

ANNUAL REPORT

Financial year ended on 30 December 2016



OFI PRECIOUS METALS

Diversified mutual fund

Marketer

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 Paris

Management Company

OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 Paris

Depositary and Custodian

CACEIS BANK FRANCE - 1-3 place Valhubert - 75206 Paris CEDEX 13

Administrative and accounts management:

CACEIS FUND ADMINISTRATION - 1-3 place Valhubert - 75206 Paris CEDEX 13

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as at 30 December 2016

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MANAGEMENT DIRECTION

Management objective

The management objective is to offer unit-holders synthetic exposure to the Basket Precious Metals Strategy index (Bloomberg code: UBSIB197) or an index having the same composition. This index is representative of a basket made up of precious metals futures contracts and interest rates futures contracts. The Fund shall replicate both upward and downward fluctuations in this index.

Benchmark

There is no benchmark; however, for information, the investor may consult the GSCI Precious Metals TR index, which is representative of a universe of investment in precious metals, limited to gold and silver. Fluctuations are calculated based on prices recorded in USD. This index is a total return index.

It should be reiterated that the comparison index, the GSCI Precious Metals TR index, does not have the same composition as the Basket Precious Metals Strategy index to which the Fund is permanently exposed, which may lead to differences in terms of performance achieved.

Management strategy

The investment strategy consists of setting up a basic long position based on swaps on the Basket Precious Metals Strategy index. This index is made up of futures contracts on the main precious metals and on interest rates with the following allocation: 35% Gold - 20% Silver - 20% Platinum - 20% Palladium - 5% 3-month Eurodollar.

The rebalancing of the index between these various components is carried out every day. The list of markets is not exhaustive.

The Fund may also resort to other indices with a more or less identical composition, issued or not by OFI ASSET MANAGEMENT.

For more information about the index used, the investor is invited to contact OFI ASSET MANAGEMENT.

Futures contracts on commodities and on interest rates may be quoted in various currencies, since, in order to hedge the index against the foreign exchange risk, a strategy of neutralisation of the foreign exchange effect is systematically implemented once a day.

The Fund exposure target is 105%.

The main categories of assets used: The Fund portfolio is invested through performance swaps (swaps traded OTC) on an index of futures contracts on commodities. It may hold 0% to 100% of its assets in term deposits and transferable securities of private or public issuers, rated at least Investment Grade and with a maturity of less than 1 year. It may invest up to 10% of its assets in units of UCITS or AIFs satisfying the four criteria (Art. R214-13 of the Monetary and Financial Code). Deposits of a maximum term of 12 months, with one or more credit establishments, are authorised within the limit of 100% of the assets. The Fund may temporarily resort to cash borrowing within the limit of 10% of the assets of the Fund.

Risk profile

The Fund is a UCITS classified as "Diversified". The investor is therefore mainly exposed to the risks below, this list not being exhaustive.

The main risks to which the investor is exposed are:

Capital risk

The risk that the capital invested is not returned in full is inherent in this type of management, since it does not include any capital guarantee.

Risk associated with the investment in Futures Instruments on commodities

The mutual fund is exposed to the price of commodities through commodities index swaps. It should be noted that a drop in the commodities markets and in exogenous conditions (storage conditions, weather conditions, etc.) may result in a drop in the net asset value of the mutual fund. In fact, the evolution in the price of a futures contract on commodities is closely associated with the level of current and future production of the underlying product, even the level of estimated natural reserves in the case of energy sector products. Climate and geopolitical factors can also alter the levels of supply and demand of the underlying product in question, and therefore modify the expected rarity of that product on the market.

Counterparty risk

The counterparty risk is associated with swaps and other derivative instruments contracted by the mutual fund. The mutual fund is exposed to the risk that credit establishments are unable to honour their commitments in respect of these instruments. This risk may take concrete form in a drop in the net asset value of the mutual fund.

Overexposure risk

The Fund may resort to a maximum leverage effect of 1.05. In this case, during market fluctuations, the Fund realises 1.05 times the market fluctuation. Therefore, a position initiated against the direction of the market will produce a loss equal to 1.05 times the market fluctuation.

Interest rate risk

The Fund, through the index, directly or through monetary UCITS selected in order to remunerate the cash position, may be invested in futures contracts on interest rates and/or on fixed-rate debt securities. In general, the price of these instruments falls when rates rise.

Consequently, the investor may also be exposed to the following risk:

Foreign exchange risk

Swaps are denominated in euros and covered against the foreign exchange risk. The Fund is however, exposed to a residual foreign exchange risk, since the currency hedging transaction in the index is completed just once a day.

METHOD CHOSEN BY THE MANAGEMENT COMPANY TO ASSESS THE GLOBAL RISK OF THE UCI

The method for calculation of the global risk is the commitment method.

CHANGES DURING THE FINANCIAL YEAR

Change in depositary in favour of CACEIS BANK FRANCE on 6 May 2016 from 12:01 and change in valuer.

Secondly, on 22 July 2016, creation of a category of XL units, aimed at subscribers with an initial minimum subscription amount of €15,000,000 (fifteen million euros).

FUTURE CHANGE

Nil.

PROCEDURE FOR CHOOSING BROKERS

The OFI Group has introduced a procedure for selection and assessment of market brokers, which makes it possible to select, for each category of financial instruments, the best market brokers and to ensure the quality of execution of orders placed on behalf of our UCI under management.

The management teams can send their orders directly to the market brokers selected or go through the OFI Group trading desk, OIS.

This service provider handles the receipt and transmission of orders, followed by execution or not, to the market brokers on the following financial instruments: Debt securities, Capital securities, UCI units or shares, Financial contracts.

