

MANAGEMENT DIRECTION

Management objective

The management objective is to offer unit-holders synthetic exposure to the Basket Precious Metals Strategy index (Bloomberg code OFIBPMS Index) or an index with 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 technical 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 will be mainly invested in financial instruments which will experience market developments and fluctuations. The investor is therefore 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 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 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 Fund. The 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 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.

The accessory risks are the following:

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.

CHANGE(S) MADE DURING CURRENT HALF-YEAR

As of 20 May 2019, the changes were as follows:

- Closure of EP C EUR units at the net asset value of 17 May 2019 (redemption of the two holders). No further subscriptions are accepted for this unit as from 17 May 2019 from 12:01 pm;
- The minimum amount of the initial subscription for I units changed from EUR 250,000 to EUR 1,000,000;
- The minimum amount of the initial subscription and of subsequent subscriptions for EIC EUR units also changed from EUR 250,000 to EUR 1,000,000;
- Wording for RF units changed. Now: Units reserved for investors who subscribe via distributors or intermediaries:
 - subject to national legislation prohibiting any retrocession to distributors;
 - providing an independent advisory service within the meaning of EU Regulation MiFID II;
 - providing a service of individual portfolio management under mandate;
 - or providing a non-independent advisory service once they have entered into agreements with their customers stipulating that they may not receive or retain retrocessions.

CHANGE(S) MADE DURING PREVIOUS HALF-YEAR

As from 22 October 2018, for I units, abolition of the subsequent subscription amount previously set for a unit.

Then, on 7 November 2018, the prospectus now states that "The net asset value is calculated every trading day worked in Paris, except for public holidays in France, Great Britain and the USA, and is dated that same day", rather than "The net asset value is calculated every non-holiday trading day worked in Paris, London and New York, and is dated that same day".

FUTURE CHANGE(S)

In a context of streamlining its range of UCIs but also as part of its international development, OFI ASSET MANAGEMENT has decided to refocus its range of SICAVs on its core expertise. In addition, on 16 September this year OFI ASSET MANAGEMENT will launch its sub-fund SICAV called OFI FINANCIAL INVESTMENT.

As OFI PRECIOUS METALS is one of these core areas of expertise, the approval of the Autorité des Marchés Financiers was obtained on 18 June of this year to merge it into the OFI FINANCIAL INVESTMENT – PRECIOUS METALS sub-fund of our SICAV, OFI FINANCIAL INVESTMENT.

The OFI FINANCIAL INVESTMENT – PRECIOUS METALS sub-fund will be specially created to absorb the OFI PRECIOUS METALS mutual fund. It will be called OFI FINANCIAL INVESTMENT – PRECIOUS METALS and will retain the same characteristics as the OFI PRECIOUS METALS mutual fund, its shares will retain the same ISIN codes and the same performance as the units of the OFI PRECIOUS METALS mutual fund.

No changes will be made to the management strategy, risk/return profile or management fees.

In order to facilitate the proper functioning of the SICAV and its sub-funds, it has also been agreed to appoint a joint depository, SOCIETE GENERALE, and a joint Auditor, PRICEWATERHOUSECOOPERS AUDIT. Previously, the depository of OFI PRECIOUS METALS was CACEIS BANK while its Auditor was already PRICEWATERHOUSECOOPERS AUDIT.

The merger-absorption operation will be based on the net asset values of 13 September 2019 and will be effective on 16 September 2019. The last net asset value of the OFI PRECIOUS METALS mutual fund on which subscriptions or redemptions may be executed will be that of 10 September 2019. As a result, the absorbed mutual fund will suspend subscriptions and redemptions of its units as from 10 September 2019 at 12:01 pm.

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

General information as at 28/06/2019

- 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 the 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 218,524,021.05, i.e. 97.26% of the assets managed in the Fund.

Information about concentration as at 28/06/2019

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

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
NA	NA	NA
NA	NA	NA

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

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
NA	NA	NA
NA	NA	NA

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

Name of counterparty	Gross volume of transactions in progress	Volume of guarantees received
UBS Ltd	110,017,634.86	3,640,000
SG CIB	108,506,386.19	3,660,000

Information about transactions as at 28/06/2019

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	NA	NA
Expiry of guarantee	Open transactions	NA	NA
Currency of collateral	Euro	NA	NA
Maturity of transactions	Open transactions	NA	NA
Jurisdiction of counterparties	Frankfurt / France	NA	NA
Settlement and compensation	Bilateral	NA	NA

Data on reuse of collateral

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

Safe-keeping

The guarantees received by the Fund are kept by the Fund depository, 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 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	185,116,600.00
Bank assets	19,068,997.95
Other assets held by the UCI	40,144,264.24
Total assets held by the UCI	244,329,862.19
Financial accounts	-
Financial instruments and Receivables	-19,658,573.14
Total liabilities	-19,658,573.14
Net asset value	224,671,289.05

