



## Oaktree Global Convertible Bond Fund Class B

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.

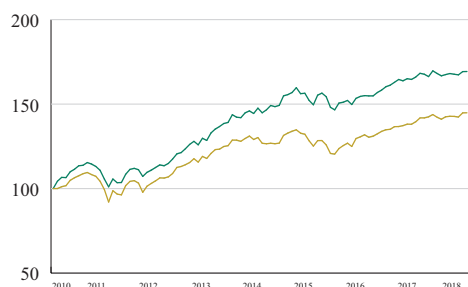
## FUND FACTS

Fund Manager	Oaktree Capital Management, L.P./ Stu Spangler, Abe Ofer, Andrew Watts, Jean-Pierre Latrille, Petar Raketic
Fund Manager since	21 Dec. 2012
Location	Los Angeles
Fund Domicile	Luxembourg
Fund Currency	USD
Close of Financial Year	30 Sep.
Total net assets (in millions)	609.63
Share Class Inception Date	21 Dec. 2012
SICAV Strategy Inception Date	1 Dec. 2003
Portfolio management fee in % p.a.	1.20
Benchmark (BM)	Thomson Reuters CV GI Focus (TR) (USD-H) (03/16)
Unit Class	Category B (capital growth)
Unit Class Currency	USD
ISIN number	LU0854923066
Bloomberg ticker	OAKGCBB LX
Valor no.	20012773
WKN number	A1J865
SEDOL	BYTL476
Net Asset Value	144.85
Min. Investment Amount	100
Redemptions	Daily
EU taxation	In scope - no tax

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

## CONTACT

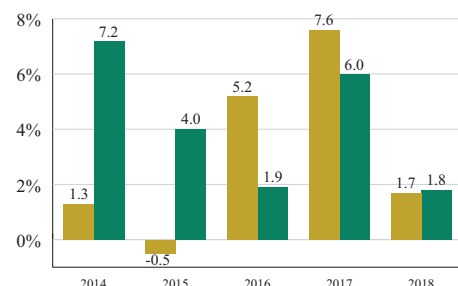
**Oaktree Capital Management (UK) LLP**  
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NET PERFORMANCE IN USD (REBASED TO 100) AND YEARLY PERFORMANCE<sup>1</sup>

— Oaktree Global Convertible Bond Fund  
— Cust Benchm Thomson Reuters CVGIFocusTRUSDH(03/16)

Source: Lipper, a Thomson Reuters company

<sup>2</sup> See overleaf.



■ Yearly or year-to-date performance respectively (Fund)

■ Yearly or year-to-date performance respectively (Benchmark)

Source: Lipper, a Thomson Reuters company

<sup>2</sup> See overleaf.

NET PERFORMANCE IN USD<sup>1</sup>

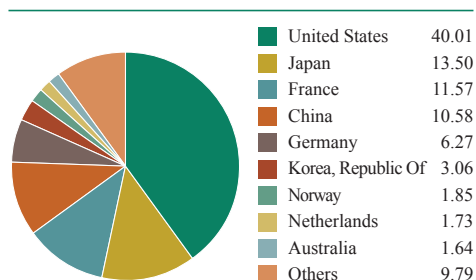
	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Fund	0.04	1.49	1.70	3.81	15.75	19.90	44.85
Benchmark	0.03	0.96	1.81	1.96	13.16	27.35	69.29

<sup>1</sup> 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.

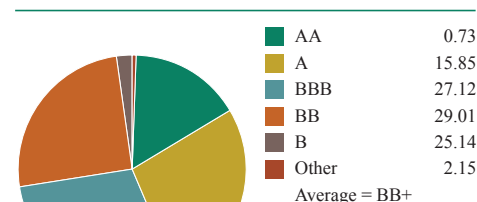
## SECTORS IN %

	Fund
Industrials	15.70
Information Technology	14.41
Health Care	13.14
Consumer Discretionary	11.73
Energy	8.90
Real Estate	8.36
Materials	7.79
Telecommunication Services	7.10
Utilities	5.72
Others	7.15

