30 April 2018
Luxembourg

Oaktree Global Convertible Bond Fund

Class EB

a subfund of Oaktree (Lux.) Funds

INVESTMENT POLICY

The fund carefully selects convertible securities from across the globe, including lower-rated instruments and securities with attractive terms. It combines the upside potential of global equities with the defensive character of bonds. The objective is to capture the greater portion of equity performance over full market cycles with reduced volatility. The fund pursues a bottom-up, non-benchmark oriented strategy and aims to be positioned at the “sweet spot” of the curve, where the chance for upside potential outweighs downside risks. Currency risk is fully hedged.

FUND FACTS

Fund manager	Oaktree Capital Management, L.P./ Stu Spangler, Abe Ofer, Andrew Watts, Jean-Pierre Latrille, Petar Raketic
Fund manager since	21 Aug. 2013
Location	Los Angeles
Fund domicile	Luxembourg
Fund currency	USD
Close of financial year	30. Sep
Total net assets (in millions)	681.64
Share Class Inception Date	21 Aug. 2013
SICAV Strategy Inception Date	01 Dec. 2003
Portfolio management fee in % p.a.	0.60
Benchmark (BM)	Thomson Reuters CV Gl. Focus (TR) (USD-Hgd) (03/16)
Unit Class	**Category EB (capital growth)**
Unit class currency	USD
ISIN number	LU0931237514
Bloomberg ticker	OAKGEBA LX
Valor no.	21363504
WKN number	A1W4LN
SEDOL	BYTL4D2
Net Asset Value	123.28
Min. Investment Amount	50,000
Redemptions	Daily
EU taxation	In scope - tax

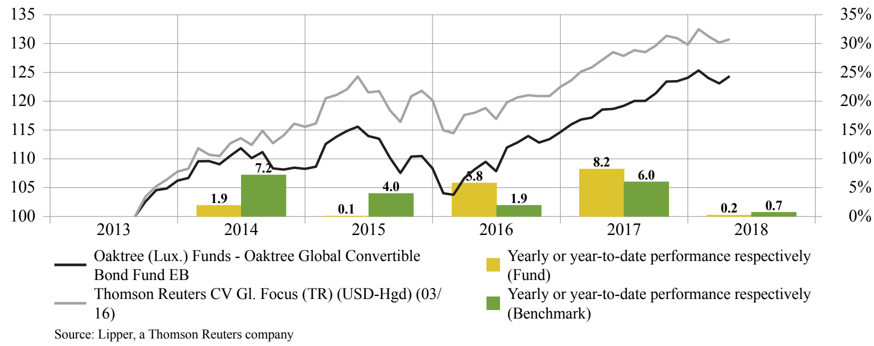
The benchmark changed from ICE BofAML Global 300 Convertible (TR) (USD-Hgd) to Thomson Reuters CV Gl. Focus (TR) (USD-Hgd) (03/16) effective as of 01.03.2016.

FUND STATISTICS

	1 year	3 years
Annualized volatility in %	2.73	5.42
Information ratio	0.86	0.16
Tracking Error (Ex post)	2.33	2.32
Maximum draw down in %	-1.79	-10.23

Maximum drawdown is the most negative cumulative return over a given time period.

NET PERFORMANCE IN USD (REBASED TO 100) AND YEARLY PERFORMANCE [1]



Source: Lipper, a Thomson Reuters company

NET PERFORMANCE IN USD [1]

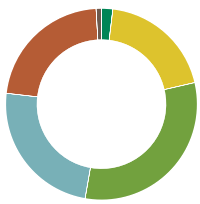
	1 month	3 months	YTD	1 year	3 years	5 years	Since inception
Fund	1.02	-0.79	0.23	4.89	8.28	-	23.28
Benchmark	0.46	-1.30	0.72	2.82	7.12	-	29.46

1 Historical performance indications and financial market scenarios are no guarantee for current or future performance. Performance indications do not consider commissions levied at subscription and/or redemption.

