



Ofi invest
Asset Management



MARCH 2023

THE ENERGY TRANSITION, A GAME CHANGER FOR METALS

OFI-INVEST-AM.COM

SOMMAIRE



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OFI INVEST AT A GLANCE

OFI INVEST

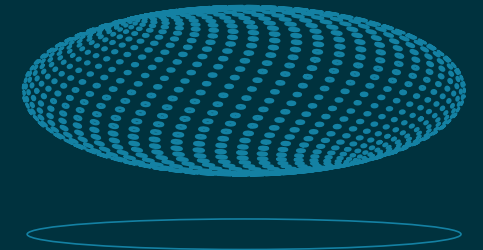
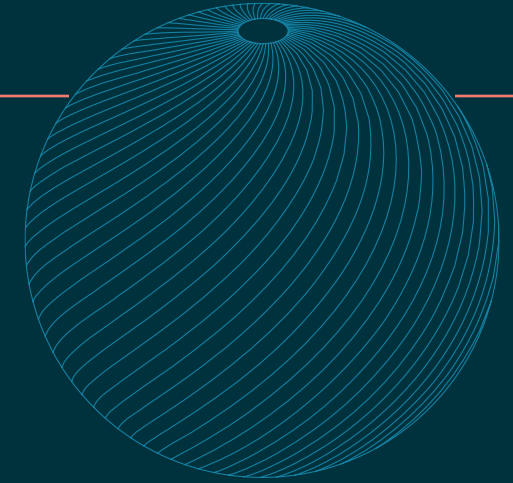
Formed by the merger of Ofi Group, Abeille Asset Management, Abeille Real Estate Investment Management and Aéma REIM

Sole asset management division and one of the four main brands of Aéma Groupe (MACIF, Abeille Assurances, Aésio Mutuelle, Ofi Invest).

Covers all asset management businesses in both listed and non-listed assets, including real-estate management

A complete range of responsible investment solutions

Serving institutional and private investors by tapping into distribution networks and partners in France and internationally