Changes in net assets

	28/06/2019	31/12/2018	29/12/2017	30/12/2016	31/12/2015	31/12/2014
NET ASSETS						
in EUR	224,671,289.05	195,316,989.78	168,849,184.99	59,370,723.31	20,638,178.54	13,761,940.66
Number of securities						
Category of I units	3,642.7360	4,004.2640	2,823.0172	1,253.6100	268.9000	132.0000
Category of R units	48,365.1417	42,007.6014	80,831.7730	40,176.9886	25,495.1546	14,103.6764
Category of XL units	750.1000	403.0000	403.0000	-	-	-
Category of EI C EUR units	2,500.0000	2,500.0000	2,500.0000	-	-	-
Category of RF units	27,906.1262	25,967.2365	-	-	-	-
Category of EP C EUR units	-	2,600.0000	2,500.0000	-	-	-
Unit net asset value						
Category of I EUR units	34,043.72	31,332.57	33,545.40	29,264.79	26,998.32	33,715.50
Category of R EUR units	644.63	595.48	642.36	564.60	524.74	660.21
Category of XL EUR units	54,936.72	50,474.98	53,849.89 ⁽¹⁾	-	-	-
Category of EI C EUR units in EUR	106.51	98.03	104.95 ⁽²⁾	-	-	-
Category of RF EUR units	1,003.60	924.13 ⁽³⁾	-	-	-	-
Category of EP C EUR units in EUR	-	97.88	104.95 ⁽⁴⁾	-	-	-
Unit distribution on net capital gains and losses (including advances)						
in EUR	-	-	-	-	-	-
Unit distribution on result (including advances)						
in EUR	-	-	-	-	-	-
Unit tax credit transferred to bearer (individuals)						
Category of I EUR units	-	-	-	-	-	-
Category of R EUR units	-	-	-	-	-	-
Category of XL EUR units	-	-	-	-	-	-
Category of EI C EUR units in EUR	-	-	-	-	-	-
Category of RF EUR units	-	-	-	-	-	-
Category of EP C EUR units in EUR	-	-	-	-	-	-

Change in net assets (continued)

	28/06/2019	31/12/2018	29/12/2017	30/12/2016	31/12/2015	31/12/2014
Unit capitalisation						
Category of I EUR units	-	-253.74	-256.19	-244.26	-7,724.00	-4,054.64
Category of R EUR units	-	-9.35	-9.54	-9.15	-155.08	-84.96
Category of XL EUR units	-	-3,758.60	-185.73	-	-	-
Category of EI C EUR units in EUR	-	-8.47	-0.03	-	-	-
Category of RF EUR units	-	-108.57	-	-	-	-
Category of EP C EUR units in EUR	-	-8.61	-0.03	-	-	-

(1) The category of XL units was created on 8 March 2017 with a nominal value of EUR 50,000.00.

(2) The category of EI C EUR units was created on 14 December 2017 with a nominal value of EUR 100.00.

(3) The category of RF units was created on 2 January 2018 with a nominal value of EUR 1,000.00.

(4) The category of EP C EUR units was created on 14 December 2017 with a nominal value of EUR 100.00.

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.	82.39	75.77
Shares	-	-
Bonds	-	-
Debt securities	82.39	75.77
FRAN TREA BILL BTF ZCP 10/07/2019	20.92	19.24
FRAN TREA BILL BTF ZCP 14/08/2019	0.45	0.41
FRAN TREA BILL BTF ZCP 24/07/2019	15.14	13.92
REPU FRAN ZCP 04/09/2019	5.35	4.92
REPU FRAN ZCP 07/08/2019	11.13	10.24
REPU FRAN ZCP 18/09/2019	20.94	19.26
REPU FRAN ZCP 21/08/2019	8.46	7.78
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.	-	-
Shares	-	-
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	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-

Securities portfolio (continued)

Elements of the securities portfolio	Percentage	
	Net assets	Total assets
The newly issued securities mentioned in Article R.214-11(I)(4) of the Monetary and Financial Code	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Other assets: These are the assets mentioned in II of Article R. 214-11 of the Monetary and Financial Code	9.76	8.98
Variable capital UCI	9.76	8.98
OFI RS LIQUIDITES	9.76	8.98
Shares	-	-
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.	399,505,932.02	349,000,000.00
Shares	-	-
Bonds	-	-
Debt securities	399,505,932.02	349,000,000.00
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.	-	-
Shares	-	-
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	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
The newly issued securities mentioned in Article R.214-11(I)(4) of the Monetary and Financial Code	-	-
Shares	-	-
Bonds	-	-
Debt securities	-	-
Other assets: These are the assets mentioned in II of Article R. 214-11 of the Monetary and Financial Code	10,769,303.31	7,100,837.93

Indication of movements occurring in the composition of the securities portfolio,
during the reference period (continued)

Elements of the securities portfolio	Movements (in amount)	
	Acquisitions	Purchase and sale
Variable capital UCI	10,769,303.31	7,100,837.93

Promoters: OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS
Management Company: OFI ASSET MANAGEMENT - 22 rue Vernier - 75017 PARIS
Depository 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

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 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.

Paying and Information Agent

OLDENBURGISCHE LANDESBANK AG, a bank established under the laws of Germany, having its registered office at Stau 15/17, 26122 Oldenburg, registered with the Oldenburg Trade Registry, number HRB 3003, has undertaken the function of Paying and Information Agent for the Fund in the Federal Republic of Germany (the "German Paying and Information 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 Paying and Information 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 Paying and Information Agent. All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the German Paying and Information Agent.