



OAKTREE EUROPEAN HIGH YIELD BOND FUND - CLASS R EUR ACC

A SUBFUND OF OAKTREE (LUX.) FUNDS

FACTSHEET | SEPTEMBER 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
EUR

Total Net Assets (in millions)
53.28

SICAV Strategy Inception Date
1 August 2003

Domicile
Luxembourg

Legal Structure
SICAV

Morningstar Category
EAA Fund EUR High Yield Bond

Benchmark Name
ICE BofA Global HY European Iss.
Non-Fin. Excl. Russia (TR) (EUR-H)

FUND MANAGERS

Madelaine Jones
23 Years of Experience

Anthony Shackleton
20 Years of Experience

SHARE CLASS FACTS

Unit Class
Category R EUR acc (capital growth)

Unit Class Currency
EUR

Share Class Inception Date
28 November 2014

ISIN Number
LU1138669772

Bloomberg Ticker
OKEHYBB LX

Valor Number
26079316

WKN Number
A12FHG

Net Asset Value
123.42

Minimum Investment
0

Redemptions
Daily

Base Management Fee p.a.
1.20%

INVESTMENT OBJECTIVE

The fund aims to earn an attractive risk-adjusted total return from high yield bonds of European issuers in developed markets. We invest in performing bonds of creditworthy corporations and avoid higher-risk sectors of the market.

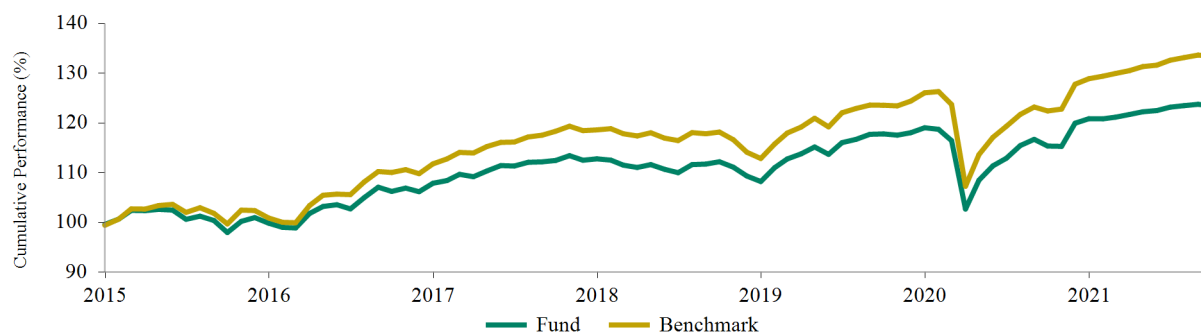
PORTFOLIO COMMENTARY¹

The European high yield bond market had its first negative month of the year, returning -0.2%. Returns for the year remain strong however, up 3.5%. Riskier credits continued their outperformance with CCC-rated bonds returning 0.9%.

The Fund posted a positive return and performed in line with its benchmark for the quarter. We experienced some negative attribution from not owning the market's very highest spread (and most risky) bonds, which enjoyed outsized returns in the quarter. This was balanced, however, by our portfolio having a lower duration than the benchmark, as a jump in rates reverberated across bond markets.

After a characteristically quiet summer, the European high yield market picked up in September, with €9.9bn of new issuance. Year-to-date volume remains outstanding at €97.4bn and with the coming months likely to be busy.

We remain constructive on the market but continue to closely monitor key risks such as inflation. We are maintaining a diversified portfolio and a readiness to act rapidly upon market dislocation.

HISTORICAL PERFORMANCE (NET)²CUMULATIVE AND ANNUALISED PERFORMANCE (%)²

	1 Month	3 Months	YTD	1 Year	3 Years (p.a)	5 Years (p.a)	Since Inception (p.a)
Fund (Net)	(0.27)	0.19	2.12	6.99	3.22	3.04	3.12
Benchmark	(0.18)	0.59	3.49	8.98	4.12	3.92	4.30

ANNUAL PERFORMANCE (%)²

	2021	2020	2019	2018	2017	2016
Fund (Net)	2.12	1.53	9.99	(4.04)	4.54	8.04
Benchmark	3.49	2.25	11.70	(4.85)	6.10	10.80