KEY FIGURES



5th largest
French asset
management group

IPE ranking, December 2021



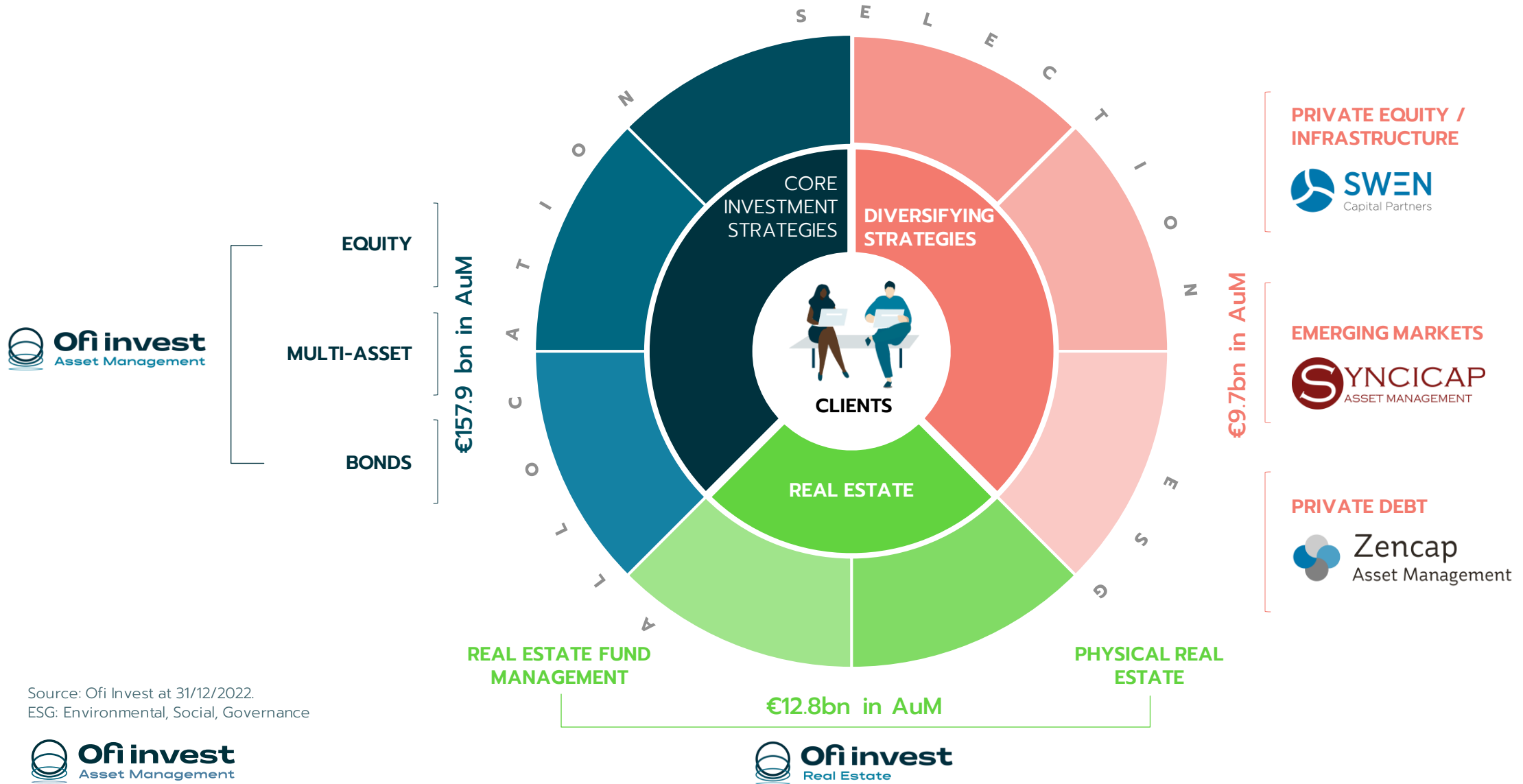
€180bn
in assets under
management

At the end of December 2022



600+
employees

CREATING SOLUTIONS AND COMBINING EXPERTISE



Source: Ofi Invest at 31/12/2022.
ESG: Environmental, Social, Governance

ASSETS UNDER MANAGEMENT OF OFI INVEST ASSET MANAGEMENT



Asset class breakdown

as of 12/31/2022

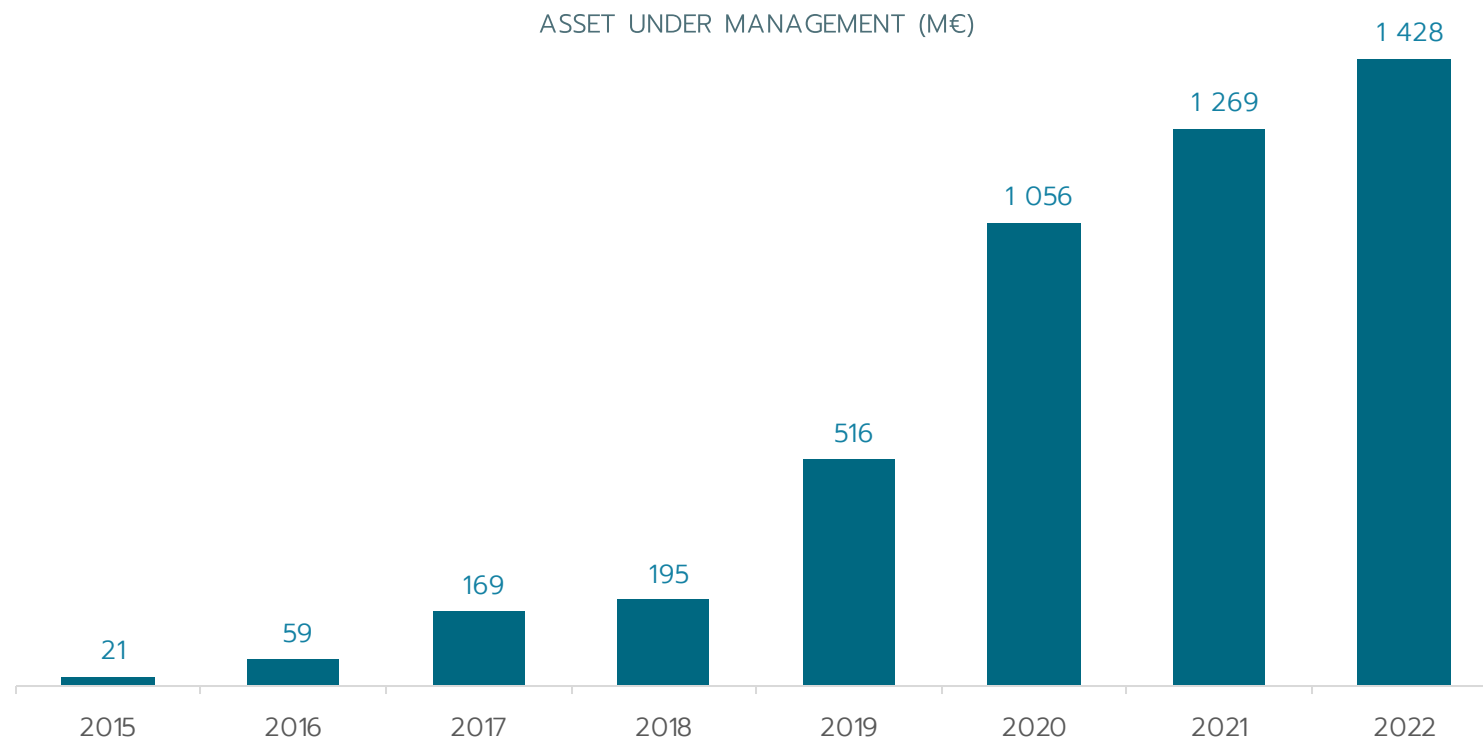
	%
Equity	8
Fixed Income	65
Convertible bonds	1
Money market	9
Balanced	16
Commodities	1



