTURE CHANGE(S)

None.

## 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, Shares or UCI Shares, Financial contracts.

This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.

A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:

- Monitoring volumes of transactions per market broker;
- Analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties");
- The nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order;
- Feedback of operational incidents detected by the managers or the Middle Office.

At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.

This valuation can be based on an analysis report provided by an independent service provider.

The selection of UCIs relies on a threefold analysis:

- A quantitative analysis of the media selected;
- An additional qualitative analysis;
- Due diligence, which aims to validate the option of intervening on a given fund and of setting investment limits on the fund in question and on the corresponding management company.

A post-investment committee meets every six months to review all authorisations given and limits consumed.

For the execution of certain financial instruments, the Management Company uses 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 that assist 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](https://www.ofi-am.fr/pdf/info-reglementaire_CR-frais-intermediation.pdf)

### **INFORMATION RELATING TO REMUNERATIONS OF THE UCITS**

In accordance with the 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:

#### **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 sets remuneration policy and ensures its implementation.

The Company's remuneration policy promotes sound, effective risk management, simultaneously aligns the interests of investors, of the Company and of the 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.

Fixed remuneration is the employee's normal pay for the work expected, corresponding to their qualification. Variable remuneration takes into account, in particular, the Company's results, its equity requirements and the quality of management and 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, and 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 an overall 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.

Depending on changes to the quantitative and qualitative criteria in the years that follow, this allocation may be revised downwards, applying the malus concept.

*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.*

## **Quantitative elements**

### **Total remunerations allocated by the manager to their 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 2019

The 2019 financial and stock market year is coming to an end. It was very positive overall and in actual fact contrasted with the last quarter of 2018, which was characterised by violent consolidation phases.

The major trigger for this bounceback was linked to the drastic change in monetary policy by the US Federal Reserve (Fed). The interest rate "normalisation" phase conducted in 2018 ended sharply at the beginning of 2019 once it became quite clear that the global economy was heading towards a fairly pronounced slowdown.

The economic situation then gradually improved.

There were very negative expectations during the first part of the year, followed by the worst-case expectations. In one year, global growth of close to 4% fell to 3%. However, it may now stabilise. Indeed, the deterioration in statistics and leading indicators seems to be dissipating, and the International Monetary Fund (IMF) anticipates growth of +3.4% for 2020.

The US economy has not been easy to interpret, illustrating the hesitation that has typified the markets since the summer.

On the one hand, it is showing "late-cycle" signs, with a marked slowdown in industry. Companies have indeed been severely affected by the drop in confidence of their managers, who are only making small investments in the context of a trade war and international tensions. At the same time, consumption has held up well. This can be explained by the historically low unemployment rate and the first positive effects of the fall in interest rates which has been in place for a year now, and which also shores up the property market. There is therefore no risk of recession in the coming months, even though the economy is fairly "fragile". Growth will therefore be around 2.2% in 2019 and will slow to around 1.8- 2% next year, according to the IMF's most recent estimates.

In the short term, China must adapt to the tougher trade stance the United States has adopted, which is likely to lead to a reorganisation of global production chains. This will therefore logically weigh on the country's growth, with its growth potential also diminishing under the effect of natural ageing and overcapacities which still exist in industrial sectors and state enterprises. Potential growth will therefore naturally decrease over the next few years, and as the country develops and moves towards an economy with a greater emphasis on services and consumption. Growth will therefore be under 6% in 2020. The IMF forecasts a rate of 5.8%.

In the eurozone, Germany is slowing down more than France as a result of the structure of its economy, which is more industrial and thus more affected by the slowdown in international trade. The step needed to encourage it to opt for fiscal stimulus will probably not be taken or taken as a last resort, despite multiple sources of pressure including from France, which is lobbying the country to launch a large-scale investment plan. But Germany is not in recession as its growth is forecast to be 1.2% in 2020, meaning that emergency measures are not necessary, especially since consumption is holding up well. This is also the case in France, which is much less susceptible to developments in global trade. French growth should logically be a little better, at 1.3%. Growth of slightly more than 1% is expected for the eurozone as a whole, but Brexit is a very considerable hazard which will have an adverse effect in the event of a hard exit. The Central Banks have already noted this macrostabilisation.

The Chair of the US Federal Reserve, Jerome Powell, has always described himself as pragmatic and "data-dependent", meaning that he intends to adapt his policy to economic developments. Against this backdrop, the Fed cut its key rates by 25 basis points (bps) three times in 2019, bringing the main key monetary rate to 1.75%.

At the European Central Bank (ECB), Mario Draghi laid the groundwork before leaving his post. We must accustom ourselves to the communication of its new President, Christine Lagarde. She entered her post at a sensitive point in time when the ECB's policy was heavily criticised for creating a negative interest rate environment which robs savers of their returns, with troubling consequences: the drop in returns, which should encourage more consumption, in actual fact reinforces the savings rate. In addition, this context weakens life insurance companies and banks. The new President took up her post without making any decisions, instead allowing herself time to conduct an in-depth analysis of the purpose and scope of the ECB's indicators.

### Interest rates

The start of the financial year was directly affected by the Fed's change of direction. Rates fell back again. At the end of the period, the Bund 10-year yield was, for the first time ever, firmly in negative territory at nearly -0.20%, 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 almost 3.25% in October 2018 to almost 1.92% at the end of the financial year, having reached a low of around 1.50% in September 2019. 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 1.4% at the end of the period.

In these circumstances, credit spreads also dropped from January 2019 onwards, in the wake of the new Fed measures and the general recovery of the bond markets in a context where investors facing an unprecedented period of negative interest rates were looking for returns.

Under these conditions, performances on the bond markets proved surprisingly positive. The eurozone government bond index rose by 6.6%, the Investment Grade (IG) bond index rose by over 7%, and the High-Yield (HY) segment rose by around 10% in the eurozone and by nearly 12% (in USD) in the United States.

Emerging bonds noticeably recovered against this backdrop of low interest rates and flows moved back towards this asset class boasting attractive returns. In the end, strong currency debt indices experienced growth of nearly 18% over the period, while local currency debt indices rose by nearly 15% in euros.

Convertible bonds also displayed two different phases in their performance and were significantly up in Europe at the end of the financial year, by 7-10% according to the index.

On currencies, the dollar gained almost 4% against the euro. The RMB, the Chinese currency, a potential source of instability for emerging currencies, was quite weak (defence measures taken by the Chinese authorities to counter the US trade war), falling almost 2% against the dollar over the period.

In Europe, the pound regained ground after the parliamentary elections in December, which gave the Conservative Party a clear majority and the markets a certain visibility: the pound ended the year up almost 4%.

Equity markets experienced a significant upturn from the beginning of 2019. At the same time as this turnaround in US monetary policy, the indices very quickly regained all the ground lost in Q4 2018 from May to June onwards. Then ensued a period of hesitation because of the many macroeconomic and geopolitical uncertainties, before another phase of acceleration at the end of the year as the economic news improved.

Finally, 2019 turned out to be the best year overall for almost 20 years:

American equities rose by 31% in USD (S&P 500 Index, including dividends). 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 followed this trend with performances of between 25% and 30% according to the index (+30.45% 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.

Emerging markets were also up sharply by more than 20% over the period, with a special mention for local Chinese equities (around 35%) and Brazilian equities (almost 30%), but also with high price volatility.

Finally, in terms of commodities, the performance by gold stood out, posting an increase of 17% over the financial year. Oil increased by nearly 35%, primarily for reasons linked to the geopolitical context.

The HFR Global Index representing alternative management rose by almost 5% (hedged in euros), which is satisfactory but disappointing in the general context and illustrates the struggle managers are facing to increase value against this backdrop.

## Management

	OFI Financial Investment – RS Euro Investment Grade Climate Change			
	I share	R share	IC share	N share
NAV as at 31/12/2018	€10,618.86	€97.75	€5,956.87	€101.70
NAV as at 31/12/2019	€11,196.86	€102.67	€6,281.11	€107.59
Performance	5.44%	5.03%	5.44%	5.79%

Over the same period, the Sub-Fund's benchmark, the Bank of America ML Euro Corporate Index, rose by 6.25%.

The net assets in the portfolio stood at €74.40 million on 31 December 2019, compared to €68.52 million on 31 December 2018.

Thanks to the U-turn by central banks at the start of the year (particularly the Fed's U-turn), all financial markets were able to post strong growth, despite a deterioration in the fundamentals (global growth revised downwards below 3% and low inflation) and geopolitical turmoil (such as the trade war and Brexit).

These aspects once again drove rates down despite the change in direction observed since the beginning of September. As a result, the 10-year German Bund benchmark went from +0.24% on 31 December 2018 to -0.18% on 31 December 2019, after hitting a historic low of -0.7% at the end of August. Over the period, 5-year and 10-year swap rates fell by 30 and 60 basis points (bps) respectively.

Efforts to find yields in a universe with low rates benefited the Euro Investment Grade bond market, which posted a positive performance of +6.25% over 2019 and experienced a significant tightening in credit spreads (decrease by 41bps to 63bps on 31 December 2019).

In contrast with 2018, we witnessed a tightening in spreads caused by falls down the rating scales and spread curves flattening. High beta bonds outperformed other less risky sub-funds, as shown in the performances of corporate hybrids (+12.6%) and financial subordinates (+10.3%) over the period.

2019 was a record year, with more than €550 billion worth of new issues sold flooding the market (€340 billion Corp, €190 billion Senior Fin and €40 billion Sub Fin). This surge in securities did not stop credit spreads from tightening due to large inflows into the funds/ETFs.

At the start of year, the Sub-Fund was adversely affected by its shorter positioning (on rates and on credit) than its benchmark. As a result, the Sub-Fund benefited from the lower interest rates, the tighter spreads and the flattened curves compared to its index.

The Sub-Fund's credit sensitivity fluctuated between 4.7 and 5.4 during the financial year, compared to the average of 5.2 for the benchmark. The Sub-Fund's rate sensitivity fluctuated between 3.9 and 5.2 during the financial year, compared to the average of 5.1 for the benchmark. The differential between the two sensitivities is in part due to a short position on rate futures (Bund contract). This position was removed in May and there are no longer any Bund rate futures as at 31 December 2019.

The main sales transactions in the profile during this financial year were as follows:

Position	Date	Nominal processed	Price
GOLDMAN SACHS 1.375 2024_05	25/01/2019	- 1,005,000	100.2
INTESA SANPAOLO 1.125 2020_01	21/02/2019	- 1,000,000	100.9
FEDEX 1.625 2027_01	04/06/2019	- 9,50,000	104.5
IBM 1.250 2027_01	09/04/2019	- 9,50,000	102.7
ARCHER DANIELS MIDLAND 1.000 2025_09	05/04/2019	- 9,29,000	102.4

The main purchase transactions in the profile during this financial year were as follows:

Position	Date	Nominal processed	Price
FLUOR 1.750 2023_03	02/07/2019	1,700,000	104.9
RCI BANQUE 1.750 2026_04	27/03/2019	1,100,000	99.9
VERIZON COMMUNICATIONS 0.875 2027_04	02/04/2019	1,100,000	99.6
WIRECARD 0.500 2024_09	05/09/2019	1,100,000	99.4
PEUGEOT 1.125 2029_09	09/09/2019	1,100,000	98.9

## 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 on the website ([http://www.ofi-am.fr/isr\\_la\\_recherche\\_ISR.php](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 December 2019

	% ASSETS MANAGED	% VALUED/ENTITY	% VALUED / ASSET CLASS
PRIVATE ISSUERS	98.61%	98.61%	100%
UCI and cash	1.39%	1.39%	100%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	

Scope of portfolio covered by TEEC (Energy and Ecological Transition for the Climate) analyses at the end of December 2019

	% ASSETS MANAGED	% VALUED/ENTITY	% VALUED / ASSET CLASS
PRIVATE ISSUERS	98.61%	96.0%	97.35%
UCI and cash	1.39%	1.39%	100%
<b>TOTAL</b>	<b>100%</b>	<b>97.39%</b>	

#### Private issuers

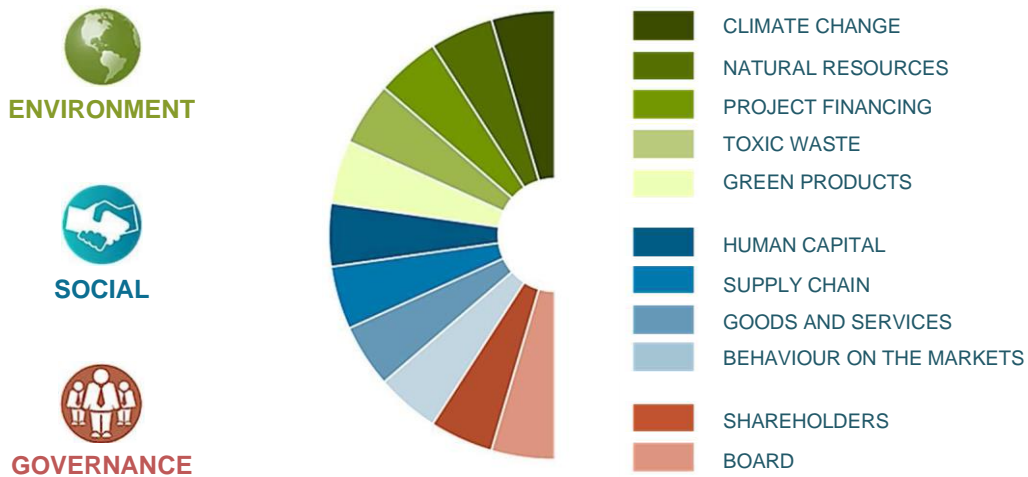
#### ESG analysis

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 into 11 main subject areas



### Reasons for choice of ESG criteria applied

On the list of all "generic" ESG issues

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



## Environmental criteria associated with climate change

### Criteria concerning physical risks

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

### Criteria concerning risks associated with the low carbon transition plan

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

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

## Information used for the analysis

The ESG analysis is based on several sources of information

- Analyses originating from specialist agencies: MSCI, VIGÉO, PROXINVEST, REPRISK
- Analyses and data originating from various media and specialist brokers
- Analyses carried out by OFI AM's SRI analysis team, covering ESG controversies and governance.
- 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 into a rating for 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 which have been slow to consider ESG issues, representing a minimum of 20% of issuers in the universe.

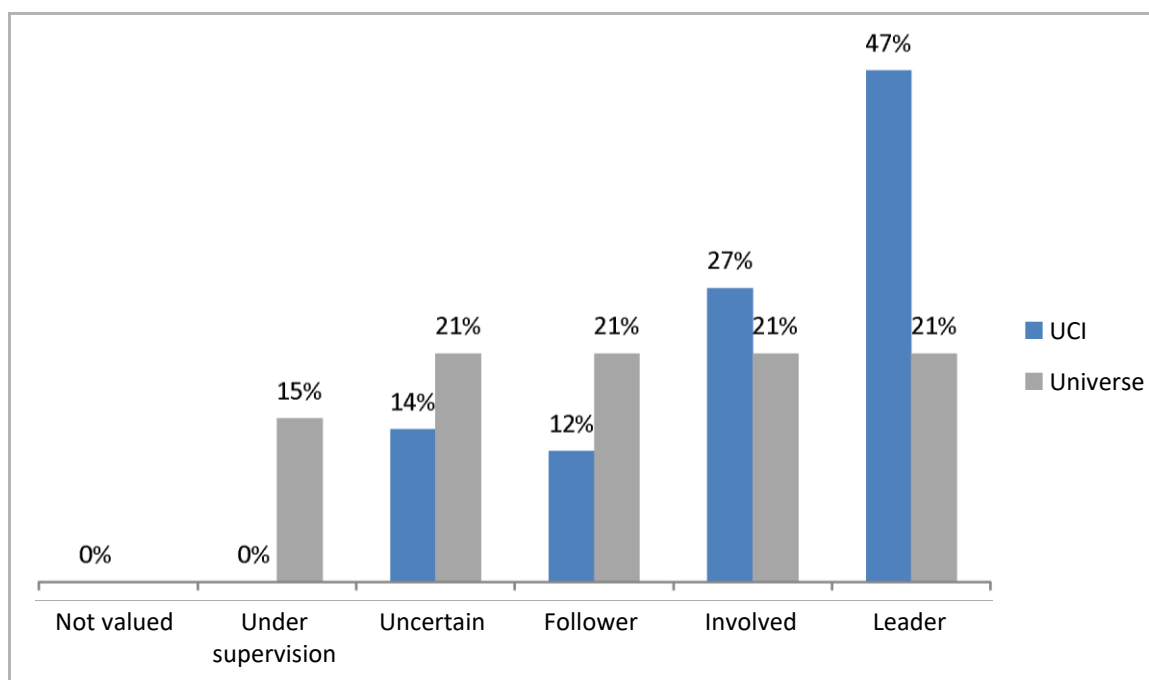
The other issuers are divided up into **4 categories which are equal in terms of number of issuers:**

- **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 the consideration of ESG issues

### Results of the analysis as of 31 December 2019

At the end of December, 100% of the Sub-Fund's assets were covered by an ESG analysis.

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



Source: OFI AM on 31/12/2019

**Assessment of ESG risks**

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

Analyses of ESG controversies

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

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

**TEEC analysis method**

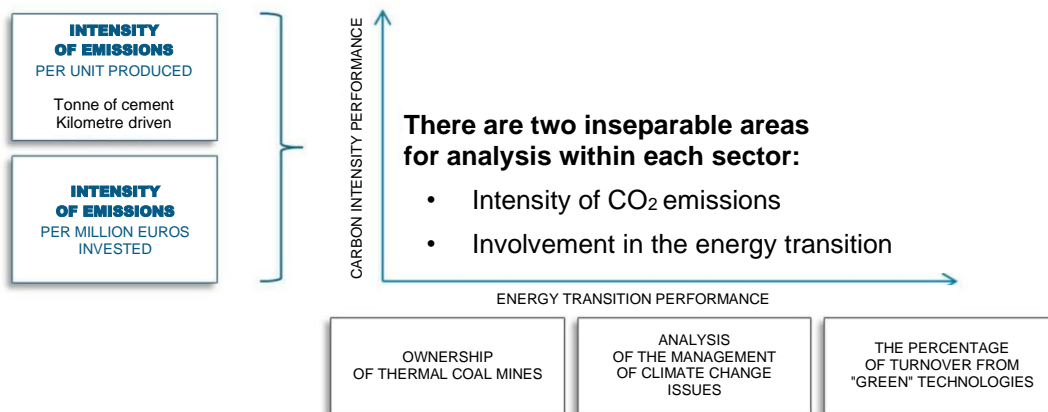
In order to assess issuers' contributions within the portfolio to the international target of limiting global warming and to achieving energy transition objectives, the SRI Division of OFI AM establishes:

- A portfolio carbon footprint and a benchmark
- A carbon analysis on these issuers

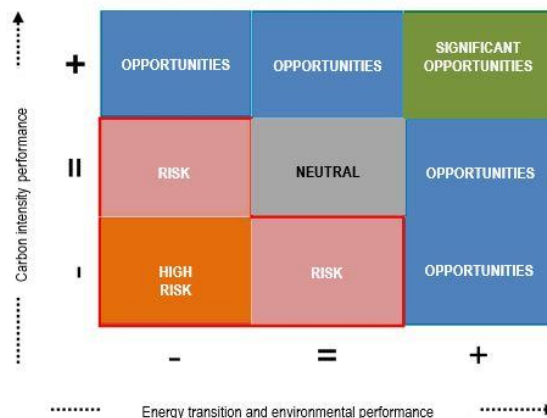
This analysis covers issuers from sectors with the highest levels of carbon emissions (such as Automobiles & Parts, Basic Resources, Chemicals, Construction & Materials, Oil & Gas and Utilities).

The analysis is conducted around two main areas:

- The carbon intensity of the company's activities
- The issuer's involvement in the energy transition



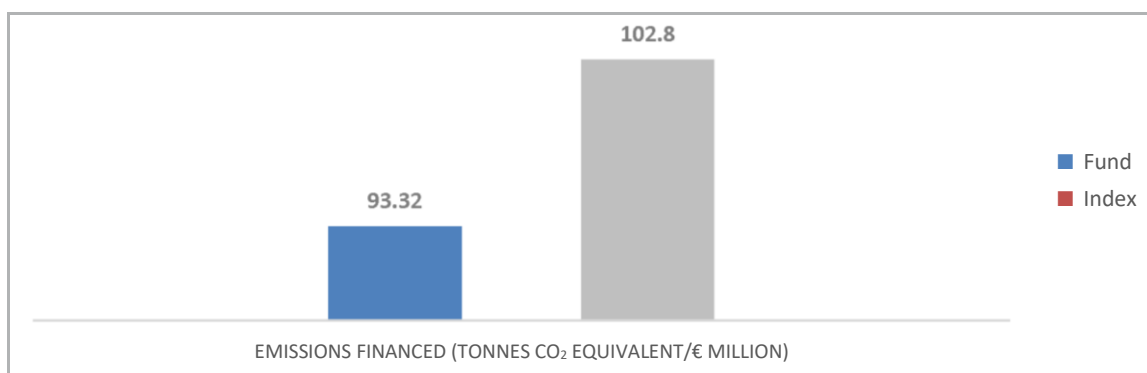
A matrix representing the positioning of each issuer within its sector of activity has therefore been obtained.



Using this matrix, an evaluation on the portfolio is carried out in order to obtain a comprehensive overview of the risks and opportunities for this area.

## Carbon footprint evaluation: Emissions financed

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



Carbon emissions or GHG (Greenhouse Gas) emissions, expressed in tonnes of CO<sub>2</sub> 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):

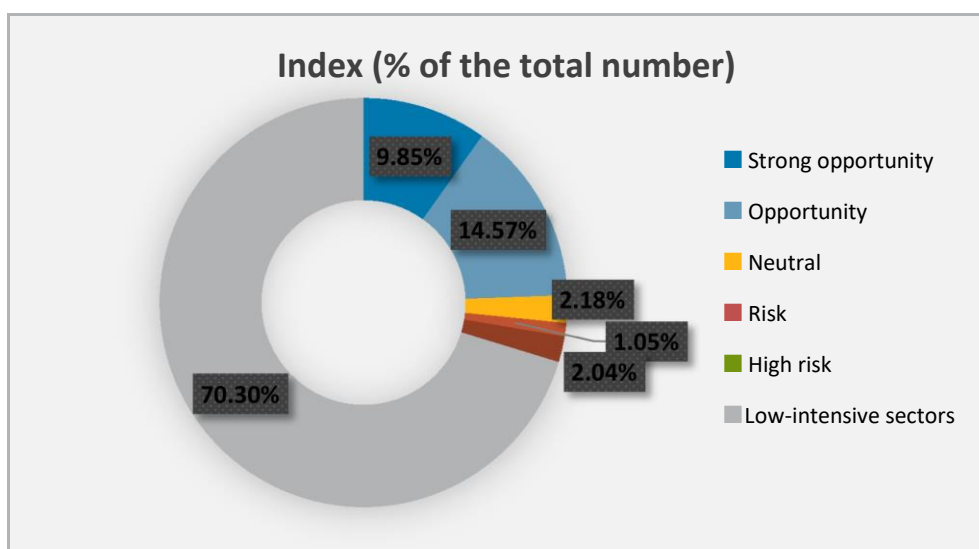
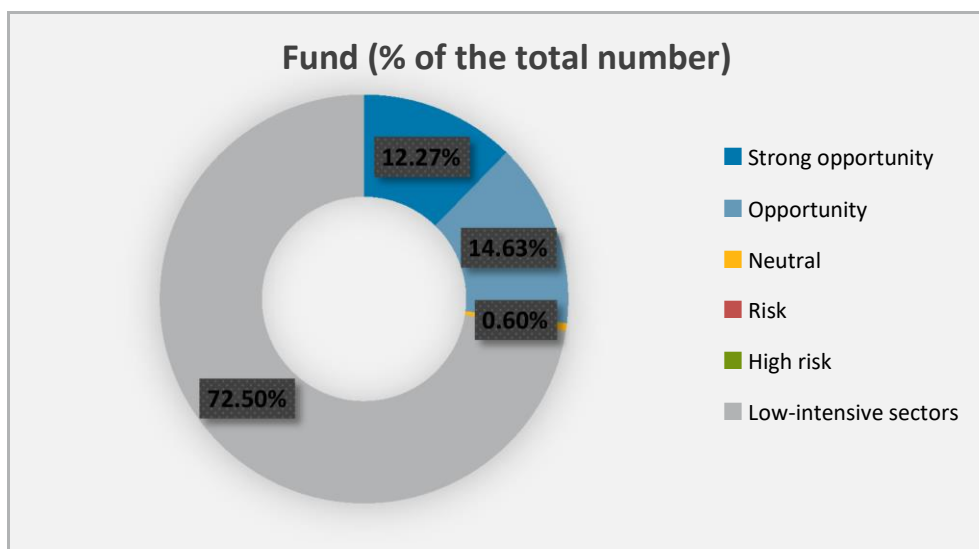
- Direct GHG emissions (or SCOPE 1): Direct emissions originating from fixed or mobile installations situated within the perimeter of the organisation, that is emissions originating from sources owned or controlled by the organisation, for example: combustion of fixed and mobile sources, industrial processes 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.