PORTFOLIO CHARACTERISTICS

		Portfolio	Benchmark
Fund Characteristics	Number of Holdings	190	760
	Number of Issuers	146	360
	Average Price	102.21	102.60
	Average Coupon	4.41%	4.18%
	Average Maturity (years)	5.54	5.16
	Effective Duration	3.19	3.50
	Average Credit Rating (Moody's/S&P)	B1/B+	Ba3/BB-
Yields and Spreads	Current Yield	4.31%	4.09%
	Yield to Worst (YTW)	3.54%	3.18%
	Yield to Maturity (YTM)	4.03%	3.65%
	Option-Adjusted Spread (OAS)	380 bps	340 bps
Risk Analysis	Annualized Volatility (1 year/3 year)	3.74%/8.76%	3.59%/9.68%
	Information Ratio (1 year/3 year)	(4.72)/(0.71)	n/a
	Tracking Error (ex post) (1 year/3 year)	0.42/1.26	n/a



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SECTOR DIVERSIFICATION

	% of Fund
Communication Services	26.06
Consumer Discretionary	21.66
Industrials	11.58
Materials	11.36
Health Care	8.02
Consumer Staples	5.42
Real Estate	4.39
Information Technology	4.08
Utilities	3.87
Energy	2.29
Financials	1.27

GEOGRAPHIC DIVERSIFICATION

	% of Fund	Fund vs Benchmark (%)
United Kingdom	20.73	1.05
France	17.12	(2.41)
Germany	14.07	(0.26)
Italy	9.97	0.97
United States	9.71	9.71
Spain	8.33	0.00
Netherlands	6.64	(0.44)
Luxembourg	4.55	3.56
Sweden	3.80	0.48
Other	5.08	(1.00)

CREDIT QUALITY

	% of Fund	Fund vs Benchmark (%)
Ba/BB	38.03	(23.15)
B/B	47.99	15.62
Less Than B/B	6.96	0.52
Not Rated	7.02	7.02

TOP 10 ISSUERS

	Industry	% of Fund
Virgin Media Inc	Media	3.05
Altice France SA/France	Diversified Telecommunication Services	2.97
Telecom Italia SpA/Milano	Diversified Telecommunication Services	2.35
Telefonica SA	Diversified Telecommunication Services	2.24
VodafoneZiggo Employment BV	Diversified Telecommunication Services	2.19
Vodafone Group PLC	Wireless Telecommunication Services	2.02
Electricite de France SA	Electric Utilities	1.82
Altice Financing SA	Diversified Telecommunication Services	1.49
UPC Holding BV	Media	1.35
EG Finco Ltd	Specialty Retail	1.29
		20.79

TOP 10 OVERWEIGHTS BY ISSUER

	% of Fund	% of Index	% of Relative
UPC Holding BV	1.35	0.49	0.86
VodafoneZiggo Employment BV	2.19	1.35	0.85
Inter Media and Communication SpA	0.79	0.00	0.79
Gruenthal GmbH	1.01	0.22	0.79
Bio Lam LCD SELAS	1.02	0.24	0.78
Cheplapharm Arzneimittel GmbH	1.12	0.34	0.77
Galaxy Bidco Ltd	0.77	0.00	0.77
Tele Columbus AG	0.90	0.15	0.75
RENK Holding GmbH	0.86	0.12	0.74
Allied Universal Holdco LLC	0.74	0.00	0.74

TOP 10 UNDERWEIGHTS BY ISSUER

	% of Fund	% of Index	% of Relative
Atlantia SpA	0.00	2.45	(2.45)
Cellnex Telecom SA	0.00	2.06	(2.06)
Electricite de France SA	1.82	3.00	(1.18)
Rolls-Royce Holdings PLC	0.00	1.09	(1.09)
ZF Friedrichshafen AG	0.62	1.68	(1.06)
Bayer AG	0.00	1.05	(1.05)
Nokia OYJ	0.00	0.83	(0.83)
Renault SA	0.57	1.33	(0.76)
EDP - Energias de Portugal SA	0.00	0.74	(0.74)
Valeo	0.00	0.71	(0.71)

ENDNOTES

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

- ¹ 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. References to the European high yield bond market are based on the ICE BofA Global High Yield European Issuers Non-Financial Excluding Russia Index (EUR Hedged).
- ² 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.

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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.TM and/or its affiliates. All rights reserved.