



## OAKTREE GLOBAL CONVERTIBLE BOND FUND - CLASS IH EUR ACC

A SUBFUND OF OAKTREE (LUX.) FUNDS

FACTSHEET | AUGUST 2021

## ABOUT OAKTREE

Founded in 1995, Oaktree is a leading global investment management firm focused on alternative markets. Oaktree manages \$156 billion of assets in contrarian, value-oriented, risk-controlled investment strategies. Oaktree's mission is to deliver superior investment results with risk under control and to conduct our business with the highest integrity.

## FUND OVERVIEW

**Fund Base Currency**  
USD

**Total Net Assets (in millions)**  
331.69

**SICAV Strategy Inception Date**  
1 December 2003

**Domicile**  
Luxembourg

**Legal Structure**  
SICAV

**Morningstar Category**  
EAA Fund Convertible Bond - Global, EUR Hedged

**Benchmark Name**  
Thomson Reuters CV Gl. Focus (TR) (EUR-Hgd)<sup>3</sup>

## FUND MANAGERS

**Jean-Pierre Latrille**  
28 Years of Experience

**Petar Raketic**  
16 Years of Experience

**Andrew Watts**  
34 Years of Experience

## SHARE CLASS FACTS

**Unit Class**  
Category Ih EUR acc (capital growth)

**Unit Class Currency**  
EUR

**Share Class Inception Date**  
12 December 2017

**ISIN Number**  
LU0854924973

**Bloomberg Ticker**  
OAKHEUI LX

**Valor Number**  
20012787

**WKN Number**  
A12GB2

**Net Asset Value**  
123.18

**Minimum Investment**  
2,000,000

**Redemptions**  
Daily

**Base Management Fee p.a.**  
0.50%

## INVESTMENT OBJECTIVE

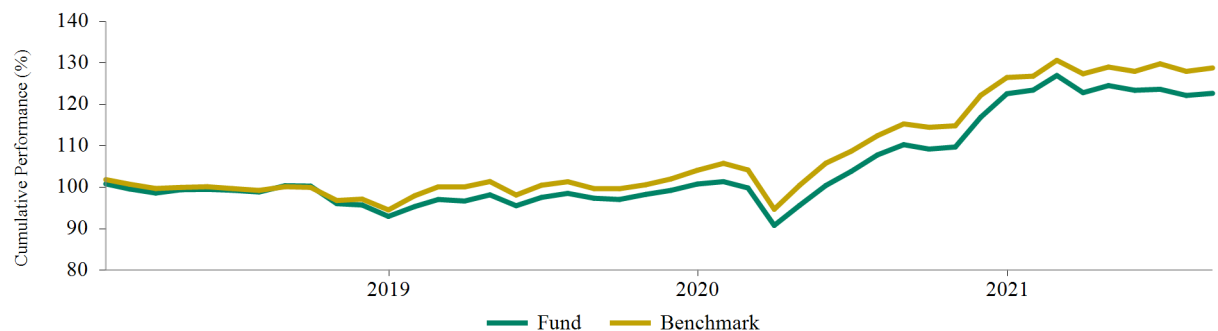
The fund aims to provide equity-type returns with less-than-commensurate risk and to outperform its benchmark over a full market cycle. The fund targets balanced convertibles that are expected to provide both meaningful downside protection if equities weaken and upside participation if the underlying shares appreciate. We focus on securities issued in the United States, Europe and Asia.

PORTFOLIO COMMENTARY<sup>1</sup>

Global equity markets moved higher in August. The Federal Reserve's latest comments, which were well-received by the markets, overshadowed concerns around the spread of the Delta variant and spurred optimism around the global economic recovery. Despite this, the overall delta capture of convertible bonds continued to be lackluster during the month. Though this has been the case for much of 2021, we expect it to normalize over time and our outlook for the asset class remains constructive.