## Results of the TEEC analysis

At the end of December 2019, the distribution of the total number of holdings in the portfolio and its index based on TEEC analysis categories was as follows:



## 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 and TEEC analyses into the investment policy**

This Sub-Fund integrates the ESG and TEEC analyses into its investment process.

A detailed presentation of this process is available in the Sub-Fund's Transparency Code, which can be found online at [www.ofi-am.fr](http://www.ofi-am.fr) [in French], by selecting the Sub-Fund, then the "Documents" tab.

#### **Commitment and voting strategy**

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

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

The commitment actions concern:

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

An annual review of measures taken is published at ([https://www.ofi-am.fr/pdf/ISR\\_rapport-de-vote.pdf](https://www.ofi-am.fr/pdf/ISR_rapport-de-vote.pdf)) [in French]

## EXERCISE OF VOTING RIGHTS AT GENERAL MEETINGS

As this Sub-Fund is a bond Sub-Fund, it does not hold any equity securities and is therefore not affected.

## 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 31/12/2019

Rates: No position on 31/12/2019

Credit: No position on 31/12/2019

Equities - CFD: No position on 31/12/2019

Commodities: No position on 31/12/2019

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

As at the year-end on 31 December 2019, the OFI FINANCIAL INVESTMENT - RS EURO INVESTMENT GRADE CLIMATE CHANGE Sub-Fund performed neither securities financing transactions nor total return swaps.

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET ASSETS

	31/12/2019	31/12/2018
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>74,445,395.25</b>	<b>68,396,682.62</b>
<b>Shares and similar securities</b>	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
<b>Bonds and similar securities</b>	<b>73,411,689.96</b>	<b>66,344,464.67</b>
Traded on a regulated or similar market	73,411,689.96	66,344,464.67
Not traded on a regulated or similar market	-	-
<b>Debt securities</b>	-	-
Traded on a regulated market or similar	-	-
Transferable debt securities	-	-
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
<b>Mutual funds</b>	<b>1,033,705.29</b>	<b>2,027,577.95</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	1,033,705.29	2,027,577.95
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	-	-
<b>Temporary transactions on securities</b>	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	<b>24,640.00</b>
Transactions on a regulated or similar market	-	24,640.00
Other transactions	-	-
<b>Other financial instruments</b>	-	-
<b>Receivables</b>	<b>11,032.05</b>	<b>162,805.96</b>
Foreign exchange forward transactions	-	-
Others	11,032.05	162,805.96
<b>Financial accounts</b>	<b>40.37</b>	<b>49,659.04</b>
Liquid assets	40.37	49,659.04
<b>Total assets</b>	<b>74,456,467.67</b>	<b>68,609,147.62</b>

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET LIABILITIES

	31/12/2019	31/12/2018
<b>Equity</b>		
<b>Capital</b>	73,506,617.11	67,307,598.99
Previous net capital gains and losses not distributed (a)	-	665,451.43
Carry forward (a)	-	-
Net capital gains and losses for the financial year (a, b)	93,300.90	-405,527.67
Result for the financial year (a, b)	806,292.30	961,735.62
<b>Equity total</b>	<b>74,406,210.31</b>	<b>68,529,258.37</b>
(= Amount representative of net assets)		
<b>Financial instruments</b>	-	24,640.00
Purchase and sale transactions on financial instruments	-	-
<b>Temporary transactions on securities</b>	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	24,640.00
Transactions on a regulated or similar market	-	24,640.00
Other transactions	-	-
<b>Payables</b>	<b>50,257.24</b>	<b>55,249.12</b>
Foreign exchange forward transactions	-	-
Others	50,257.24	55,249.12
<b>Financial accounts</b>	<b>0.12</b>	<b>0.13</b>
Current bank credit facilities	0.12	0.13
Borrowing	-	-
<b>Total liabilities</b>	<b>74,456,467.67</b>	<b>68,609,147.62</b>

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

## Off-balance sheet (in euros)

	31/12/2019	31/12/2018
<b>HEDGING TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	<b>4,579,120.00</b>
RATES	-	4,579,120.00
SALE - FUTURE - EURO BUND	-	4,579,120.00
<b>OTC commitments</b>	-	-
<b>Other commitments</b>	-	-
<b>OTHER TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	-
<b>OTC commitments</b>	-	-
<b>Other commitments</b>	-	-

## Profit and loss account (in euros)

	31/12/2019	31/12/2018
<b>Income on financial transactions</b>		
Income on deposits and financial accounts	7.83	8.29
Income on shares and similar securities	-	-
Income on bonds and similar securities	1,139,241.67	1,245,104.10
Income on debt securities	-	-
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
<b>Total (I)</b>	<b>1,139,249.50</b>	<b>1,245,112.39</b>
<b>Expenses on financial transactions</b>		
Expenses on acquisitions and temporary purchase and sale of securities	-	-
Expenses on financial contracts	-	-
Expenses on financial receivables	760.83	701.67
Other financial expenses	-	-
<b>Total (II)</b>	<b>760.83</b>	<b>701.67</b>
<b>Result on financial transactions (I-II)</b>	<b>1,138,488.67</b>	<b>1,244,410.72</b>
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	304,309.23	277,586.63
<b>Net result for financial year (L. 214-17-1) (I - II + III - IV)</b>	<b>834,179.44</b>	<b>966,824.09</b>
Adjustment of income for financial year (V)	-27,887.14	-5,088.47
Advances on result paid in respect of financial year (VI)	-	-
<b>Result (I - II + III - IV +/- V - VI)</b>	<b>806,292.30</b>	<b>961,735.62</b>

# APPENDIX

## ACCOUNTING RULES AND METHODS

The Sub-Fund 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 management company.

The accounting currency for the Sub-Fund is the euro.

The net asset value is calculated every non-holiday trading 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 Sub-Fund values its securities at the current value, resulting from the market value or, in the absence of any existing 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

Futures or options, traded on European regulated or similar markets, are valued at the settlement price, or failing this, based on the closing price.

#### Financial contracts not traded on a regulated or similar market (i.e. traded over-the-counter)

- *Financial contracts not traded on a regulated or similar market and settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued at the settlement price.
- *Financial contracts not traded on a regulated or similar market and not settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued using mark-to-model or mark-to-market pricing using prices provided by the counterparties.

## Acquisitions and temporary purchase and sale of securities

Not Applicable

## Deposits

Deposits are valued at their book value.

## Foreign currencies

Foreign currencies in cash are valued with the prices published daily on the financial databases used by the management company.

## Description of off-balance sheet commitments

Futures contracts feature in the 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 Sub-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 Sub-Fund posting currency).

Commitments on interest rate or currency swaps are posted off-balance sheet at the nominal value or, in the absence of a nominal value, for an equivalent amount, at the time of the initial transaction.

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

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

## Option chosen regarding posting of costs

The Sub-Fund has opted for posting with costs excluded.

## Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the Sub-Fund, when each net asset value is calculated. The maximum rate applied on the basis of net assets may not be more than:

- 0.55% (including tax); the whole UCI included, for two share classes: IC and I
- 1.10% (including tax); the whole UCI included, for two share classes: R
- 0.20% (including tax); the whole UCI included, for two share classes: N

These fees cover all costs charged directly to the Sub-Fund, with the exception of transaction 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 is paid to the management company once the Sub-Fund has exceeded its objectives. It is therefore charged to the Sub-Fund;
- turnover fee charged to the Sub-Fund;

## Description of the method for calculating variable management fees

The variable management fees apply to the IC, I and R shares.

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

Each time the net asset value is established, the outperformance fee, then defined equal to 20% of the performance above the Bank of America Merrill Lynch Euro Corporate 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 Sub-Fund is positive, this same outperformance fee shall also be collected, but this shall be limited to 1.5% of the net assets.

In the case of redemptions, the share of the outperformance fee corresponding to the redeemed shares is collected by the Management Company.



Apart from redemptions, the outperformance fee is collected by the Management Company on the end date of each outperformance fee calculation period. Since 28 November 2016, the calculation period has been from 1 December to 30 November of each year. 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

#### Distributable amounts relating to the net result:

##### I and N shares:

the management company decides, each year, on allocation of the net result. The management company may decide on the payment of exceptional part payments.

##### IC and R shares:

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 on the allocation of the capital gains made on an annual basis. The management company may decide on the payment of exceptional part payments.

## Evolution of net assets of the UCI (in euros)

	31/12/2019	31/12/2018
<b>Net assets at the beginning of the financial year</b>	<b>68,529,258.37</b>	<b>59,351,734.32</b>
Subscriptions (including subscription fees retained by the UCI)	15,058,249.91	18,165,868.75
Redemptions (after deduction of redemption fees retained by the UCI)	-13,128,824.01	-7,436,851.57
Capital gains made on deposits and financial instruments	888,608.04	432,153.12
Capital losses made on deposits and financial instruments	-566,860.11	-630,909.14
Capital gains made on financial contracts	112,830.00	275,090.00
Capital losses made on financial contracts	-304,510.00	-475,180.00
Transaction costs	-20,012.42	-24,212.41
Exchange differences	-3.61	-10.44
Change in difference in estimate of deposits and financial instruments	2,978,654.70	-2,039,108.35
Difference of estimate financial year N	2,395,838.35	
Difference of estimate financial year N - 1	-582,816.35	
Change in difference in estimate of financial contracts	24,640.00	-56,140.00
Difference of estimate financial year N	-	
Difference of estimate financial year N - 1	-24,640.00	
Distribution for the previous financial year on net capital gains and losses	-	-
Distribution for the previous financial year on result	-	-
Net result of the financial year before accruals account	834,179.44	966,824.09
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-	-
<b>Net assets at the end of the financial year</b>	<b>74,406,210.31</b>	<b>68,529,258.37</b>

## Allocation by legal or economic nature

Designation of securities	Nominal	%
<b>Assets</b>		
<b>Bonds and similar securities</b>	<b>73,411,689.96</b>	<b>98.66</b>
Indexed Bonds	-	-
Convertible Bonds	-	-
Equity Securities	-	-
Other Bonds	73,411,689.96	98.66
<b>Debt securities</b>	-	-
Short-term negotiable securities	-	-
Medium-term negotiable securities	-	-
<b>Liabilities</b>		
<b>Purchase and sale transactions on financial instruments</b>	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Others	-	-
<b>Off-balance sheet</b>		
Rate	-	-
Shares	-	-
Credit	-	-
Others	-	-

## Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	66,194,964.49	88.96	6,915,816.87	9.29	300,908.60	0.40	-	-
Debt securities	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	40.37	0.00
<b>Liabilities</b>								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	0.12	0.00

## Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Allocation by residual maturity

	< 3 months	%	]3 months – 1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>Assets</b>										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	747,341.23	1.00	7,807,987.74	10.49	19,560,466.33	26.29	45,295,894.66	60.88
Debt securities	-	-	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	40.37	0.00	-	-	-	-	-	-	-	-
<b>Liabilities</b>										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	0.12	0.00	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

## Allocation by currency

	TRY	%	PLN	%	SEK	%	NOK	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Shares and similar securities	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
UCI	-	-	-	-	-	-	-	-
Temporary transactions on securities	--	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Financial accounts	39.68	0.00	0.44	0.00	-	-	0.01	0.00

## Allocation by currency (continued)

	TRY	%	PLN	%	SEK	%	NOK	%
<b>Liabilities</b>								
Purchase and sale transactions on financial instruments	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	0.12	0.00	-	-
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Sundry debtors and creditors

	31/12/2019
<b>Receivables</b>	
Subscriptions receivable	10,973.37
Other	58.68 <sup>(28)</sup>
<b>Total receivables</b>	<b>11,032.05</b>
<b>Payables</b>	
Provision for fixed management fees payable	-50,251.64
Provision for variable management fees payable	-5.60
<b>Total payables</b>	<b>-50,257.24</b>
<b>Total</b>	<b>-39,225.19</b>

(28) Turnover fee provision reversal

## Subscriptions-redemptions

<b>IC share class</b>	
Shares issued	434.8853
Shares redeemed	126.8563
<b>I share class</b>	
Shares issued	467.5557
Shares redeemed	5.0000
<b>N share class</b>	
Shares issued	64,071.2672
Shares redeemed	112,229.8114
<b>R share class</b>	
Shares issued	3,198.1503
Shares redeemed	1,945.5323

## Commissions

<b>IC share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>I share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>N share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>R share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

## Management fees

<b>IC share class</b>	
Percentage of fixed management fees	0.52
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>I share class</b>	
Percentage of fixed management fees	0.52
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>N share class</b>	
Percentage of fixed management fees	0.19
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>R share class</b>	
Percentage of fixed management fees	0.91
Performance commission (variable costs)	5.60
Retrocession of management fees	-

## Commitments received and given

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

## Other information

Code	Name	Quantity	Price	Current value (in euros)
<b>Current value of financial instruments forming the subject of temporary acquisition</b>				
	Nil			
<b>Current value of financial instruments constituting guarantee deposits</b>				
<b>Financial instruments received as guarantee and not posted on the balance sheet</b>				
	Nil			
<b>Financial instruments given as guarantee and kept in their original entry</b>				
	Nil			
<b>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</b>				
FR0000008997	OFI RS LIQUIDITES	237.299	4,356.13	1,033,705.29

## Advances on result paid in respect of financial year

	Date	Total amount	Unit amount	Total tax credits	Unit tax credit
<b>Total advances</b>		-	-	-	-

## Advances on net capital gains and losses paid in respect of financial year

	Date	Total amount	Unit amount
<b>Total advances</b>		-	-

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

	31/12/2019	31/12/2018
<b>IC share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	282,352.15	321,654.48
<b>Total</b>	<b>282,352.15</b>	<b>321,654.48</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	282,352.15	321,654.48
<b>Total</b>	<b>282,352.15</b>	<b>321,654.48</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-

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

	31/12/2019	31/12/2018
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>I share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	242,852.66	237,153.97
<b>Total</b>	<b>242,852.66</b>	<b>237,153.97</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	242,852.66	237,153.97
<b>Total</b>	<b>242,852.66</b>	<b>237,153.97</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	2,182.5557	1,720.0000
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>N share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	278,671.70	400,720.23
<b>Total</b>	<b>278,671.70</b>	<b>400,720.23</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	278,671.70	400,720.23
<b>Total</b>	<b>278,671.70</b>	<b>400,720.23</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	196,665.4992	244,824.0434
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>R share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	2,415.79	2,206.94
<b>Total</b>	<b>2,415.79</b>	<b>2,206.94</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	2,415.79	2,206.94



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

	31/12/2019	31/12/2018
<b>Total</b>	<b>2,415.79</b>	<b>2,206.94</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

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

	31/12/2019	31/12/2018
<b>IC share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	664,827.19
Net capital gains and losses for the financial year	35,646.70	-148,708.66
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>35,646.70</b>	<b>516,118.53</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	35,646.70	516,118.53
<b>Total</b>	<b>35,646.70</b>	<b>516,118.53</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	4,523.4816	4,215.4526
Unit distribution	-	-
<b>I share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	30,659.96	-108,158.11
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>30,659.96</b>	<b>-108,158.11</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	30,659.96	-108,158.11
<b>Total</b>	<b>30,659.96</b>	<b>-108,158.11</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	2,182.5557	1,720.0000
Unit distribution	-	-

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

	31/12/2019	31/12/2018
<b>N share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	26,496.77	-147,151.17
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>26,496.77</b>	<b>-147,151.17</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	26,496.77	-147,151.17
<b>Total</b>	<b>26,496.77</b>	<b>-147,151.17</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	196,665.4992	244,824.0434
Unit distribution	-	-
<b>R share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	624.24
Net capital gains and losses for the financial year	497.47	-1,509.73
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>497.47</b>	<b>-885.49</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	497.47	-885.49
<b>Total</b>	<b>497.47</b>	<b>-885.49</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	3,853.6180	2,601.0000
Unit distribution	-	-

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

	31/12/2019	31/12/2018	29/12/2017	30/12/2016	31/12/2015
<b>Net assets</b>					
EUR units	74,406,210.31	68,529,258.37	59,351,734.32	31,210,807.99	29,777,033.87
<b>Number of securities</b>					
IC share class	4,523.4816	4,215.4526	2,725.4089	2,276.0012	2,568.6310
I share class	2,182.5557	1,720.0000	1,670.0000	1,675.0000	1,500.0000
N share class	196,665.4992	244,824.0434	236,998.1977	-	-
R share class	3,853.6180	2,601.0000	1.0000	-	-
<b>Unit net asset value</b>					
IC share class in EUR	6,281.11	5,956.87	6,096.71	5,931.60	5,679.96
I share class in EUR	11,196.86	10,618.86	10,866.27	10,573.41	10,124.86
N share class in EUR	107.59	101.70	103.75 <sup>(29)</sup>	-	-
R share class in EUR	102.67	97.75	100.46 <sup>(30)</sup>	-	-
<b>Unit distribution on net capital gains and losses (including advances)</b>					
IC share class in EUR	-	-	-	-	-
I share class in EUR	-	-	-	-	-
N share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
<b>Unit distribution on result (including advances)</b>					
IC share class in EUR	-	-	-	-	-
I share class in EUR	-	-	-	-	-
N share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
<b>Unit tax credit transferred to bearer (individuals)</b>					
IC share class in EUR	-	-	-	-	-
I share class in EUR	-	-	-	-	-
N share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
<b>Unit capitalisation</b>					
IC share class in EUR	70.29	198.73	61.17	86.79	238.23
I share class in EUR	125.31	74.99	576.28	154.69	441.95
N share class in EUR	1.55	1.03	1.93	-	-
R share class in EUR	0.75	0.50	0.21	-	-

(29) The N share class was created on 26 January 2017 with a nominal value of EUR 100.00.

(30) The R share class was created on 8 September 2017 with a nominal value of EUR 100.00.

## Portfolio inventory as of 31 December 2019

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
<b>Deposits</b>			-	-
<b>Financial instruments</b>				
<b>Shares and similar securities</b>			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
<b>Bonds and similar securities</b>			<b>73,411,689.96</b>	<b>98.66</b>
Traded on a regulated or similar market			73,411,689.96	98.66
A2A SPA 1% 16/07/2029	EUR	1,000,000.00	1,026,472.13	1.38
ABN AMRO BANK NV 0.5% 15/04/2026	EUR	316,000.00	321,559.36	0.43
ABN AMRO BANK NV PERP	EUR	400,000.00	420,748.24	0.57
ADECCO INT FINANCIAL SVS 1% 02/12/2024	EUR	800,000.00	838,299.45	1.13
AMADEUS IT GROUP SA 0.875% 18/09/2023	EUR	500,000.00	514,829.03	0.69
AMPHENOL TECH HLDS GMBH 2.00% 08/10/2028	EUR	800,000.00	886,763.28	1.19
ANHEUSER BUSCH INBEV NV 2% 17/03/2028	EUR	600,000.00	680,493.77	0.91
ARGENTUM GIVAUDAN 1.125% 17/09/2025	EUR	400,000.00	420,327.87	0.56
AROUNDTOWN SA 0.625% 09/07/2025	EUR	800,000.00	801,551.69	1.08
ATOS SE 0.75% 07/05/2022	EUR	300,000.00	306,701.56	0.41
ATOS SE 1.75% 07/05/2025	EUR	800,000.00	863,218.58	1.16
BANCO BILBAO VIZCAYA ARG 1.125% 28/02/2024	EUR	500,000.00	519,611.99	0.70
BANCO BILBAO VIZCAYA ARG 3.5% 10/02/2027	EUR	300,000.00	360,286.85	0.48
BANCO SANTANDER SA 1.375% 09/02/2022	EUR	500,000.00	520,628.08	0.70
BANCO SANTANDER SA 2.125% 08/02/2028	EUR	400,000.00	437,341.64	0.59
BBVA 0.75% 11/09/2022	EUR	400,000.00	407,814.43	0.55
BENI STABILI SPA 2.375% 20/02/2028	EUR	500,000.00	569,113.36	0.76
BMW FINANCE NV 0.75% 13/07/2026	EUR	1,000,000.00	1,030,682.01	1.39
BNP PARIBAS 1.125% 11/06/2026	EUR	600,000.00	626,479.18	0.84
BNP PARIBAS 1.5% 17/11/2025	EUR	420,000.00	445,841.02	0.60
BORGWARNER INC 1.8% 07/11/2022	EUR	500,000.00	523,351.64	0.70
BPCE 4.625% 18/07/2023	EUR	600,000.00	703,953.52	0.95
BPCE SA 2.875% 22/04/2026	EUR	600,000.00	693,425.57	0.93
BPOST SA 1.25% 11/07/2026	EUR	700,000.00	740,467.65	1.00
BRISA CONCESSAO RODOV SA 3.875% 01/04/2021	EUR	400,000.00	431,490.87	0.58
BRITISH TELECOMMUNICATION 1.125% 12/09/2029	EUR	800,000.00	796,938.69	1.07
BUREAU VERITAS SA 1.25% 07/09/2023	EUR	1,000,000.00	1,034,330.05	1.39
CAIXABANK SA 1.125% 12/01/2023	EUR	600,000.00	620,143.56	0.83
CAP GEMINI 2.5% 01/07/2023	EUR	900,000.00	981,094.43	1.32
CHRISTIAN DIOR SE 0.75% 24/06/2021	EUR	1,000,000.00	1,011,854.92	1.36
CIE DE SAINT GOBAIN 1.875% 15/03/2031	EUR	500,000.00	556,280.74	0.75
CIE GENERALE DES ESTABLI 0.875% 03/09/2025	EUR	600,000.00	626,230.00	0.84
CITIGROUP INC 1.25% 10/04/2029	EUR	600,000.00	634,711.80	0.85
COCA COLA 1.875% 22/09/2026	EUR	500,000.00	559,438.32	0.75
COCA COLA HBC FINANCE BV 1% 14/05/2027	EUR	182,000.00	188,860.21	0.25
COCA-COLA HBC FINANCE BV 1.8750% 11/11/2024	EUR	500,000.00	544,657.58	0.73
COMMONWEALTH BANK OF AUSTRALIA 1.125% 18/01/2028	EUR	333,000.00	356,705.49	0.48
CREDIT AGRICOLE SA 2.625% 17/03/2027	EUR	700,000.00	801,529.84	1.08

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
CREDIT MUTUEL ARKEA 1.625% 15/04/2026	EUR	900,000.00	961,719.22	1.29
DEUTSCHE ANNINGTON FINANCE B.V. VAR PERPETUAL	EUR	200,000.00	214,731.58	0.29
EASYJET PLC 1.75% 09/02/2023	EUR	950,000.00	1,006,644.73	1.35
EATON CAPITAL 0.75% 20/09/2024	EUR	750,000.00	769,238.73	1.03
ECP FINANCE BV 1.875% 29/09/2023	EUR	400,000.00	426,567.21	0.57
EDP FINANCE BV 1.875% 13/10/2025	EUR	700,000.00	760,690.57	1.02
ENEL FINANCE INTL NV 0.375% 17/06/2027	EUR	600,000.00	595,019.51	0.80
ENEL FINANCE INTL NV 1.5% 21/07/2025	EUR	400,000.00	428,561.31	0.58
ENI SPA 1.00% 14/03/2025	EUR	300,000.00	314,178.03	0.42
ESB FINANCE DA 1.125% 11/06/2030	EUR	296,000.00	310,691.06	0.42
EURONEXT NV 1.125% 12/06/2029	EUR	826,000.00	852,185.22	1.15
EVONIK INDUSTRIES AG VAR 07/07/2077	EUR	650,000.00	675,226.13	0.91
EXOR NV 1.75% 18/01/2028	EUR	700,000.00	746,956.58	1.00
EXOR SPA 2.125% 02/12/2022	EUR	500,000.00	526,628.96	0.71
FERROVIAL EMISIONES SA 1.375% 31/03/2025	EUR	800,000.00	845,955.19	1.14
FINMEC FINANCE SA 4.5% 19/01/2021	EUR	500,000.00	544,463.70	0.73
FONCIERE DES REGIONS 1.5% 21/06/2027	EUR	500,000.00	531,466.39	0.71
GRP BRUXELLES LAMBERT SA 1.375% 23/05/2024	EUR	700,000.00	725,867.01	0.98
HERA SPA 0.875% 05/07/2027	EUR	833,000.00	854,450.66	1.15
IBERDROLA INTL BV VAR PERP	EUR	600,000.00	625,446.25	0.84
IBM CORP 0.375% 31/01/2023	EUR	950,000.00	964,024.21	1.30
ILIAD SA 1.5% 14/10/2024	EUR	900,000.00	905,777.70	1.22
IMERYS SA 1.875% 31/03/2028	EUR	100,000.00	105,924.18	0.14
ING GROEP NV VAR 26/09/2029	EUR	300,000.00	312,238.65	0.42
INGENICO GROUP SA 1.625% 13/09/2024	EUR	500,000.00	508,686.34	0.68
INMOBILIARIA COLONIAL SO 2% 17/04/2026	EUR	800,000.00	870,129.84	1.17
INTESA SANPAOLO SPA 0.875% 27/06/2022	EUR	425,000.00	434,198.00	0.58
INTL FLAVOR AND FRAGRANCES 0.5% 25/09/2021	EUR	343,000.00	345,732.38	0.46
IREN SPA 0.875% 14/10/2029	EUR	446,000.00	446,060.87	0.60
JOHNSON CONTROLS INTL PL 1.375% 25/02/2025	EUR	300,000.00	313,966.03	0.42
KERRY GROUP FIN SERVICES 0.625% 20/09/2029	EUR	760,000.00	736,738.70	0.99
KLEPIERRE 1.375% 16/02/2027	EUR	400,000.00	431,156.99	0.58
LA BANQUE POSTALE 1.375% 24/04/2029	EUR	300,000.00	319,692.70	0.43
LA BANQUE POSTALE VAR 19/11/2027	EUR	500,000.00	533,790.57	0.72
LAGARDERE SA 2.125% 16/10/2026	EUR	600,000.00	598,732.05	0.80
LAGARDERE SCA 1.625% 21/06/2024	EUR	300,000.00	305,340.66	0.41
LLOYDS BANK GROUP PLC VAR 15/01/2024	EUR	500,000.00	507,772.26	0.68
MANPOWERGROUP 1.75% 22/06/2026	EUR	490,000.00	524,360.65	0.70
MANPOWERGROUP 1.875% 11/09/2022	EUR	400,000.00	419,536.07	0.56
MEDIOBANCA SPA 0.625% 27/09/2022	EUR	900,000.00	910,596.15	1.22
MERLIN PROPertes SOCIMI 1.875% 02/11/2026	EUR	600,000.00	642,405.74	0.86
MONDI FINANCE PLC 1.625% 27/04/2026	EUR	500,000.00	531,722.06	0.71
NATIONWIDE BLDG 6.75% 22/07/2020	EUR	700,000.00	747,341.23	1.00
NATIONWIDE BLDG SOCIETY VAR 08/03/2026	EUR	833,000.00	883,426.54	1.19
NESTE OYJ 1.5% 07/06/2024	EUR	700,000.00	735,704.59	0.99