This service provider's expertise makes it possible to separate the selection of financial instruments (which remains the responsibility of the Management Company) from their trading, whilst ensuring the best execution of orders.

A multi-criteria valuation is carried out on a six-monthly basis by the OFI Group's management teams. Depending on the circumstances, it takes into consideration several or all of the following criteria:

- Monitoring volumes of transactions per market broker.
- Analysis of the counterparty risk and how this develops (a distinction is made between "brokers" and "counterparties").
- The nature of the financial instrument, the execution price, where applicable the total cost, the speed of execution and the size of the order.
- Feedback of operational incidents detected by the managers or the Middle Office.

At the end of this valuation, the OFI Group can reduce the volumes of orders entrusted to a market broker or withdraw it temporarily or permanently from its list of authorised service providers.

This valuation can be based on an analysis report provided by an independent service provider.

For the execution of certain financial instruments, the Management Company resorts to commission sharing agreements (CCP or CSA), according to which a limited number of investment service providers:

- provide the order execution service
- collect brokerage costs relating to services of assistance with investment decisions
- pay these costs back to a third party provider of these services

The objective sought is to use, as far as possible, the best service providers in each speciality (execution of orders and assistance with investment/disinvestment decisions).

BROKERAGE FEE

On the Group's website, at <http://www.ofi-am.fr/inout/animations/espaceMIF.php> you will find all the measures taken to get to grips with the new regulatory provisions linked to the MIF. It features in particular, the report on brokers' fees in accordance with Article 314-82 of the AMF's General Regulation.

EXERCISE OF VOTING RIGHTS

The policy implemented by the management company regarding the exercise of voting rights forms the subject of a report available at the company's website at: http://www.ofi-am.fr/isr_la_recherche_ISR.php

ESG CRITERIA

The Management Company makes available to the investor information about the procedure for consideration in his investment policy of criteria relating to compliance with environmental, social and governance quality objectives on its website http://www.ofi-am.fr/actualites.php?art_id=3608

INFORMATION RELATING TO REMUNERATIONS OF UCITS

In the context of application of Directive 2014/91/EU of 23 July 2014 (known as UCITS V), the Company has introduced a remuneration policy with the following characteristics:

1. Qualitative elements

The Company's remuneration policy has been drawn up by the OFI Group's Strategic Committee.

The Strategic Committee is made up of representatives of the Company's shareholders and members of the Company's Board of Directors. It does not include any staff representatives, since the Company is not itself subject to such a regulatory or statutory obligation.

It fixes the remuneration policy and ensures its implementation.

The Company's remuneration policy promotes sound effective risk management in line with, at the same time, the interests of investors, of the Company and of UCITS managers, and seeks to reduce potential conflicts of interest between the sales personnel and the investors. It conforms to the Company's economic strategy, objectives and values.

The fixed remuneration corresponds to the employee's normal pay for the expected work corresponding to his qualification. The variable remuneration takes into account, in particular, the Company's result, its equity requirements and the quality of management and of the service offered to investors.

Personnel affected by the remuneration policy: all persons involved in risk-taking in terms of the Fund or the Company: directors, managers, CIO, control function managers, personnel who are comparable due to their level of variable remuneration and sales personnel.

Assessment of performance and risks: this is carried out depending on the personnel concerned.

The performance of managers and those responsible for management is based on quantitative criteria (classification of each fund in a test universe) and qualitative criteria (achievement of objectives, observation of the risk management policy, compliance with internal regulations or external regulations, management process monitoring, contribution of risk-takers to operational risks).

Regarding directors, the criteria applied relate to the company's global performance (growth in operating profit, achievement of strategic objectives, image, reputation, etc.).

For the control functions, the criteria applied relate to the operational, regulatory and reputational risks.

And lastly, the performance of sales personnel is assessed based on traditional criteria, provided that they do not generate any conflicts of interest with the unit-holders: collection, growth in turnover, rate of penetration, campaign successes, new customers, etc.

Variable remuneration budget: based on a global budget, a proportion is allocated to risk-takers, the remainder being allocated to the other personnel concerned. Allocation is then handled by the managers, taking into account the assessment factors described above.

Procedure for payment and measures for adjustment of remuneration:

For those persons whose variable remuneration is less than EUR 100,000 or 30% of the fixed salary, this is paid immediately, and in its entirety in cash.

For other persons, the proportion which is not paid in cash is paid in the form of part payments, thus making it possible to adjust risks between the various UCITS parties (AIFM and risk-takers): part payments indexed on a specified basket or a global basket. A proportion (60%) is paid immediately, of which 50% in cash and 10% in indexed part payments, the remaining 40% being paid in the form of part payments, released in equal tranches during the following three years, without any retention period.

This allocation may be revised downwards, depending on changes to the quantitative and qualitative criteria during the following years, according to a notion of malus.

2. Quantitative elements

The quantitative elements relating to remunerations can be found in the annual report of the UCITS management company

MANAGEMENT COMMENTS

2016 economic and financial context

2016 was a year of transition between two problems. In the first part of the year, the focus was on deflation and economic slowdown due to fears over the Chinese economy and declining oil prices. But confidence returned as investors observed that growth prospects were not so poor. All the more so, because after years of dogma and austerity (which contributed to the election victories of so-called populist movements), new thinking emerged in international economic institutes and economic think tanks. To emerge from enduring stagnation, despite an unprecedented level of debt, even more debt has to be taken on to be capable of reducing debt in the future through investments that promote long-term growth. This idea was endorsed and promoted very successfully, as we know, by Donald Trump during his campaign. In parallel, the central banks also began a shift towards a more finely controlled and qualitative steering of rate curves and, more generally, the end of a cycle of lower rates and unlimited quantitative easing.

