

# OFI Precious Metals I

Monthly Factsheet - Commodities - october 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.

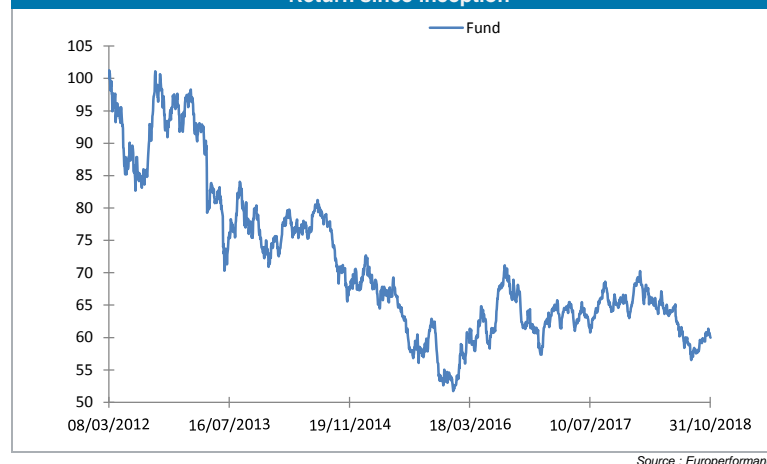
## Key figures as of 31/10/2018

Net Asset Value (EUR):	29 981,68
Net assets of the unit (EUR M):	112,85
Total Net Assets (EUR M):	180,27
Number of holdings:	9

## 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

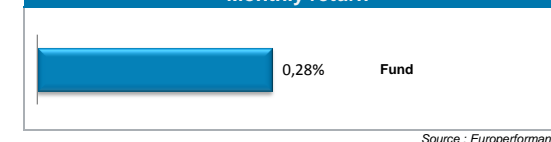
## Return since inception



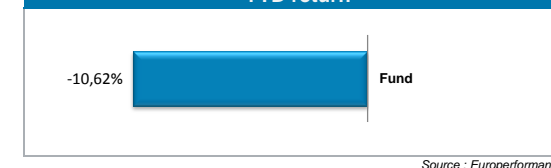
## Risk Profile

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	-40,04%	16,45%	-1,18%	16,42%	-7,56%	13,28%	-10,62%	13,09%	-6,44%	-0,03%

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%	-22,49%
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%	-3,95%	-2,60%	-3,03%	2,80%	0,28%			-10,62%

Source : Europerformance

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## Composition of the benchmark

FUTURES	CODE	WEIGHT
Gold	GC	35,0%
Silver	SI	20,0%
Platinum	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%	0,57%
Silver	-2,92%	-0,62%
Palladium	-0,40%	-0,05%
Platinum	2,50%	0,53%
Eurodollar	-0,09%	0,00%

Source : OFI AM

## Asset management strategy

OFI Precious Metals finished the month of October up +0,28%.

Although the Fund remained fairly stable, there were some noteworthy movements during the month.

In particular, the precious metals appreciated significantly by mid-month. The rise in rates continued, while inflation expectations remained fairly lacklustre. Real rates rose enough to push a number of players to start switching a portion of their equity investments over to bonds.

The subsequent rate easing immediately benefited the price of gold. This reaction is significant because it seems to indicate that rates in real terms can hardly rise further without jeopardising the financial markets as a whole. This leads us to assert that investing in precious metals today has an attractive risk/reward trade-off.

Among the other metals held in the portfolio, the platinum group metals (PGM) had various outcomes. Palladium reached a new historical high in the middle of the month. This was undoubtedly driven by the announcement of a possible tax reduction on Chinese car purchases that could be beneficial to the metal.

Platinum, heavily penalised by "dieselgate" over several months, finally found support in the appreciation of palladium. Platinum is mainly used in the manufacture of catalytic converters for diesel vehicles. The price differential between the two metals led some investors to consider the possibility of substituting platinum for palladium in the automotive industry.

While it is difficult to forecast gold's appreciation potential in the short term, we remain confident over the longer horizon. The risk today seems to us asymmetrical on the yellow metal. Given the public debt, the US central bank cannot afford to raise rates in the absence of inflation. On the other hand, the corollary of a market risk regardless of its nature e.g. in Italy, commercial trade tensions, or Brexit etc. would lead to a relatively abrupt adjustment in allocations. The lack of instruments offering risk-free returns forces investors to overexpose their portfolios to risky assets. Therefore, corrections could be more violent than in the past.

Berjamin LOUVET - Olivier DAGUIN - Fund manager(s)

## Principal holdings by type of instrument

### Negotiable debt securities

Name	Weight	Country	Maturity
BTF ETAT FRANC 12/12/2018	18,87%	France	12/12/2018
BTF ETAT FRANC 23/01/2019	17,22%	France	23/01/2019
BTF ETAT FRANC 19/12/2018	16,66%	France	19/12/2018
BTF ETAT FRANC 09/01/2019	15,55%	France	09/01/2019
BTF ETAT FRANC 28/11/2018	3,33%	France	28/11/2018

Source : OFI AM

### Swap

Index swap	Weight	Counterparty
Basket Precious Metal Strategy Index	104,99%	UBS

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	-0,51	0,15	-0,46	52,94%	-18,75%	-

Source : Europerformance

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