

December 30, 2016

# Oddo Compass Convertible Global


**ODDO MERITEN**  
ASSET MANAGEMENT

Unit CI-EUR - Eur | Obligations Convertibles Global

NAV of the fund 95 M€  
NAV per Unit 1001.14€

1 2 3 **4** 5 6 7  
Risk/return scale (1)

Morningstar™

Category Convertible Bond - Global, EUR Hedged

Countries in which the fund is authorised for distribution to the public:

FR IT CHE DEU AUT LUX

## Portfolio Managers

Luc VARENNE, Frédéric HERTAULT, Maxime DUPUIS

## Key features

**Benchmark** : Thomson Reuters Global Focus Hedged Convertible Bond Index**Recommended investment horizon** : 3 Years**Inception date (1st NAV)** : 31/12/2013

**Legal structure** Sub-fund of the Oddo Compass Luxembourg Umbrella (UCITS)  
**ISIN code** LU1493432618  
**Bloomberg code** ODOCCIE LX  
**Currency** Euro  
**Dividend policy** Accumulation units  
**Minimum (initial) investment** 250000 EUR  
**Subscription fees** 2 % (maximum)  
**Redemption fees** Nil  
**Management fees** Nil  
**Performance fees** Nil  
**Ongoing charges (\*)** 0.00%  
**Management company** Oddo Meriten AM SAS  
**Custodian** CACEIS Bank Lux (Luxembourg)

**Administration and Accounting** Caceis Bank Lux (Luxembourg)  
**Subscriptions/ redemptions** for a subscription order to be executed at the net asset value on a given Valuation Day (as defined above), it must be received by the central administration agent no later than 16:00 (Luxembourg time) on the day preceding the given Valuation Day.

**NAV calculation frequency** Daily

## Investment strategy

The Sub-fund's objective is to outperform the benchmark index, the Thomson Reuters Global Focus Hedged Convertible Bond Index, calculated with net coupons reinvested, over a minimum investment horizon of three years.

## Annual performance (rolling 12 months)

from			12/31/13	12/31/14	12/31/15
to			12/31/14	12/31/15	12/30/16
<b>Fund</b>			<b>3.6%</b>	<b>3.9%</b>	<b>-1.4%</b>
Benchmark			4.7%	3.6%	0.6%

Past performance is not an indication of future results. Performance may vary over time.

## Calendar performance (from January 01 to December 31)

	2012	2013	2014	2015	2016
<b>Fund</b>			<b>3.6%</b>	<b>3.9%</b>	<b>-1.4%</b>
Benchmark			4.7%	3.6%	0.6%

## Performance Analysis

	Annualised performance			Cumulative performance					
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception
<b>Fund</b>	<b>2.03%</b>		<b>2.03%</b>	<b>0.91%</b>	<b>-1.39%</b>	<b>-1.39%</b>	<b>6.20%</b>		<b>6.20%</b>
Benchmark	2.96%		2.96%	1.21%	0.58%	0.58%	9.14%		9.14%

## Change in performance since inception (base 100)



## Technical and risk indicators

	1 year	3 years
Tracking Error	1.20%	
Sharpe ratio	-0.17	
Information ratio	-1.71	

	Fund	Benchmark
Equity sensitivity	40	39
Interest rate sensitivity	2.3	2.2
Yield (YTM)	-0.79%	-1.72%
Average maturity (year)	3.5	4.0

## Annualised volatility

	1 year	3 years	5 years
<b>Fund</b>	<b>5.90%</b>		
Benchmark	6.41%		

Definitions of the financial indicators used are available for download on the website [www.oddomeriten.eu](http://www.oddomeriten.eu) under the heading "Regulatory information".

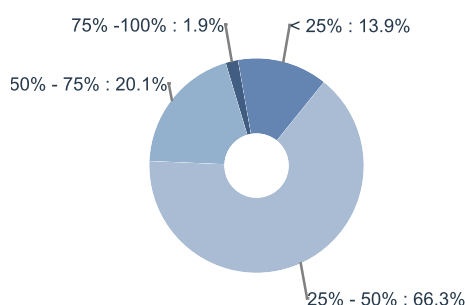
Sources : Oddo Meriten AM, Bloomberg, Morningstar®

The performance shown is that of the "Oddo Convertibles Global Fund" (launched on 3 December 2013) which was absorbed by the "Oddo Compass Convertible Global" (a sub-fund of Oddo Compass, a SICAV established under Luxembourg law) effective from 15 December 2016. The "Oddo Compass Crossover Credit" pursues exactly the same investment strategy and the same investment objective as the "Oddo Convertible Global Fund". The fund management team and the fee structure also remain unchanged.

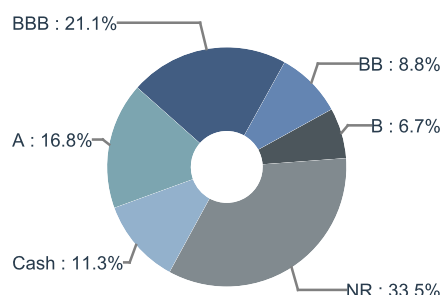
(1) The risk profile is not constant and may vary over time. The lowest category does not mean a risk-free investment. Historical data, such as is used to calculate the risk/return ratio, may not be a reliable indication of the future risk profile of the Fund. There is no guarantee that the management objectives in terms of risk and return will actually be met.

(2) The ongoing charges are based on the charges for the previous period. Estimates are drawn up for all funds that have not yet closed their first accounting period.