Given these circumstances, the stock market turned in a fairly sound performance in 2016, even if the progression was uneven. All the major asset classes achieved positive and in some cases significant performances, with the noteworthy exception of monetary investments (-0.32% for the Eonia in 2016).

The eurozone government bond index rose by 3.1%, the investment grade bond index by some 4.4% and the high-yield bond index by 8.6% in Europe and 17.4% in the United States. It is nonetheless important to note that interest rates went up sharply, starting in the latter half of the year as part of the shift of focus mentioned above, de facto reducing bond performances. The Bund reference rate rose from a low of -0.2% just after Brexit to more than 0.4% before ending the year at nearly 0.2%. In parallel, "peripheral spreads" expanded in Italy, and, in a new development, in France, by nearly 30 bps.

On equities, the record is very positive with a progression of 11% in the international equities index (in euro). US equities once again outperformed eurozone equities at +12% compared with +4.1% for the Eurostoxx index and +1.7% for the DJ Stoxx 600 index, in local currencies. The eurozone was, in effect, penalised by Italy, having been strongly impacted upon by its banking sector. This change of environment, perceptible from June onwards, also resulted in strong sector rotation: the so-called "value" sectors, more sensitive to expectations of economic recovery and profiting from a new steepening of the rate curve (like bank shares), outperformed. After a lag of up to 7% at mid-year, "value" equities on the Stoxx 600 index ended the year with a progression of nearly 7%, compared with -2% for "growth" style shares.

On foreign exchange, the dollar progressed moderately against the euro, by nearly 3%. There was an overall recovery in emerging currencies, with a special mention for the Brazilian real, which gained 22% against the dollar. Weak currencies included the yen (-2.7% against the dollar), the pound, which suffered a 13.5% loss against the euro owing to Brexit, the Mexican peso, which slipped 17% against the dollar and, more troubling over the medium term for various reasons, the Chinese yuan, which showed its sharpest decline in over a decade, losing 7% against the dollar.

Management

The OFI PRECIOUS METALS Fund ended 2016 up +7.60% for the R unit and +8.39% for the I unit.

The group of commodities constituting the benchmark is on the rise.

The year was split for precious metals. Up until August, disappointments on US growth surprised investors. Whilst most of them were expecting a sharp recovery of the dollar in the wake of the tightening of US monetary policy by the US Federal Reserve, they have had to revise their position and exposures. The new fall in rates, combined with very low inflation, took the markets into previously uncharted waters of negative rates. This meant that nearly 13,000 billion dollars in debt world-wide accrued negative interest. In this context, the criticism often made of gold not bringing in any return turned into an advantage: "Nothing is better than less than nothing," investors then seemed to be saying, returning en masse to gold and other precious metals.

From the summer onwards, the Federal Reserve changed tone, and suggested that rates would start to rise again in the second half of the year. The basic effect generated by the rise in oil prices then allowed an upward revision of inflation projections. All this resulted in a rise in actual rates which penalised gold.

A certain number of investors were also tired of non-realisation of political risks. Although Brexit was a concern, the election of Donald Trump, which had looked like being a disaster, was in the end seen by the markets as good news! The budgetary revival plan and expected tax measures are now seen as a booster for US growth.

The market then positioned itself for a very optimistic scenario, validating US growth sufficiently solid to tolerate three rates rises next year, thanks to inflation which would return to close to the 2% target set by the central bank.

Nevertheless, there are still many unknowns. Donald Trump taking office next January should confirm market expectations. Otherwise, the market positioning will be unsuitable and adjustments could prove violent. The risk of seeing, over the course of next year, a repricing of the risk given the optimism shown by parties involved, is far from negligible.

Thus, without a rapid increase in inflation, the rise in rates may well constrain US public finances, and with it, growth. The impact which the rise in the dollar and interest rates in the US might have on emerging markets also needs to be determined. The Chinese press agency expressed concerns about this recently.

For all these reasons, the drop in the price of precious metals is probably now behind us. Although the start of the year might well be sluggish, current levels could constitute buying levels for those expecting a volatile 2017 and possible disappointments for very optimistic markets.

INFORMATION RELATIVE TO THE ESMA

1/ Temporary purchase and sale or acquisitions transactions on securities (repurchase agreements, loans and borrowing)

As at 30/12/2016, we did not hold any position in temporary purchase and sale or acquisitions on securities (repurchase agreements, loans and borrowing).

2/ Financial contracts (derivatives)

Foreign exchange: No position on 30/12/2016

Rates: No position on 30/12/2016

Credit: No position on 30/12/2016

Shares - CFD: No position on 30/12/2016

Commodities: Position open on 30/12/2016:

ALL By Allotment/Fund/Counterparty	Nominal	Currency	Counterparty
SWAP BASKET PRECIOUS METALS STRATEGY	61,307,590.33	EUR	UBS LTD LONDON

INFORMATION RELATING TO TRANSPARENCY OF FINANCING TRANSACTIONS ON SECURITIES AND RE-USE

General information

As of 30/12/2016:

- the securities loaned by the Fund represented 0% of the total assets which can be loaned
- assets borrowed by the Fund represented a total of €0, i.e. 0% of the assets managed in the Fund
- assets committed in a repurchase transaction represented a total of €0, i.e. 0% of assets managed in the Fund
- assets committed in a purchase-resale or sale-redemption transaction represented a total of €0, i.e. 0% of assets managed in the Fund
- assets committed in a loan transaction with margin call represented a total of €0, i.e. 0% of assets managed in the Fund
- assets committed in a total return swap represented a total of €62,243,022.41, i.e. 104.84% of assets managed in the Fund

Information about concentration

As of 30/12/2016:

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

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

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

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

- the main counterparties to total return swaps of the Fund were:

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
UBS Ltd	61,307,590.32	420,000
N/A	N/A	N/A

Information about transactions

As of 30/12/2016, the characteristics of the Fund's transactions were as follows

Type of transaction	Total return swaps	Loan-borrowing	Repurchase
Type and quality of guarantees	Cash	N/A	N/A
Expiry of guarantee	Open transactions	N/A	N/A
Guarantee currency	Euro	N/A	N/A
Maturity of transactions	Open transactions	N/A	N/A
Jurisdiction of counterparties	United Kingdom	N/A	N/A
Settlement and compensation	Bilateral	N/A	N/A

Information about re-use of guarantees

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, CACEIS BANK 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 financing transactions on securities and total return swaps. Neither the management company nor any third party receives any remuneration in respect of these transactions.

