

# HALF-YEARLY REPORT

Situation as at 30 June 2022



## OFI RS EURO EQUITY SMART DELTA CONVEX

Mutual fund

### Marketer

OFI ASSET MANAGEMENT, 22 rue Vernier, 75017 Paris

### Management Company by delegation

OFI ASSET MANAGEMENT, 22 rue Vernier, 75017 Paris

### Depositary and Custodian

SOCIETE GENERALE, 29 Boulevard Haussmann, 75009 Paris

### Administrative and accounts management

SOCIETE GENERALE, 29 Boulevard Haussmann, 75009 Paris

## Contents

Regulatory  
information

Financial situation as  
at 30 June 2022

## MANAGEMENT DIRECTION

- This product promotes environmental or social characteristics, but does not aim to achieve sustainable investments.

OFI RS EURO EQUITY SMART DELTA CONVEX (the "Fund") is the Feeder Fund of the Master Sub-Fund OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA (the "Master Fund").

For all Fund units, investment will be made for a minimum of 85% of the Net Assets of the Fund in the XL Shares of the Master Sub-Fund. The rest of the assets can only be made up of cash holdings and financial contracts concluded for net hedging transactions so that its net equity exposure remains between 30% and 100%. The range of equity exposure of the Master Fund OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA lies between 90% and 100% of the net assets.

Although the Feeder Fund has the same management indicator as its Master Sub-Fund OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA, it does have its own management objective: It must achieve a performance above that of the Euro Stoxx Reinvested Net Dividends index over the recommended investment period by adopting an SRI approach and using a structural approach on equity risk hedging strategies.

Due to its own hedging strategy and its own costs, the risk profile and performance of the Feeder Fund will differ from those of its Master Sub-Fund OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA.

The Fund will be structurally invested in a partial equity risk hedging strategy through one or more Total Return Swaps (TRS).

Each TRS which forms part of this hedging strategy will systematically replicate the performance of a basket of put options. At the time of their acquisition, the TRS will have a maturity greater than or equal to 1 year.

On a discretionary basis, the management strategy may involve the sale and/or purchase of call options and/or futures options on Euro Stoxx 50 in order to generate additional revenue while maintaining an overall hedging strategy. In addition to instruments such as Futures and Options on equities and equity indexes and other types of equity medium, Swaps and Forwards on equities and equity indexes, Swaps on equity derivatives and other types of equity media may also be used, although not systematically.

More specifically for I units, for investors subject to the Solvency II Directive, this hedging strategy also has the aim of mitigating risk within the meaning of Directive 2009/138/EC of 25 November 2009 (known as Solvency II), thereby reducing the Solvency Capital Requirement (SCR) level.

## Overview of the characteristics of the Master Sub-Fund:

**AMF classification:** Equities of eurozone countries.

Eligible for the SSP.

**Management objective:** The Sub-Fund aims to achieve a performance above the performance of the Euro Stoxx Reinvested Net Dividends index over the recommended investment period by adopting an SRI approach.

**Benchmark:** Investors can compare the Sub-Fund's performances with those of the calculated EURO STOXX Reinvested Net Dividends index (SXXT Ticker). The EURO STOXX index is the subgroup made up of the most liquid names in the STOXX Europe 600 index. The index has a variable number of components (around 300) and represents large, medium-sized and small capitalisations in eurozone countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. It is calculated daily. (For more information about this index, go to [www.stoxx.com](http://www.stoxx.com)). However, the Sub-Fund's objective is not to reproduce, in one way or another, the performance of this index. It makes investments based on criteria which can result in significant differences in relation to the behaviour of the index.

**Management strategy:** The Sub-Fund's investment universe is defined by all of the components of the EURO STOXX index. Based on dynamic allocation, the manager invests in the securities that make up the index for their universe without seeking to apply the same weighting to each security in their index, however. The Sub-Fund will mainly invest in the eurozone (90% of its Net Assets) and there will be no sector-based constraints when allocating them.

The investment processes apply both financial and extra-financial criteria in order to favour a "Socially Responsible Investment" (SRI) selection of companies in the portfolio.