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
NORDEA BANK AB VAR PERP	EUR	500,000.00	524,500.82	0.70
ORANGE SA 1.125% 15/07/2024	EUR	600,000.00	628,192.13	0.84
ORANGE SA 1.875% 12/09/2030	EUR	400,000.00	447,955.57	0.60
PEUGEOT 1.125% 18/09/2029	EUR	700,000.00	702,582.25	0.94
PROLOGIS 3% 02/06/2026	EUR	500,000.00	590,161.48	0.79
PROLOGIS INTL FUND II 0.875% 09/07/2029	EUR	533,000.00	530,524.46	0.71
PSA BANQUE FRANCE 0.5% 12/04/2022	EUR	600,000.00	608,180.33	0.82
RABOBANK NEDERLAND 5.5% PERPETUAL	EUR	500,000.00	512,675.68	0.69
ROYAL BANK OF SCOTLAND 0.75% 15/11/2025	EUR	650,000.00	650,977.66	0.87
ROYAL BK SCOTLND GRP PLC 2.50% 22/03/2023	EUR	600,000.00	653,342.30	0.88
SAFRAN SA FRN 28/06/2021	EUR	300,000.00	300,908.60	0.40
SANTAN CONSUMER FINANCE 0.5% 14/11/2026	EUR	400,000.00	397,073.22	0.53
SANTAN CONSUMER FINANCE 1% 27/02/2024	EUR	300,000.00	310,797.95	0.42
SCA HYGIENE AB 1.125% 27/03/2024	EUR	700,000.00	731,337.62	0.98
SEB SA 1.5% 31/05/2024	EUR	600,000.00	625,016.07	0.84
SECURITAS AB 1.25% 06/03/2025	EUR	600,000.00	623,489.02	0.84
SES SA 1.625% 22/03/2026	EUR	400,000.00	422,896.99	0.57
SIEMENS FINANCIERINGSMAT 1.25% 28/02/2031	EUR	600,000.00	648,769.32	0.87
SMITHS GROUP PLC 1.25% 28/04/2023	EUR	500,000.00	517,719.13	0.70
SNAM SPA 1.25% 28/08/2025	EUR	514,000.00	540,096.59	0.73
SOCIETE GENERALE 1.25% 15/02/2024	EUR	800,000.00	836,501.92	1.12
SOCIETE GENERALE 4% 07/06/2023	EUR	300,000.00	343,575.25	0.46
SODEXO SA 1.125% 22/05/2025	EUR	600,000.00	633,448.03	0.85
SSE PLC 1.375% 04/09/2027	EUR	320,000.00	340,078.64	0.46
STRYKER CORP 0.75% 01/03/2029	EUR	300,000.00	300,850.57	0.40
SUEZ VAR PERP	EUR	200,000.00	217,228.99	0.29
SYDBANK AS 1.25% 04/02/2022	EUR	500,000.00	515,902.05	0.69
TELENOR ASA 0.75% 31/05/2026	EUR	700,000.00	720,962.70	0.97
TERNA SPA 23/07/2018	EUR	595,000.00	616,289.62	0.83
THERMO FISHER SCIENTIFIC 0.125% 01/03/2025	EUR	412,000.00	408,466.87	0.55
THERMO FISHER SCIENTIFIC 1.45% 16/03/2027	EUR	700,000.00	753,625.55	1.01
TOTAL SA VAR PERP	EUR	600,000.00	630,600.66	0.85
UNIBAIL RODAMCO SE 1.125% 15/09/2025	EUR	500,000.00	523,340.57	0.70
UNIBAIL RODAMCO SE VAR PERP	EUR	200,000.00	206,452.84	0.28
UNICREDIT SPA 1% 18/01/2023	EUR	600,000.00	612,173.42	0.82
VERIZON COMMUNICATIONS 0.875% 08/04/2027	EUR	400,000.00	413,661.97	0.56
VERIZON COMMUNICATIONS 1.25% 08/04/2030	EUR	500,000.00	527,810.66	0.71
VIVENDI SA 1.125% 11/12/2028	EUR	1,000,000.00	1,023,506.97	1.38
VODAFONE GROUP PLC 0.9% 24/11/2026	EUR	773,000.00	797,104.93	1.07
VONOVIA FINANCE BV 0.625% 07/10/2027	EUR	400,000.00	393,961.09	0.53
WENDEL SA 1.00% 20/04/2023	EUR	500,000.00	514,974.59	0.69
WPP FINANCE 2013 3% 20/11/2023	EUR	500,000.00	558,003.28	0.75
Not traded on a regulated or similar market			-	-
<b>Debt securities</b>			-	-
Traded on a regulated market or similar			-	-

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Transferable debt securities			-	-
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
<b>Mutual funds</b>			<b>1,033,705.29</b>	<b>1.39</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			1,033,705.29	1.39
OFI RS LIQUIDITES	EUR	237.299	1,033,705.29	1.39
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			-	-
<b>Temporary transactions on securities</b>			-	-
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 agreement			-	-
Payables representative of securities borrowed			-	-
Other temporary transactions			-	-
<b>Purchase and sale transactions on financial instruments</b>			-	-
<b>Financial contracts</b>			-	-
Transactions on a regulated or similar market			-	-
Other transactions			-	-
<b>Other financial instruments</b>			-	-
<b>Receivables</b>			<b>11,032.05</b>	<b>0.01</b>
<b>Payables</b>			<b>-50,257.24</b>	<b>-0.07</b>
<b>Financial accounts</b>			<b>40.25</b>	<b>0.00</b>
<b>NET ASSETS</b>			<b>74,406,210.31</b>	<b>100.00</b>

# ANNUAL REPORT

Financial year ended 31 December 2019



## OFI FINANCIAL INVESTMENT - RS EUROPEAN CONVERTIBLE BOND Sub-Fund

### Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Management Company by delegation

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Depositary and Custodian

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

### Administrative and accounts management

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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## MANAGEMENT DIRECTION

### Management objective

The objective of the Sub-Fund is to achieve performance above that of its benchmark, by investing the portfolio in European convertible bonds.

### Benchmark

The benchmark is the Thomson Reuters Europe Focus Hedged Convertible Bond Index (EUR), calculated with coupons reinvested.

This index is calculated by MACE Advisers, a company in the Thomson Reuters group. It brings together European convertibles satisfying minimum liquidity and balanced (share/bond) risk profile criteria.

It is available at <http://thomsonreuters.com/> and via Bloomberg: Code UCBIFX21 Index

However, the Sub-Fund's objective is not to reproduce, in one way or another, the performance of this index.

### Management strategy

As a minimum, 60% of the net assets of the Sub-Fund are invested in European convertible bonds. It will be exposed continuously on one or more European 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 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 Sub-Fund is managed, is between 0 and 5.

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 sectoral benchmark for key issues, an ESG Score is calculated per issuer, which includes, on the one hand, the key issue scores (with a weighting of 70% for Environmental and Social issues and 30% for Governance), any penalties linked to controversies not yet integrated into the scores for key issues and any bonuses linked to the 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 Sub-Fund adheres to the AFG Eurosif Transparency Code for SRI Funds open to the public, which is available online at [www.ofi-am.fr](http://www.ofi-am.fr).

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

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

The manager may take positions with a view to hedging against the credit risk associated with the bonds held in the portfolio.

The manager is also authorised to carry out transactions hedging against the foreign exchange risk associated with holding securities denominated in currencies other than the euro (maximum currency exposure of 5%).

### **Risk profile**

Investors are mainly exposed to the risks below, this list not being exhaustive.

#### Capital loss risk

The investor is advised that the performance of the Sub-Fund might not conform to his objectives and that his capital might not be returned in full, the Sub-Fund not benefiting from any guarantee or protection of capital invested.

#### Risk associated with the holding of convertible bonds

The Sub-Fund 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 Sub-Fund will drop in the case of an unfavourable change.

#### Share risk

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

#### Interest rate risk

Because of its composition, the Sub-Fund 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 may therefore drop if interest rates rise.

#### 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 Sub-Fund.

#### Counterparty risk

This is the risk associated with use by the Sub-Fund of futures, OTC instruments and/or resorting to temporary purchases and sales of securities. These transactions concluded with one or more eligible counterparties potentially expose the Sub-Fund to a risk of one of these counterparties defaulting and possibly resulting in failure to pay.

#### 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 return, they offer higher levels of return, but can significantly reduce the net asset value of the Sub-Fund.

#### Foreign exchange risk

This is the risk of foreign currency variation affecting the value of the stocks held by the Sub-Fund. Investors' attention is drawn to the fact that the net asset value of the Sub-Fund may drop in the case of an unfavourable change in the foreign currency rate other than the euro.

#### Risk associated with holding small capitalisations

On account of its management direction, the Sub-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 may generate marked fluctuations in the net asset value.

And, secondarily, to the following risks:

#### Risk associated with investment in certain UCITS

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

#### **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 Sub-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 Sub-Fund reserves the option of seeking a higher leverage level, depending on the situation of the markets.

#### **INFORMATION RELATIVE TO THE VAR**

<b>OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND</b>	<b>VaR 5d 95% over 2019</b>
Average	0.21%
Maximum	0.37%
Minimum	0.13%

#### **CHANGE(S) MADE DURING THE FINANCIAL YEAR**

The changes made over the financial year were as follows:

- As of 1 April 2019, the undertakings designated for the centralisation of subscriptions and redemptions are now OFI ASSET MANAGEMENT for purely registered units and CACEIS BANK for managed bearer and registered units.
- In a context of streamlining its range of UCIs but also as part of its international development, OFI ASSET MANAGEMENT has decided to refocus its range of SICAVs on its core expertise. In addition, on 16 September 2019, OFI ASSET MANAGEMENT launched its SICAV sub-fund, OFI FINANCIAL INVESTMENT.

As OFI RS EUROPEAN CONVERTIBLE BOND is one of these core areas of expertise, the approval of the Autorité des Marchés Financiers was obtained on 18 June 2019 to merge it into the OFI FINANCIAL INVESTMENT - RS EUROPEAN CONVERTIBLE BOND Sub-Fund of our SICAV, OFI FINANCIAL INVESTMENT.

The OFI FINANCIAL INVESTMENT - RS EUROPEAN CONVERTIBLE BOND Sub-Fund has been specially created to absorb the OFI RS EUROPEAN CONVERTIBLE BOND SICAV.

It was named OFI FINANCIAL INVESTMENT - RS EUROPEAN CONVERTIBLE BOND and retained the same characteristics as the OFI RS EUROPEAN CONVERTIBLE BOND SICAV. Its shares retained the same ISIN codes and the same performance as the shares for the OFI RS EUROPEAN CONVERTIBLE BOND SICAV.

No changes were made to the management strategy, risk/return profile or management fees.

In order to help to ensure that the SICAV and its Sub-Funds can operate smoothly, a decision was also made to appoint a joint depositary, SOCIETE GENERALE, and a joint Auditor, PRICEWATERHOUSECOOPERS AUDIT. In addition, a decision was made to have a joint financial year to December.

Previously, OFI RS EUROPEAN CONVERTIBLE BOND's Statutory Auditor was APLITEC and its depositary was CACEIS BANK.

Each year, the SICAV and its Sub-Funds will close on the last non-holiday trading day in December, whereas each year the OFI RS EUROPEAN CONVERTIBLE BOND SICAV closed on the last non-holiday trading day in September.

With the agreement of the Statutory Auditor PRICEWATERHOUSECOOPERS AUDIT, the OFI RS EUROPEAN CONVERTIBLE BOND SICAV did not close in September 2019, and the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND Sub-Fund will close in December 2019: an exceptional annual report on a period of 15 months will therefore be produced on the last non-holiday trading day of December 2019.

There is no impact on the calculation period for the variable management fee, which remains unchanged and runs from 1 April to 30 April of each year.

The merger-absorption operation was based on the net asset values of 13 September 2019 and took effect on 16 September 2019. The last net asset value of the OFI RS EUROPEAN CONVERTIBLE BOND SICAV on which subscriptions or redemptions could have been executed was the net asset value of 10 September 2019. As a result, the absorbed SICAV suspended subscriptions and redemptions of its shares as from 10 September 2019 at 12:01 pm.

## **FUTURE CHANGE(S)**

None.

## **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, Shares or UCI Shares, Financial contracts.

This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.

A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:

- Monitoring volumes of transactions per market broker;
- Analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties");
- The nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order;
- Feedback of operational incidents detected by the managers or the Middle Office.

At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.

This valuation can be based on an analysis report provided by an independent service provider.

The selection of UCIs relies on a threefold analysis:

- A quantitative analysis of the media selected;
- An additional qualitative analysis;
- Due diligence, which aims to validate the option of intervening on a given fund and of setting investment limits on the fund in question and on the corresponding management company.

A post-investment committee meets every six months to review all authorisations given and limits consumed.

For the execution of certain financial instruments, the Management Company uses 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 that assist 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](https://www.ofi-am.fr/pdf/info-reglementaire_CR-frais-intermediation.pdf)

## INFORMATION RELATING TO REMUNERATIONS OF THE UCITS

In accordance with the 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:

### 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 sets remuneration policy and ensures its implementation.

The Company's remuneration policy promotes sound, effective risk management, simultaneously aligns the interests of investors, of the Company and of the 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.

Fixed remuneration is the employee's normal pay for the work expected, corresponding to their qualification. Variable remuneration takes into account, in particular, the Company's results, its equity requirements and the quality of management and 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, and 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 an overall 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.

Depending on changes to the quantitative and qualitative criteria in the years that follow, this allocation may be revised downwards, applying the malus concept.

*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.*

## Quantitative elements

### Total remunerations allocated by the manager to their 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 2019

The 2019 financial and stock market year is coming to an end. It was very positive overall and in actual fact contrasted with the last quarter of 2018, which was characterised by violent consolidation phases.

The major trigger for this bounceback was linked to the drastic change in monetary policy by the US Federal Reserve (Fed). The interest rate "normalisation" phase conducted in 2018 ended sharply at the beginning of 2019 once it became quite clear that the global economy was heading towards a fairly pronounced slowdown.

The economic situation then gradually improved.

There were very negative expectations during the first part of the year, followed by the worst-case expectations. In one year, global growth of close to 4% fell to 3%. However, it may now stabilise. Indeed, the deterioration in statistics and leading indicators seems to be dissipating, and the International Monetary Fund (IMF) anticipates growth of +3.4% for 2020.

The US economy has not been easy to interpret, illustrating the hesitation that has typified the markets since the summer.

On the one hand, it is showing "late-cycle" signs, with a marked slowdown in industry. Companies have indeed been severely affected by the drop in confidence of their managers, who are only making small investments in the context of a trade war and international tensions. At the same time, consumption has held up well. This can be explained by the historically low unemployment rate and the first positive effects of the fall in interest rates which has been in place for a year now, and which also shores up the property market. There is therefore no risk of recession in the coming months, even though the economy is fairly "fragile". Growth will therefore be around 2.2% in 2019 and will slow to around 1.8- 2% next year, according to the IMF's most recent estimates.

In the short term, China must adapt to the tougher trade stance the United States has adopted, which is likely to lead to a reorganisation of global production chains. This will therefore logically weigh on the country's growth, with its growth potential also diminishing under the effect of natural ageing and overcapacities which still exist in industrial sectors and state enterprises. Potential growth will therefore naturally decrease over the next few years, and as the country develops and moves towards an economy with a greater emphasis on services and consumption. Growth will therefore be under 6% in 2020. The IMF forecasts a rate of 5.8%.

In the eurozone, Germany is slowing down more than France as a result of the structure of its economy, which is more industrial and thus more affected by the slowdown in international trade. The step needed to encourage it to opt for fiscal stimulus will probably not be taken or taken as a last resort, despite multiple sources of pressure including from France, which is lobbying the country to launch a large-scale investment plan. But Germany is not in recession as its growth is forecast to be 1.2% in 2020, meaning that emergency measures are not necessary, especially since consumption is holding up well. This is also the case in France, which is much less susceptible to developments in global trade. French growth should logically be a little better, at 1.3%. Growth of slightly more than 1% is expected for the eurozone as a whole, but Brexit is a very considerable hazard which will have an adverse effect in the event of a hard exit.

The Central Banks have already noted this macrostabilisation.

The Chair of the US Federal Reserve, Jerome Powell, has always described himself as pragmatic and "data-dependent", meaning that he intends to adapt his policy to economic developments. Against this backdrop, the Fed cut its key rates by 25 basis points (bps) three times in 2019, bringing the main key monetary rate to 1.75%.

At the European Central Bank (ECB), Mario Draghi laid the groundwork before leaving his post. We must accustom ourselves to the communication of its new President, Christine Lagarde. She entered her post at a sensitive point in time when the ECB's policy was heavily criticised for creating a negative interest rate environment which robs savers of their returns, with troubling consequences: the drop in returns, which should encourage more consumption, in actual fact reinforces the savings rate. In addition, this context weakens life insurance companies and banks. The new President took up her post without making any decisions, instead allowing herself time to conduct an in-depth analysis of the purpose and scope of the ECB's indicators.

### Interest rates

The start of the financial year was directly affected by the Fed's change of direction. Rates fell back again. At the end of the period, the Bund 10-year yield was, for the first time ever, firmly in negative territory at nearly -0.20%, 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 almost 3.25% in October 2018 to almost 1.92% at the end of the financial year, having reached a low of around 1.50% in September 2019. 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 1.4% at the end of the period.

In these circumstances, credit spreads also dropped from January 2019 onwards, in the wake of the new Fed measures and the general recovery of the bond markets in a context where investors facing an unprecedented period of negative interest rates were looking for returns.

Under these conditions, performances on the bond markets proved surprisingly positive. The eurozone government bond index rose by 6.6%, the Investment Grade (IG) bond index rose by over 7%, and the High-Yield (HY) segment rose by around 10% in the eurozone and by nearly 12% (in USD) in the United States.

Emerging bonds noticeably recovered against this backdrop of low interest rates and flows moved back towards this asset class boasting attractive returns. In the end, strong currency debt indices experienced growth of nearly 18% over the period, while local currency debt indices rose by nearly 15% in euros.

Convertible bonds also displayed two different phases in their performance and were significantly up in Europe at the end of the financial year, by 7-10% according to the index.

On currencies, the dollar gained almost 4% against the euro. The RMB, the Chinese currency, a potential source of instability for emerging currencies, was quite weak (defence measures taken by the Chinese authorities to counter the US trade war), falling almost 2% against the dollar over the period.

In Europe, the pound regained ground after the parliamentary elections in December, which gave the Conservative Party a clear majority and the markets a certain visibility: the pound ended the year up almost 4%.

Equity markets experienced a significant upturn from the beginning of 2019. At the same time as this turnaround in US monetary policy, the indices very quickly regained all the ground lost in Q4 2018 from May to June onwards. Then ensued a period of hesitation because of the many macroeconomic and geopolitical uncertainties, before another phase of acceleration at the end of the year as the economic news improved.

Finally, 2019 turned out to be the best year overall for almost 20 years:

American equities rose by 31% in USD (S&P 500 Index, including dividends). 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 followed this trend with performances of between 25% and 30% according to the index (+30.45% 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.

Emerging markets were also up sharply by more than 20% over the period, with a special mention for local Chinese equities (around 35%) and Brazilian equities (almost 30%), but also with high price volatility.

Finally, in terms of commodities, the performance by gold stood out, posting an increase of 17% over the financial year. Oil increased by nearly 35%, primarily for reasons linked to the geopolitical context.

The HFR Global Index representing alternative management rose by almost 5% (hedged in euros), which is satisfactory but disappointing in the general context and illustrates the struggle managers are facing to increase value against this backdrop.

## Management

### Convertible Bond market

Against a market backdrop that has become increasingly volatile and alarming due to political and geopolitical uncertainties, the 2018-2019 financial year will end on a positive note thanks to the partial solutions reached in the trade war between the United States and China: +13.59% for the Euro Stoxx 50 (+28% in 2019) and +12.8% for the CAC 40, but -9.2% for the banking sector. Credit spreads are still tight, with a contraction of 68 basis points (bps) for the 5-year iTraxx-Xover at 206bps, whilst German 10-year interest rates are finishing the year in negative territory, at -0.18%. Against this backdrop, the European convertible bonds asset class posted a slightly positive performance of +1.11% for the Thomson Reuters Europe Hedged index (+3.66% for the non-hedged version of the foreign exchange risk). With share sensitivity fluctuating between 40% at the start of the period and 25% in December 2018, the field would stay the same for a number of months before resensitising and eventually ending the period at 32%, which therefore explains the poor upwards convertible performance in underlyings. Regarding the next financial year, the performance of equities will, as in recent years, remain the primary driver with credit spreads and interest rates contributing, at this level, very little to growth.



Outgoing flows on the asset class, observed through open-ended UCIs, continued throughout the financial year (around €9 billion) and stabilised during Q4 2019. However, it would seem that a large proportion of these redemptions were reinvested in dedicated funds and mandates. For this reason, implicit volatility barely changed, remaining between 28% and 31%, with a historic high of 31%. We therefore believe that, at these levels, the convertible bonds are still technically attractive, with their natural convexity being beneficial in a volatile climate.

The European primary market finished 2019 at €12.9 billion, which is higher than 2018 (€11 billion) but still at historically low levels, based on a policy of long-term low rates that do not favour the asset class. The average size on issue was stable at €370 million; 53% of issuers are new entrants into the asset class and exchangeable structures account for 30% of issues. The most represented sectors are Industrial Goods & Services (31%), Personal & Household Goods (11%), Health Care (8%), Retail (8%) and Telecommunications (8%), with France (36%), Germany (19%) and the United Kingdom (12%) being the main issuing countries.

### **Management comment**

During the financial year, the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND Sub-Fund kept a cash part fluctuating between 0% and 10% (temporarily) depending on the investments, reimbursements and redemption offers on convertible bonds, with an average weighting of 5.5% over the period. In terms of liabilities, over the financial year, we have seen net redemptions of approximately €12.6 million, with the total going from €207 million in September 2018 to €194 million fifteen months later, integrating the performance effect.

Over the period, the sensitivity of the Sub-Fund's shares was kept at an average level of 30%, fluctuating between 44% and 28%, with a low of 23% during summer 2019. In line with our changes to recommendations on equity markets and changes from our various asset allocation committees, a long position on Euro Stoxx 50 "futures" (between 2% and 6%) was kept since September 2018 and slashed from June 2019, as our market sentiment became slightly negative.

From an assets point of view, our participation on the primary market was very selective, since out of the 40 issues occurring during the financial year, the Sub-Fund only subscribed to seven: Biocartis 4% 2024, GN Store 0% 2024, Primary Health Properties 2.875% 2025, Worldline 0% 2026, Veolia 0% 2025, MTU 0.05% 2027 and Ubisoft 0% 2024.