Balance sheet as at 30 December 2016 (in euros)

BALANCE SHEET ASSETS

	30/12/2016	31/12/2015
Net fixed assets	-	-
Deposits	-	-
Financial instruments	51,550,324.64	17,546,645.66
Shares and similar securities	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
Bonds and similar securities	-	-
Traded on a regulated or similar market	-	-
Not traded on a regulated or similar market	-	-
Debt securities	45,036,905.18	15,304,598.16
Traded on a regulated market or similar	45,036,905.18	15,304,598.16
Transferable debt securities	45,036,905.18	15,304,598.16
Other debt securities	-	-
Not traded on a regulated or similar market	-	-
Mutual funds	5,577,987.37	1,932,628.73
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	5,577,987.37	1,932,628.73
Other Funds aimed at non-professionals and equivalents in other Member States of the European Union	-	-
General purpose professional funds and equivalents in other Member States of the European Union and listed securitisation vehicles	-	-
Other professional investment funds and equivalents in other Member States of the European Union and unlisted securitisation vehicles	-	-
Other non-European vehicles	-	-
Temporary transactions on securities	-	-
Receivables representative of securities under repurchase agreements	-	-
Receivables representative of securities lent	-	-
Securities borrowed	-	-
Securities given under a repurchase agreement	-	-
Other temporary transactions	-	-
Financial contracts	935,432.09	309,418.77
Transactions on a regulated or similar market	-	-
Other transactions	935,432.09	309,418.77
Other financial instruments	-	-
Receivables	-	-
Foreign exchange forward transactions	-	-
Other	-	-
Financial accounts	8,283,194.02	3,361,202.21
Liquid assets	8,283,194.02	3,361,202.21
Total assets	59,833,518.66	20,907,847.87

Balance sheet as at 30 December 2016 (in euros)

BALANCE SHEET LIABILITIES

	30/12/2016	31/12/2015
Equity		
Capital	56,323,281.78	26,669,167.88
Previous net capital gains and losses not distributed (a)	-	-
Carry forward (a)	-	-
Net capital gains and losses for the financial year (a, b)	3,721,305.65	-5,733,187.33
Result for the financial year (a, b)	-673,864.12	-297,802.01
Equity total	59,370,723.31	20,638,178.54
(= Amount representative of net assets)		
Financial instruments	-	-
Purchase and sale transactions on financial instruments	-	-
Temporary transactions on securities	-	-
Payables representative of securities given under a repurchase agreement	-	-
Payables representative of securities borrowed	-	-
Other temporary transactions	-	-
Financial contracts	-	-
Transactions on a regulated or similar market	-	-
Other transactions	-	-
Payables	462,795.35	269,669.33
Foreign exchange forward transactions	-	-
Other	462,795.35	269,669.33
Financial accounts	-	-
Current bank credit facilities	-	-
Borrowing	-	-
Total liabilities	59,833,518.66	20,907,847.87

(a) Including accrual accounts

(b) Minus advances paid in respect of financial year

Off-balance sheet (in euros)

	30/12/2016	31/12/2015
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets	-	-
OTC commitments	-	-
Other commitments	-	-
OTHER TRANSACTIONS		
Commitments on regulated or similar markets	-	-
OTC commitments	61,307,590.32	21,331,939.14
OTHER	61,307,590.32	21,331,939.14
PURCHASE - SWAP - SWAP BASKET PRECIOUS METALS STRATEGY (Palladium: 20.00% Silver: 20.00% Platinum: 20.00% Eurodollar: 5.00% Gold: 35.00%)	61,307,590.32	21,331,939.14
Other commitments	-	-

Profit and loss account (in euros)

	30/12/2016	31/12/2015
Income on financial transactions		
Income on deposits and financial accounts	-	1.46
Income on shares and similar securities	-	-
Income on bonds and similar securities	-	-
Income on debt securities	-	-
Income on acquisitions and temporary purchase and sale of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
Total (I)	-	1.46
Expenses on financial transactions		
Expenses on acquisitions and temporary purchase and sale of securities	-	-
Expenses on financial contracts	-	-
Expenses on financial receivables	17,332.36	-
Other financial expenses	-	-
Total (II)	17,332.36	-
Result on financial transactions (I-II)	-17,332.36	1.46
Other income (III)	-	-
Management fees and allocations to amortisation (IV)	429,275.76	246,248.34
Net result for financial year (L. 214-17-1) (I - II + III - IV)	-446,608.12	-246,246.88
Adjustment of income for financial year (V)	-227,256.00	-51,555.13
Advances on result paid in respect of financial year (VI)	-	-
Result (I - II + III - IV +/- V - VI)	-673,864.12	-297,802.01

APPENDIX

ACCOUNTING RULES AND METHODS

The Fund has complied with the accounting rules established by the Accounting Standards Authority regulation no. 2014-01 of 14 January 2014 on the accounting plan of SICAVs.