1/ Based on their investment universe, the manager makes a quarterly allocation, or as required, depending on market conditions, based on the volatility of each composite sector and their joint correlations, in order to balance their contributions with the overall risk (financial criterion) (If the composition of the reference universe changes between two quarterly rebalancings, the management team reserves the right, acting in the interest of unitholders, either to keep the securities until the next quarterly rebalancing, or to proceed with selling them by performing an interim rebalancing as permitted by the management process);

2/ The manager applies an SRI filter to the components in each sector so that it is not just 2/3 of the companies with the best SRI scores for their sector, as established by the SRI team for the OFI group, that are kept (non-financial criterion);

3/ Finally, each security is allocated sector by sector on a discretionary basis. However, this is constrained by the initial sector allocation (financial criterion).

The SRI research team carries out a detailed analysis of the environmental and social issues specific to each sector of activity, and of governance issues.

This analysis is carried out taking into account Environmental, Social and Governance aspects, namely:

- Environmental factor: direct or indirect impact of the issuer's activity on the environment: climate change, natural resources, project funding, toxic emissions, green products;
- Social factor: the direct or indirect impact of the issuer's activity on stakeholders: employees, customers, suppliers and civil society, with reference to universal values (including human rights, international labour standards, environmental impact and anti-corruption measures, in particular), Human Capital, the Supply Chain, Products and Services;
- Governance factor: all processes, regulations, laws and institutions that influence how the company is managed, administered and controlled, the Governance Structure and Market Behaviour.

The SRI analysis team defines a sector-based reference of the key issues (Environmental, Social, Governance listed above), selecting for each sector of activity the most important ESG issues for this sector. An ESG score is calculated per issuer using the sector-based reference for key issues which includes the key issue scores for Environment and Social (E and S) and scores for Governance (G) key issues.

Governance issues include a fixed weighting of 30% for corporate governance and a variable weighting of 10% to 40% reflecting the level of risk incurred by the conduct of directors and the company. This level varies depending on the sectors of activity.

The overall weighting of the E and S issues is then determined. The weighting of environmental, social and governance issues is specific to each sector of activity.

These scores may be subject to any penalties linked to controversies not yet included in the ratings for key issues and any bonuses or penalties awarded by the analyst responsible for the sector should there be a divergence when assessing an issue by the ratings agency.

This ESG score is calculated out of 10. Companies' ESG scores are used to determine an SRI score corresponding to the ranking of the issuer's ESG score compared to other operators in its ICB supersector (level 2). The SRI score is established on a scale from 0.5 to 5, with 5 being the best ESG score for the sector.

In the 'best in class' approach, the eligible investment universe is defined by selecting 2/3 of the best SRI Scores in each sector within the investment universe for the Sub-Fund (Euro Stoxx Index). Any non-financial analysis or rating performed will cover at least 90% of the Sub-Fund's net assets.

The ESG analysis of company practices is carried out using a dedicated proprietary tool which automates the quantitative processing of ESG data, combined with qualitative analysis by the SRI division (data mainly from ESG rating agencies, but also from specialised agencies).

There is a risk that, from time to time, our approach will not be effective and that the final rating assigned to an issuer by the Management Company's SRI division will differ from that proposed by a third party.

Furthermore, the selection of SRI UCIs external to the Management Company may generate a lack of consistency insofar as the funds selected can a priori implement different and independent ESG approaches.

The Sub-Fund can operate on fixed-term or conditional financial instruments traded on regulated and organised markets (French, foreign and/or over-the-counter). In this context, the manager may take positions with a view to hedging the portfolio against or exposing the portfolio, on a discretionary basis, to equity risks by using instruments such as Futures and Forwards on equity and equity indices, Options on equity and equity indices, and Swaps on equity and equity indices. Total exposure of the portfolio is not intended to be above 100%.

➤ [SFDR - Article 8 UCI](#)

- [LEI Code Feeder UCI](#): 969500852MJ9Y3V96S93
- [LEI Code Master Sub-Fund](#): 969500EM2S2MA54SOV80
- [Information on how environmental and/or social aspects are respected](#):

In order to ensure that environmental and/or social characteristics are respected, OFI performs two further analyses:

- The quarterly ESG analysis of each issuer within its sector, which produces a rating and enables an assessment of all ESG characteristics available on the issuer;
- Between two ratings, it monitors controversies as indicated previously.

OFI FINANCIAL INVESTMENT- RS EURO EQUITY SMART BETA aims to achieve the best possible risk performance over the recommended investment horizon by investing in eurozone shares.

The eligible investment universe is defined using a 'best in class' approach, by selecting two thirds of the best SRI Scores in each sector within the investment universe.

OFI's ESG analysis of issuers making up the investment universe is a means of identifying securities which, according to OFI, present the best investment vehicle.