SECTORS IN %

Industrials	19.26
Information Technology	17.72
Consumer Discretionary	17.16
Health Care	8.95
Financials	7.76
Energy	7.73
Real Estate	7.61
Materials	7.03
Others	6.79

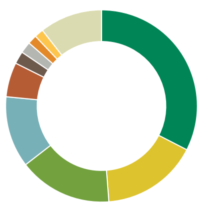
CREDIT RATINGS IN %



AA	1.90
A	19.50
BBB	31.40
BB	24.10
B	22.30
Other	0.90

Average = BB+

COUNTRIES IN %



USA	32.54
Japan	16.23
France	15.77
China	12.00
Germany	5.81
South Korea	2.10
Bermuda	1.92
Spain	1.55
Switzerland	1.52
Others	10.56

DURATION AND YIELD

Delta in %	54.30
Gross portfolio yield in %	1.04
Modified duration in years	4.02

Due to the optionalities involved in the structure of convertible bonds, certain assumptions must be applied in order to calculate these figures.

TOP 10 HOLDINGS IN %

Position	**as % of assets**
Airbus Group	2.09
JPMorgan Chase	1.79
Golar Lng Ltd.	1.79
Sony	1.76
Artemis SA	1.68
Ctrip.Com	1.65
ANA Holdings Inc	1.64
China Railway Const.	1.60
Qingdao	1.56
Mitsubishi Chemical	1.53
Total	**17.09**

NUMBER OF HOLDINGS

Fund	267

Contact

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MARKET COMMENTARY

• Global stocks rebounded 2.2% (FTSE All World Total Return Index- Local Currency) in April, after falling for two consecutive months. Equities rose on easing market fears of a U.S.-China trade war. Energy stocks, the top performing sector, rose 10% on growing supply worries in Venezuela as well as rising geopolitical tensions in the Middle East. Non-U.S. stocks (MSCI EAFE – USD Hedged +4.6%) materially outperformed U.S. stocks (Russell 2000 +0.9%). Why the outperformance of Non-U.S. stocks? Europe and Japan, comprising the majority of the EAFE index, may have rebounded more sharply than the U.S. for three reasons: 1) as large exporting regions, Europe and Japan should benefit disproportionately from the potential easing of global trade disputes, 2) the USD dollar appreciated compared to other major currencies (DXY +2%), thus making European and Japanese exports more competitive, and 3) Non-U.S. stocks may be recouping a portion of their underperformance from the first quarter of 2018. High yield bonds rose 0.7% (BofAML Non-Financial Developed Market Constrained Index) as credit spreads tightened, more than offsetting higher U.S. and German benchmark sovereign rates. Volatility fell in April from elevated levels in February and March (VIX).

• The Fund rose 1.0% (net) in April, driven by higher stock prices. The Fund captured 45% of the equity market's advance, which is broadly in line with our expectations. The regions with the best performing stock markets, namely EMEA and Japan, contributed the most to absolute returns. By sector, energy and consumer discretionary were the top performers, while information technology was the bottom performer.

• The Fund outperformed the benchmark by 50 basis points (net of fees). Relative attribution shows that EMEA and Japan were the top contributing regions, driven by security selection, and consumer discretionary and information technology were the best performing sectors.

• New issuance was decent for the month of April with $6.0 billion coming to market. It is generally slower during this month as the first quarter earnings season begins. A majority of issuance came from the United States with $3.9 billion, followed by Asia $1.1 billion, Europe $692 million, and lastly Japan with $253 million. Issuance continues to be dominated by technology companies (especially software) in the U.S., while Non-U.S. deals remain more diversified by sector. For the first four months of the year, global issuance was $34.3 billion, compared to $26.2 billion at this time last year. While we are pleased with the volumes, the pricing of new deals has been mixed with U.S. pricing generally more attractive than Non-U.S. pricing. As a result, we remain selective in our participation of new issues coming to market.

• We continue to believe that convertibles should provide investors with equity-type returns over a full market cycle while absorbing about two-thirds of the stock market's volatility.

LEGAL INFORMATION

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The source of market data is BofA Merrill Lynch.