Other movements were mainly due to a desire to progressively reduce the overall share sensitivity through total or partial profit-taking on shares (Swiss Life, Adidas, AroundTown, Mowi (formerly Marine Harvest) and Covivio (formerly Foncière des Régions)) and very sensitive convertibles or convertibles with a strong stock market performance, such as Eurazeo / CA 2019, LVMH 2021, Siemens Qiagen 2021, MTU 2023 and Kering / Artemis 2023. We also sold convertibles with short maturities, such as Iberdrola / ACS 2019, St Gobain / Wendel 2019, British Land 2020, Ceconomy / Haniel 2020, Fresenius Medical Care 2020 and KPN / America Movil 2020, and replaced them with more mixed convertibles, such as Total 2022, STM 2024, Sika 2025, Michelin 2022, Almirall 2021, Edenred 2024, SNAM 2022 and even Cembra Money Bank 2026. We obtained redemptions at maturity for GBL / Sagerpar 2018, Richter Gedeon / MNV 2019 and Sacyr 2019, as well as for the Casino / Rallye 2020 put. Finally, we converted our Marine Harvest 0.125% 2020, Adidas 0.25% 2019, Covivio 0.875% 2019 and Ubisoft 0% 2021 positions into shares, and participated in the redemption offers (before maturity) of the Safran companies, with the issuer placing another convertible, Derwent 2019 and Inmarsat 2023, following the acquisition of the company.

During the financial year, we continued our discussions with Greenyard, which have still been supported by the OFI Credit analysis teams, giving us confidence to maintain the position, and began monitoring on Vallourec, which experienced a sharp correction in its securities due to a number of profit warnings. Finally, we continued the commitment processes established in 2018 in order to hold discussions with the worst-rated companies from an SRI point of view (such as Figeac Aero 2022, Genfit 2022 and Fresenius Medical Care 2020) and assist them, meaning that they can be kept in the portfolio thanks to an improvement in their ESG score. No companies were sold during the financial year for ESG reasons.

The main positive contributors were STM 2024 (+87bps), LVMH 2021 (+82bps), Inmarsat 2023 (+43bps), Euro Stoxx 50 futures (+42bps), MTU 2023 (+39bps), BE Semiconductor 2024 (+39bps), Sika 2025 (+35bps), Adidas 2019 and its shares (+33bps), Kering 2023 (+33bps) and even Swiss Life shares (+24bps). Negative contributors included Ubisoft 2021 (+65bps), Ence Energia y Celulosa 2023 (-62bps), Vallourec 2022 (-47bps), Tullow Oil 2021 (-34bps), Biocartis 2024 (-34bps), Fresenius Medical Care 2020 (-32bps) and Dassault Aviation / Airbus 2021 (-28bps), with Société Générale, Axa and Renault calls hitting -52bps.

At the end of December 2019, the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND Sub-Fund posted a share sensitivity of 27.7%, a return on maturity of +0.04%, an ordinary return of 1.01% for an average life of 3.3 years and a cash holding of 3.7%. It is made up of 49% bond-type convertibles, 41% mixed-type convertibles and 2% share-type convertibles. The cash holding accounts for 4% (Adidas, Econocom, STM, Swiss Life and Ubisoft). In terms of allocation by market capitalisations, Large Caps represent 64% of investments, with Mid Caps and Small Caps accounting for 13% and 20%, respectively. Most of the portfolio is invested in euros (73%), currencies which are fully hedged against the foreign exchange risk (16% in USD, 8% in CHF and 3% in GBP), and the best two SRI categories, namely "Leader" and "Involved", account for 33% and 23% of investments, respectively.

## Performances

As the OFI RS EUROPEAN CONVERTIBLE BOND SICAV was merged with/absorbed by the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND Sub-Fund of the main OFI FINANCIAL INVESTMENT SICAV on 16 September 2019, the financial year lasted fifteen months.

	OFI Financial Investment – RS European Convertible Bond					
	GI share	GR share	IC share	ID share	RC EUR share	RF share
NAV as at 28/09/2018	€99.48	€99.43	€78.75	€74.61	€97.63	€98.33
NAV as at 31/12/2019	€99.40	€99.34	€78.34	€74.22	€96.45	€98.17
Performance	-0.08%	-0.09%	-0.52%	-0.52%	-1.21%	-0.16%

Over the same period, the Sub-Fund's benchmark, Thomson Reuters Europe Focus Hedged, rose by 1.11%, with the Euro Stoxx 50 up 13.50% (including dividends). This convertible bond index enables us to analyse the behaviour and performance of the universe of mixed European bonds and is not in any way a management benchmark. For comparison purposes, the Exane Europe (no foreign exchange risk hedging) and TR Europe Hedged indices posted performances of +5.26% and +2.05%, respectively, over the same period. The Sub-Fund therefore underperformed its benchmark due to its different sector-based positioning (more exposed to cyclical securities) and investment choices.

The net assets in the portfolio stood at €194.17 million on 31 December 2019, compared to €206.77 million on 28 September 2018.

During the financial year, the Sub-Fund did not use credit derivative instruments. However, the Sub-Fund used instruments on the futures markets (EUREX, MATIF, MONEP) for the purposes of exposing and hedging the portfolio to and against share markets and currency hedging.

## 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 on the website ([http://www.ofi-am.fr/isr\\_la\\_recherche\\_ISR.php](http://www.ofi-am.fr/isr_la_recherche_ISR.php)) [in French], is part of the global procedure for integrating the Sustainable Development principles, which it translates in terms of the management of investments.

#### Aims

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

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

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

#### Scope

Scope of portfolio covered by ESG analyses at the end of December 2019

	% ASSETS MANAGED	% VALUED/UCI	% VALUED / ASSET CLASS
PRIVATE ISSUERS	95.93%	86.86%	90.54 %
UCI and cash	4.07%	3.98%	97.78%
<b>TOTAL</b>	<b>100%</b>	<b>90.84%</b>	

#### Private issuers

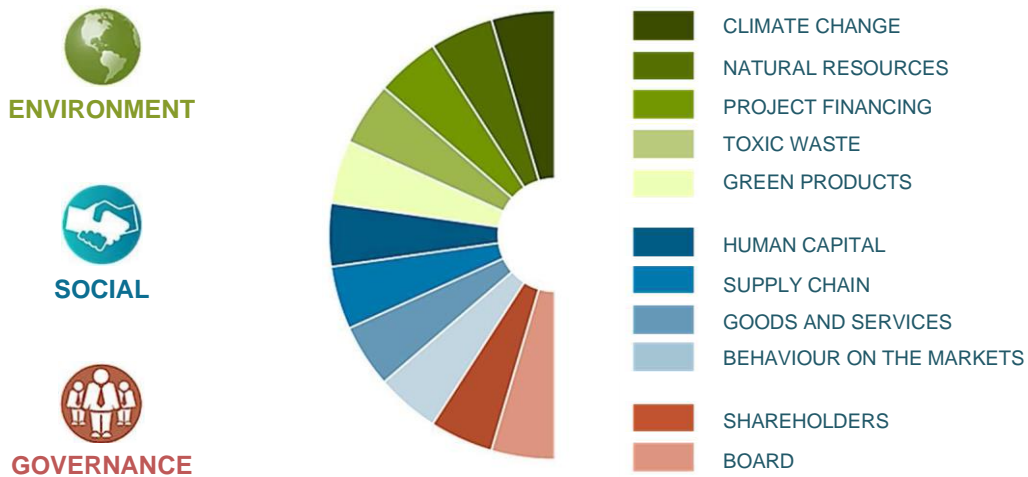
#### ESG analysis

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 into 11 main subject areas



### Reasons for choice of ESG criteria applied

On the list of all "generic" ESG issues,

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



## Environmental criteria associated with climate change

### Criteria concerning physical risks

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

### Criteria concerning risks associated with the low carbon transition plan

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

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

## Information used for the analysis

The ESG analysis is based on several sources of information

- Analyses originating from specialist agencies: MSCI, VIGÉO, PROXINVEST, REPRISK
- Analyses and data originating from various media and specialist brokers
- Analyses carried out by OFI AM's SRI analysis team, covering ESG controversies and governance.
- 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 into a rating for 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 which have been slow to consider ESG issues, representing a minimum of 20% of issuers in the universe.

The other issuers are divided up into **4 categories which are equal in terms of 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 the 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 Sub-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:

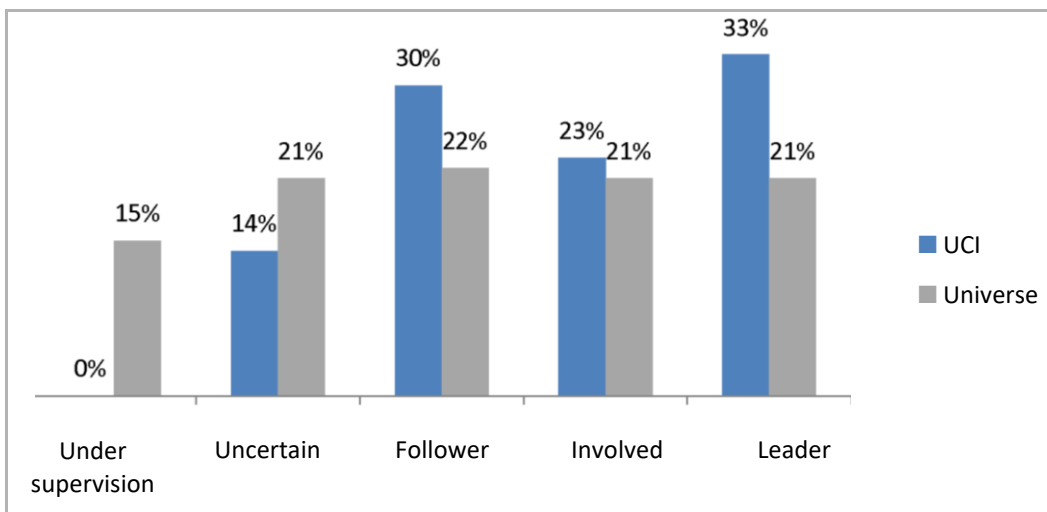
### Maximum weighting of issuers by SRI category

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

### Results of the analysis as of 31 December 2019

At the end of December, 90.84% of the total number were covered by an ESG analysis.

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



Source: OFI AM on 31/12/2019

## **Assessment of ESG risks**

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

### Analyses of ESG controversies

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

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

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

Furthermore, a carbon-footprint evaluation is carried out:

#### **Carbon footprint evaluation: Emissions financed**

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

**Estimate of emissions financed (as of 31/12/2019): 84.82 tonnes of CO<sub>2</sub> equivalent**

**Availability of information: 85.52% of the total number in the portfolio**

Carbon emissions or GHG (Greenhouse Gas) emissions, expressed in tonnes of CO<sub>2</sub> 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 perimeter of the organisation, that is emissions originating from sources owned or controlled by the organisation, 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 Sub-Fund integrates the ESG analysis into its investment process.

A detailed presentation of this process is available in the Sub-Fund's Transparency Code, which can be found online at [www.ofi-am.fr](http://www.ofi-am.fr) [in French], by selecting the Sub-Fund, then the "Documents" tab.

##### **Commitment and voting strategy**

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

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

The commitment actions concern:

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

An annual review of measures taken is published at ([https://www.ofi-am.fr/pdf/ISR\\_rapport-de-vote.pdf](https://www.ofi-am.fr/pdf/ISR_rapport-de-vote.pdf)) [in French]

## EXERCISE OF VOTING RIGHTS AT GENERAL MEETINGS

During the financial year, we exercised our voting rights at four General Meetings for which the Sub-Fund held shares: Adidas, STMicroelectronics, Covivio and Swiss Life.

#### Policy of commitment associated with the portfolio

The commitment policy that applies to the Sub-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 deemed necessary for achieving them. This period may not exceed 18 months.

The Sub-Fund systematically adopts a specific commitment approach in relation to issuers (or underlyings, if different) in the portfolio with an "Under monitoring" SRI category and with stocks with a maturity of less than two years.

Issuers in the "Under Monitoring" category may not be acquired by the Sub-Fund. They can however survive either because they were acquired before the conversion of the SICAV into an SRI SICAV, 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 quarterly. 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 as part of the 2019 commitment policy

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

### **Figeac Aero**

In September 2018, while the SRI score for the security had fallen, we initiated dialogue with Figeac Aero. Two points were discussed: shortcomings in terms of governance and a lack of transparency on anti-bribery policies. While the company was proactive in implementing anti-corruption policies under the Sapin Law, there has been a noticeable lack of communication. In 2019, we continued our discussions with the company, particularly in relation to the potential change in the Board's membership (such as looking for independent profiles, the Maillard children being admitted to the Board and the creation of specialised committees), meaning that changes are expected in 2020. It should be noted that there has been a significant improvement in the company's governance score since we began our action.

### **Fresenius Medical Care / Fresenius SE**

In October 2019, we started a wide-ranging dialogue with the company against a backdrop where Fresenius Medical Care had been affected by a major anti-corruption controversy. While a USD 230 million settlement was reached with the American authorities in March 2019, the German courts launched further investigations into the corruption practices which are believed to have occurred in 17 countries in recent years. We were given initial responses in relation to the actions taken following this controversy (such as a code of ethics rolled out throughout the entire group and its subsidiaries, training and redefining values). Over the next few months, we will ensure that the commitments made are followed through and the progress achieved within the group is furthered.

### **Genfit**

Following initial unsuccessful attempts at engagement in 2018, we contacted the company's directors again in May 2019. Despite a limited level of maturity in terms of CSR, Genfit is fully aware of its major CSR challenges and seems to be introducing appropriate measures to respond to them. However, the company is looking into formalising and sharing them. The shortcomings that we have been able to identify are down to the company's development level. Our dialogue has been very constructive and there have been tangible initial signs of progress, particularly in relation to governance and the management of certain issues. It is worth noting that there has been a significant improvement in the overall ESG score over the past year.

### **Sacyr**

Following the downgrading of the security's SRI category in October 2017 and its placement in the "Under monitoring" category, we had initiated dialogue which proved very constructive. The group's environment and social performances are in line with those of its peers. However, we had identified a number of shortcomings in terms of governance, particularly in terms of independence and the diversity of manager profiles. We therefore carefully monitored the company's progress in this area, against the backdrop of the continuing dialogue during the last two years. The first step was taken during the 2019 financial year, with tangible improvements in terms of the Board membership. The convertible bond was redeemed in May 2019 (maturity).

### **Econocom**

Dialogue started in November 2017. A lack of communication was part of the reason behind its low non-financial rating. A structured CSR initiative was put together, which suggested that improvements were on the horizon. We watched carefully as these happened. It is worth noting that the group's ESG score has significantly changed over our commitment period. The SRI analysis team and the Fund's managers therefore decided that the commitment was no longer necessary in July 2019.

## 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: Positions open as at 31/12/2019

Portfolios	Allotment	Entity	Nominal	Currency (PAY)	Currency (REC)	Counterparty	Maturity
USD versus EUR 2020/01/17	FWD CHANGE	OFI FI RS EUROPEAN CONVERTIBLE BOND	- 38,224,625	USD	EUR	BNP PARIBAS PARIS	17/01/2020
GBP versus EUR 2020/01/17	FWD CHANGE	OFI FI RS EUROPEAN CONVERTIBLE BOND	- 5,070,097	GBP	EUR	BNP PARIBAS PARIS	17/01/2020
CHF versus EUR 2020/01/17	FWD CHANGE	OFI FI RS EUROPEAN CONVERTIBLE BOND	- 3,187,600	CHF	EUR	BNP PARIBAS PARIS	17/01/2020
CHF versus EUR 2020/01/17	FWD CHANGE	OFI FI RS EUROPEAN CONVERTIBLE BOND	- 13,076,696	CHF	EUR	NATIXIS CAPITAL MARKET PARIS	17/01/2020
USD versus EUR 2020/01/17	FWD CHANGE	OFI FI RS EUROPEAN CONVERTIBLE BOND	- 3,052,154	EUR	USD	SOCIETE GENERALE CIB	17/01/2020

Rates: No position on 31/12/2019

Credit: No position on 31/12/2019

Equities - CFD: No position on 31/12/2019

Commodities: No position on 31/12/2019

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

As at the year-end on 31 December 2019, the OFI FINANCIAL INVESTMENT - RS EUROPEAN CONVERTIBLE BOND Sub-Fund performed neither securities financing transactions nor total return swaps.

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET ASSETS

	31/12/2019 <sup>(31)</sup>	28/09/2018
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>194,135,181.09</b>	<b>203,704,508.42</b>
<b>Shares and similar securities</b>	<b>8,107,821.48</b>	<b>5,848,197.80</b>
Traded on a regulated or similar market	8,107,821.48	5,848,197.80
Not traded on a regulated or similar market	-	-
<b>Bonds and similar securities</b>	<b>178,298,520.79</b>	<b>190,226,380.01</b>
Traded on a regulated or similar market	178,298,520.79	190,226,380.01
Not traded on a regulated or similar market	-	-
<b>Debt securities</b>	-	-
Traded on a regulated market or similar	-	-
Transferable debt securities	-	-
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
<b>Mutual funds</b>	<b>7,728,838.82</b>	<b>6,039,980.61</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	7,728,838.82	6,039,980.61
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	-	-
<b>Temporary transactions on securities</b>	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	<b>1,589,950.00</b>
Transactions on a regulated or similar market	-	1,589,950.00
Other transactions	-	-
<b>Other financial instruments</b>	-	-
<b>Receivables</b>	<b>58,143,965.48</b>	<b>47,088,059.81</b>
Foreign exchange forward transactions	57,875,406.78	43,717,261.26
Others	268,558.70	3,370,798.55
<b>Financial accounts</b>	<b>281,378.92</b>	<b>74,671.82</b>
Liquid assets	281,378.92	74,671.82
<b>Total assets</b>	<b>252,560,525.49</b>	<b>250,867,240.05</b>

(31) Due to its conversion into a sub-fund, it had an exceptional financial year of 15 months.

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET LIABILITIES

	31/12/2019 <sup>(31)</sup>	28/09/2018
<b>Equity</b>		
<b>Capital</b>	174,534,115.17	189,157,925.31
<b>Previous net capital gains and losses not distributed (a)</b>	17,264,321.72	16,448,954.28
<b>Carry forward (a)</b>	-	-
<b>Net capital gains and losses for the financial year (a, b)</b>	1,834,489.37	1,816,841.76
<b>Result for the financial year (a, b)</b>	539,790.04	-646,995.68
<b>Equity total</b>	<b>194,172,716.30</b>	<b>206,776,725.67</b>
(= Amount representative of net assets)		
<b>Financial instruments</b>	-	<b>91,800.00</b>
<b>Purchase and sale transactions on financial instruments</b>	-	-
<b>Temporary transactions on securities</b>	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	<b>91,800.00</b>
Transactions on a regulated or similar market	-	91,800.00
Other transactions	-	-
<b>Payables</b>	<b>57,867,809.61</b>	<b>43,893,008.92</b>
Foreign exchange forward transactions	57,695,138.97	43,743,674.93
Others	172,670.64	149,333.99
<b>Financial accounts</b>	<b>519,999.58</b>	<b>105,705.46</b>
Current bank credit facilities	519,999.58	105,705.46
Borrowing	-	-
<b>Total liabilities</b>	<b>252,560,525.49</b>	<b>250,867,240.05</b>

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

(31) Due to its conversion into a sub-fund, it had an exceptional financial year of 15 months.

## Off-balance sheet (in euros)

	31/12/2019 <sup>(31)</sup>	28/09/2018
<b>HEDGING TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	-
<b>OTC commitments</b>	-	-
<b>Other commitments</b>	-	-
<b>OTHER TRANSACTIONS</b>		
<b>Commitments on regulated or similar markets</b>	-	<b>16,321,895.60</b>
<b>EQUITIES</b>	-	16,321,895.60
PURCHASE - FUTURE - EURO STOXX 50	-	5,757,900.00
PURCHASE - OPTION - AXA - CALL 22.00 - 2019-12	-	3,098,720.10
PURCHASE - OPTION - AXA - CALL 26.00 - 2018-12	-	766,936.35
PURCHASE - OPTION - RENAULT - CALL 72.00 - 2019-12	-	2,641,770.00
PURCHASE - OPTION - RENAULT - CALL 88.00 - 2018-12	-	804,004.00
PURCHASE - OPTION - SOCIETE GENERALE - CALL 36.00 - 2019-12	-	2,777,925.80
PURCHASE - OPTION - SOCIETE GENERALE - CALL 44.00 - 2018-12	-	474,639.35
<b>OTC commitments</b>	-	-
<b>Other commitments</b>	-	-

(31) Due to its conversion into a sub-fund, it had an exceptional financial year of 15 months.

## Profit and loss account (in euros)

	31/12/2019 <sup>(31)</sup>	28/09/2018
<b>Income on financial transactions</b>		
Income on deposits and financial accounts	1,525.97	1,348.19
Income on shares and similar securities	196,916.23	326,100.22
Income on bonds and similar securities	2,715,525.08	1,861,769.73
Income on debt securities	-	-
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
<b>Total (I)</b>	<b>2,913,967.28</b>	<b>2,189,218.14</b>
<b>Expenses on financial transactions</b>		
Expenses on acquisitions and temporary purchase and sale of securities	-	291.50
Expenses on financial contracts	-	-
Expenses on financial receivables	7,505.96	5,601.78
Other financial expenses	-	-
<b>Total (II)</b>	<b>7,505.96</b>	<b>5,893.28</b>
<b>Result on financial transactions (I-II)</b>	<b>2,906,461.32</b>	<b>2,183,324.86</b>
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	2,338,493.94	2,847,471.26
<b>Net result for financial year (L. 214-17-1) (I - II + III - IV)</b>	<b>567,967.38</b>	<b>-664,146.40</b>
Adjustment of income for financial year (V)	-28,177.34	17,150.72
Advances on result paid in respect of financial year (VI)	-	-
<b>Result (I - II + III - IV +/- V - VI)</b>	<b>539,790.04</b>	<b>-646,995.68</b>

(31) Due to its conversion into a sub-fund, it had an exceptional financial year of 15 months.

# APPENDIX

## ACCOUNTING RULES AND METHODS

The Sub-Fund 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 management company.

The accounting currency for the Sub-Fund is the euro.

The net asset value is calculated every non-holiday trading day worked, and is dated the day before the following non-holiday trading day.

The financial year ended on 31 December 2019 had an exceptional length of 15 months.

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 Sub-Fund values its securities at the actual value, the value resulting from the market value or in the absence of any existing market, by using 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

Futures or options, traded on European regulated or similar markets, are valued at the settlement price, or failing this, based on the closing price.

#### Financial contracts not traded on a regulated or similar market (i.e. traded over-the-counter)

- *Financial contracts not traded on a regulated or similar market and settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued at the settlement price.
- *Financial contracts not traded on a regulated or similar market and not settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued using mark-to-model or mark-to-market pricing using prices provided by the counterparties.

## Acquisitions and temporary purchase and sale of securities

Not Applicable

## Deposits

Deposits are valued at their book value.

## Foreign currencies

Foreign currencies in cash are valued with the prices published daily on the financial databases used by the management company.

## Net asset value adjustment method associated with swing pricing with release limit

The Sub-Fund may experience a drop in its net asset value (NAV) on account of subscription/redemption orders carried out by investors, at a price which does not reflect the readjustment costs associated with the portfolio's investment or divestment transactions. To reduce the impact of this dilution and to protect the interests of existing unit-holders, the Sub-Fund introduces a swing pricing mechanism with an activation limit. This mechanism, regulated by a swing pricing policy, enables the management company to ensure that readjustment costs are paid by the investors requesting the subscription or redemption of shares in the Sub-Fund, therefore making savings for shareholders who wish to remain in the Sub-Fund.

If, on a day of calculation of the NAV, the total of net subscription/redemption orders of investors on all share categories of the Sub-Fund exceeds a predefined limit, determined on the basis of objective criteria by the management company as a percentage of the Sub-Fund's net assets, the NAV may be adjusted in an upward or downward direction, to take into account the readjustment costs chargeable respectively, to the net subscription/redemption orders. The NAV of each share class is calculated separately but any adjustment has, as a percentage, an identical impact on all NAV of the share classes of the Sub-Fund. The parameters for costs and the release limit are determined by the management company. These costs are estimated by the management company based on transactions costs, offer-bid spreads and also potential taxes applicable to the Sub-Fund.

To the extent that this adjustment is related to the net balance of subscriptions / redemptions in the Sub-Fund, it is not possible to accurately predict whether such swing pricing will apply at some point in the future. Therefore, it is no longer possible either to accurately predict how often the management company will have to make such adjustments. Investors are advised that the volatility of the Sub-Fund's NAVs may not reflect exclusively the volatility of the securities held in the portfolio due to the application of swing pricing.

The policy for determining swing pricing mechanisms is available on request from the management company.

Application of swing pricing is at the management company's discretion in accordance with the OFI pricing policy.

