

November 30, 2016

Oddo Bonds High Yield Europe


ODDO MERITEN
ASSET MANAGEMENT

Unit CI-EUR - Eur | High yield bonds Europe

NAV of the fund 116 M€
NAV per Unit 1202.24€

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

Morningstar™
Category Europe High Yield Bond

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

FR IT CHE DEU AUT PRT ESP LUX

Portfolio Managers

Alain KRIEF, Olivier BECKER

Key features

Benchmark : BOFA Merrill Lynch BB-B European
Currency Non-Financial High Yield Constrained Hedged
Recommended investment horizon : 4 Years**Inception date (1st NAV)** : 30/01/2013

Legal structure

Sub-fund of the Oddo Funds
Luxemburg Umbrella (UCITS)
ISIN code LU0881817190
Bloomberg code OBHYCIE LX
Currency Euro
Dividend policy Accumulation units
Minimum (initial) investment 100000 EUR
Subscription fees 4 % (maximum)
Redemption fees Nil
Management fees Annual rate of a maximum of 0.70%, payable monthly and calculated based on the Sub-fund's average net assets for the month in question

Performance fees

A maximum amount of 10% of the Sub-fund's performance relative to the BpFA Merrill Lynch BB-B European Currency Non-Financial High Yield Constrained Index shall be paid to the Manager if the Sub-fund's performance is positive 0.89%

Ongoing charges ⁽²⁾

Management company Oddo Meriten AM SAS
Custodian CACEIS Bank (Luxembourg)
Administration and Accounting Caceis Bank Lux (Luxembourg)

Subscriptions/ redemptions

Subscriptions and Redemptions are centralised daily at The Registered Office of the Company at the latest by 11:00 (Luxembourg Time) on the valuation day.

NAV calculation frequency

Daily

Investment strategy

The management objective of this fund is to outperform its benchmark index over an investment period of four years. Management is active. The fund invests in high-yield European corporate bonds.

Annual performance (rolling 12 months)

from	11/30/11	11/30/12	11/30/13	11/30/14	11/30/15
to	11/30/12	11/30/13	11/30/14	11/30/15	11/30/16
Fund			5.5%	0.4%	3.7%
Benchmark			6.4%	2.6%	6.3%

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

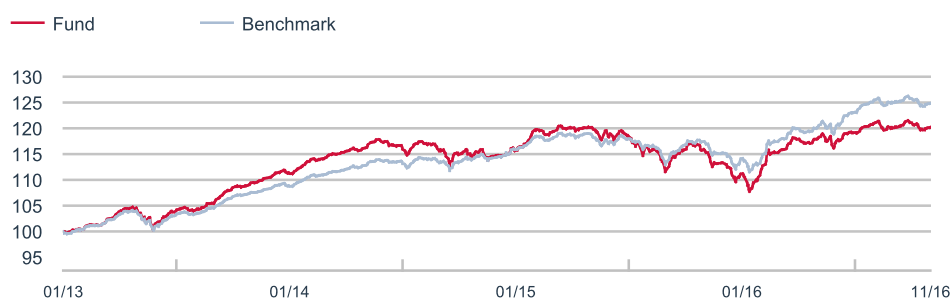
Calendar performance (from january 01 to december 31)

	2011	2012	2013	2014	2015
Fund				3.8%	-1.2%
Benchmark				5.6%	0.8%

Performance Analysis

	Annualised performance			Cumulative performance					
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception
Fund	3.19%		4.92%	-0.69%	6.11%	3.71%	9.87%		20.22%
Benchmark	5.09%		5.96%	-0.71%	8.33%	6.33%	16.05%		24.85%

Change in performance since inception (base 100)



Technical and risk indicators

	1 year	3 years
Tracking Error	1.69%	1.70%
Sharpe ratio	0.52	0.70
Information ratio	-1.86	-1.09

	Fund
Interest rate sensitivity	2.63
Yield (YTW) *	3.23%
Credit sensitivity	2.69
Spread (bp)	302
Average maturity (year)	3.64

Definitions of the financial indicators used are available for download on the website www.oddomeriten.eu under the heading "Regulatory information".

Sources : Oddo Meriten AM, Bloomberg, Morningstar®

*Yields are given for information purposes only and do not represent any yield guarantee. Rates are gross of fees, excluding any case of default.YTW: Yield To Worst.

(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 sub-A rating and by country

Country	Rating				
	BBB	BB	B	CCC	NR
Italy	-	6.4%	6.1%	-	-
France	-	2.5%	8.6%	-	-
USA	-	6.6%	3.5%	-	-
Germany	-	6.3%	3.4%	-	-
Luxembourg	-	1.3%	7%	-	-
United Kingdom	-	4%	3.8%	-	-
Spain	-	3.7%	1.3%	-	-
Netherlands	-	1.9%	1.8%	-	-
Other	-	10%	8.7%	-	-

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

Portfolio manager comment

The standout event of November was Donald Trump's election to the United States presidency. The first thing to note is the uncertainty surrounding the details of his agenda, especially as regards the economy. Secondly, campaign promises and the decisions a president actually makes are two different things. Broadly speaking, however, the statements made by Mr Trump could accelerate inflation in the US and also have a (slight) positive impact on growth.