including **120+**
Managers / Analysts

Source: Ofi Invest Asset Management as of 12/31/2022

A RECOGNIZED EXPERTISE IN COMMODITIES



Source: Ofi Invest Asset Management
Current management team, which may change. Find out more at : www.ofi-invest-am.com

TEAM



Benjamin LOUVET
Head of Commodity Management
Exp. 27 ans



Marion BALESTIER
Commodity Fund Manager
Exp. 13 ans



Olivier DAGUIN
Commodity Fund Manager
Exp. 14 ans

FUNDS

GLOBAL

2 open funds invested in
precious metals & energy
strategic metals



2

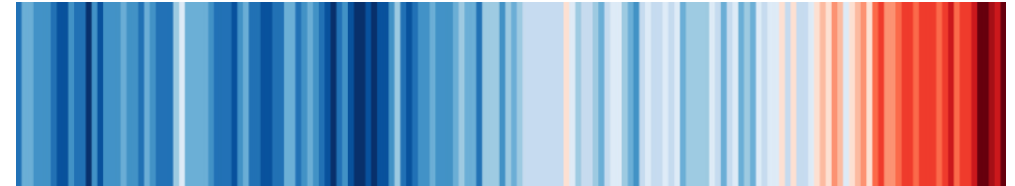
WHAT IS THE FUTURE FOR METALS ?

CLIMATE CHANGE: A VISIBLE REALITY

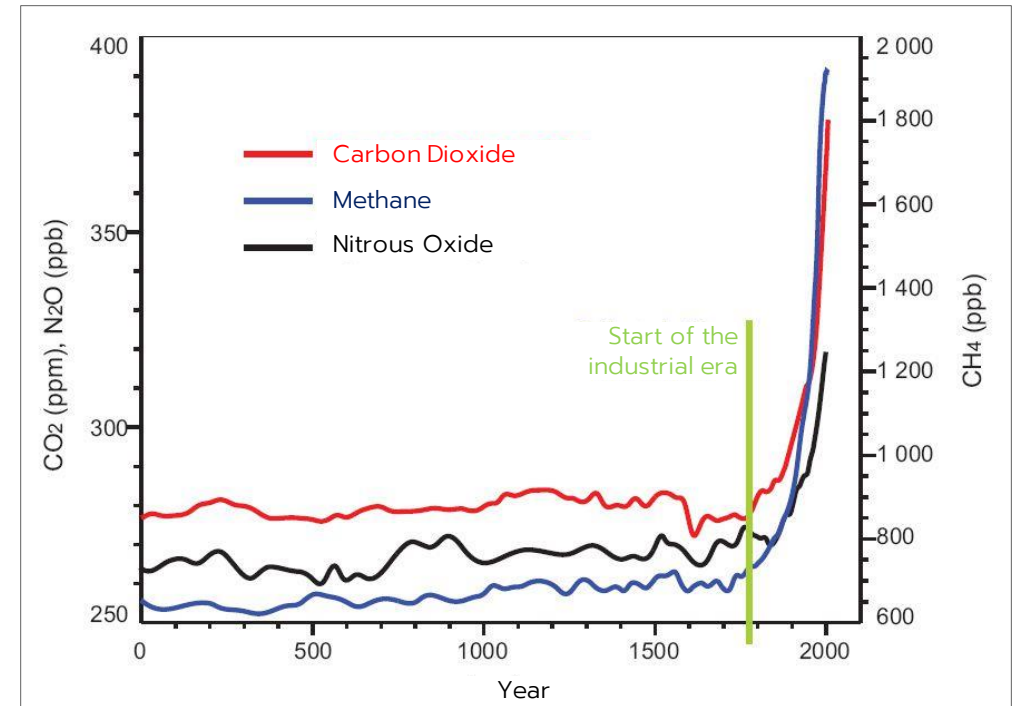
Climate has been warming up since the start of the industrial era (1760). **The world is already about 1°C hotter than the average of 1971-2000.**