In accordance with the regulations, the configuration for this mechanism is known only to those persons responsible for its implementation.

## Description of off-balance sheet commitments

Futures contracts feature in the 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 Sub-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 Sub-Fund posting currency).

Commitments on interest rate or currency swaps are posted off-balance sheet at the nominal value or, in the absence of a nominal value, for an equivalent amount, at the time of the initial transaction.

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

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

## Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the Sub-Fund, when each net asset value is calculated. The maximum rate applied on the basis of net assets may not be more than:

- 1.10% incl. tax; all UCI included for IC and ID type shares
- 1.40% incl. tax; all UCI included for IC and ID type shares
- 1.80% incl. tax; all UCI included for GR type shares

These fees cover all costs charged directly to the Sub-Fund, with the exception of transaction 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 is paid to the management company once the Sub-Fund has exceeded its objectives. It is therefore charged to the Sub-Fund;
- turnover fee charged to the Sub-Fund;

### Description of the method for calculating variable management fees

The variable management fees apply to both unit types: IC, ID, RC and RF.

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 Sub-Fund is defined as the positive difference between the net assets of the Sub-Fund before consideration of any provision for outperformance fee, and the net assets of a notional Sub-Fund achieving exactly the same performance as the benchmark and registering the same pattern of subscriptions and redemptions as the actual Sub-Fund.

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

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

Each time the net asset value is established, the outperformance fee, then defined equal to 15% of the performance exceeding that of the benchmark (the Thomson Reuters Europe Focus Hedged 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 Sub-Fund is positive, this same outperformance fee shall also be collected, but this shall be limited to 1.5% of the Net Assets.

In the case of redemptions, the share of the outperformance fee corresponding to the redeemed shares 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

**Distributable amounts relating to the net result:**

IC, GI, GR, RC and RF shares:

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

ID shares:

pure distribution: the sums 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:**

Each year, the management company decides on how to allocate the capital gains made for all share classes. The management company may decide on the payment of exceptional part payments.

## Evolution of net assets of the UCI (in euros)

	31/12/2019 <sup>(31)</sup>	28/09/2018
<b>Net assets at the beginning of the financial year</b>	<b>206,776,725.67</b>	<b>195,885,453.74</b>
Subscriptions (including subscription fees retained by the UCI)	5,491,592.91	58,512,196.42
Redemptions (after deduction of redemption fees retained by the UCI)	-16,545,890.21	-41,709,318.24
Capital gains made on deposits and financial instruments	11,761,383.98	7,279,551.56
Capital losses made on deposits and financial instruments	-2,950,813.56	-4,274,898.68
Capital gains made on financial contracts	2,691,258.37	2,021,200.00
Capital losses made on financial contracts	-8,402,035.11	-456,100.00
Transaction costs	-70,965.46	-90,622.08
Exchange differences	138,935.10	-846,545.03
Change in difference in estimate of deposits and financial instruments	-6,783,542.77	-5,959,195.62
Difference of estimate financial year N	-3,021,184.90	
Difference of estimate financial year N - 1	3,762,357.87	
Change in difference in estimate of financial contracts	1,498,100.00	-2,920,850.00
Difference of estimate financial year N	-	
Difference of estimate financial year N - 1	-1,498,100.00	
Distribution for the previous financial year on net capital gains and losses	-	-
Distribution for the previous financial year on result	-	-
Net result of the financial year before accruals account	567,967.38	-664,146.40
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-	-
<b>Net assets at the end of the financial year</b>	<b>194,172,716.30</b>	<b>206,776,725.67</b>

(31) Due to its conversion into a sub-fund, it had an exceptional financial year of 15 months.

## Allocation by legal or economic nature

Designation of securities	Nominal	%
<b>Assets</b>		
<b>Bonds and similar securities</b>	<b>178,298,520.79</b>	<b>91.82</b>
Indexed Bonds	-	-
Convertible Bonds	178,298,520.79	91.82
Equity Securities	-	-
Other Bonds	-	-
<b>Debt securities</b>	-	-
Short-term negotiable securities	-	-
Medium-term negotiable securities	-	-
<b>Liabilities</b>		
<b>Purchase and sale transactions on financial instruments</b>	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Others	-	-
<b>Off-balance sheet</b>		
Rate	-	-
Shares	-	-
Credit	-	-
Others	-	-

## Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	175,427,020.79	90.35	2,871,500.00	1.48	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	281,378.92	0.14
<b>Liabilities</b>								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	519,999.58	0.27

## Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Allocation by residual maturity

	< 3 months	%	[3 months – 1 year]	%	[1 – 3 years]	%	[3 – 5 years]	%	> 5 years	%
<b>Assets</b>										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	0.70	0.00	5,979,282.32	3.08	77,633,957.48	39.98	64,574,570.21	33.26	30,110,710.08	15.51
Debt securities	-	-	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	281,378.92	0.14	-	-	-	-	-	-	-	-
<b>Liabilities</b>										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	519,999.58	0.27	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

## Allocation by currency

	USD	%	CHF	%	GBP	%		%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Shares and similar securities	-	-	1,608,905.24	0.83	-	-	-	-
Bonds and similar securities	31,020,212.98	15.98	13,342,175.19	6.87	6,041,969.31	3.11	-	-
Debt securities	-	-	-	-	-	-	-	-
UCI	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Receivables	2,721,398.57	1.40	-	-	-	-	-	-
Financial accounts	0.34	0.00	21,377.64	0.01	0.94	0.00	-	-

## Allocation by currency (continued)

	USD	%	CHF	%	GBP	%		%
<b>Liabilities</b>								
Purchase and sale transactions on financial instruments	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Payables	34,011,704.31	17.52	14,964,342.80	7.71	5,980,004.58	3.08	-	-
Financial accounts	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Sundry debtors and creditors

	31/12/2019 <sup>(31)</sup>
<b>Receivables</b>	
Currency forward purchase	2,715,830.64
Currency forward sale counterparty	55,159,576.14
Cash collateral paid	260,000.00
Coupons receivable	5,567.93
Subscriptions receivable	2,990.77
<b>Total receivables</b>	<b>58,143,965.48</b>
<b>Payables</b>	
Currency forward sale	-54,956,051.69
Currency forward purchase counterparty	-2,739,087.28
Provision for fixed management fees payable	-161,869.43
Turnover fee provision	-10,487.93
Redemptions payable	-313.28
<b>Total payables</b>	<b>-57,867,809.61</b>
<b>Total</b>	<b>276,155.87</b>

(31) Due to its conversion into a sub-fund, it had an exceptional financial year of 15 months.

## Subscriptions-redemptions

<b>IC share class</b>	
Shares issued	55,205.0238
Shares redeemed	155,088.9871
<b>ID share class</b>	
Shares issued	14,500.0000
Shares redeemed	64,685.0000
<b>RC share class</b>	
Shares issued	1,481.5707
Shares redeemed	1,211.2469

## Commissions

<b>IC share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>ID share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>RC share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

## Management fees

<b>IC share class</b>	
Percentage of fixed management fees	0.95 <sup>(32)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>ID share class</b>	
Percentage of fixed management fees	0.95 <sup>(33)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>GI share class</b>	
Percentage of fixed management fees	0.61 <sup>(34)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>GR share class</b>	
Percentage of fixed management fees	0.64 <sup>(35)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>RC share class</b>	
Percentage of fixed management fees	1.50 <sup>(36)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>RF share class</b>	
Percentage of fixed management fees	0.62 <sup>(37)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-

(32) The financial year was 15 months long – the rate presented has been annualised.

(33) The financial year was 15 months long – the rate presented has been annualised.

(34) The financial year was 15 months long – the rate presented has been annualised.

(35) The financial year was 15 months long – the rate presented has been annualised.

(36) The financial year was 15 months long – the rate presented has been annualised.

(37) The financial year was 15 months long – the rate presented has been annualised.

## 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	1,774.2443	4,356.13	7,728,838.82

## 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)

	31/12/2019 <sup>(31)</sup>	28/09/2018
<b>IC share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	284,024.53	-343,698.59
<b>Total</b>	<b>284,024.53</b>	<b>-343,698.59</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	284,024.53	-343,698.59
<b>Total</b>	<b>284,024.53</b>	<b>-343,698.59</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>ID share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	256,715.15	-303,122.82
<b>Total</b>	<b>256,715.15</b>	<b>-303,122.82</b>
<b>Allocation</b>		
Distribution	247,646.97	-
Carry forward for the financial year	9,068.18	-
Capitalisation	-	-303,122.82
<b>Total</b>	<b>256,715.15</b>	<b>-303,122.82</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1,238,234.8506	1,288,419.8506
Unit distribution	0.20	-
Tax credits attached to distribution of result	-	-
<b>GI share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	0.64	0.43
<b>Total</b>	<b>0.64</b>	<b>0.43</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	0.64	0.43
<b>Total</b>	<b>0.64</b>	<b>0.43</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-

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

	31/12/2019 <sup>(31)</sup>	28/09/2018
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>GR share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	0.60	0.41
<b>Total</b>	<b>0.60</b>	<b>0.41</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	0.60	0.41
<b>Total</b>	<b>0.60</b>	<b>0.41</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>RC share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-951.49	-175.38 <sup>(38)</sup>
<b>Total</b>	<b>-951.49</b>	<b>-175.38</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-951.49	-175.38
<b>Total</b>	<b>-951.49</b>	<b>-175.38</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	0.61	0.27 <sup>(39)</sup>
<b>Total</b>	<b>0.61</b>	<b>0.27</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	0.61	0.27

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

	31/12/2019 <sup>(31)</sup>	28/09/2018
<b>Total</b>	<b>0.61</b>	<b>0.27</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

(31) Due to its conversion into a sub-fund, it had an exceptional financial year of 15 months.

(38) The RC share class was created on 3 May 2018.

(39) The RF share class was created on 9 March 2018.

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

	31/12/2019 <sup>(31)</sup>	28/09/2018
<b>IC share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	9,097,410.66	8,797,054.17
Net capital gains and losses for the financial year	975,495.13	971,725.14
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>10,072,905.79</b>	<b>9,768,779.31</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	10,072,905.79	9,768,779.31
Capitalisation	-	-
<b>Total</b>	<b>10,072,905.79</b>	<b>9,768,779.31</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1,302,187.1575	1,402,071.1208
Unit distribution	-	-
<b>ID share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	8,166,909.05	7,651,899.99
Net capital gains and losses for the financial year	856,719.79	846,009.53
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>9,023,628.84</b>	<b>8,497,909.52</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	9,023,628.84	8,497,909.52
Capitalisation	-	-
<b>Total</b>	<b>9,023,628.84</b>	<b>8,497,909.52</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1,238,234.8506	1,288,419.8506

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

	31/12/2019 <sup>(31)</sup>	28/09/2018
Unit distribution	-	-
<b>GI share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	1.00	0.06
Net capital gains and losses for the financial year	1.13	0.94
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>2.13</b>	<b>1.00</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	2.13	1.00
Capitalisation	-	-
<b>Total</b>	<b>2.13</b>	<b>1.00</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	1.0000
Unit distribution	-	-
<b>GR share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	1.01	0.06
Net capital gains and losses for the financial year	1.12	0.95
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>2.13</b>	<b>1.01</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	2.13	1.01
Capitalisation	-	-
<b>Total</b>	<b>2.13</b>	<b>1.01</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	1.0000
Unit distribution	-	-
<b>RC share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	2,271.06	-894.21 <sup>(40)</sup>
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>2,271.06</b>	<b>-894.21</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	2,271.06	-

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

	31/12/2019 <sup>(31)</sup>	28/09/2018
Capitalisation	-	-894.21
<b>Total</b>	<b>2,271.06</b>	<b>-894.21</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	2,502.6015	2,232.2777
Unit distribution	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	1.14	-0.59 <sup>(41)</sup>
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>1.14</b>	<b>-0.59</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	1.14	-
Capitalisation	-	-0.59
<b>Total</b>	<b>1.14</b>	<b>-0.59</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	1.0000	1.0000
Unit distribution	-	-

(31) Due to its conversion into a sub-fund, it had an exceptional financial year of 15 months.

(40) The RC share class was created on 3 May 2018.

(41) The RF share class was created on 9 March 2018.

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

	31/12/2019 <sup>(31)</sup>	28/09/2018	29/09/2017	30/09/2016	30/09/2015
<b>Net assets</b>					
EUR units	194,172,716.30	206,776,725.67	195,885,453.74	148,562,295.36	169,307,791.35
<b>Number of securities</b>					
IC share class	1,302,187.1575	1,402,071.1208	1,157,234.0154	991,075.6889	1,100,370.0817
ID share class	1,238,234.8506	1,288,419.8506	1,332,129.8506	1,054,309.0000	1,326,909.0000
GI share class	1.0000	1.0000	1.0000	-	-
GR share class	1.0000	1.0000	1.0000	-	-
RC share class	2,502.6015	2,232.2777	-	-	-
RF share class	1.0000	1.0000	-	-	-
<b>Unit net asset value</b>					
IC share class in EUR	78.34	78.75	80.96	74.65	71.59

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

	31/12/2019 <sup>(31)</sup>	28/09/2018	29/09/2017	30/09/2016	30/09/2015
ID share class in EUR	74.22	74.61	76.71	70.72	68.22
GI share class in EUR	99.40	99.48	101.50 <sup>(42)</sup>	-	-
GR share class in EUR	99.34	99.43	101.50 <sup>(43)</sup>	-	-
RC share class in EUR	96.45	97.63 <sup>(44)</sup>	-	-	-
RF share class in EUR	98.17	98.33 <sup>(45)</sup>	-	-	-
<b>Unit distribution on net capital gains and losses (including advances)</b>					
IC share class in EUR	-	-	-	-	-
ID share class in EUR	-	-	-	-	-
GI share class in EUR	-	-	-	-	-
GR share class in EUR	-	-	-	-	-
RC share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit distribution on result (including advances)</b>					
IC share class in EUR	-	-	-	-	-
ID share class in EUR	0.20	-	-	-	0.38
GI share class in EUR	-	-	-	-	-
GR share class in EUR	-	-	-	-	-
RC share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit tax credit transferred to bearer (individuals)</b>					
IC share class in EUR	-	-	-	-	-
ID share class in EUR	-	-	-	-	-
GI share class in EUR	-	-	-	-	-
GR share class in EUR	-	-	-	-	-
RC share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit capitalisation</b>					
IC share class in EUR	0.21	-0.24	-0.83	4.54	3.57
ID share class in EUR	-	-0.23	-0.78	4.31	3.04
GI share class in EUR	0.64	0.43	0.02	-	-
GR share class in EUR	0.60	0.41	0.02	-	-
RC share class in EUR	-0.38	-0.47	-	-	-
RF share class in EUR	0.61	-0.32	-	-	-

(31) Due to its conversion into a sub-fund, it had an exceptional financial year of 15 months.

(42) The OFI RS EUROPEAN CONVERTIBLE BOND GI share class was created on 8 September 2017 with a nominal value of EUR 100.00.

(43) The OFI RS EUROPEAN CONVERTIBLE BOND GR share class was created on 8 September 2017 with a nominal value of EUR 100.00.

(44) The RC share class was created on 3 May 2018 with a nominal value of EUR 100.00.

(45) The RF share class was created on 9 March 2018 with a nominal value of EUR 100.00.

## Portfolio inventory as of 31 December 2019

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
<b>Deposits</b>			-	-
<b>Financial instruments</b>				
<b>Shares and similar securities</b>			<b>8,107,821.48</b>	<b>4.18</b>
Traded on a regulated or similar market			8,107,821.48	4.18
ADIDAS NOM	EUR	7,500.00	2,173,500.00	1.12
ECONOCOM GROUP SA NV	EUR	466,898.00	1,135,495.94	0.58
STMICROELECTRONICS NV	EUR	45,000.00	1,078,650.00	0.56
SWISS LIFE HOLDING NOM	CHF	3,600.00	1,608,905.24	0.83
UBISOFT ENTERTAINMENT	EUR	34,285.00	2,111,270.30	1.09
Not traded on a regulated or similar market			-	-
<b>Bonds and similar securities</b>			<b>178,298,520.79</b>	<b>91.82</b>
Traded on a regulated or similar market			178,298,520.79	91.82
AIRBUS GROUP SE CV 14/06/2021	EUR	4,400,000.00	4,719,440.00	2.43
ALMIRALL SA CV 0.25% 14/12/2021	EUR	2,500,000.00	2,590,591.53	1.33
ARCHER OBLIGATIONS CV 0% 31/03/2023	EUR	2,000,000.00	2,966,400.00	1.53
BASILEA PHARMACEUTICA CV 23/12/2022	CHF	2,600,000.00	2,388,947.66	1.23
BAYER AG 0.05% CV 15/06/2020	EUR	4,000,000.00	3,997,503.83	2.06
BE SEMICONDUCTOR 0.5% CV 06/12/2024	EUR	3,300,000.00	3,356,017.50	1.73
BEKAERT SA 0% CV 09/06/2021	EUR	2,700,000.00	2,624,670.00	1.35
BIOCARTIS NV CV 4% 09/05/2024	EUR	2,400,000.00	1,708,905.49	0.88
BRENNTAG FINANCE BV 1.875% CV 02/12/2022	USD	3,500,000.00	3,131,570.33	1.61
CEMBRA MONEY BANK AG 0% CV 09/07/2026	CHF	3,000,000.00	2,903,127.87	1.50
CIE GENERALE DES ESTABLI 0% CV 10/01/2022	USD	5,600,000.00	5,089,140.31	2.62
CO ECONOMICA DELTA SA CV 1.00% 01/12/2023	EUR	2,500,000.00	2,488,004.10	1.28
COFINIMMO CV 0.1875% 15/09/2021	EUR	15,000.00	2,274,450.00	1.17
DEUTSCHE POST AG CV 0.05% 30/06/2025	EUR	4,000,000.00	4,098,514.75	2.11
DEUTSCHE WOHNEN SE 0.6% 05/01/2026	EUR	3,400,000.00	3,601,848.22	1.85
EDENRED CV 0% 06/09/2024	EUR	70,000.00	4,655,700.00	2.40
ELIS SA 0% CV 06/10/2023 DIRTY	EUR	110,000.00	3,549,700.00	1.83
ENCE ENERGIA Y CELULOSA 1.25% CV 05/03/2023	EUR	3,600,000.00	3,436,995.16	1.77
FIELDLINK NV CV 3.75% 22/12/2021	EUR	2,700,000.00	2,012,119.67	1.04
FIGEAC AERO CV 1.125% DIRTY 18/10/2022	EUR	97,200.00	2,334,744.00	1.20
FUGRO NV CV 4% 26/10/2021	EUR	4,000,000.00	3,670,963.93	1.89
FUGRO NV CV 4.5% 02/11/2024	EUR	1,800,000.00	1,652,085.00	0.85
GENFIT 3.5% CV DIRTY 16/10/2022	EUR	132,000.00	3,138,960.00	1.62
GLANBIA CO-OPERATIVE SOC 1.375% CV 09/06/2021	EUR	2,800,000.00	2,755,869.78	1.42
GN STORE NORD 0% CONV 21/05/2024	EUR	1,800,000.00	1,827,000.00	0.94
IMPLENIA AG 0.5% 30/06/2022 CONV	CHF	3,000,000.00	2,688,247.47	1.38
INDRA SISTEMAS SA 1.25% CV 07/10/2023	EUR	3,400,000.00	3,596,878.58	1.85
INGENICO GROUP 0% 26/06/2022 CONV	EUR	21,870.00	3,768,201.00	1.94
JP MORGAN CHASE BANK NA 0% CV 24/05/2022	EUR	6,000,000.00	6,595,800.00	3.40
KORIAN SA CV 2.50% PERP DIRTY	EUR	70,000.00	3,448,200.00	1.78
LOYALTOUCH 4.2% 22/06/2012 CV	EUR	35.00	0.35	0.00
LVMH MOET HENNESSY VUITT 0% CV 16/02/2021	USD	7,000.00	3,114,547.88	1.60
MAISONS DU MONDE SA 0.125% DIRTY CV 06/12/2023	EUR	68,000.00	2,943,720.00	1.52

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
MTU AERO ENGINES AG CV 0.05% 18/03/2027	EUR	2,200,000.00	2,392,161.58	1.23
NEOPOST SA VAR CV PERP DIRTY	EUR	50,000.00	2,871,500.00	1.48
NEXITY SA CV 01/01/2023 DIRTY	EUR	31,200.00	2,074,488.00	1.07
ORPAR 0% CV 20/06/2024	EUR	2,400,000.00	2,490,960.00	1.28
PHP FINANCE JERSEY 2.875% CV 15/07/2025	GBP	1,400,000.00	1,927,364.73	0.99
PIERRE AND VACANCES SA 2% CV 01/04/2023	EUR	43,259.00	2,317,384.63	1.19
PROXIMANIA 4.2% 13/07/2012 CV	EUR	35.00	0.35	0.00
QGEN NV CV 1% 13/11/2024	USD	6,000,000.00	5,477,713.43	2.82
RAG STIFTUNG 0% CV 16/03/2023	EUR	4,600,000.00	4,779,400.00	2.46
REMGRO JERSEY GBP LTD 0% CV 22/03/2021	GBP	1,800,000.00	2,132,826.09	1.10
SEB SA CV 0.00% 17/11/2021	EUR	14,519.00	2,736,105.55	1.41
SGL CARBON SE 3% CV 20/09/2023	EUR	2,500,000.00	2,111,458.33	1.09
SIKA AG CV 0.15% 05/06/2025	CHF	5,000,000.00	5,361,852.19	2.76
SIMICROELECTRONICS NV 0.25% 03/07/2024 CV	USD	5,000,000.00	6,382,628.06	3.29
SNAM SPA 0% CONV 20/03/2022	EUR	2,500,000.00	2,703,750.00	1.39
SOGEFI SPA 2% CV 21/05/2021	EUR	2,500,000.00	2,418,406.59	1.25
SYMRISE AG 0.2375% CV 20/06/2024	EUR	3,500,000.00	4,205,874.21	2.17
TELECOM ITALIA SPA CV 1.125% 26/03/2022	EUR	3,300,000.00	3,324,287.18	1.71
TOTAL SA 0.5% CV 02/12/2022	USD	2,800,000.00	2,652,405.84	1.37
TULLOW OIL JERSEY LTD 6.625% CV 12/07/2021	USD	1,200,000.00	1,038,006.68	0.53
UBISOFT ENTERTAINMENT SA 0.00% 24/09/2024 CONV	EUR	21,302.00	2,553,257.72	1.31
VALEO SA 0% CV 16/6/2021	USD	4,800,000.00	4,134,200.45	2.13
VALLOUREC SA CV DIRTY 4.125% 04/10/2022	EUR	650,218.00	3,595,705.54	1.85
VODAFONE GROUP 0% CV 26/11/2020	GBP	1,700,000.00	1,981,778.49	1.02
WORLDLINE SA 0% CONV 30/07/2026	EUR	32,134.00	3,506,140.74	1.81
Not traded on a regulated or similar market			-	-
<b>Debt securities</b>			-	-
Traded on a regulated market or similar			-	-
Transferable debt securities			-	-
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
<b>Mutual funds</b>			<b>7,728,838.82</b>	<b>3.98</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			7,728,838.82	3.98
OFI RS LIQUIDITES	EUR	1,774.2443	7,728,838.82	3.98
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			-	-
<b>Temporary transactions on securities</b>			-	-
Receivables representative of securities under repurchase agreements			-	-
Receivables representative of securities lent			-	-
Securities borrowed			-	-



## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Securities given under a repurchase agreement			-	-
Payables representative of securities given under a repurchase agreement			-	-
Payables representative of securities borrowed			-	-
Other temporary transactions			-	-
<b>Purchase and sale transactions on financial instruments</b>			-	-
<b>Financial contracts</b>			-	-
Transactions on a regulated or similar market			-	-
Other transactions			-	-
<b>Other financial instruments</b>			-	-
<b>Receivables</b>			58,143,965.48	29.94
<b>Payables</b>			-57,867,809.61	-29.80
<b>Financial accounts</b>			-238,620.66	-0.12
<b>NET ASSETS</b>			<b>194,172,716.30</b>	<b>100.00</b>

## ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

OFI Asset Management has notified the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of its intention to distribute the units of the Fund **OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND** in the Federal Republic of Germany and has been authorized to distribute the units in the Federal Republic of Germany upon completion of the notification procedure.

It will be ensured that the Fund continuously qualify as a “mixed fund”, as defined in the German Investment Tax Act 2018.