Companies which directly or indirectly own thermal coal mines or develop new charcoal-based electricity generation capacities, present, according to OFI, a non-financial risk that may impact their economic outlook, and are excluded from the investment universe. For the same reason, OFI will gradually reduce investments in non-conventional gas and oil extraction companies.

For each Issuer, an analysis is carried out both in terms of its governance structure: Respect for the rights of minority shareholders – Composition and functioning of Boards or Committees, Remuneration of Executives, Accounts, Audit and Taxation, as well as in terms of its Market Behaviour: Business Practices, Market Impact, Business Ethics and Risk Control.

The results of these analyses ensure the keeping or disposal of an issuer in the Sub-Fund's portfolio.

And lastly, companies that do not have an ESG analysis may not account for more than 10% of the portfolio's net assets.

▪ **Taxonomy:**

The Fund promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR Regulation").

Therefore, under Article 6 of Regulation (EU) 2020/852 (the "Taxonomy Regulation"), information to be disclosed shall be accompanied by the statement that the "do no significant" principle applies only to those of the Fund's investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The underlying investments for the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

However, as of the date of the last prospectus update, the strategy implemented in the Fund does not take into account the EU criteria for environmentally sustainable economic activities, and, therefore, it has not been possible to calculate how aligned the Fund's portfolio is with the Taxonomy Regulation.

**Risk profile**

**The risk profile of the Fund differs from that of the Master Sub-Fund OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA as set out below, owing to its own hedging strategy.**

[Risk profile of the Master Sub-Fund:](#)

The Sub-Fund will be invested in financial instruments selected by the Management Company. These instruments will experience market developments and fluctuations.

The Sub-Fund is classified as "Shares of eurozone countries". Investors are therefore mainly exposed to the risks below, this list not being exhaustive:

Capital loss risk:

The investor is advised that the performance of the Sub-Fund might not conform to his objectives and that his capital might not be returned in full, the Sub-Fund not benefiting from any guarantee or protection of capital invested.

Equity risk:

The Sub-Fund is invested in or exposed to one or more equity markets which may experience large fluctuations, and to small and medium capitalisations which, taking their specific characteristics into account, may present a liquidity risk. Investors' attention is drawn to the fact that fluctuations in the price of the portfolio assets and/or the market risk will result in a significant reduction in the net asset value of the Sub-Fund.

Interest rate risk:

Because of its composition, the Sub-Fund may be subject to an interest rate risk. This risk results from the fact that, in general, the price of debt securities and fixed-rate bonds falls when rates rise. The net asset value will fall if interest rates rise.

Model risk:

The management process for the Sub-Fund is based in part on using two proprietary models. One of these is used to determine the risk level of an asset compared to other assets in the portfolio, while the other is a non-financial scoring model (including some ESG criteria). There is a risk that these models are not efficient. The performance of the Sub-Fund may therefore be below the management objective.

Counterparty risk:

This is risk linked to the Sub-Fund using futures contracts traded OTC. These transactions concluded with one or more eligible counterparties potentially expose the Sub-Fund to a risk of one of these counterparties defaulting and possibly resulting in failure to pay.

Sustainability risk:

Sustainability risks are primarily related to climate events resulting from climate change (known as physical risks) and from the ability of companies to respond to climate change (known as transition risks), and which may result in unanticipated losses affecting the mutual fund's investments and financial performance. Social events (inequalities, labour relations, investment in human capital, accident prevention, changes in consumer behaviour, etc.) or governance gaps (recurrent and significant breach of international agreements, corruption, product quality and safety and sales practices) can also translate into sustainability risks.

As the Feeder Fund may take positions, using up to 15% of its net assets, with a view to hedging its portfolio against its Master Sub Fund's exposure to equity risk, it can be potentially exposed to the risk of its counterparties defaulting.

#### Counterparty risk of the Feeder Fund:

This is risk linked to the Fund using futures contracts traded OTC. These transactions made with one or more eligible counterparties could potentially expose the Fund to the risk of one of these counterparties defaulting, which could lead to a payment default.

#### CHANGE(S) MADE DURING THE CURRENT HALF-YEAR

With effect from 10 January 2022, like its Master Sub-Fund OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA, the prospectus includes the wording of the latter, namely: Update of the prospectus: If the composition of the benchmark universe changes between two quarterly rebalancings, the management team reserves the right, acting in the interest of unitholders, either to keep the securities until the next quarterly rebalancing, or to proceed with selling them by performing an interim rebalancing as permitted by the management process.