## COUNTRIES IN %



## CREDIT RATING IN %



## TOP 10 HOLDINGS IN %

	as % of Assets
Sony	1.80
Golar Lng Ltd.	1.63
Consus Real Estate	1.57
Cyberagent	1.36
Shanghai Port Group	1.33
Qingdao	1.33
Nexity	1.33
Total SA	1.32
Lotte Shopping	1.25
Airbus Group	1.24
Total	14.16

## FUND STATISTICS

	1 Year	3 Years	5 Years
Annualized volatility in %	3.03	4.77	5.03
Information ratio	0.94	0.31	-0.56
Tracking Error (Ex post)	1.91	2.10	2.27
Maximum draw down in %	-1.89	-6.22	-10.64

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

## DURATION AND YIELD

Gross portfolio yield in %	1.34
Delta in %	57.28
Modified duration in years	4.22

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

## NUMBER OF HOLDINGS

Fund	274
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## MARKET COMMENTARY

- Global stocks rose 0.6% (measured by the FTSE All World Total Return Index - Local Currency) in September. After sharply outperforming Non-U.S. equities (MSCI EAFE USD Hedged) since May, U.S. equities took a breather (Russell 2000 -2.4%) after six consecutive months of positive returns as Non-U.S. equities (MSCI EAFE USD Hedged +1.6%) led global equities higher. Japan (TOPIX USD Hedged +5.7%) was the star performer for the following reasons: 1) its equity valuations were seen as attractive (historically low valuation multiples), 2) weakening JPY, which helps exporters' earnings, and 3) political continuity as Prime Minister Shinzo Abe won a ruling party leadership vote, putting him on track to become Japan's longest-serving premier. Asia ex-Japan (MSCI Asia ex-Japan USD Hedged -1.4%) continues to underperform as investors worry about a macro-economic slowdown in China and potential impact from the U.S.-China trade dispute.
- There was a meaningful rise in interest rates with 10-year U.S. Treasury yields rising by 20 basis points to 3.06% and 10-year German bunds by 14 basis points to 0.47%. Corporate credit spreads tightened slightly in the U.S. and Europe, and remain well below long-term historical averages. Global high yield bonds extended their gains returning +0.5% (BofAML Non-Financial Developed Market HY Constrained index), supported by strong technicals (limited supply / new issues).
- The Fund's return (net of fees) was 0%. By region, Asia ex-Japan and Japan were the top contributors to absolute returns. Asian convertibles recovered on improved market sentiment after a decent price correction in recent months. Japanese convertibles rallied on higher underlying equity prices, as noted above. By sector, energy and industrials were the best performing sectors. Energy benefited from rising oil prices on continued supply concerns (i.e. Iran). The worst performing sector was information technology, particularly in semiconductors given signs that the industry cycle may be entering a downturn.
- The Fund's return (net of fees) was in line with the benchmark. By region, the United States and China contributed the most to relative returns. China reversed some of the underperformance that has occurred since June. By sector, information technology was the leading contributor to relative returns, while real estate was the leading detractor.
- Global new issuance was \$7.8 billion for the month. By region, the United States continues to lead primary issuance (\$5.3 billion or 68% of the total) as it has for the first nine months. The remaining 32% of September's issuance was broadly split between Europe, Asia and Japan. Overall, year-to-date global issuance reached \$74 billion, in line with last year's total. While we are pleased with the volumes, the pricing on new deals remains mixed. 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.

<sup>2</sup> For the evaluation of the performance data please be aware that the fund has been restructured and relaunched with effect of 21 December 2012. For the restructuring all assets and liabilities of the former CS Fund 1 (Lux) Bond Global Convertibles B have been transferred to Oaktree (Lux.) Funds - Oaktree Global Convertible Bond Fund B. Fund management and investment policy remained unchanged. Past performance, whether actual or simulated, does not guarantee future results.

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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, Affolternstrasse 56, 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. Copyright © 2018 Oaktree Capital Management, L.P.<sup>TM</sup> and/or its affiliates. All rights reserved.

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