### Paying and Information Agent

OLDENBURGISCHE LANDESBANK AG, a bank established under the laws of Germany, having its registered office at Stau 15/17, 26122 Oldenburg, registered with the Oldenburg Trade Registry, number HRB 3003, has undertaken the function of Paying and Information Agent for the Fund in the Federal Republic of Germany (the “German Paying and Information Agent”)

### Information and Documents

For unit-holders resident in Germany, the following documents are available for inspection in hard copy, free of charge and upon request at the German Paying and Information Agent:

- Prospectus
- Key Investor Information Documents
- Articles of Incorporation
- The latest annual report, and the most recent semi-annual report, if published thereafter
- Custody and Administration Agreements
- Paying Agency Agreement

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

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

# ANNUAL REPORT

Financial year ended 31 December 2019



## OFI FINANCIAL INVESTMENT - PRECIOUS METALS Sub-Fund

### Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Management Company by delegation

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS

### Depositary and Custodian

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

### Administrative and accounts management

SOCIETE GENERALE - 29 Boulevard Haussmann - 75009 Paris

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## MANAGEMENT DIRECTION

### Management objective

The management objective is to offer unit-holders synthetic exposure to the Basket Precious Metals Strategy index (Bloomberg code OFIBPMS Index) or an index with the same composition. This index is representative of a basket made up of precious metals futures contracts and interest rates futures contracts. The Sub-Fund shall replicate both upward and downward fluctuations in this index.

### Benchmark

There is no benchmark; however, for information, the investor may consult the GSCI Precious Metals TR index, which is representative of a universe of investment in precious metals, limited to gold and silver. Fluctuations are calculated based on prices recorded in USD. This index is a total return index.

It should be reiterated that the comparison index, the GSCI Precious Metals TR index, does not have the same composition as the Basket Precious Metals Strategy index to which the Sub-Fund is permanently exposed, which may lead to differences in terms of performance achieved.

### Management strategy

The investment strategy consists of setting up a basic long position based on swaps on the Basket Precious Metals Strategy index. This index is made up of futures contracts on the main precious metals and on interest rates with the following allocation: 35% Gold - 20% Silver - 20% Platinum - 20% Palladium - 5% 3-month Eurodollar.

The technical rebalancing of the index between these various components is carried out every day. The list of markets is not exhaustive.

The Sub-Fund may also resort to other indices with a more or less identical composition, issued or not by OFI ASSET MANAGEMENT.

For more information about the index used, the investor is invited to contact OFI ASSET MANAGEMENT.

Futures contracts on commodities and on interest rates may be quoted in various currencies, since, in order to hedge the index against the foreign exchange risk, a strategy of neutralisation of the foreign exchange effect is systematically implemented once a day.

The Sub-Fund exposure target is 105%.

The main categories of assets used: The Sub-Fund portfolio is invested through performance swaps (swaps traded OTC) on an index of futures contracts on commodities. It may hold 0% to 100% of its assets in term deposits and transferable securities of private or public issuers, rated at least Investment Grade and with a maturity of less than 1 year. It may invest up to 10% of its assets in units of UCITS or AIFs satisfying the four criteria (Art. R214-13 of the Monetary and Financial Code). Deposits of a maximum term of 12 months, with one or more credit establishments, are authorised within the limit of 100% of the assets. The Sub-Fund may temporarily resort to cash borrowing within the limit of 10% of the assets of the Sub-Fund.

### Risk profile

The main risks to which the investor is exposed are:

#### Capital risk

The risk that the capital invested is not returned in full is inherent in this type of management, since it does not include any capital guarantee.

#### Risk associated with the investment in Futures Instruments on commodities

The Sub-Fund is exposed to the price of commodities through commodities index swaps. It should be noted that a drop in the commodities markets and in exogenous conditions (storage conditions, weather conditions, etc.) may result in a drop in the net asset value of the Sub-Fund. In fact, the evolution in the price of a futures contract on commodities is closely associated with the level of current and future production of the underlying product, even the level of estimated natural reserves in the case of energy sector products. Climate and geopolitical factors can also alter the levels of supply and demand of the underlying product in question, and therefore modify the expected rarity of that product on the market.

#### Counterparty risk

The counterparty risk is associated with swaps and other derivative instruments contracted by the Sub-Fund. The Sub-Fund is exposed to the risk that credit establishments are unable to honour their commitments in respect of these instruments. This risk may take concrete form in a drop in the net asset value of the Sub-Fund.

#### Overexposure risk

The Sub-Fund may resort to a maximum leverage effect of 1.05. In this case, during market fluctuations, the Sub-Fund realises 1.05 times the market fluctuation. Therefore, a position initiated against the direction of the market will produce a loss equal to 1.05 times the market fluctuation.

#### Interest rate risk

The Sub-Fund, through the index, directly or through monetary UCIs selected in order to remunerate the cash position, may be invested in futures contracts on interest rates and/or on fixed-rate debt securities. In general, the price of these instruments falls when rates rise.

The ancillary risk is as follows:

#### Foreign exchange risk

Swaps are denominated in euros and covered against the foreign exchange risk. The Sub-Fund is however, exposed to a residual foreign exchange risk, since the currency hedging transaction in the index is completed just once a day.

### **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 commitment method.

### **CHANGE(S) MADE DURING THE FINANCIAL YEAR**

The changes made over the financial year were as follows:

- From 20 May 2019:
  - Closure of EP C EUR units at the net asset value of 17 May 2019 (redemption of the two holders). No further subscriptions are accepted for this unit as from 17 May 2019 from 12:01 pm;
  - The minimum amount of the initial subscription for I units changed from EUR 250,000 to EUR 1,000,000;
  - The minimum amount of the initial subscription and of subsequent subscriptions for EIC EUR units also changed from EUR 250,000 to EUR 1,000,000;
  - Wording for RF units changed. Now: units reserved for investors who subscribe via distributors or intermediaries:
    - Subject to national legislation prohibiting any retrocession to distributors;
    - Providing an independent advisory service within the meaning of EU Regulation MiFID II;
    - Providing a service of individual portfolio management under mandate;
    - Providing a non-independent advisory service once they have entered into agreements with their customers stipulating that they may not receive or retain retrocessions.
- In a context of streamlining its range of UCIs but also as part of its international development, OFI ASSET MANAGEMENT has decided to refocus its range of SICAVs on its core expertise. In addition, on 16 September 2019, OFI ASSET MANAGEMENT launched its SICAV sub-fund, OFI FINANCIAL INVESTMENT.

As OFI PRECIOUS METALS is one of these core areas of expertise, the approval of the Autorité des Marchés Financiers was obtained on 18 June 2019 to merge it into the OFI FINANCIAL INVESTMENT - PRECIOUS METALS Sub-Fund of our SICAV, OFI FINANCIAL INVESTMENT.

The OFI FINANCIAL INVESTMENT - PRECIOUS METALS Sub-Fund was specially created to absorb the OFI PRECIOUS METALS mutual fund.

It was named OFI FINANCIAL INVESTMENT - PRECIOUS METALS and retained the same characteristics as the OFI PRECIOUS METALS mutual fund. Its shares retained the same ISIN codes and the same performance as the units of the OFI PRECIOUS METALS mutual fund.

No changes were made to the management strategy, risk/return profile or management fees.

In order to help to ensure that the SICAV and its Sub-Funds can operate smoothly, a decision was also made to appoint a joint depository, SOCIETE GENERALE, and a joint Statutory Auditor, PRICEWATERHOUSECOOPERS AUDIT.

Previously, OFI PRECIOUS METALS' depository was CACEIS BANK, while its Statutory Auditor was already PRICEWATERHOUSECOOPERS AUDIT.

The merger-absorption operation was based on the net asset values of 13 September 2019 and took effect on 16 September 2019. The last net asset value of the OFI PRECIOUS METALS mutual fund on which subscriptions or redemptions could have been executed was the net asset value of 10 September 2019. As a result, the absorbed mutual fund suspended subscriptions and redemptions of its units as from 10 September 2019 at 12:01 pm.

- As from 17 December 2019, the minimum initial subscription and subsequent subscription amounts (fixed to shares in both cases) are being abolished for R and RF shares in the OFI FINANCIAL INVESTMENT - PRECIOUS METALS Sub-Fund.

## **FUTURE CHANGE(S)**

None.

## **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, Shares or UCI Shares, Financial contracts.

This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.

A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:

- Monitoring volumes of transactions per market broker;
- Analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties");
- The nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order;
- Feedback of operational incidents detected by the managers or the Middle Office.

At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.

This valuation can be based on an analysis report provided by an independent service provider.

The selection of UCIs relies on a threefold analysis:

- A quantitative analysis of the media selected;
- An additional qualitative analysis;
- Due diligence, which aims to validate the option of intervening on a given fund and of setting investment limits on the fund in question and on the corresponding management company.

A post-investment committee meets every six months to review all authorisations given and limits consumed.

For the execution of certain financial instruments, the Management Company uses 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 that assist 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](https://www.ofi-am.fr/pdf/info-reglementaire_CR-frais-intermediation.pdf)

## EXERCISE OF VOTING RIGHTS

The policy implemented by the Management Company regarding the exercise of voting rights which can be found at [https://www.ofi-am.fr/pdf/ISR\\_politique-de-vote.pdf](https://www.ofi-am.fr/pdf/ISR_politique-de-vote.pdf), voting rights form the subject of a report available at the website of the OFI Group at the following address: [https://www.ofi-am.fr/pdf/ISR\\_rapport-de-vote.pdf](https://www.ofi-am.fr/pdf/ISR_rapport-de-vote.pdf)

## ESG CRITERIA

The Management Company makes information available to the investor about ways to consider in their investment policy criteria relating to compliance with environmental, social and governance quality objectives. See its website: [https://www.ofi-am.fr/pdf/ISR\\_politique-engagement.pdf](https://www.ofi-am.fr/pdf/ISR_politique-engagement.pdf)

The report of commitment is available on the website of the OFI Group at [https://www.ofi-am.fr/pdf/ISR\\_rapport-engagement.pdf](https://www.ofi-am.fr/pdf/ISR_rapport-engagement.pdf)

## INFORMATION RELATING TO REMUNERATIONS OF THE UCITS

In accordance with the 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:

### 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 sets remuneration policy and ensures its implementation.

The Company's remuneration policy promotes sound, effective risk management, simultaneously aligns the interests of investors, of the Company and of the 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.

Fixed remuneration is the employee's normal pay for the work expected, corresponding to their qualification. Variable remuneration takes into account, in particular, the Company's results, its equity requirements and the quality of management and 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, and 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 an overall 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.

Depending on changes to the quantitative and qualitative criteria in the years that follow, this allocation may be revised downwards, applying the malus concept.

*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.*

### Quantitative elements

#### Total remunerations allocated by the manager to their 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 2019

The 2019 financial and stock market year is coming to an end. It was very positive overall and in actual fact contrasted with the last quarter of 2018, which was characterised by violent consolidation phases.

The major trigger for this bounceback was linked to the drastic change in monetary policy by the US Federal Reserve (Fed). The interest rate "normalisation" phase conducted in 2018 ended sharply at the beginning of 2019 once it became quite clear that the global economy was heading towards a fairly pronounced slowdown.

The economic situation then gradually improved.

There were very negative expectations during the first part of the year, followed by the worst-case expectations. In one year, global growth of close to 4% fell to 3%. However, it may now stabilise. Indeed, the deterioration in statistics and leading indicators seems to be dissipating, and the International Monetary Fund (IMF) anticipates growth of +3.4% for 2020.

The US economy has not been easy to interpret, illustrating the hesitation that has typified the markets since the summer.

On the one hand, it is showing "late-cycle" signs, with a marked slowdown in industry. Companies have indeed been severely affected by the drop in confidence of their managers, who are only making small investments in the context of a trade war and international tensions. At the same time, consumption has held up well. This can be explained by the historically low unemployment rate and the first positive effects of the fall in interest rates which has been in place for a year now, and which also shores up the property market. There is therefore no risk of recession in the coming months, even though the economy is fairly "fragile". Growth will therefore be around 2.2% in 2019 and will slow to around 1.8- 2% next year, according to the IMF's most recent estimates.

In the short term, China must adapt to the tougher trade stance the United States has adopted, which is likely to lead to a reorganisation of global production chains. This will therefore logically weigh on the country's growth, with its growth potential also diminishing under the effect of natural ageing and overcapacities which still exist in industrial sectors and state enterprises. Potential growth will therefore naturally decrease over the next few years, and as the country develops and moves towards an economy with a greater emphasis on services and consumption. Growth will therefore be under 6% in 2020. The IMF forecasts a rate of 5.8%.

In the eurozone, Germany is slowing down more than France as a result of the structure of its economy, which is more industrial and thus more affected by the slowdown in international trade. The step needed to encourage it to opt for fiscal stimulus will probably not be taken or taken as a last resort, despite multiple sources of pressure including from France, which is lobbying the country to launch a large-scale investment plan. But Germany is not in recession as its growth is forecast to be 1.2% in 2020, meaning that emergency measures are not necessary, especially since consumption is holding up well. This is also the case in France, which is much less susceptible to developments in global trade. French growth should logically be a little better, at 1.3%. Growth of slightly more than 1% is expected for the eurozone as a whole, but Brexit is a very considerable hazard which will have an adverse effect in the event of a hard exit.

The Central Banks have already noted this macrostabilisation.

The Chair of the US Federal Reserve, Jerome Powell, has always described himself as pragmatic and "data-dependent", meaning that he intends to adapt his policy to economic developments. Against this backdrop, the Fed cut its key rates by 25 basis points (bps) three times in 2019, bringing the main key monetary rate to 1.75%.

At the European Central Bank (ECB), Mario Draghi laid the groundwork before leaving his post. We must accustom ourselves to the communication of its new President, Christine Lagarde. She entered her post at a sensitive point in time when the ECB's policy was heavily criticised for creating a negative interest rate environment which robs savers of their returns, with troubling consequences: the drop in returns, which should encourage more consumption, in actual fact reinforces the savings rate. In addition, this context weakens life insurance companies and banks. The new President took up her post without making any decisions, instead allowing herself time to conduct an in-depth analysis of the purpose and scope of the ECB's indicators.

### Interest rates

The start of the financial year was directly affected by the Fed's change of direction. Rates fell back again. At the end of the period, the Bund 10-year yield was, for the first time ever, firmly in negative territory at nearly -0.20%, 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 almost 3.25% in October 2018 to almost 1.92% at the end of the financial year, having reached a low of around 1.50% in September 2019. 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 1.4% at the end of the period.

In these circumstances, credit spreads also dropped from January 2019 onwards, in the wake of the new Fed measures and the general recovery of the bond markets in a context where investors facing an unprecedented period of negative interest rates were looking for returns.

Under these conditions, performances on the bond markets proved surprisingly positive. The eurozone government bond index rose by 6.6%, the Investment Grade (IG) bond index rose by over 7%, and the High-Yield (HY) segment rose by around 10% in the eurozone and by nearly 12% (in USD) in the United States.

Emerging bonds noticeably recovered against this backdrop of low interest rates and flows moved back towards this asset class boasting attractive returns. In the end, strong currency debt indices experienced growth of nearly 18% over the period, while local currency debt indices rose by nearly 15% in euros.

Convertible bonds also displayed two different phases in their performance and were significantly up in Europe at the end of the financial year, by 7-10% according to the index.

On currencies, the dollar gained almost 4% against the euro. The RMB, the Chinese currency, a potential source of instability for emerging currencies, was quite weak (defence measures taken by the Chinese authorities to counter the US trade war), falling almost 2% against the dollar over the period.

In Europe, the pound regained ground after the parliamentary elections in December, which gave the Conservative Party a clear majority and the markets a certain visibility: the pound ended the year up almost 4%.

Equity markets experienced a significant upturn from the beginning of 2019. At the same time as this turnaround in US monetary policy, the indices very quickly regained all the ground lost in Q4 2018 from May to June onwards. Then ensued a period of hesitation because of the many macroeconomic and geopolitical uncertainties, before another phase of acceleration at the end of the year as the economic news improved.

Finally, 2019 turned out to be the best year overall for almost 20 years:

American equities rose by 31% in USD (S&P 500 Index, including dividends). 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 followed this trend with performances of between 25% and 30% according to the index (+30.45% 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.

Emerging markets were also up sharply by more than 20% over the period, with a special mention for local Chinese equities (around 35%) and Brazilian equities (almost 30%), but also with high price volatility.

Finally, in terms of commodities, the performance by gold stood out, posting an increase of 17% over the financial year. Oil increased by nearly 35%, primarily for reasons linked to the geopolitical context.

The HFR Global Index representing alternative management rose by almost 5% (hedged in euros), which is satisfactory but disappointing in the general context and illustrates the struggle managers are facing to increase value against this backdrop.

## Management

	OFI Financial Investment - Precious Metals				
	R share	I share	XL share	RF share	EIC EUR share
NAV as at 31/12/2018	€595.48	€31,332.57	€50,474.98	€924.13	€98.03
NAV as at 31/12/2019	€726.52	€38,515.59	€62,263.97	€1,134.85	€120.51
Performance	22.01%	22.93%	23.36%	22.80%	22.93%

The Sub-Fund does not have a benchmark.

The net assets in the portfolio stood at €516.42 million on 31 December 2019, compared to €195.32 million on 31 December 2018.

The OFI FINANCIAL INVESTMENT – RS PRECIOUS METALS Sub-Fund achieved its exposure to the precious metals markets through the use of forward financial instruments, namely, swaps replicating the performance of the Basket Precious Metals Strategy index. This exposure is an essential part of the Sub-Fund's performance. The other performance factor is interest collected or received on cash investment. The strategy is passive; portfolio exposure to the markets therefore remained unchanged throughout the year.

In the wake of the American central bank (Fed) changing its stance and the economic situation worsening, gold and silver had a good start to the year. However, following the institution's decision to cut rates in March, the change in stance suggested that this would be a one-off cut, leading many investors to take profits.

During Q2, the arduous process of moving discussions forward between China and the United States about trade tensions raised concerns that the economic situation would be negatively affected. This drove the prices of gold and silver slightly higher still.

As a result of the Fed adopting a far more accommodating tone during Q3, this rise continued. However, the deal reached in the trade war between the USA and China, even at a completely basic level, then led to a rise in interest rates, which negatively affected precious metals. Improvements in some economic indicators also negatively affected gold and silver prices.

At the very end of the year, concerns about the growth potential for 2020 and the expected tightening in the growth differential between the USA and Europe, which could have a negative effect on the dollar, pushed the prices of precious metals slightly higher still.

PGMs also had a great year. In particular, palladium increased by nearly 60%. The metal, which is mainly used for manufacturing catalytic converters in petrol vehicles, has continued to grow, driven by a continually strong demand due to environmental standards being made more stringent and insufficient production. As a result, the market is ending its eighth consecutive year with a deficit. Low stock levels and the lack of obvious replacements for this metal in manufacturing catalytic converters mean that it is not currently possible to say how far the rise may go. The only known substitute for palladium is platinum, which is currently much cheaper, but less widely available. Platinum also had a really good year. Some producers' decisions to reduce their production, the increased environmental standards (platinum is also widely used for manufacturing catalytic converters in diesel vehicles) and the end-of-year power outages in South Africa, its main producer, have helped precious metals to post higher growth this year.

Central banks have continued to provide the driving force for precious-metal performance. Even though they are still accommodating, their most recent statements, in the United States at least, were more cautious about the continuing drop in rates. Against this backdrop, it would make sense for rates to rise a little, which would negatively affect the precious metals markets. However, the American deficit is at very high levels and public debt continues to rise. This remains the clearest evidence that this increase in real interest rates is simply a correction movement, which we do not believe is meant to continue over a long period of time. In addition, investor expectations about US monetary policy are now much more cautious. Therefore, should the economic situation cause the Fed to take further action by easing its policy, it would be a surprise that could push the prices of precious metals upwards.

#### Movements occurring during the financial year

Insofar as the Fund has fixed weightings, there have been no portfolio movements during the year (except of course, purchases and sales to adjust assets to subscriptions/redemptions).

## 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)

The energy and climate transition is a major issue which can now no longer be called into question. It requires economic stakeholders, whether they are investors, consumers or companies that drive our economy, to change their behaviour. In particular, it requires us to rethink how we produce energy and raw materials so as to reduce the emissions associated with extracting and using them.

This transition cannot be a sudden event that is over quickly. It requires us to rethink how we produce and consume energy (developing renewable energy and other non-carbon-based electricity production, and the abolition of coal) and to implement systems that can reduce our greenhouse gas (GHG) emissions. However, our modern society cannot exist without energy on the one hand and without metals on the other hand.

### Precious metals lie at the heart of the transition

The precious metals in the OFI FINANCIAL INVESTMENT - PRECIOUS METALS Sub-Fund are therefore largely essential for achieving the energy and climate transition required to protect the planet and safeguard our way of life. In addition, some of them play a role in improving our living conditions and our health.

Silver is therefore widely used in the medical sector due to its antimicrobial properties (plating on some medical instruments, dressings, catheters and more) (cf. <https://www.slideshare.net/MGSRefining/uses-for-silver>). Gold is also used in treating inflammatory conditions such as arthritis (cf. <https://www.slideshare.net/MGSRefining/medicinal-gold>).

In addition, due to its good conductivity, silver is used for manufacturing solar panels. As a result, 8% of the global demand for silver came from the photovoltaic industry (cf. <https://www.silverinstitute.org/silver-solar-technology/> or <https://sdbullion.com/blog/is-silver-used-in-solar-panels>).

Platinum and palladium are two essential metals for reducing greenhouse gases, due to their use in manufacturing catalytic converters in diesel vehicles (platinum, more than 40% of the global demand) and petrol vehicles (palladium, around 80% of the global demand). In addition, due to the emissions standards on manufacturers being made stricter, they have had to make greater use of these two metals.

What's more, hybrid and rechargeable vehicles require more platinum and palladium for their catalytic converters than a conventional combustion-powered vehicle due to their dual engine.

These metals are chosen because their atomic characteristics make them the most suitable solutions in each of these areas. If you were to choose another solution, the performance would not be as good. Furthermore, replacing them would require using another metal, which would pose the same questions in relation to extraction methods.

However, if this cannot be done without precious metals, it must be considered how it can be done better. Every effort must be made to ensure that as little damage as possible is caused by using precious metals.

### Integration of ESG policies by mining companies

Fortunately, many mining companies are becoming increasingly conscious of their environmental and social responsibility. Many of them have already committed to training programmes for local communities on improving living conditions, reducing accidents, reducing energy use and other areas (<https://www.gold.org/goldhub/research/gold-and-climate-change-introduction>). This led the World Gold Council to put forward the Responsible Gold Mining Principles framework in September 2019, which sets out how to conduct mining operations that are as environmentally-friendly and safe for humans as possible and comply with high governance standards (<https://www.gold.org/about-gold/gold-supply/responsible-gold/responsible-gold-mining-principles> and <https://www.gold.org/about-gold/gold-supply/responsible-gold/responsible-gold-mining-principles>) as a new market standard. Companies that sign up to this charter must accept that their compliance will be independently certified. During a conference held in September 2019 in Denver, the major players in the industry announced their support for this initiative (<https://www.miningmagazine.com/sustainability/news/1371831/focus-on-responsible-gold-mining-principles>).

The PRI organisation has taken up the issue, particularly in relation to human rights issues in the mining sector. Engagement since 2015 by PRI signatory companies representing approximately thirty mining companies has led a clear improvement in practices in recent years, as shown in a report published in 2018 by the PRI (<https://www.unpri.org/download?ac=5081>). These results are encouraging.

## **OFI Asset Management is taking action to ensure a fair energy transition**

Shaping a new economy, based on new fundamentals, will involve transforming our companies. We cannot transform them without raw materials. Working with the OFI group SRI teams, we will also gradually put in place any required measures for only selecting industry players that meet the stringent ESG requirements, with a view to ensuring that only industry players who are aware of the issues at stake receive financing. We will only direct our investments towards companies who recognise that they must be part of the transition and will impose more responsible production standards. Beyond selecting companies in this way, we are planning to use shareholder activism as a way to push these requirements even further.

It would be irresponsible to sacrifice an industry that plays a vital role in implementing the chosen solutions. Care should be taken to ensure that industry players who are conscious of the severity of the ecological situation and are making positive changes to adapt are chosen.

As OFI FINANCIAL INVESTMENT – PRECIOUS METALS does not invest directly in mining companies, it is difficult to factor in ESG (Environment, Social and Governance) criteria for the sub-fund in particular. Therefore, OFI Asset Management is taking more comprehensive action at a management company level, by gradually putting in place an exclusion policy for specific sectors (coal and non-conventional oil, in particular), a policy of selecting companies who are most aware of their social and environmental responsibilities ("best in class") and a shareholder activism policy, through a voting policy during general meetings. These policies will apply in relation to management on behalf of third parties.

### **Integration of ESG criteria into OFI FINANCIAL INVESTMENT – PRECIOUS METALS**

If you look more specifically at the metals themselves in which OFI FINANCIAL INVESTMENT – PRECIOUS METALS invests, it is difficult to ascribe GHG emissions to them. However, even if all the emissions for the mining industry were linked to these metals, their inertness would mean that their emissions would only occur during the year that they are produced. In addition, while the majority of shares and bonds in a traditional portfolio emit GHGs every year, this is not the case for precious metals. Therefore, incorporating precious metals into a traditional and diversified portfolio for a number of years would look to reduce this portfolio's carbon footprint (cf. <https://www.gold.org/goldhub/research/gold-and-climate-change-introduction> and [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3069283](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3069283)).