The human origin of global warming and the role of fossil fuel combustion are consensus points amongst the scientific community.

The increase in the carbon 12 content of the atmosphere is irrefutable proof that **the combustion of fossil fuels** is responsible for the increase in the CO2 concentration of the atmosphere.



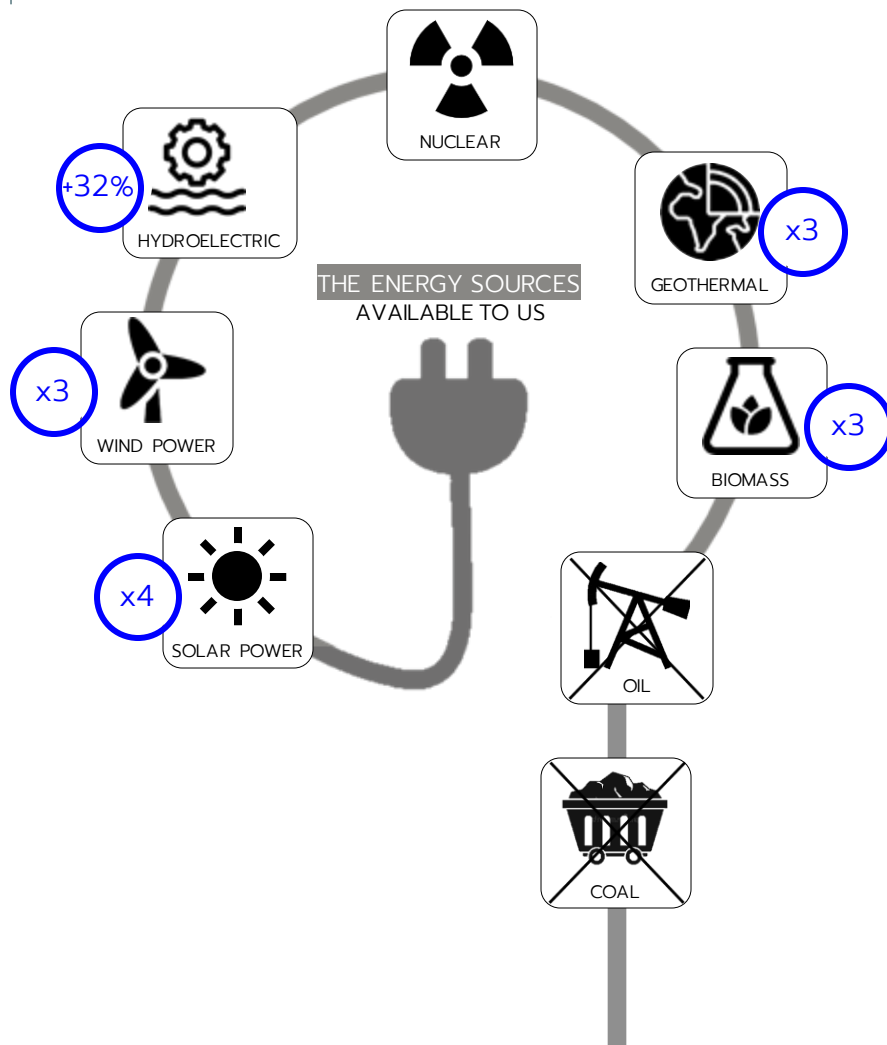
Representation by climatologist Ed Hawkins of the global warming from 1850 to 2019 at the surface of the oceans and continents, based on the HadCRUT 4 dataset (Morice et al. 2012). Each bar represents a year, and the colour code goes from blue to red over a range of -0.7°C to $+0.7^{\circ}\text{C}$. Dark blue years are cooler and red ones warmer than the average in 1971-2000