We ought to add that macroeconomic data came as a fairly positive surprise in November, both in the US and the Euro Zone, where bank lending continues on its (slow) path to recovery and unemployment is still falling. Japanese data also sent less negative signals than in October.

Against this backdrop, the 10-year German yield rose 11 bps to close the month at +0.27%. The rise was markedly higher for the 10-year US yield, which increased from 1.83% to 2.38% under the effect of the presidential election.

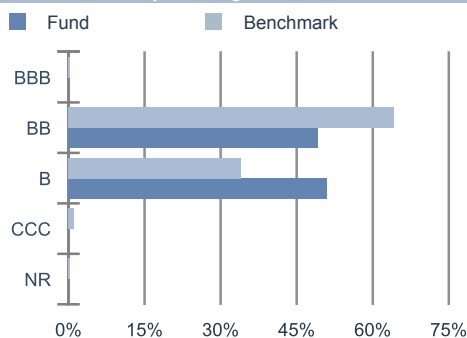
During November, the high yield market shed 0.70% in connection with rising yields, largely affecting BB-rated issuers, which make up more than 60% of the indices. The telecom (-1.3%), energy (-1.2%) and automotive (-1.1%) sectors posted the sharpest corrections.

The iTraxx Xover and iTraxx Main indices widened from 9 bps to 339 bps and from 7 bps to 80 bps respectively.

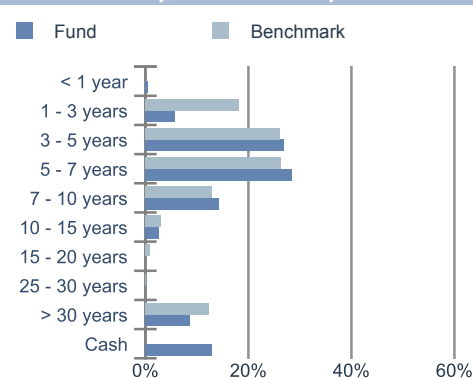
During the month, we were active on the primary market through purchases of Codere and Guala Closure. We also strengthened our investments in RWE and Gazprom and reduced our exposure to Casino, Telefonica, Telecom Italia and Veralia.

Periods of rising interest rates historically result in positive performances from the high yield asset class, which benefits more from improving macroeconomic fundamentals. We envisage such a scenario taking shape in the coming months, as the ECB is sending signs of normalisation to come from its monetary policy, and the economic recovery in Europe still seems to be underway.

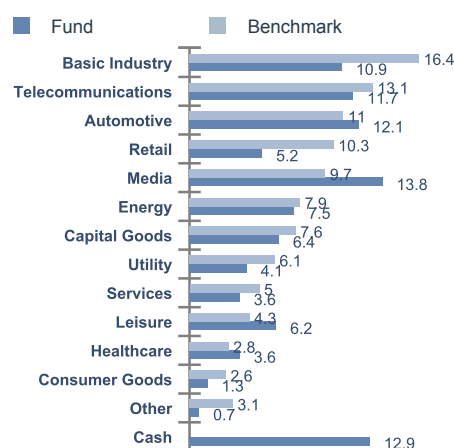
Breakdown by rating



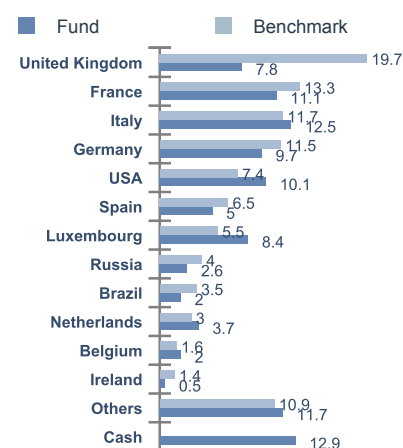
Breakdown by final maturity



Sector breakdown (%)



Geographic breakdown (%)



Main portfolio issuers

Issuer	Weight*	Weight**	Sector	Country
FIAT CHRYSLER AUTOMOBILE	3.24%	2.85%	Automotive	Italy
ALTICE LUXEMBOURG	3.10%	1.16%	Media	Luxembourg
SCHAEFFLER FINANCE BV	2.60%	1.47%	Automotive	Germany
UNITYMEDIA HESSEN / NRW	2.45%	1.88%	Media	Germany
ANGLO AMERICAN CAPITAL	2.35%	2.23%	Basic Industry	United Kingdom
GAZPROM (GAZ CAPITAL SA)	2.34%	2.83%	Energy	Russia
WIND ACQUISITION FIN SA	2.23%	1.68%	Telecommunications	Italy
PETROBRAS GLOBAL FINANC	1.98%	2.77%	Energy	Brazil
LGE HOLDCO VI BV	1.93%	1.09%	Media	Netherlands
TELEFONICA EUROPE BV	1.62%	2.43%	Telecommunications	Spain

Number of holdings

139

* Fund

** Benchmark

Main portfolio derivatives

Product	Type	Exposure (%)
Buy litrx Xover Cdsi S26 5Y Corp 20/12/2021	Credit Index	-2.3%

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The fund is exposed to the following risks : risk of capital loss, risk associated with holding small and medium capitalisations, interest rate risk, risk associated with convertible bonds, credit risk, risk associated with discretionary management, counterparty risk, liquidity risk of underlying assets, volatility risk, to a limited extent, currency risk, equity risk.