

OFI Precious Metals I

Monthly Factsheet - Commodities - may 2018



The investment objective of OFI Precious Metals is to offer synthetic exposure to the 'Basket Precious Metals Strategy' index. This strategy index aims to represent a basket of precious metals and interest rate products. The fund will replicate both upward and downward fluctuations in this index. The fund's management team offers exposure to the precious metals sector without the need to invest in mining stocks in the sector, through a simple and transparent offering. The fund is hedged daily against foreign exchange risk.

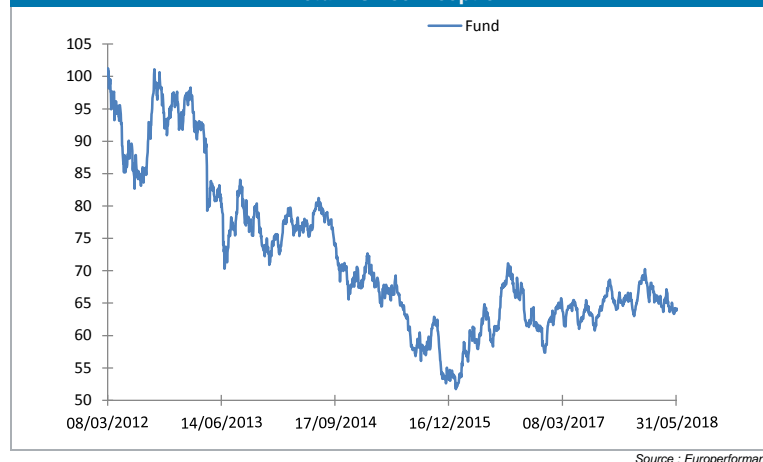
Key figures as of 31/05/2018

Net Asset Value (EUR):	32 056,79
Net assets of the unit (EUR M):	118,06
Total Net Assets (EUR M):	190,82
Number of holdings:	10

Characteristics

ISIN Code :	FR0011170786
Ticker :	PRIMPFI FP Equity
AMF Classification:	Diversified
Europerformance Classification:	Commodities
Main risks:	Counterparty risk, risk arising from the use of forward financial instruments
Management company:	OFI ASSET MANAGEMENT
Fund manager(s) :	Benjamin LOUVET - Olivier DAGUIN
Legal form:	French FCP (Mutual Fund, UCITS IV)
Distribution policy:	Capitalisation
Currency:	EUR
Inception date:	08/03/2012
Recommended investment horizon:	Over 3 years
Valuation:	Daily
Subscription cut-off:	D à 12h
Redemption cut-off:	D à 12h
Settlement:	D+2
Subscription fees:	None
Redemption fees:	None
Outperformance fees:	None
Ongoing charge:	0,75%
Custodian:	CACEIS
Administrator:	CACEIS FUND ADMINISTRATION

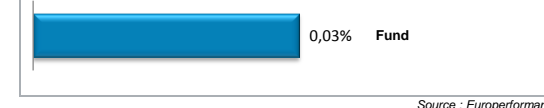
Return since inception



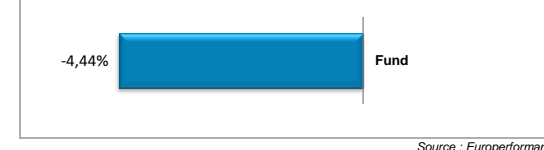
Risk Profile

Level: 1 2 3 4 5 6 7

Monthly return



YTD return



Return & Volatility

	Since inception		5 years (cum.)		1 year (cum.)		YTD		6 months	3 months
	Return	Volat.	Return	Volat.	Return	Volat.	Return	Volat.	Return	Return
OFI Precious Metals I	-35,89%	16,78%	-3,44%	17,16%	-0,05%	14,36%	-4,44%	15,58%	-1,89%	-3,96%