The rules for valuation are fixed, under its responsibility, by the management company.

The accounting currency for the fund is the euro.

The net asset value is calculated every non-holiday trading day worked in Paris, London and New York, and is dated that same day.

The accounts relating to the securities portfolio are kept by reference to the historic cost: entries (purchases or subscriptions) and exits (sales or redemptions) are posted based on the acquisition price, excluding costs.

Any exit generates a capital gain or capital loss from sale or redemption and potentially, a redemption bonus.

Accrued coupons on negotiable debt securities are considered on the day of the net asset value date.

The UCI values its securities at the actual value, the value resulting from the market value or in the absence of the existence of any market, from financial methods. The entry value-actual value difference generates a capital gain or loss which shall be posted as "difference in estimate of portfolio".

Description of methods of valuation of balance sheet entries and forward and options transactions

Financial instruments

Equity securities

Nil

Debt securities

Debt securities admitted for trading on a regulated or similar market are valued, under the responsibility of the management company, by comparing the prices of these assets with various sources.

Money market instruments

- Negotiable debt securities (NDS) with a duration on issue, acquisition or residual duration which is less than three months are valued using a linear method up to maturity at the issue or acquisition price or at the last price applied for their valuation at the market price.
- Negotiable debt securities (NDS) with a residual duration of more than three months are valued at the market price at the time of publication of inter-bank market prices.

Unlisted transferable securities

Unlisted transferable securities are valued under the responsibility of the management company using methods based on the asset value and the return, taking into consideration the prices applied at the time of recent significant transactions.

UCI

Units or shares of UCIs are valued at the last known net asset value on the actual day of calculation of the net asset value.

Financial contracts (otherwise known as "futures instruments") within the meaning of Article L.211-1, III of the Monetary and Financial Code.

Financial contracts traded on a regulated or similar market

Futures or options, traded on European regulated or similar markets, are valued at the settlement price, or failing this, based on the closing price.

Financial contracts not traded on a regulated or similar market (i.e. traded over-the-counter)

- *Financial contracts not traded on a regulated or similar market and settled*
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued at the settlement price.
- *Financial contracts not traded on a regulated or similar market and not settled*
Financial contracts not traded on a regulated or similar market and forming the subject of settlement are valued using mark-to-model or mark-to-market pricing using prices provided by the counterparties.

Acquisitions and temporary purchase and sale of securities

Not applicable

Deposits

Deposits are valued at their book value.

Foreign currencies

Foreign currencies in cash are valued with the prices published daily on the financial databases used by the management company.

Description of off-balance sheet commitments

Futures contracts feature off-balance sheet for their market value, a value equal to the price (or the estimate if the transaction is OTC) multiplied by the number of contracts multiplied by the nominal and potentially translated to the fund posting currency.

Options transactions are translated as an underlying equivalent of the option (quantity x quota x price of underlying x delta potentially translated to fund posting currency).

Total Return Swaps are shown off-balance sheet for their nominal value.

Description of method followed for posting income from securities with fixed income

Result is calculated based on coupons cashed. Coupons accrued on the day of the valuations constitute an element of the valuation difference.

Option chosen regarding posting of costs

The mutual fund has opted for posting with costs excluded.

Description of the method for calculating fixed management fees

Management fees are directly charged to the profit and loss account of the UCI, on calculation of each net asset value. The maximum rate applied on the basis of net assets, including any UCI, may not be more than:

- 0.75% incl. tax; all UCI included, for the category of I units
- 1.50% incl. tax; all UCI included, for the category of R units
- 0.47% incl. tax; all UCI included, for the category of XL units

These fees cover all costs charged directly to the UCI, with the exception of transactions costs. Transaction costs include brokerage fees (brokerage, stock market taxes, etc.) and turnover commission.

Allocation of distributable sums

Distributable amounts relating to the net result:

Pure capitalisation: the distributable sums relating to the net result are capitalised in full, except those forming the subject of mandatory distribution by virtue of the law;

Distributable sums relating to capital gains made:

The management company decides, each year, on allocation of the capital gains made. The management company may decide on the payment of exceptional part payments.

Evolution of net assets of the UCI (in euros)

	30/12/2016	31/12/2015
Net assets at the beginning of the financial year	20,638,178.54	13,761,940.66
Subscriptions (including subscription fees retained by the UCI)	79,075,273.68	26,862,367.60
Redemptions (after deduction of redemption fees retained by the UCI)	-38,767,559.06	-14,900,500.04
Capital gains made on deposits and financial instruments	158.31	5,511.65
Capital losses made on deposits and financial instruments	-150,179.68	-22,337.53
Capital gains made on financial contracts	14,021,880.04	-
Capital losses made on financial contracts	-15,585,691.28	-5,131,573.46
Transaction costs	-4,325.51	-9,242.99
Exchange differences	-	0.00
Change in difference in estimate of deposits and financial instruments	-36,416.93	-6,083.93
Difference of estimate financial year N	-42,184.59	
Difference of estimate financial year N - 1	-5,767.66	
Change in difference in estimate of financial contracts	626,013.32	324,343.46
Difference of estimate financial year N	935,432.09	
Difference of estimate financial year N - 1	309,418.77	
Distribution for the previous financial year on net capital gains and losses	-	-
Distribution for the previous financial year on result	-	-
Net result of the financial year before accruals account	-446,608.12	-246,246.88
Advance(s) paid during financial year on net capital gains and losses	-	-
Advance(s) paid during financial year on result	-	-
Other elements	-	-
Net assets at the end of the financial year	59,370,723.31	20,638,178.54