Global new issuance of convertibles normalized during the month, with \$7.2 billion coming to market across 9 new deals. This brought year-to-date issuance to \$109.5 billion. Most of the issuance in August came from the United States, followed by Asia ex-Japan. By industry, the new deals were primarily concentrated within technology, financials and health care. New issue pricing has become more issuer-friendly than in 2020, and we continue to evaluate each deal on a case-by-case basis.

The Fund generated a positive return in August. All regions contributed positively to our absolute performance, led by the United States. By sector, information technology (software) and consumer discretionary (internet and catalog retail; media), positively impacted our absolute results. Health care (pharmaceuticals) and real estate (management and development) had a negative effect. The Fund underperformed its benchmark in August. By region, security selection within Asia ex-Japan (mostly China) detracted from our relative results, as did our holdings in Europe. Japan had a slight positive effect. At the sector level, security selection among communication services (interactive media and services) detracted the most from our relative performance. Consumer discretionary (media; specialty retail) had a positive impact.

HISTORICAL PERFORMANCE (NET)<sup>2</sup>CUMULATIVE AND ANNUALISED PERFORMANCE (%)<sup>2</sup>

	1 Month	3 Months	YTD	1 Year	3 Years (p.a)	5 Years (p.a)	Since Inception (p.a)
Fund (Net)	0.42	(0.60)	0.08	11.23	6.90	n/a	5.73
Benchmark	0.65	0.64	1.82	11.71	8.73	n/a	7.14

ANNUAL PERFORMANCE (%)<sup>2</sup>

	2021	2020	2019	2018	2017	2016
Fund (Net)	0.08	21.61	8.39	(7.01)	-	-
Benchmark	1.82	21.49	10.10	(5.45)	-	-

## PORTFOLIO CHARACTERISTICS

		Portfolio	Benchmark
Fund Characteristics	Number of Holdings	181	288
	Effective Duration	2.11	2.19
	Years to Maturity/Put	4.22	3.75
	Call Protection (years)	4.15	4.06
	Median Conversion Premium	26.95%	32.00%
	Weighted Average Market Cap (billions)	30.80	32.85
	Delta	56.49%	50.80%
	Average Credit Rating (Moody's/S&P)	Ba2/BB	Ba2/BB
Yields	Current Yield	0.57%	0.54%
	Yield to Maturity/Put	(2.62)%	(2.10)%
Risk Analysis	Annualized Volatility (1 year/3 year)	8.99%/10.07%	8.06%/9.96%



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## SECTOR DIVERSIFICATION

	% of Fund
Information Technology	34.76
Consumer Discretionary	15.03
Health Care	12.29
Communication Services	11.50
Industrials	8.80
Utilities	4.77
Financials	4.32
Materials	4.11
Real Estate	2.86
Consumer Staples	1.31
Energy	0.25

## CREDIT QUALITY

	% of Fund	Fund vs Benchmark (%)
Aa/AA	0.49	(0.30)
A/A	4.65	(4.28)
Baa/BBB	22.50	1.34
Ba/BB	37.19	5.30
B/B	31.88	1.32
Less Than B/B	3.29	(1.51)

## MATURITY/ PUTS DISTRIBUTION

	% of Fund	Fund vs Benchmark (%)
0 - 1 Year	3.45	(3.98)
1 - 3 Years	21.48	(3.90)
3 - 5 Years	54.10	8.40
5 - 7 Years	20.15	0.04
7 - 10 Years	0.28	(0.02)
More Than 10 Years	0.55	(0.54)

## GEOGRAPHIC DIVERSIFICATION

	% of Fund	Fund vs Benchmark (%)
United States	51.59	5.58
France	9.74	0.58
Germany	7.52	1.04
China	5.32	(3.40)
Italy	3.42	0.70
Japan	2.88	(2.26)
Spain	2.38	(0.12)
Israel	2.26	0.79
Canada	1.57	0.53
Other	13.32	(1.65)