Consequently, and in accordance with the provisions of Article D.533-16-1 of the Monetary and Financial Code, we would like to inform you that, based on the composition of its assets, the OFI FINANCIAL INVESTMENT – PRECIOUS METALS Sub-Fund of the OFI FINANCIAL INVESTMENT SICAV does not automatically apply criteria relating to meeting environmental, social and governance quality objectives established by the OFI group. However, based on the type of assets in the Sub-Fund, OFI Asset Management believes that the OFI FINANCIAL INVESTMENT – PRECIOUS METALS Sub-Fund's management is responsible when it comes to the environment, society and governance, due to the characteristics of the underlyings and their ability to decarbonise a diversified portfolio.

## 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 31/12/2019

Rates: No position on 31/12/2019

Credit: No position on 31/12/2019

Equities - CFD: No position on 31/12/2019

Commodities: Positions as at 31/12/2019:

Portfolios	Allotment	Entity	Nominal	Counterparty	Maturity	Currency
SWAP BASKET PRECIOUS METALS SG	EQ SWAP	OFI FI PRECIOUS METALS	271,981,561.16	SOCIETE GENERALE C	12/03/2020	EUR
SWAP BASKET PRECIOUS METALS UBS	EQ SWAP	OFI FI PRECIOUS METALS	244,648,687.63	UBS EUROPE SE	12/03/2020	EUR

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

General information as at 31 December 2019:

- The securities loaned by the Sub-Fund represented 0% of the total assets which can be loaned;
- The assets borrowed by the Sub-Fund represented a total of EUR 0, i.e. 0% of the assets managed in the Sub-Fund;
- The assets committed in a repurchase transaction represented a total of EUR 0, i.e. 0% of assets managed in the Sub-Fund;
- The assets committed in a purchase-resale or sale-redemption transaction represented a total of EUR 0, i.e. 0% of assets managed in the Sub-Fund;
- The assets committed in a loan transaction with margin call represented a total of EUR 0, i.e. 0% of assets managed in the Sub-Fund;
- The assets committed in a total return swap represented a total of EUR 516,630,248.79, i.e. 100.04% of assets managed in the Sub-Fund.

Information about concentration as at 31 December 2019:

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

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
N/A	N/A	N/A
N/A	N/A	N/A

- The main counterparties to the Sub-Fund's repurchase transactions were as follows:

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
N/A	N/A	N/A
N/A	N/A	N/A

- The main counterparties to the Sub-Fund's total return swaps were as follows:

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
UBS Ltd	244,648,687.63	9,750,000
SG CIB	271,981,561.16	10,550,000

Information about transactions as at 31 December 2019:

- The characteristics of the Sub-Fund's transactions were as follows:

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

Data on reuse of collateral

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

Safe-keeping

The guarantees received by the Sub-Fund are kept by the Sub-Fund's depositary, SOCIETE GENERALE.

The guarantees provided by the Sub-Fund are kept by its counterparties in grouped accounts.

Income

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

## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET ASSETS

	31/12/2019	31/12/2018
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>495,805,177.79</b>	<b>162,053,421.09</b>
<b>Shares and similar securities</b>	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
<b>Bonds and similar securities</b>	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
<b>Debt securities</b>	<b>421,205,200.00</b>	<b>135,100,800.00</b>
Traded on a regulated market or similar	421,205,200.00	135,100,800.00
Transferable debt securities	421,205,200.00	135,100,800.00
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
<b>Mutual funds</b>	<b>49,561,975.80</b>	<b>18,708,703.57</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	49,561,975.80	18,708,703.57
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	-	-
<b>Temporary transactions on securities</b>	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	<b>25,038,001.99</b>	<b>8,243,917.52</b>
Transactions on a regulated or similar market	-	-
Other transactions	25,038,001.99	8,243,917.52
<b>Other financial instruments</b>	-	-
<b>Receivables</b>	<b>6,384,084.87</b>	<b>3,802,287.90</b>
Foreign exchange forward transactions	-	-
Others	6,384,084.87	3,802,287.90
<b>Financial accounts</b>	<b>35,402,469.94</b>	<b>37,092,256.38</b>
Liquid assets	35,402,469.94	37,092,256.38
<b>Total assets</b>	<b>537,591,732.60</b>	<b>202,947,965.37</b>



## Balance sheet as of 31 December 2019 (in euros)

### BALANCE SHEET LIABILITIES

	31/12/2019	31/12/2018
<b>Equity</b>		
<b>Capital</b>	376,608,589.94	176,693,441.87
<b>Previous net capital gains and losses not distributed (a)</b>	55,108,274.53	36,604,618.57
<b>Carry forward (a)</b>	-	-
<b>Net capital gains and losses for the financial year (a, b)</b>	89,215,020.70	-16,259,145.44
<b>Result for the financial year (a, b)</b>	-4,518,145.89	-1,721,925.22
<b>Equity total</b>	<b>516,413,739.28</b>	<b>195,316,989.78</b>
(= Amount representative of net assets)		
<b>Financial instruments</b>	-	-
<b>Purchase and sale transactions on financial instruments</b>	-	-
<b>Temporary transactions on securities</b>	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>	-	-
Transactions on a regulated or similar market	-	-
Other transactions	-	-
<b>Payables</b>	<b>21,177,993.32</b>	<b>7,630,975.59</b>
Foreign exchange forward transactions	-	-
Others	21,177,993.32	7,630,975.59
<b>Financial accounts</b>	-	-
Current bank credit facilities	-	-
Borrowing	-	-
<b>Total liabilities</b>	<b>537,591,732.60</b>	<b>202,947,965.37</b>

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

## Off-balance sheet (in euros)

	31/12/2019	31/12/2018
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets	-	-
OTC commitments	-	-
Other commitments	-	-
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets	-	-
<b>OTC commitments</b>	<b>516,630,248.79</b>	<b>196,166,144.20</b>
OTHER	516,630,248.79	196,166,144.20
PURCHASE - SWAP - SWAP BASKET PRECIOUS METALS SG	271,981,561.16	101,931,051.95
PURCHASE - SWAP - SWAP BASKET PRECIOUS METALS UBS	244,648,687.63	94,235,092.25
Other commitments	-	-

## Profit and loss account (in euros)

	31/12/2019	31/12/2018
<b>Income on financial transactions</b>		
Income on deposits and financial accounts	9,299.52	-
Income on shares and similar securities	-	-
Income on bonds and similar securities	-	-
Income on debt securities	-	-
Income on acquisitions and temporary purchase and sale of securities	-	3,338.50
Income on financial contracts	-	-
Other financial income	-	-
<b>Total (I)</b>	<b>9,299.52</b>	<b>3,338.50</b>
<b>Expenses on financial transactions</b>		
Expenses on acquisitions and temporary purchase and sale of securities	-	5,634.33
Expenses on financial contracts	-	-
Expenses on financial receivables	97,193.49	98,534.10
Other financial expenses	-	-
<b>Total (II)</b>	<b>97,193.49</b>	<b>104,168.43</b>
<b>Result on financial transactions (I-II)</b>	<b>-87,893.97</b>	<b>-100,829.93</b>
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	2,540,795.77	1,549,721.30
<b>Net result for financial year (L. 214-17-1) (I - II + III - IV)</b>	<b>-2,628,689.74</b>	<b>-1,650,551.23</b>
Adjustment of income for financial year (V)	-1,889,456.15	-71,373.99
Advances on result paid in respect of financial year (VI)	-	-
<b>Result (I - II + III - IV +/- V - VI)</b>	<b>-4,518,145.89</b>	<b>-1,721,925.22</b>

# APPENDIX

## ACCOUNTING RULES AND METHODS

The Sub-Fund 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 management company.

The accounting currency for the fund is the euro.

The net asset value is calculated on every trading day worked in Paris, except for public holidays in France, Great Britain and the USA, 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 Sub-Fund values its securities at the actual value, the value resulting from the market value or in the absence of any existing market, by using financial methods. The entry value-actual value difference generates a capital gain or loss which shall be posted as "difference in estimate of portfolio".

## Description of methods of valuation of balance sheet entries and forward and options transactions

### Financial instruments

#### Equity securities

Nil

#### Debt securities

Debt securities admitted for trading on a regulated or similar market are valued, under the responsibility of the management company, by comparing the prices of these assets with various sources.

#### Money market instruments

- Negotiable debt securities (NDS) with a duration on issue, acquisition or residual duration which is less than three months are valued using a linear method up to maturity at the issue or acquisition price or at the last price applied for their valuation at the market price.
- Negotiable debt securities (NDS) with a residual duration of more than three months are valued at the market price at the time of publication of inter-bank market prices.

#### Unlisted transferable securities

Unlisted transferable securities are valued under the responsibility of the management company using methods based on the asset value and the return, taking into consideration the prices applied at the time of recent significant transactions.

### UCI

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

Futures or options, traded on European regulated or similar markets, are valued at the settlement price, or failing this, based on the closing price.

#### Financial contracts not traded on a regulated or similar market (i.e. traded over-the-counter)

- *Financial contracts not traded on a regulated or similar market and settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued at the settlement price.
- *Financial contracts not traded on a regulated or similar market and not settled*  
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued using mark-to-model or mark-to-market pricing using prices provided by the counterparties.

## Acquisitions and temporary purchase and sale of securities

Not Applicable

## Deposits

Deposits are valued at their book value.

## Foreign currencies

Foreign currencies in cash are valued with the prices published daily on the financial databases used by the management company.

## Description of off-balance sheet commitments

Futures contracts feature off-balance sheet for their market value, a value equal to the price (or the estimate if the transaction is OTC) multiplied by the number of contracts multiplied by the nominal and potentially translated to the fund posting currency.

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

Commitments on interest rate or currency swaps are posted off-balance sheet at the nominal value or, in the absence of a nominal value, for an equivalent amount, at the time of the initial transaction.

Total Return Swaps are shown off-balance sheet for their nominal value.

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

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

## Option chosen regarding posting of costs

The Sub-Fund has opted for posting with costs excluded.

## Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the Sub-Fund, when each net asset value is calculated. The maximum rate applied on the basis of net assets, including any UCI, may not be more than:

- 0.75% (including tax); the whole UCI included, for the I share class
- 1.50% (including tax); the whole UCI included, for the R share class
- 0.47% (including tax); the whole UCI included, for the XL share class
- 0.75% (including tax); the whole UCI included, for the EI C share class
- 0.95% (including tax); the whole UCI included, for the RF share class

These fees cover all costs charged directly to the Sub-Fund, with the exception of transaction costs. Transaction costs include brokerage fees (brokerage, stock market taxes, etc.) and turnover commission.

## Allocation of distributable sums

### Distributable amounts relating to the net result:

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

### Distributable sums relating to capital gains made:

The management company decides on the allocation of the capital gains made on an annual basis. The management company may decide on the payment of exceptional part payments.

## Evolution of net assets of the UCI (in euros)

	31/12/2019	31/12/2018
<b>Net assets at the beginning of the financial year</b>	<b>195,316,989.78</b>	<b>168,849,184.99</b>
Subscriptions (including subscription fees retained by the UCI)	380,251,160.70	171,227,289.71
Redemptions (after deduction of redemption fees retained by the UCI)	-121,780,507.70	-131,172,194.54
Capital gains made on deposits and financial instruments	-	-
Capital losses made on deposits and financial instruments	-1,189,483.17	-836,128.09
Capital gains made on financial contracts	92,506,168.51	15,226,301.33
Capital losses made on financial contracts	-42,553,001.07	-29,953,301.61
Transaction costs	-16,745.15	-16,055.37
Exchange differences	-	-
Change in difference in estimate of deposits and financial instruments	-286,237.35	-52,929.22
Difference of estimate financial year N	-460,101.16	
Difference of estimate financial year N - 1	-173,863.81	
Change in difference in estimate of financial contracts	16,794,084.47	3,695,373.81
Difference of estimate financial year N	25,038,001.99	
Difference of estimate financial year N - 1	8,243,917.52	
Distribution for the previous financial year on net capital gains and losses	-	-
Distribution for the previous financial year on result	-	-
Net result of the financial year before accruals account	-2,628,689.74	-1,650,551.23
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-	-
<b>Net assets at the end of the financial year</b>	<b>516,413,739.28</b>	<b>195,316,989.78</b>

## Allocation by legal or economic nature

Designation of securities	Nominal	%
<b>Assets</b>		
<b>Bonds and similar securities</b>	-	-
Indexed Bonds	-	-
Convertible Bonds	-	-
Equity Securities	-	-
Other Bonds	-	-
<b>Debt securities</b>	<b>421,205,200.00</b>	<b>81.56</b>
Short-term negotiable securities	421,205,200.00	81.56
Medium-term negotiable securities	-	-
<b>Liabilities</b>		
<b>Purchase and sale transactions on financial instruments</b>	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Others	-	-
<b>Off-balance sheet</b>		
Rate	-	-
Shares	-	-
Credit	-	-
Others	516,630,248.79	100.04

## Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Assets</b>								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	421,205,200.00	81.56	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	35,402,469.94	6.86
<b>Liabilities</b>								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-

## Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Others	%
<b>Off-balance sheet</b>								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

## Allocation by residual maturity

	< 3 months	%	]3 months – 1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>Assets</b>										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-	-	-
Debt securities	421,205,200.00	81.56	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	35,402,469.94	6.86	-	-	-	-	-	-	-	-
<b>Liabilities</b>										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-	-	-
<b>Off-balance sheet</b>										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

## Allocation by currency

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



## Allocation by currency (continued)

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

## Sundry debtors and creditors

	31/12/2019
<b>Receivables</b>	
Subscriptions receivable	6,384,084.87
<b>Total receivables</b>	<b>6,384,084.87</b>
<b>Payables</b>	
Provision for fixed management fees payable	-390,610.43
Purchase with deferred settlement	-267,505.29
Redemptions payable	-219,877.60
Other	-20,300,000.00 <sup>(45)</sup>
<b>Total payables</b>	<b>-21,177,993.32</b>
<b>Total</b>	<b>-14,793,908.45</b>

(45) Collateral

## Subscriptions-redemptions

<b>I share class</b>	
Shares issued	3,270.3862
Shares redeemed	2,371.9806
<b>R share class</b>	
Shares issued	179,776.1118
Shares redeemed	20,952.0641
<b>XL share class</b>	
Shares issued	854.3000
Shares redeemed	269.9600
<b>EP C EUR share class</b>	
Shares issued	_(46)
Shares redeemed	2,600.0000
<b>RF share class</b>	
Shares issued	91,029.0503
Shares redeemed	11,346.2047

(46) The EP C EUR share class was removed on 17 May 2019.

## Commissions

<b>I share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>R share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>XL share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>EP C EUR share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
<b>RF share class</b>	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

## Management fees

<b>I share class</b>	
Percentage of fixed management fees	0.75
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>R share class</b>	
Percentage of fixed management fees	1.50
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>XL share class</b>	
Percentage of fixed management fees	0.40
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>EI C EUR share class</b>	
Percentage of fixed management fees	0.75
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>EP C EUR share class</b>	
Percentage of fixed management fees	0.90 <sup>(47)</sup>
Performance commission (variable costs)	-
Retrocession of management fees	-
<b>RF share class</b>	
Percentage of fixed management fees	0.85
Performance commission (variable costs)	-
Retrocession of management fees	-

(47) As the EP C EUR asset class was removed on 17 May 2019, the rate presented has been annualised.

## Commitments received and given

### Description of guarantees received by the UCI with notably, mention of capital guarantees

Nil

### Other commitments received and/or given

SG cash collateral received: 10,550,000

UBS cash collateral received: 9,750,000

## Other information

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

## Other information (continued)

Code	Name	Quantity	Price	Current value (in euros)
<b>Financial instruments received as guarantee and not posted on the balance sheet</b>				
Nil				
<b>Financial instruments given as guarantee and kept in their original entry</b>				
Nil				
<b>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</b>				
FR0000008997	OFI RS LIQUIDITES	11,377.5245	4,356.13	49,561,975.80

## Advances on result paid in respect of financial year

	Date	Total amount	Unit amount	Total tax credits	Unit tax credit
<b>Total advances</b>		-	-	-	-

## Advances on net capital gains and losses paid in respect of financial year

	Date	Total amount	Unit amount
<b>Total advances</b>		-	-

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

	31/12/2019	31/12/2018
<b>I share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-1,324,011.04	-1,016,074.46
<b>Total</b>	<b>-1,324,011.04</b>	<b>-1,016,074.46</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-1,324,011.04	-1,016,074.46
<b>Total</b>	<b>-1,324,011.04</b>	<b>-1,016,074.46</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>R share class</b>		

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

	31/12/2019	31/12/2018
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-2,006,483.07	-392,966.73
<b>Total</b>	<b>-2,006,483.07</b>	<b>-392,966.73</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-2,006,483.07	-392,966.73
<b>Total</b>	<b>-2,006,483.07</b>	<b>-392,966.73</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>XL share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-238,300.69	-92,899.31
<b>Total</b>	<b>-238,300.69</b>	<b>-92,899.31</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-238,300.69	-92,899.31
<b>Total</b>	<b>-238,300.69</b>	<b>-92,899.31</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>EI C EUR share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-2,112.10	-1,984.76
<b>Total</b>	<b>-2,112.10</b>	<b>-1,984.76</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-2,112.10	-1,984.76
<b>Total</b>	<b>-2,112.10</b>	<b>-1,984.76</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-

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

	31/12/2019	31/12/2018
Tax credits attached to distribution of result	-	-
<b>EP C EUR share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-(48)	-2,447.16
<b>Total</b>	<b>-</b>	<b>-2,447.16</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-	-2,447.16
<b>Total</b>	<b>-</b>	<b>-2,447.16</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Carry forward	-	-
Profit/loss	-947,238.99	-215,552.80 <sup>(49)</sup>
<b>Total</b>	<b>-947,238.99</b>	<b>-215,552.80</b>
<b>Allocation</b>		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-947,238.99	-215,552.80
<b>Total</b>	<b>-947,238.99</b>	<b>-215,552.80</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

(48) The EP C EUR share class was removed on 17 May 2019.

(49) The RF unit category was created on 2 January 2018.

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

	31/12/2019	31/12/2018
<b>I share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	21,204,123.90	27,315,512.40

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

	31/12/2019	31/12/2018
Net capital gains and losses for the financial year	32,582,195.76	-9,997,007.03
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>53,786,319.66</b>	<b>17,318,505.37</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	17,318,505.37
Capitalisation	53,786,319.66	-
<b>Total</b>	<b>53,786,319.66</b>	<b>17,318,505.37</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	4,902.6696	4,004.2640
Unit distribution	-	-
<b>R share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	33,904,150.63	9,092,208.42
Net capital gains and losses for the financial year	25,294,635.41	-2,000,537.10
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>59,198,786.04</b>	<b>7,091,671.32</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	7,091,671.32
Capitalisation	59,198,786.04	-
<b>Total</b>	<b>59,198,786.04</b>	<b>7,091,671.32</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	200,831.6491	42,007.6014
Unit distribution	-	-
<b>XL share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	196,212.13
Net capital gains and losses for the financial year	10,584,662.80	-1,618,030.36
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>10,584,662.80</b>	<b>-1,421,818.23</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	10,584,662.80	-1,421,818.23
<b>Total</b>	<b>10,584,662.80</b>	<b>-1,421,818.23</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	987.3400	403.0000

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

	31/12/2019	31/12/2018
Unit distribution	-	-
<b>EI C EUR share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	336.09
Net capital gains and losses for the financial year	51,984.71	-19,528.84
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>51,984.71</b>	<b>-19,192.75</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	51,984.71	-19,192.75
<b>Total</b>	<b>51,984.71</b>	<b>-19,192.75</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	2,500.0000	2,500.0000
Unit distribution	-	-
<b>EP C EUR share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	349.53
Net capital gains and losses for the financial year	-(50)	-20,292.98
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-</b>	<b>-19,943.45</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-
Capitalisation	-	-19,943.45
<b>Total</b>	<b>-</b>	<b>-19,943.45</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	-	2,600.0000
Unit distribution	-	-
<b>RF share class</b>		
<b>Sums yet to be allocated</b>		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	20,701,542.02	-2,603,749.13 <sup>(51)</sup>
Advances paid on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>20,701,542.02</b>	<b>-2,603,749.13</b>
<b>Allocation</b>		
Distribution	-	-
Net capital gains and losses not distributed	-	-



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

	31/12/2019	31/12/2018
Capitalisation	20,701,542.02	-2,603,749.13
<b>Total</b>	<b>20,701,542.02</b>	<b>-2,603,749.13</b>
<b>Information relating to shares or units conferring entitlement to distribution</b>		
Number of shares or units	105,650.0821	25,967.2365
Unit distribution	-	-

(50) The EP C EUR share class was removed on 17 May 2019.

(51) The RF unit category was created on 2 January 2018.

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

	31/12/2019	31/12/2018	29/12/2017	30/12/2016	31/12/2015
<b>Net assets</b>					
EUR units	516,413,739.28	195,316,989.78	168,849,184.99	59,370,723.31	20,638,178.54
<b>Number of securities</b>					
I share class	4,902.6696	4,004.2640	2,823.0172	1,253.6100	268.9000
R share class	200,831.6491	42,007.6014	80,831.7730	40,176.9886	25,495.1546
XL share class	987.3400	403.0000	403.0000	-	-
EI C EUR share class	2,500.0000	2,500.0000	2,500.0000	-	-
EP C EUR share class	-	2,600.0000	2,500.0000	-	-
RF share class	105,650.0821	25,967.2365	-	-	-
<b>Unit net asset value</b>					
I share class in EUR	38,515.59	31,332.57	33,545.40	29,264.79	26,998.32
R share class in EUR	726.52	595.48	642.36	564.60	524.74
XL share class in EUR	62,263.97	50,474.98	53,849.89 <sup>(52)</sup>	-	-
EI C EUR share class in EUR	120.51	98.03	104.95 <sup>(53)</sup>	-	-
EP C EUR share class in EUR	-( <sup>54</sup> )	97.88	104.95 <sup>(55)</sup>	-	-
RF share class in EUR	1,134.85	924.13 <sup>(56)</sup>	-	-	-
<b>Unit distribution on net capital gains and losses (including advances)</b>					
I share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
XL share class in EUR	-	-	-	-	-
EI C EUR share class in EUR	-	-	-	-	-
EP C EUR share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit distribution on result (including advances)</b>					
I share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-

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

	31/12/2019	31/12/2018	29/12/2017	30/12/2016	31/12/2015
XL share class in EUR	-	-	-	-	-
EI C EUR share class in EUR	-	-	-	-	-
EP C EUR share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit tax credit transferred to bearer (individuals)</b>					
I share class in EUR	-	-	-	-	-
R share class in EUR	-	-	-	-	-
XL share class in EUR	-	-	-	-	-
EI C EUR share class in EUR	-	-	-	-	-
EP C EUR share class in EUR	-	-	-	-	-
RF share class in EUR	-	-	-	-	-
<b>Unit capitalisation</b>					
I share class in EUR	10,700.76	-253.74	-256.19	-244.26	-7,724.00
R share class in EUR	284.77	-9.35	-9.54	-9.15	-155.08
XL share class in EUR	10,479.02	-3,758.60	-185.73	-	-
EI C EUR share class in EUR	19.94	-8.47	-0.03	-	-
EP C EUR share class in EUR	-	-8.61	-0.03	-	-
RF share class in EUR	186.97	-108.57	-	-	-

(52) The XL unit category was created on 8 March 2017 with a nominal value of EUR 50,000.00.

(53) The EI C EUR unit category was created on 14 December 2017 with a nominal value of EUR 100.00.

(54) The EP C EUR share class was removed on 17 May 2019.

(55) The EP C EUR unit category was created on 14 December 2017 with a nominal value of EUR 100.00.

(56) The RF unit category was created on 2 January 2018 with a nominal value of EUR 1,000.00.