Allocation by legal or economic nature

Designation of securities	Amount	%
Assets		
Bonds and similar securities	-	-
Indexed bonds	-	-
Convertible bonds	-	-
Equity securities	-	-
Other bonds	-	-
Debt securities	45,036,905.18	75.86
Short-term negotiable securities	45,036,905.18	75.86
Medium-term negotiable securities	-	-
Liabilities		
Purchase and sale transactions on financial instruments	-	-
Shares and similar securities	-	-
Bonds and similar securities	-	-
Debt securities	-	-
Other	-	-
Off-balance sheet		
Rates	-	-
Shares	-	-
Credit	-	-
Other	61,307,590.32	103.26

Allocation by nature of rate

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
Assets								
Deposits	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	45,036,905.18	75.86	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	8,283,194.02	13.95
Liabilities								
Temporary transactions on securities	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-

Allocation by nature of rate (continued)

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
Off-balance sheet								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

Allocation by residual maturity

	< 3 months	%	[3 months - 1 year]	%	[1 - 3 years]	%	[3 - 5 years]	%	> 5 years	%
Assets										
Deposits	-	-	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-	-	-
Debt securities	45,036,905.18	75.86	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	8,283,194.02	13.95	-	-	-	-	-	-	-	-
Liabilities										
Temporary transactions on securities	-	-	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-	-	-
Off-balance sheet										
Hedging transactions	-	-	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-	-	-

Allocation by currency

		%		%		%		%
Assets								
Deposits	-	-	-	-	-	-	-	-
Shares and similar securities	-	-	-	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
UCI	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-

Allocation by currency (continued)

		%		%		%		%
Liabilities								
Purchase and sale transactions on financial instruments	-	-	-	-	-	-	-	-
Temporary transactions on securities	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-	-
Off-balance sheet								
Hedging transactions	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-	-

Sundry debtors and creditors

	30/12/2016
Receivables	
Total receivables	-
Payables	
Provision for fixed management fees payable	-42,795.35
Other	-420,000.00 ⁽¹⁾
Total payables	-462,795.35
Total	-462,795.35

(1) Collateral

Subscriptions-redemptions

Category of I units	
Units issued	2,086.6711
Units redeemed	1,101.9611
Category of R units	
Units issued	22,744.2059
Units redeemed	8,062.3719

Commissions

Category of I units	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00
Category of R units	
Amount of subscription fees retained	0.00
Amount of redemption fees retained	0.00

Management fees

Category of I units	
Percentage of fixed management fees	0.75
Performance commission (variable costs)	-
Retrocession of management fees	-
Category of R units	
Percentage of fixed management fees	1.50
Performance commission (variable costs)	-
Retrocession of management fees	-

Commitments received and given

Description of guarantees received by the UCI with notably, mention of capital guarantees
Nil
Other commitments received and/or given
Collateral received: 420,000

Other information

Code	Name	Quantity	Price	Current value (in euros)
	Current value of financial instruments forming the subject of temporary acquisition			
	Nil			
	Current value of financial instruments constituting guarantee deposits			
	Financial instruments received as guarantee and not posted on the balance sheet			
	Nil			
	Financial instruments given as guarantee and kept in their original entry			
	Nil			
	Financial instruments held in the portfolio issued by entities associated with the management company (fund) or with the financial manager(s) (SICAV) and variable capital UCI managed by these entities			

Other information (continued)

Code	Name	Quantity	Price	Current value (in euros)
FR0000008997	OFI TRESOR ISR	1,272.1306	4,384.76	5,577,987.37

Advances on result paid in respect of financial year

	Date	Total amount	Unit amount	Total tax credits	Unit tax credit
Total advances		-	-	-	-

Advances on net capital gains and losses paid in respect of financial year

	Date	Total amount	Unit amount
Total advances		-	-

Table showing allocation of distributable amounts relating to the result (in euros)

	30/12/2016	31/12/2015
Category of I units		
Sums yet to be allocated		
Carry forward	-	-
Profit/loss	-306,214.20	-63,655.80
Total	-306,214.20	-63,655.80
Allocation		
Distribution	-	-
Carry forward for the financial year	-	-
Capitalisation	-306,214.20	-63,655.80
Total	-306,214.20	-63,655.80
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-
Category of R units		
Sums yet to be allocated		
Carry forward	-	-
Profit/loss	-367,649.92	-234,146.21
Total	-367,649.92	-234,146.21
Allocation		
Distribution	-	-
Carry forward for the financial year	-	-

Table showing allocation of distributable amounts relating to the result (in euros) (continued)

	30/12/2016	31/12/2015
Capitalisation	-367,649.92	-234,146.21
Total	-367,649.92	-234,146.21
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	-	-
Unit distribution	-	-
Tax credits attached to distribution of result	-	-

Table showing allocation of distributable sums relating to net capital gains and losses (in euros)

	30/12/2016	31/12/2015
Category of I units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	2,284,678.74	-2,013,328.95
Advances paid on net capital gains and losses for the financial year	-	-
Total	2,284,678.74	-2,013,328.95
Allocation		
Distribution	-	-
Net capital gains and losses not distributed	2,284,678.74	-
Capitalisation	-	-2,013,328.95
Total	2,284,678.74	-2,013,328.95
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	1,253.6100	268.9000
Unit distribution	-	-
Category of R units		
Sums yet to be allocated		
Previous net capital gains and losses not distributed	-	-
Net capital gains and losses for the financial year	1,436,626.91	-3,719,858.38
Advances paid on net capital gains and losses for the financial year	-	-
Total	1,436,626.91	-3,719,858.38
Allocation		
Distribution	-	-
Net capital gains and losses not distributed	1,436,626.91	-
Capitalisation	-	-3,719,858.38
Total	1,436,626.91	-3,719,858.38
Information relating to shares or units conferring entitlement to distribution		
Number of shares or units	40,176.9886	25,495.1546
Unit distribution	-	-