## TOP 10 ISSUERS

	Industry	% of Fund
DISH Network Corp	Media	2.28
Electricite de France SA	Electric Utilities	1.95
Splunk Inc	Software	1.54
Liberty Broadband Corp	Media	1.46
Akamai Technologies Inc	IT Services	1.29
Etsy Inc	Internet & Direct Marketing Retail	1.27
Delivery Hero SE	Internet & Direct Marketing Retail	1.21
Ford Motor Co	Automobiles	1.20
Meituan	Internet & Direct Marketing Retail	1.18
Square Inc	IT Services	1.14
		14.53

## PRICE DISTRIBUTION (PAR WEIGHTED)

	% of Fund	Fund vs Benchmark (%)
0-70	0.05	0.05
70-90	1.77	(2.57)
90-120	75.34	(1.20)
120-150	22.29	3.77
Over 150	0.55	(0.05)

## ENDNOTES

*Note: Historical performance indications and financial market scenarios are no guarantee for current or future performance.*

- <sup>1</sup> References to fund and index performance are stated on a gross basis, before management fees and any expenses. Net performance of the Fund, after management fees and expenses are available on this factsheet. Convertibles market data is based on the BofA Merrill Lynch Global Convertibles Chartbook.
- <sup>2</sup> Performance indications do not consider commissions levied at subscription and/or redemption but do include the impact of swing pricing procedures implemented by the fund administrator. The fund administrator will implement swing pricing when contributions or redemptions exceed a defined threshold, and this may impact performance as reported at month end.
- <sup>3</sup> The benchmark changed from ICE BofAML Global 300 Convertible (TR) (EUR-Hgd) to Thomson Reuters CV GI. Focus (TR) (EUR-Hgd) (03/16) effective as of 1.03.2016.

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In addition, there can be no assurance that the Fund or the Sub-fund, as applicable, will achieve any stated investment objective. An investment in the Fund is speculative and involves a high degree of risk. There can be no assurance that the securities and obligations purchased by the Fund or the Sub-fund will in fact increase in value, or that the Fund or the Sub-fund will not incur significant losses.

A potential investor considering an investment in the Fund should read the relevant Prospectus which contains a more complete description of the Fund's and the Sub-fund's investment practices, restrictions, terms and conditions, risks and other factors relevant to a decision to invest. All information contained herein is subject to and qualified in its entirety by the relevant Prospectus. No person has been authorized to make any statement concerning the Fund or the Sub-fund other than as set forth in the relevant Prospectus, and any such statements, if made, may not be relied upon.

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The Prospectuses, the Articles, the *Key Investor Information Document* and/or the annual and additional reports relating to the Fund and/or the Sub-fund, as applicable, may be obtained free of charge from *FundRock Management Company S.A.*, 33, rue de Gasperich, L-5826 Hesperange.

The Sub-fund is actively managed. While the Sub-fund has a reference benchmark, it is actively managed by implementing Oaktree's investment philosophy and process. Oaktree is aware of the benchmark's composition and characteristics but has an ample degree of freedom to deviate from it.

Investment principal on bonds can be eroded depending on sale price or market price. In addition, there are bonds in some sub-funds of the Oaktree (Lux.) Funds in which investment principal can be eroded due to changes in redemption amounts. Care is required when investing in such instruments. Oaktree (Lux.) Funds is domiciled in Luxembourg. The representative in Switzerland is ACOLIN Fund Services, Leutschenbachstrasse 50, CH-8050 Zürich. The paying agent in Switzerland is NPB Neue Privat Bank AG, Limmatquai 1 / am Bellevue, P.O. Box, CH-8024 Zurich. Subscriptions are only valid on the basis of the current sales prospectus, the bylaws and/or contractual terms and conditions and the most recent annual report (or semi-annual report, if more recent). The prospectus, the Key Investor Information Document (KIID), bylaws and/or the contractual terms and conditions and the annual and semi-annual reports are available free of charge from the representative in Switzerland. In respect of the units offered in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Copyright © 2020 Oaktree Capital Management, L.P.<sup>TM</sup> and/or its affiliates. All rights reserved.