## Breakdown by equity sensitivity



## Breakdown by rating

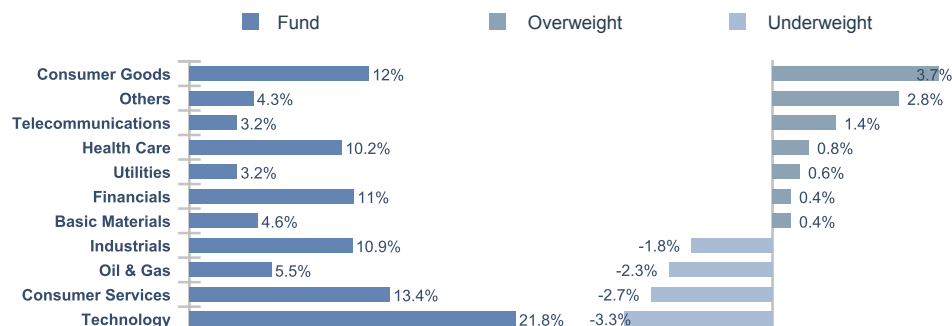


The breakdown takes into consideration the rating of the issuer or the guarantor in the case of unrated issues.

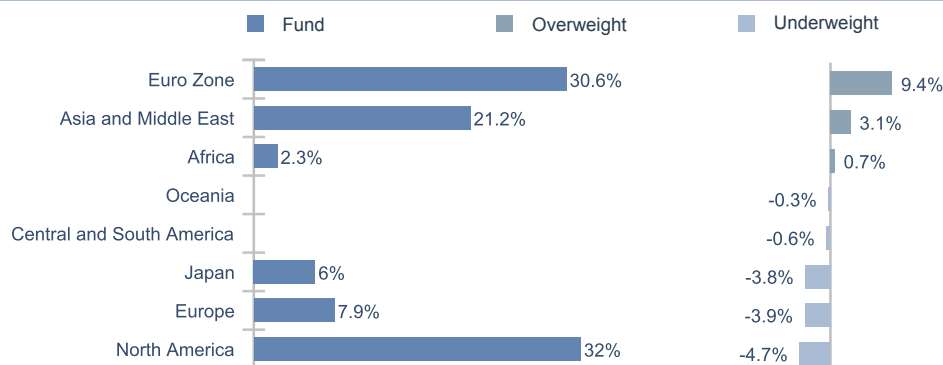
## Portfolio manager comment

Unsurprisingly, the Italian referendum turned out not to have repercussions for the financial markets or monetary policy: the ECB extended its asset purchase programme and the Fed raised US interest rates slightly. Long-dated US yields rose a little, while European yields fell somewhat. Macroeconomic data (PMI) suggested that industrial activity was buoyant worldwide. Asia aside, equity markets turned in a strong performance; this was particularly true for Europe, where lower yields favoured a rally in certain real estate and utility stocks. The energy sector outperformed overall, having continued to benefit from OPEC's agreement to limit production. Convertible valuations were fairly buoyant, all else considered; their performance received a notable boost from that of underlying stocks and reflected the hierarchies of regional performances. The primary market offered an opportunity to strengthen China Railway Construction and open a line in Teradyne; we also continued to take profits on NXP in the semi-conductor sector and on the technology sector more generally, via Citrix. There was also profit-taking in the consumer discretionary sector (which is still overweight) on Kering (liquidity) and Ctrip.com. In the financial sector, we added to our position in the Chinese company Haitong, while continuing to take profits on Swiss Life. We added further to our line in Gedeon Richter in the health care sector, at the expense of Jazz Pharmaceuticals and with partial profit-taking on Fresenius SE. Lastly, we scaled back the utilities sector via Veolia and ENN. Relative performance was boosted by our Europe overweight, although the fund suffered as a result of the lack of US high yield stocks.

## Sector breakdown: portfolio vs benchmark (in % of equity sensitivity)



## Country breakdown :portfolio vs benchmark (in % of equity sensitivity)



## Main portfolio holdings

Security name	Weight	Weight**	Sector	Country
Steinhoff Finance Hldg 1.25% 10/2023	2.4%	1.0%	Consumer Goods	South Africa
Suzuki Motor Corporation 0.00% 03/2023	2.2%	0.9%	Consumer Goods	Japan
America Movil Sab De Cv 0.00% 05/2020	1.7%	2.6%	Telecommunications	Mexico
Intel Corp 3.30% 10/2021	1.6%		Technology	USA
Priceline.Com Inc 0.35% 06/2020	1.5%	1.1%	Consumer Services	USA
Telenor East Holding li 0.25% 09/2019	1.5%	0.9%		Norway
Nxp Semiconductor Nv 1.00% 12/2019	1.5%	1.1%	Technology	Netherlands
Total Sa 0.50% 12/2022	1.5%	1.0%	Oil & Gas	France
Dish Dbs Corp 5.88% 11/2024	1.4%			USA
Semiconductor Manufactur 0.00% 07/2022	1.4%	0.5%	Technology	China
Number of holdings	309	* Fund** Benchmark		
Weight of combined convertible bonds (3):			27.4%	
(3) This refers to Oddo Meriten AM 's combined purchase of a traditional bond (or even cash) and an equity call option and not a structured product.				

## Main portfolio derivatives

Product	Type	Exposure (%)
Call Intel (Us) Juil17 C37	Equity Option	1.1%
Call Siemens* (Gr) Juin17 C113	Equity Option	0.7%
Call Microchip Tech. (Us) Avril17 C67.5	Equity Option	0.7%

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