Table showing results and other characteristic elements of the UCI during the last five financial years (in euros)

	30/12/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012 ⁽²⁾
Net assets					
in EUR	59,370,723.31	20,638,178.54	13,761,940.66	13,331,645.49	44,351,641.19
Number of securities					
Category of I units	1,253.6100	268.9000	132.0000	172.0000	636.0000
Category of R units	40,176.9886	25,495.1546	14,103.6764	9,980.0000	15,858.0000
Unit net asset value					
Category of I units in EUR	29,264.79	26,998.32	33,715.50	36,138.94	46,625.86
Category of R units in EUR	564.60	524.74	660.21	713.00	926.82
Unit distribution on net capital gains and losses (including advances)					
Category of I units in EUR	-	-	-	-	-
Category of R units in EUR	-	-	-	-	-
Unit distribution on result (including advances)					
Category of I units in EUR	-	-	-	-	-
Category of R units in EUR	-	-	-	-	-
Unit tax credit transferred to bearer (individuals)					
Category of I units in EUR	-	-	-	-	-
Category of R units in EUR	-	-	-	-	-
Unit capitalisation					
Category of I units in EUR	-244.26	-7,724.00	-4,054.64	-11,917.93	-275.09
Category of R units in EUR	-9.15	-155.08	-84.96	-242.34	-11.11

(2) First financial year

(3) The unit capitalisation from 31/12/2013 is that of the result and the net capital gains or losses.

For previous financial years, the unit capitalisation is only that of the result.

Portfolio inventory as at 30 December 2016

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Deposits			-	-
Financial instruments				
Shares and similar securities			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
Bonds and similar securities			-	-
Traded on a regulated or similar market			-	-
Not traded on a regulated or similar market			-	-
Debt securities			45,036,905.18	75.86
Traded on a regulated market or similar			45,036,905.18	75.86
Transferable debt securities			45,036,905.18	75.86
BELGIQUE ZCP 09/02/2017	EUR	16,500,000.00	16,514,751.95	27.82
DUTCH TREASURY CERT ZCP 31/01/2017	EUR	6,000,000.00	6,004,757.49	10.11
FRAN TREA BILL BTF ZCP 08/03/2017	EUR	3,000,000.00	3,004,206.27	5.06
FRENCH REP ZCP 08/02/2017	EUR	4,000,000.00	4,003,084.99	6.74
FRENCH REP ZCP 22/02/2017	EUR	2,000,000.00	2,002,211.80	3.37
FRENCH REP ZCP 25/01/2017	EUR	4,500,000.00	4,502,304.93	7.58
GERM TREA BILL ZCP 25/01/2017	EUR	9,000,000.00	9,005,587.75	15.17
Other debt securities			-	-
Not traded on a regulated or similar market			-	-
Mutual funds			5,577,987.37	9.40
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries			5,577,987.37	9.40
OFI TRESOR ISR	EUR	1,272.1306	5,577,987.37	9.40
Other Funds aimed at non-professionals and equivalents in other Member States of the European Union			-	-
General purpose professional funds and equivalents in other Member States of the European Union and listed securitisation vehicles			-	-
Other professional investment funds and equivalents in other Member States of the European Union and unlisted securitisation vehicles			-	-
Other non-European vehicles			-	-
Temporary transactions on securities			-	-
Receivables representative of securities under repurchase agreements			-	-
Receivables representative of securities lent			-	-
Securities borrowed			-	-
Securities given under a repurchase agreement			-	-
Payables representative of securities given under a repurchase			-	-
Payables representative of securities borrowed			-	-
Other temporary transactions			-	-
Purchase and sale transactions on financial instruments			-	-
Financial contracts			935,432.09	1.58
Transactions on a regulated or similar market			-	-
Other transactions			935,432.09	1.58
SWAP ECH 10/03/17	EUR	61,307,590.32	935,432.09	1.58

Portfolio inventory as at 30 December 2016 (continued)

Designation of securities	Currency	Qty No. or nominal value	Market value	% Net Assets
Other financial instruments			-	-
Receivables			-	-
Payables			-462,795.35	-0.78
Financial accounts			8,283,194.02	13.95
NET ASSETS			59,370,723.31	100.00



**AUDITOR'S REPORT
ON THE ANNUAL ACCOUNTS
Financial year ended on 30 December 2016**

OFI PRECIOUS METALS
UCITS CONSTITUTED IN THE FORM OF A MUTUAL FUND
Governed by the Monetary and Financial Code

Management Company
OFI ASSET MANAGEMENT
22, rue Vernier
75017 PARIS

Ladies and gentlemen,

In execution of the task entrusted to us by the managing bodies of the management company, we would like to present to you our report relating to the financial year ended on 30 December 2016, concerning:

- the audit of the annual accounts of the UCITS constituted in the form of a mutual fund OFI PRECIOUS METALS, as they are attached to this report;
- justification of our assessments;
- the specific checks and information provided for by law.

The annual accounts were drawn up under the responsibility of the management company. It is our responsibility, based on our audit, to express an opinion on these accounts.

1. OPINION ON THE ANNUAL ACCOUNTS

We have carried out our audit in accordance with the rules of professional practice applicable in France; these rules require implementation of measures making it possible to obtain reasonable assurance that the annual accounts do not contain any significant anomalies. An audit consists of verifying, using spot checks or other selection methods, the elements justifying amounts and information featuring in the annual accounts. It also consists of assessing the accounting principles applied, the significant estimates used and the overall presentation of the accounts. We consider that the elements which we have gathered are sufficient and appropriate in order to form our opinion.