Source : Europerformance

Monthly returns

	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2013	3,35%	-5,46%	1,02%	-8,87%	-2,94%	-11,69%	6,09%	7,48%	-5,10%	0,73%	-5,66%	-2,23%	-24,15%
2014	0,38%	6,85%	-2,14%	0,66%	-1,10%	5,33%	-1,35%	-0,73%	-9,92%	-3,15%	-0,60%	-0,18%	-6,71%
2015	4,81%	-2,56%	-4,04%	0,30%	0,17%	-5,70%	-7,45%	0,99%	-1,15%	4,90%	-12,26%	1,42%	-19,92%
2016	-0,37%	5,87%	4,35%	9,07%	-9,07%	9,21%	9,00%	-6,17%	1,73%	-7,12%	-1,80%	-4,19%	8,39%
2017	8,01%	3,37%	-1,57%	-0,19%	-0,07%	-2,18%	2,30%	4,67%	-3,95%	0,51%	0,75%	2,66%	14,63%
2018	1,46%	-1,92%	-3,46%	-0,55%	0,03%								-4,44%

Source : Europerformance

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CONTACT • Sales Department • 01 40 68 17 17 • contact@ofi-am.fr



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Tel.: + 33 (0)1 40 68 17 17 • Fax: + 33 (0)1 40 68 17 18 • www.ofi-am.fr



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Composition of the benchmark

FUTURES	CODE	WEIGHT
GOLD	GC	35,0%
SILVER	SI	20,0%
PLATINIUM	PL	20,0%
PALLADIUM	PA	20,0%
3-month Eurodollar	ED	5,0%

Source : OFI AM

Contribution to gross monthly performance

Futures	Market return	Contribution to portfolio
GOLD	-1,57%	-0,59%
SILVER	0,35%	0,07%
PALLADIUM	2,52%	0,55%
PLATINIUM	0,63%	0,13%
Eurodollar	0,12%	0,00%

Source : OFI AM

Asset management strategy

The OFI Precious Metals fund ended May up 0.03%.

The precious metals market had a fairly quiet month on the whole, coming off the back of a sharp correction lasting several weeks.

Precious metal prices had been falling since the end of January as speculators cut back their open positions. Meanwhile, the renewed rise in the US dollar since end January, in the wake of rising real interest rates in the US, had prompted financial investors to change their allocations and reduce the weighting of precious metals. The least liquid metals (palladium and platinum) corrected more sharply due to the narrowness of the market.

After a sell-off lasting several months, speculators' open positions are now at all-time lows across all precious metals.

Consequently, there are no more real flows to stimulate metal markets, which are thus gradually coming back to the importance of fundamentals. On this score, the market is fairly poor for the time being. With nominal interest rates having recently risen in the US, without any real uptick in inflation, everyone is wondering whether the Fed will be able to continue with its monetary tightening policy in the absence of inflationary pressures.

Judging by the recent disconnect between gold prices and real interest rates, the market appears to think not. We feel the same way: given the level of debt carried by the US economy, and the prospect of this worsening as a result of the Trump administration's tax measures, allowing real interest rates to rise would make government debt unsustainable.

The market will no doubt have to wait for the Fed Chair to clarify the situation at the 13 June meeting before things become any clearer. There is little chance of any major movements between now and then. Beyond that, seasonal demand for gold is set to pick up from mid-July as the Indian wedding and festival season – a period when gold consumption is buoyant – gets underway. A good monsoon season can also be a support factor.

The next few weeks could thus offer an opportunity to move into gold for those who do not believe real interest rates are going to rise.

Benjamin LOUVET - Olivier DAGUIN - Fund manager(s)

Principal holdings by type of instrument

Negotiable debt securities			
Name	Weight	Country	Maturity
BTF ETAT FRANC 08/08/2018	20,98%	France	08/08/2018
BTF ETAT FRANC 11/07/2018	18,35%	France	11/07/2018
BTF ETAT FRANC 25/07/2018	13,11%	France	25/07/2018
BTF ETAT FRANC 13/06/2018	13,10%	France	13/06/2018
BTF ETAT FRANC 27/06/2018	7,86%	France	27/06/2018

Source : OFI AM

Swap		
Index swap	Weight	Counterparty
Basket Precious Metal Strategy Index	104,93%	UBS/SG

Source : OFI AM

Statistical indicators

	Sharpe Ratio 1 year	Sharpe Ratio 3 years	Sharpe Ratio since inception	Frequency of profit	Worst draw down 1y.	Payback period
Fund	-0,04	0,001	-0,43	49,02%	-8,96%	-

Source : Europerformance

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