#### CHANGE(S) MADE DURING THE PREVIOUS HALF-YEAR

The following changes were made during the previous half-year:

- With effect from 1<sup>st</sup> September 2021, investors have had the option, upon request, of subscribing to or redeeming their R units with OFI ASSET MANAGEMENT (directly registered units) or with SOCIETE GENERALE (by delegation by the Management Company for R bearer or externally managed registered units) every valuation day up to 10:00 am.
- With effect from 27 December 2021, bringing the prospectus into line with the Taxonomy Regulation in terms of the Master Sub-Fund OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA and the Feeder Fund OFI RS EURO EQUITY SMART DELTA CONVEX.

#### FUTURE CHANGE(S)

None.

## INFORMATION ABOUT TRANSPARENCY AROUND SECURITIES FINANCING TRANSACTIONS AND RE-USE

#### General information as at 30/06/2022:

- The securities loaned by the Fund represented 0% of the total assets which can be loaned.
- The assets borrowed by the Fund represented a total of EUR 0, i.e. 0% of the assets managed in the Fund.
- The assets committed in a repurchase transaction represented a total of EUR 0, i.e. 0% of assets managed in the Fund.
- The assets committed in a purchase-resale or sale-redemption transaction represented a total of EUR 0, i.e. 0% of assets managed in the Fund.
- The assets committed in a loan transaction with margin call represented a total of EUR 0, i.e. 0% of assets managed in the Fund.
- The assets committed in a total return swap represented a total of EUR 31,000,000, i.e. 51.67% of the Fund's assets under management.

#### Information about concentration as at 30/06/2022:

- The main counterparties to the Fund's loan-borrowing were as follows:

Name of counterparty	Gross volume of transactions in progress	Volume of collateral received
N/A	N/A	N/A
N/A	N/A	N/A

- The main counterparties to the Fund's repurchase transactions were as follows:

Name of counterparty	Gross volume of transactions in progress	Volume of collateral received
N/A	N/A	N/A
N/A	N/A	N/A

- The main counterparties to the Fund's total return swaps were as follows:

Name of counterparty	Gross volume of transactions in progress	Volume of collateral received
BNP PARIBAS PARIS	31,000,000	0

Information about transactions as at 30/06/2022:

The characteristics of the Fund's transactions were as follows:

Type of transaction	Total return swaps	Loan-borrowing	Repurchase
Type and quality of collateral	Cash	N/A	N/A
Expiry of collateral	Open transactions	N/A	N/A
Currency of collateral	Euro	N/A	N/A
Maturity of transactions	Open transactions	N/A	N/A
Jurisdiction of counterparties	France	N/A	N/A
Settlement and compensation	Bilateral	N/A	N/A

Data on the reuse of collateral:

The guarantees received from the counterparties are held in a cash account held by the Fund depositary.

Safe-keeping:

The guarantees received by the Fund are kept by the Fund depositary, SOCIETE GENERALE SECURITIES SERVICES France. The guarantees furnished by the Fund are kept by its counterparties in grouped accounts.

Income:

The Fund receives the entirety of the income generated by securities financing transactions and total return swaps. Neither the management company nor any third party receives any remuneration in respect of these transactions.

**Statement of assets**

Elements on the statement of assets	Amount on the periodic statement
Eligible financial securities mentioned in Article L. 214-20 (I)(1) of the Monetary and Financial Code	-
Bank assets	3,632,737.40
Other assets held by the UCI	56,382,765.66
Total assets held by the UCI	60,015,503.06
Financial accounts	-0.54
Financial instruments and Receivables	-16,952.10
Total liabilities	-16,952.64
<b>Net asset value</b>	<b>59,998,550.42</b>

**Changes in net assets**

	30/06/2022	30/12/2021	30/12/2020	30/12/2019	31/12/2018	29/12/2017
<b>NET ASSETS</b>						
EUR units	59,998,550.42	79,764,940.61	70,980,830.51	63,827,572.83	71,440,778.38	57,048,698.09
<b>Number of securities</b>						
I unit class	1,233.0000	1,393.0000	1,375.0000	1,289.0000	1,678.0000	1,180.0000
R unit class	287.2829	301.3786	346.8666	429.6575	588.2679	726.1735
RF unit class	1.0000	1.0000	1.0000	1.0000	1.0000	-
<b>Unit net asset value</b>						
I unit class in EUR	48,401.75	56,977.24	51,321.89	49,134.11	42,226.19	47,650.25
R unit class in EUR	1,110.67	1,312.35	1,190.97	1,148.78	994.68	1,131.13
RF unit class in EUR	106.69	125.64	113.26	108.54	89.30 <sup>(1)</sup>	-
<b>Distribution per unit on net capital gains and losses (including advances)</b>						
EUR units	-	-	-	-	-	-