We certify that the annual accounts are, in the light of French accounting rules and principles, due and proper and sincere, and give a faithful image of the result of the operations in the past financial year, and of the financial situation and assets of the UCITS constituted in the form of a mutual fund at the end of that financial year.

2. JUSTIFICATION OF OUR ASSESSMENTS

Under the provisions of Article L.823-9 of the Commercial Code relating to justification of our assessments, we would like to advise you that the assessments we have carried out concerned the appropriate nature of the accounting principles applied and also the reasonable nature of the significant estimates applied.

The assessments made in this way form part of our procedure for auditing annual accounts, considered as a whole, and have therefore contributed to the formation of our opinion expressed in the first part of this report.

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Public accounting company registered in the Roll of the Order of Certified Accountants of the Paris-Ile-de-France region. Public accounting company, member of the Regional Association of Versailles. Simplified joint stock company with capital of EUR 2,510,460. Registered office: 63, rue de Villiers, 92200 Neuilly-sur-Seine. Companies Register Nanterre 672 006 483. VAT no. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920-Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.



OFI PRECIOUS METALS

3. - SPECIFIC CHECKS AND INFORMATION

In accordance with the rules of professional practice applicable in France, we also carried out the specific checks provided for by law.

We do not have any observations to make on the genuine nature or concordance with the annual accounts of the information given in the management report and in the documents sent to unit-holders on the financial situation and the annual accounts.

Neuilly sur Seine, date of electronic signature

Document authenticated by electronic signature

The Auditor
PricewaterhouseCoopers Audit
Frédéric SELLAM



**RAPPORT DU COMMISSAIRE AUX COMPTES
SUR LES COMPTES ANNUELS
Exercice clos le 30 décembre 2016**

OFI PRECIOUS METALS
OPCVM CONSTITUE SOUS FORME DE FONDS COMMUN DE PLACEMENT
Régé par le Code monétaire et financier

Société de gestion
OFI ASSET MANAGEMENT
22, rue Vernier
75017 PARIS

Mesdames, Messieurs,

En exécution de la mission qui nous a été confiée par les organes de direction de la société de gestion, nous vous présentons notre rapport relatif à l'exercice clos le 30 décembre 2016, sur :

- le contrôle des comptes annuels de l'OPCVM constitué sous forme de fonds commun de placement OFI PRECIOUS METALS, tels qu'ils sont joints au présent rapport ;
- la justification de nos appréciations ;
- les vérifications et informations spécifiques prévues par la loi.

Les comptes annuels ont été arrêtés sous la responsabilité de la société de gestion. Il nous appartient, sur la base de notre audit, d'exprimer une opinion sur ces comptes.

1. OPINION SUR LES COMPTES ANNUELS

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France ; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les comptes annuels ne comportent pas d'anomalies significatives. Un audit consiste à vérifier, par sondages ou au moyen d'autres méthodes de sélection, les éléments justifiant des montants et informations figurant dans les comptes annuels. Il consiste également à apprécier les principes comptables suivis, les estimations significatives retenues et la présentation d'ensemble des comptes. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de l'OPCVM constitué sous forme de fonds commun de placement à la fin de cet exercice.

2. JUSTIFICATION DE NOS APPRECIATIONS

En application des dispositions de l'article L. 823-9 du Code de commerce relatives à la justification de nos appréciations, nous vous informons que les appréciations auxquelles nous avons procédé ont porté sur le caractère approprié des principes comptables appliqués ainsi que sur le caractère raisonnable des estimations significatives retenues.

Les appréciations ainsi portées s'inscrivent dans le cadre de notre démarche d'audit des comptes annuels, pris dans leur ensemble, et ont donc contribué à la formation de notre opinion exprimée dans la première partie de ce rapport.

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OFI PRECIOUS METALS

3. - VERIFICATIONS ET INFORMATIONS SPECIFIQUES

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par la loi.

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion et dans les documents adressés aux porteurs sur la situation financière et les comptes annuels.

Neuilly sur Seine, date de la signature électronique

Document authentifié par signature électronique

Le commissaire aux comptes
PricewaterhouseCoopers Audit

Frédéric SELLAM

ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

OFI Asset Management has notified the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) of its intention to distribute **the units I and XL** of the Fund **OFI PRECIOUS METALS** in the Federal Republic of Germany and has been authorized to distribute the units in the Federal Republic of Germany upon completion of the notification procedure.

Information and Paying Agent

Bremer Kreditbank AG, a bank established under the laws of Germany, having its registered office at Wachtstrasse 16, 28195 Bremen, registered with the Bremen Trade Registry, number HRB 4188, has undertaken the function of Information and Paying Agent for the Fund in the Federal Republic of Germany (the "German Information and Paying Agent")

Information and Documents

For unit-holders resident in Germany, the following documents are available for inspection in hard copy, free of charge and upon request at the German Information and Paying Agent:

- Prospectus
- Key Investor Information Documents
- Articles of Incorporation
- The latest annual report, and the most recent semi-annual report, if published thereafter
- Custody and Administration Agreements
- Paying Agency Agreement

Any other information to the Shareholders will be sent to the Shareholders by post. The issue, redemption and conversion prices of shares will be published on the website: www.ofi-am.fr. Additionally, communications to investors in Germany will be published in a durable medium, further to the requirements of Article 167 of the German Investment Code in the following cases: suspension of the redemption of the shares, termination of the management of the fund or its liquidation, any amendments to the Articles of Incorporation which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool, merger of the fund with one or more other funds and the change of the fund into a feeder fund or the modification of a master fund.

Applications for the redemption and conversion of shares may be sent to the German Information and Paying Agent. All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the German Information and Paying Agent.