## Portfolio inventory as of 31 December 2019

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
<b>Deposits</b>			-	-
<b>Financial instruments</b>				
<b>Shares and similar securities</b>			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
<b>Bonds and similar securities</b>			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
<b>Debt securities</b>			<b>421,205,200.00</b>	<b>81.56</b>
Traded on a regulated market or similar			421,205,200.00	81.56
Transferable debt securities			421,205,200.00	81.56
BTF 0% 08/01/2020	EUR	75,000,000.00	75,007,500.00	14.52
BTF 0% 04/03/2020	EUR	19,000,000.00	19,020,900.00	3.68
BTF 0% 05/02/2020	EUR	110,000,000.00	110,066,000.00	21.31
BTF 0% 15/01/2020	EUR	1,000,000.00	1,000,300.00	0.19
BTF 0% 19/02/2020	EUR	75,000,000.00	75,060,000.00	14.53
BTF 0% 22/01/2020	EUR	100,000,000.00	100,030,000.00	19.37
BTF 0% 29/01/2020	EUR	41,000,000.00	41,020,500.00	7.94
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
<b>Mutual funds</b>			<b>49,561,975.80</b>	<b>9.60</b>
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			49,561,975.80	9.60
OFI RS LIQUIDITES	EUR	11,377.5245	49,561,975.80	9.60
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			-	-
<b>Temporary transactions on securities</b>			-	-
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 agreement			-	-
Payables representative of securities borrowed			-	-
Other temporary transactions			-	-
<b>Purchase and sale transactions on financial instruments</b>			-	-
<b>Financial contracts</b>			<b>25,038,001.99</b>	<b>4.85</b>
Transactions on a regulated or similar market			-	-
Other transactions			25,038,001.99	4.85
SG SWAP 12/03/2020	EUR	-271,981,561.16	13,183,620.78	2.55
SWAP UBS 12/03/2020	EUR	-244,648,687.63	11,854,381.21	2.30
<b>Other financial instruments</b>			-	-

## Portfolio inventory as of 31 December 2019 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Receivables			6,384,084.87	1.24
Payables			-21,177,993.32	-4.10
Financial accounts			35,402,469.94	6.86
<b>NET ASSETS</b>			<b>516,413,739.28</b>	<b>100.00</b>

## ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

OFI Asset Management has notified the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of its intention to distribute the units of the Fund **OFI FINANCIAL INVESTMENT – PRECIOUS METALS** in the Federal Republic of Germany and has been authorized to distribute the units in the Federal Republic of Germany upon completion of the notification procedure.

It will be ensured that the Fund continuously qualify as a “mixed fund”, as defined in the German Investment Tax Act 2018.

### Paying and Information Agent

OLDENBURGISCHE LANDESBANK AG, a bank established under the laws of Germany, having its registered office at Stau 15/17, 26122 Oldenburg, registered with the Oldenburg Trade Registry, number HRB 3003, has undertaken the function of Paying and Information Agent for the Fund in the Federal Republic of Germany (the “German Paying and Information Agent”)

### Information and Documents

For unit-holders resident in Germany, the following documents are available for inspection in hard copy, free of charge and upon request at the German Paying and Information Agent:

- Prospectus
- Key Investor Information Documents
- Articles of Incorporation
- The latest annual report, and the most recent semi-annual report, if published thereafter
- Custody and Administration Agreements
- Paying Agency Agreement

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

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



**AUDITOR'S REPORT ON THE ANNUAL  
ACCOUNTS  
Financial year ended on 31 December 2019**

**OFI FINANCIAL INVESTMENT**  
UCITS ORGANISED AS A SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE  
(INVESTMENT FUND WITH VARIABLE SHARE CAPITAL) WITH SUB-FUNDS  
Governed by the Monetary and Financial Code

Management company  
OFI ASSET MANAGEMENT  
22 Rue Vernier  
75017 Paris

**Opinion**

In fulfilment of the mission which was entrusted to us by the general meeting, we have carried out the audit of the annual accounts of the UCITS OFI FINANCIAL INVESTMENT, organised as a société d'investissement à capital variable (investment fund with variable share capital), relating to the financial year ended 31 December 2019, as appended to this report.

We certify that the annual accounts are, with regard to French accounting principles and rules, regular and accurate, and give a faithful image of the result of transactions occurring during the financial year in question, as well as of the financial position and net asset situation of the UCITS at the close of the financial year.

**Basis of the opinion**

***Audit reference system***

We have carried out our audit in accordance with the rules of professional practice applicable in France. We consider that the elements which we have gathered are sufficient and appropriate in order to form our opinion. The responsibilities incumbent on us under these standards are set out in the section of this report titled "*Responsibilities of the statutory auditor relating to the audit of the annual accounts*".

***Independence***

We have carried out our audit assignment in accordance with the independence rules applicable to us for the period from 01/01/2019 to the date of issue of our report, and in particular we have not provided services prohibited by the Code of Ethics of the auditing profession.

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*PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex*  
*T: +33 (0) 1 56 57 58 59, F: +33 (0) 1 56 57 58 60, www.pwc.fr*

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



OFI FINANCIAL INVESTMENT

### **Justification of assessments**

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

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

### **Specific checks**

In accordance with the rules of professional practice applicable in France, we also carried out the specific checks provided for by laws and regulations.

### ***Information given in the management report and in the other documents on the financial situation and the annual accounts sent to shareholders***

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 other documents on the financial situation and the annual accounts sent to shareholders.

### ***Corporate governance report***

We confirm that the information required under Article L. 225-37-4 of the French Commercial Code appears in the corporate governance report.

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OFI FINANCIAL INVESTMENT

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

It is the responsibility of the management to draw up annual accounts preparing an honest image in accordance with the French accounting rules and principles, and to put 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.

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

The annual accounts were authorised for issue by the management.

## **Responsibilities of the statutory auditors relating to auditing the annual accounts**

### ***Audit objective and procedure***

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

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

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

- they identify and assess the risks that the annual accounts contain significant anomalies, whether they originate from fraud or error, define and implement audit procedures to deal with these risks, and gather the information they deem sufficient and appropriate in order to support their opinion. The risk of non-detection of a significant anomaly resulting from fraud is higher than the risk of a significant anomaly resulting from an error, as fraud can entail collusion, falsification, deliberate omissions, false declarations or evasion of internal control;

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## OFI FINANCIAL INVESTMENT

- they familiarise themselves with the internal control mechanism relevant to the audit in order to define appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of the internal control mechanism;
- they assess the appropriate nature of the 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 the management for 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 UCI 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 that there is a significant uncertainty, they draw the attention of the reader of their report to the information provided in the annual financial statements about that uncertainty or, if that information is not provided or is irrelevant, they issue a qualified opinion or a refusal to certify the accounts;
- they assess the overall presentation of the annual financial statements and assess whether the annual financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.

Neuilly-sur-Seine, date of electronic signature

*Document authenticated by electronic signature*  
The Auditor  
PricewaterhouseCoopers Audit  
Frédéric Sellam

**OFI FINANCIAL INVESTMENT SICAV**  
**Text of resolutions proposed to the Combined Ordinary  
and Extraordinary General Meeting on 13 May 2020**

**For the Ordinary part of the Meeting**

**FIRST RESOLUTION**

After having heard the management report from the Board of Directors, including provisions on corporate governance, and the Auditor's reports on the financial year ended on 31 December 2019, the General Meeting approves, as they have been presented, the accounts for this financial year, balanced with a distributable profit of **€7,446,344.82** for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY sub-fund.

It also approves the transactions translated by these accounts or summarised in these reports.

This resolution is **adopted** unanimously.

**SECOND RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a distributable profit of **€7,446,344.82** for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY sub-fund.

**Regarding appropriation of result**

Under Article 27 of the Articles of Association, the distributable profit for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY sub-fund is distributed between share classes:

➔ "Pure capitalisation" C type shares	<b>€1,052,232.64</b>
➔ "Pure distribution" D type shares	<b>€2,595,532.36</b>
➔ "Pure distribution" N-D type shares	<b>€3,717,994.88</b>
➔ "Pure capitalisation" EI C EUR type shares	<b>€891.63</b>
➔ "Pure capitalisation" R type shares	<b>€63,848.55</b>
➔ "Pure capitalisation" RF type shares	<b>€2.35</b>
➔ Carry forward	<b>€15,842.41</b>

forming overall a result of **€7,446,344.82**

This resolution is **adopted** unanimously.

**THIRD RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a capital gain net of costs of **€38,195,942.50** for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY sub-fund.

**Regarding appropriation of net capital gains or losses**

Under Article 27 of the Articles of Association, the net capital gains for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY sub-fund are distributed between share classes:

➔ "Capitalisation and/or distribution" C type shares	<b>€2,946,461.00</b>
➔ "Capitalisation and/or distribution" D type shares	<b>€7,270,100.98</b>
➔ "Capitalisation and/or distribution" N-D type shares	<b>€6,538,787.18</b>
➔ "Capitalisation and/or distribution" EI C EUR type shares	<b>€2,496.75</b>
➔ "Capitalisation and/or distribution" R type shares	<b>€253,015.71</b>
➔ "Capitalisation and/or distribution" RF type shares	<b>€4.97</b>
➔ Net capital gains and losses not distributed	<b>€21,185,075.91</b>

forming overall capital gains net of costs of **€38,195,942.50**

These capital gains net of costs will be allocated as capital gains or losses not distributed.

This resolution is **adopted** unanimously.

#### FOURTH RESOLUTION

After having heard the management report from the Board of Directors, including provisions on corporate governance, and the Auditor's reports on the financial year ended on 31 December 2019, the General Meeting approves, as they have been presented, the accounts for this financial year, balanced with a distributable profit of **€6,931,611.50** for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY SMART BETA sub-fund.

It also approves the transactions translated by these accounts or summarised in these reports.

This resolution is **adopted** unanimously.

#### FIFTH RESOLUTION

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a distributable profit of **€6,931,611.50** for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY SMART BETA sub-fund.

##### Regarding appropriation of result

Under Article 27 of the Articles of Association, the distributable profit for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY SMART BETA sub-fund is distributed between share classes:

→ "Capitalisation and/or distribution" XL type shares	<b>€6,146,368.15</b>
→ "Capitalisation and/or distribution" I type shares	<b>€778,791.39</b>
→ "Capitalisation" RC type shares	<b>€6,236.93</b>
→ "Capitalisation" GIC type shares	<b>€2.40</b>
→ "Capitalisation" GRC type shares	<b>€2.31</b>
→ "Capitalisation" RF type shares	<b>€210.32</b>
→ Carry forward	<b>€0.00</b>

forming overall a result of **€6,931,611.50**

This resolution is **adopted** unanimously.

#### SIXTH RESOLUTION

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a capital gain net of costs of **€4,044,189.27** for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY SMART BETA sub-fund.

##### Regarding appropriation of net capital gains or losses

Under Article 27 of the Articles of Association, the net capital gains for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY sub-fund are distributed between share classes:

→ "Capitalisation and/or distribution" XL type shares	<b>€3,543,994.54</b>
→ "Capitalisation and/or distribution" I type shares	<b>€492,724.49</b>
→ "Capitalisation and/or distribution" RC type shares	<b>€7,323.27</b>
→ "Capitalisation and/or distribution" GIC type shares	<b>€1.39</b>
→ "Capitalisation and/or distribution" GRC type shares	<b>€1.37</b>
→ "Capitalisation and/or distribution" type shares	<b>€144.21</b>
→ Net capital gains and losses not distributed	<b>€0.00</b>

forming overall capital gains net of costs of **€4,044,189.27**

This resolution is **adopted** unanimously.

#### SEVENTH RESOLUTION

After having heard the management report of the Board of Directors, including provisions on corporate governance, and the Auditor's reports on the financial year ended on 31 December 2019, the General Meeting approves, as they have been presented, the accounts for this financial year, balanced with a distributable profit of **€6,243,990.91** for the OFI FINANCIAL INVESTMENT – RS EURO CREDIT SHORT TERM sub-fund.

It also approves the transactions translated by these accounts or summarised in these reports.

This resolution is **adopted** unanimously.

## **EIGHTH RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a distributable profit of **€6,243,990.91** for the OFI FINANCIAL INVESTMENT – RS EURO CREDIT SHORT TERM sub-fund.

### **Regarding appropriation of result**

Under Article 27 of the Articles of Association, the distributable profit for the OFI FINANCIAL INVESTMENT – RS EURO CREDIT SHORT TERM sub-fund is distributed between share classes:

➔ "Pure capitalisation" I type shares	<b>€6,193,493.86</b>
➔ "Pure capitalisation" R type shares	<b>€50,496.20</b>
➔ "Pure capitalisation" RF type shares	<b>€0.85</b>
➔ Carry forward	<b>€0.00</b>
forming overall a result of	<b>€6,243,990.91</b>

This resolution is **adopted** unanimously.

## **NINTH RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a capital loss net of costs of **-€7,266,546.07** for the OFI FINANCIAL INVESTMENT – RS EURO CREDIT SHORT TERM sub-fund.

### **Regarding appropriation of net capital gains or losses**

Under Article 27 of the Articles of Association, the net capital gains for the OFI FINANCIAL INVESTMENT – RS EURO CREDIT SHORT TERM sub-fund are distributed between share classes:

➔ "Capitalisation and/or distribution" I type shares	<b>- €7,199,159.14</b>
➔ "Capitalisation and/or distribution" R type shares	<b>- €67,385.91</b>
➔ "Capitalisation and/or distribution" RF type shares	<b>- €1.02</b>
➔ Net capital gains and losses not distributed	<b>€0.00</b>
forming overall capital losses net of costs of	<b>- €7,266,546.07</b>

These capital losses net of costs will be allocated as pure capitalisations.

This resolution is **adopted** unanimously.

## **TENTH RESOLUTION**

After having heard the management report from the Board of Directors, including provisions on corporate governance, and the Auditor's reports on the financial year ended on 31 December 2019, the General Meeting approves, as they have been presented, the accounts for this financial year, balanced with a distributable profit of **€806,292.30** for the OFI FINANCIAL INVESTMENT – RS EURO INVESTMENT GRADE CLIMATE CHANGE sub-fund.

It also approves the transactions translated by these accounts or summarised in these reports.

This resolution is **adopted** unanimously.

## **ELEVENTH RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a distributable profit of **€806,292.30** for the OFI FINANCIAL INVESTMENT – RS EURO INVESTMENT GRADE CLIMATE CHANGE sub-fund.

### **Regarding appropriation of result**

Under Article 27 of the Articles of Association, the distributable profit for the OFI FINANCIAL INVESTMENT – RS EURO INVESTMENT GRADE CLIMATE CHANGE sub-fund is distributed between share classes:

➔ "Pure capitalisation" IC type shares	<b>€282,352.15</b>
➔ "Capitalisation and/or distribution" I type shares	<b>€242,852.66</b>
➔ "Capitalisation and/or distribution" N type shares	<b>€278,671.70</b>
➔ "Pure capitalisation" R type shares	<b>€2,415.79</b>
➔ Carry forward	<b>€0.00</b>
forming overall a result of	<b>€806,292.30</b>

This resolution is **adopted** unanimously.

#### **TWELFTH RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a capital gain net of costs of **€93,300.90** for the OFI FINANCIAL INVESTMENT – RS EURO INVESTMENT GRADE CLIMATE CHANGE sub-fund.

##### **Regarding appropriation of net capital gains or losses**

Under Article 27 of the Articles of Association, the net capital gains for the OFI FINANCIAL INVESTMENT – RS EURO EQUITY sub-fund are distributed between share classes:

➔ "Capitalisation and/or distribution" IC type shares	<b>€35,646.70</b>
➔ "Capitalisation and/or distribution" I type shares	<b>€30,659.96</b>
➔ "Capitalisation and/or distribution" N type shares	<b>€26,496.77</b>
➔ "Capitalisation and/or distribution" R type shares	<b>€497.47</b>
➔ Net capital gains and losses not distributed	<b>€0.00</b>

forming overall capital gains net of costs of **€93,300.90**

These capital gains net of costs will be allocated as pure capitalisations.

This resolution is **adopted** unanimously.

#### **THIRTEENTH RESOLUTION**

After having heard the management report from the Board of Directors, including provisions on corporate governance, and the Auditor's reports on the financial year ended on 31 December 2019, the General Meeting approves, as they have been presented, the accounts for this financial year, balanced with a distributable profit of **€539,790.04** for the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND sub-fund.

It also approves the transactions translated by these accounts or summarised in these reports.

This resolution is **adopted** unanimously.

#### **FOURTEENTH RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a distributable profit of **€539,790.04** for the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND sub-fund.

##### **Regarding appropriation of result**

Under Article 27 of the Articles of Association, the distributable profit for the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND sub-fund is distributed between share classes:

➔ "Pure capitalisation" IC type shares	<b>€284,024.53</b>
➔ "Pure distribution" ID type shares	<b>€247,646.97</b>
➔ "Pure capitalisation" GI type shares	<b>€0.64</b>
➔ "Pure capitalisation" GR type shares	<b>€0.60</b>
➔ "Pure capitalisation" RC type shares	<b>- €951.49</b>
➔ "Pure capitalisation" RF type shares	<b>€0.61</b>
➔ Carry forward	<b>€9,068.18</b>

forming overall a result of **€539,790.04**

This resolution is **adopted** unanimously.

#### **FIFTEENTH RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a capital gain net of costs of **€19,098,811.09** for the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND sub-fund.

### Regarding appropriation of net capital gains or losses

Under Article 27 of the Articles of Association, the net capital gains for the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND sub-fund are distributed between share classes:

➔ "Capitalisation and/or distribution" IC type shares	€975,495.13
➔ "Capitalisation and/or distribution" ID type shares	€856,719.79
➔ "Capitalisation and/or distribution" GI type shares	€1.13
➔ "Capitalisation and/or distribution" GR type shares	€1.12
➔ "Capitalisation and/or distribution" RC type shares	€2,271.06
➔ "Capitalisation and/or distribution" RF type shares	€1.14
➔ Net capital gains and losses not distributed	€17,264,321.72
forming overall capital gains net of costs of	€19,098,811.09

These capital gains net of costs will be allocated as capital gains or losses not distributed.

This resolution is **adopted** unanimously.

### **SIXTEENTH RESOLUTION**

After having heard the management report from the Board of Directors, including provisions on corporate governance, and the Auditor's reports on the financial year ended on 31 December 2019, the General Meeting approves, as they have been presented, the accounts for this financial year, balanced with a loss of **-€4,518,145.89** for the OFI FINANCIAL INVESTMENT – PRECIOUS METALS sub-fund.

It also approves the transactions translated by these accounts or summarised in these reports.

This resolution is **adopted** unanimously.

### **SEVENTEENTH RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a loss of **-€4,518,145.89** for the OFI FINANCIAL INVESTMENT – PRECIOUS METALS sub-fund.

### Regarding appropriation of result

Under Article 27 of the Articles of Association, the distributable profit for the OFI FINANCIAL INVESTMENT – PRECIOUS METALS sub-fund is distributed between share classes:

➔ "Pure capitalisation" I type shares	- €1,324,011.04
➔ "Pure capitalisation" R type shares	- €2,006,483.07
➔ "Pure capitalisation" XL type shares	- €238,300.69
➔ "Pure capitalisation" EI C EUR type shares	- €2,112.10
➔ "Pure capitalisation" EP C EUR type shares	€0.00
➔ "Pure capitalisation" RF type shares	- €947,238.99
➔ Carry forward	€0.00
forming overall a result of	- €4,518,145.89

This resolution is **adopted** unanimously.

### **EIGHTEENTH RESOLUTION**

The General Meeting approves the accounts for the financial year ended on 31 December 2019, balanced with a capital gain net of costs of **€144,323,295.23** for the OFI FINANCIAL INVESTMENT – PRECIOUS METALS sub-fund.

### Regarding appropriation of net capital gains or losses

Under Article 27 of the Articles of Association, the net capital gains for the OFI FINANCIAL INVESTMENT – PRECIOUS METALS sub-fund are distributed between share classes:

➔ "Capitalisation and/or distribution" I type shares	€32,582,195.76
➔ "Capitalisation and/or distribution" R type shares	€25,294,635.41
➔ "Capitalisation and/or distribution" XL type shares	€10,584,662.80
➔ "Capitalisation and/or distribution" EI C EUR type shares	€51,984.71
➔ "Capitalisation and/or distribution" EP C EUR type shares	€0.00

➔ "Capitalisation and/or distribution" RF type shares	€20,701,542.02
➔ Net capital gains and losses not distributed	€55,108,274.53
forming overall capital gains net of costs of	€144,323,295.23

These capital gains net of costs will be allocated as pure capitalisations.

This resolution is **adopted** unanimously.

#### **NINETEENTH RESOLUTION**

The General Meeting acknowledges that no authorised agreements and commitments covered by Articles 225-38 and 225-39 of the Commercial Code were entered into during the financial year ended on 31 December 2019.

This resolution is **adopted** unanimously.

#### **TWENTIETH RESOLUTION**

In accordance with the voting right policy in force within the OFI Group, the Board of Directors has not itself requested discharge from the shareholders.

This resolution is **adopted** unanimously.

#### **TWENTY-FIRST RESOLUTION**

Having engaged in discussions, the General Meeting has decided to set the remuneration amount for members of the Board of Directors (e.g. directors' fees) at **€10,000** for the 2019 financial year (to be paid in 2020), as per the provisions of Article L 225-45 of the French Commercial Code.

This resolution is **adopted** unanimously.

#### **TWENTY-SECOND RESOLUTION**

The General Meeting confers all powers on the bearer of an original, a copy or an excerpt of these minutes in order to complete all formalities relating to filing and registration, as well as other formalities.

This resolution is **adopted** unanimously.

### **For the Extraordinary part of the Meeting**

#### **TWENTY-THIRD RESOLUTION**

On a proposal from the Board of Directors and having heard its report relating to the amendment of Article 27 of the Articles of Association, the General Meeting approves the amendment.

This resolution is **adopted** unanimously.

#### **TWENTY-FOURTH RESOLUTION**

As a consequence of the adoption of the previous resolution, the General Meeting adopts the amendment of Article 27 of the Articles of Association as follows:

#### **Former wording:**

#### **ARTICLE 27 – PROCEDURES FOR ALLOCATING DISTRIBUTABLE SUMS**

The Board of Directors draws up the net result for the financial year which, under the provisions of the law, is equal to the amount of interest, arrears, bonuses and prizes, dividends, directors' fees and all other income relating to the securities making up the SICAV, plus the income from sums temporarily available and minus the amount of management fees and the cost of borrowing and any allocations to amortisation.

The sums distributable by an UCITS are made up of:

- 1 The net result plus the carry forward, plus or minus the balance of the income adjustment account;
- 2 The capital gains made, net of costs, minus capital losses made, net of costs, established during the financial year, plus net capital gains of the same nature established during previous financial years not having formed the subject of distribution or capitalisation, and minus or plus the balance of the capital gains adjustment account.

The sums mentioned in points 1° and 2° may be distributed, in full or in part, irrespective of each other.

Distributable sums are paid out within a maximum of five months following the end of the financial year.

.../...

#### For the OFI FINANCIAL INVESTMENT – RS EURO CREDIT SHORT TERM sub-fund

**The Sub-Fund has opted for the following option for the shares: I - R - RF**

##### **Distributable amounts relating to the result**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

##### **Distributable sums relating to capital gains made**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

.../...

#### For the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND sub-fund

**The Sub-Fund has opted for the following option for the shares: IC - RC - RF - GI and GR**

##### **Distributable amounts relating to the result**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

##### **Distributable sums relating to capital gains made**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

**The Sub-Fund has opted for the following option for the shares: ID**

##### **Distributable amounts relating to the result**



pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

#### **Distributable sums relating to capital gains made**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

#### **New wording:**

#### **ARTICLE 27 – PROCEDURES FOR ALLOCATING DISTRIBUTABLE SUMS**

The Board of Directors draws up the net result for the financial year which, under the provisions of the law, is equal to the amount of interest, arrears, bonuses and prizes, dividends, directors' fees and all other income relating to the securities making up the SICAV, plus the income from sums temporarily available and minus the amount of management fees and the cost of borrowing and any allocations to amortisation.

The sums distributable by an UCITS are made up of:

1 The net result plus the carry forward, plus or minus the balance of the income adjustment account;

2 The capital gains made, net of costs, minus capital losses made, net of costs, established during the financial year, plus net capital gains of the same nature established during previous financial years not having formed the subject of distribution or capitalisation, and minus or plus the balance of the capital gains adjustment account.

The sums mentioned in points 1 and 2 may be distributed, in full or in part, irrespective of each other.

Distributable sums are paid out within a maximum of five months following the end of the financial year.

.../...

#### **For the OFI FINANCIAL INVESTMENT - RS EURO CREDIT SHORT TERM sub-fund**

**The Sub-Fund has opted for the following option for the shares: I - R - RF and GIC**

#### **Distributable amounts relating to the result**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

#### **Distributable sums relating to capital gains made**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

.../...

#### **For the OFI FINANCIAL INVESTMENT – RS EUROPEAN CONVERTIBLE BOND sub-fund**

**The Sub-Fund has opted for the following option for the shares: IC - RC - RF - GI and GR**

##### **Distributable amounts relating to the result**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

##### **Distributable sums relating to capital gains made**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

**The Sub-Fund has opted for the following option for the shares: ID and N-D**

##### **Distributable amounts relating to the result**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

##### **Distributable sums relating to capital gains made**

pure capitalisation: the distributable sums are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

pure distribution: the sums are distributed in full, rounded to the nearest whole number; the Board of Directors may decide on the payment of exceptional part payments.

the general meeting rules on the allocation of sums which can be distributed each year. The Board of Directors may decide on the payment of exceptional part payments.

All other characteristics for the SICAV's Articles of Association remain unchanged.

This resolution is **adopted** unanimously.

#### **TWENTY-FIFTH RESOLUTION**

The General Meeting confers all powers on the bearer of an original, a copy or an excerpt of these minutes in order to complete all formalities relating to filing and registration and other due formalities.