## Change in net assets (continued)

	30/06/2022	30/12/2021	30/12/2020	30/12/2019	31/12/2018	29/12/2017
<b>Unit distribution on result (including advances)</b>						
EUR units	-	-	-	-	-	-
<b>Tax credit per unit transferred to bearer (individuals)</b>						
I unit class in EUR	-	-	-	-	-	-
R unit class in EUR	-	-	-	-	-	-
RF unit class in EUR	-	-	-	-	-	-
<b>Unit capitalisation</b>						
I unit class in EUR	-	-902.54	-1,033.97	-315.44	1,693.88	386.04
R unit class in EUR	-	-30.38	-32.19	-15.46	31.34	-4.85
RF unit class in EUR	-	-2.14	-2.42	-1.11	-1.50	-

(1) The RF unit class was created on 12 March 2018 with a nominal value of EUR 100.

## Securities portfolio

Elements of the securities portfolio	Percentage	
	Net assets	Total assets
Eligible financial securities and money market instruments admitted for trading on a regulated market within the meaning of Article L. 422-1 of the Monetary and Financial Code.	-	-
Equities	-	-
Bonds	-	-
Debt securities	-	-
Eligible financial securities and money market instruments admitted for trading on another regulated market, duly functioning, recognised and open to the public, and with its registered office in a Member State of the European Union or in another State party to the Agreement on the European Economic Area.	-	-
Equities	-	-
Bonds	-	-
Debt securities	-	-
Eligible financial securities and money market instruments admitted for official trading on a stock market of a third country or traded on another market of a third country, regulated, duly functioning, recognised and open to the public, provided that this stock market or this market does not feature on a list drawn up by the Autorité des Marchés Financiers or the choice of this stock market or this market is provided for by law or by regulation or by the articles of association of the UCITS	-	-
Equities	-	-
Bonds	-	-
Debt securities	-	-
The newly issued securities mentioned in Article R.214-11(I)(4) of the Monetary and Financial Code	-	-
Equities	-	-
Bonds	-	-
Debt securities	-	-
Other assets: These are the assets mentioned in Section II of Article R. 214-11 of the Monetary and Financial Code	92.07	92.05

## Securities portfolio (continued)

Elements of the securities portfolio	Percentage	
	Net assets	Total assets
Variable capital UCI	92.07	92.05
OFI FINANCIAL INVESTMENT - RS EURO EQUITY SMART BETA XL	92.07	92.05
Equities	-	-
Bonds	-	-
Debt securities	-	-

## Indication of movements occurring in the composition of the securities portfolio, during the reference period

Elements of the securities portfolio	Movements (in amount)	
	Acquisitions	Purchase and sale
Eligible financial securities and money market instruments admitted for trading on a regulated market within the meaning of Article L. 422-1 of the Monetary and Financial Code.	-	-
Equities	-	-
Bonds	-	-
Debt securities	-	-
Eligible financial securities and money market instruments admitted for trading on another regulated market, duly functioning, recognised and open to the public, and with its registered office in a Member State of the European Union or in another State party to the Agreement on the European Economic Area.	-	-
Equities	-	-
Bonds	-	-
Debt securities	-	-
Eligible financial securities and money market instruments admitted for official trading on a stock market of a third country or traded on another market of a third country, regulated, duly functioning, recognised and open to the public, provided that this stock market or this market does not feature on a list drawn up by the Autorité des Marchés Financiers or the choice of this stock market or this market is provided for by law or by regulation or by the articles of association of the UCITS	-	-
Equities	-	-
Bonds	-	-
Debt securities	-	-
The newly issued securities mentioned in Article R.214-11(I)(4) of the Monetary and Financial Code	-	-
Equities	-	-
Bonds	-	-
Debt securities	-	-
Other assets: These are the assets mentioned in Section II of Article R. 214-11 of the Monetary and Financial Code	17,407,944.82	25,869,823.25
Variable capital UCI	17,407,944.82	25,869,823.25