HOW CAN CLIMATE CHANGE BE CONTAINED?



According to the International Energy Agency, in its Sustainable Development Scenario (SDS), the following targets must be met by 2030...



According to the IPCC (Intergovernmental Panel on Climate Change)

- By 2030, 50% of electricity should be produced from renewable energy sources
- The share of renewables (excluding biomass) in primary energy consumption should be multiplied by 3 to 4 by 2030 and by 8 to 13 by 2050

Source: AIE, GIEC, 2021

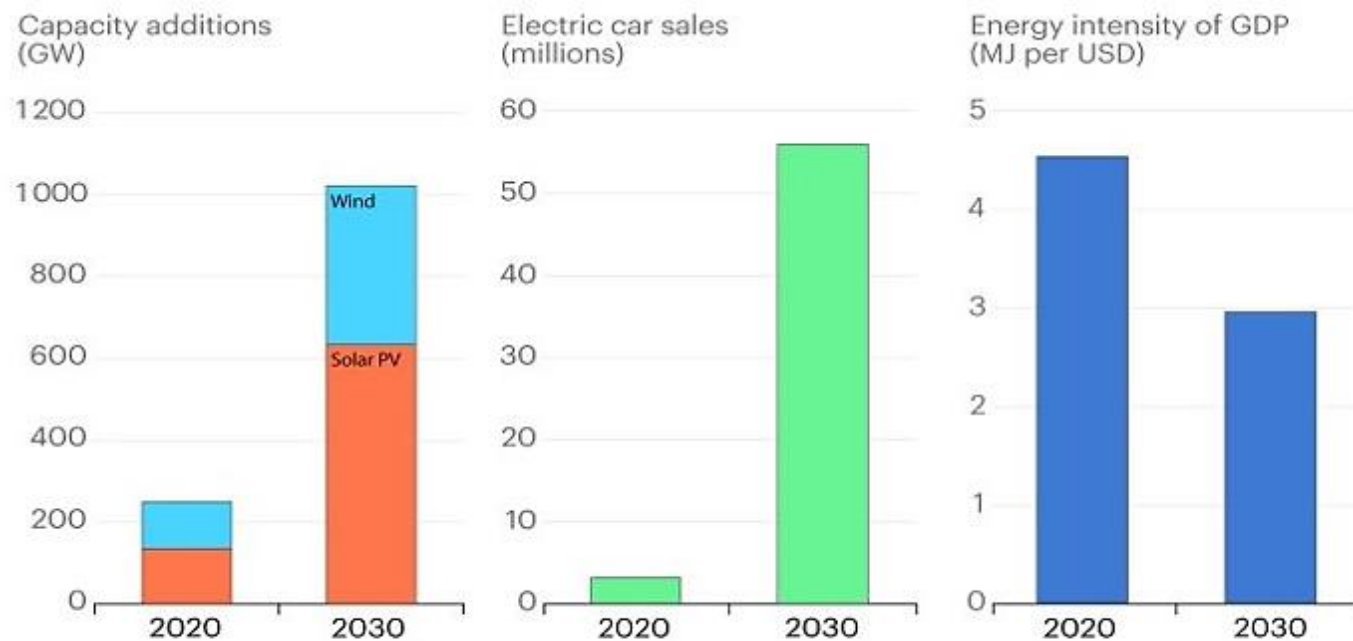
CLIMATE CHANGE: A VISIBLE REALITY

From 200GW of solar power capacity installation in 2022 to 620GW per year by 2030

Electrified vehicles must represent 60% of car sales by 2030, vs 10% in 2022

Annual investments on the energy sector decarbonation will need to triple from current levels to 4,3 trn \$ in 2030

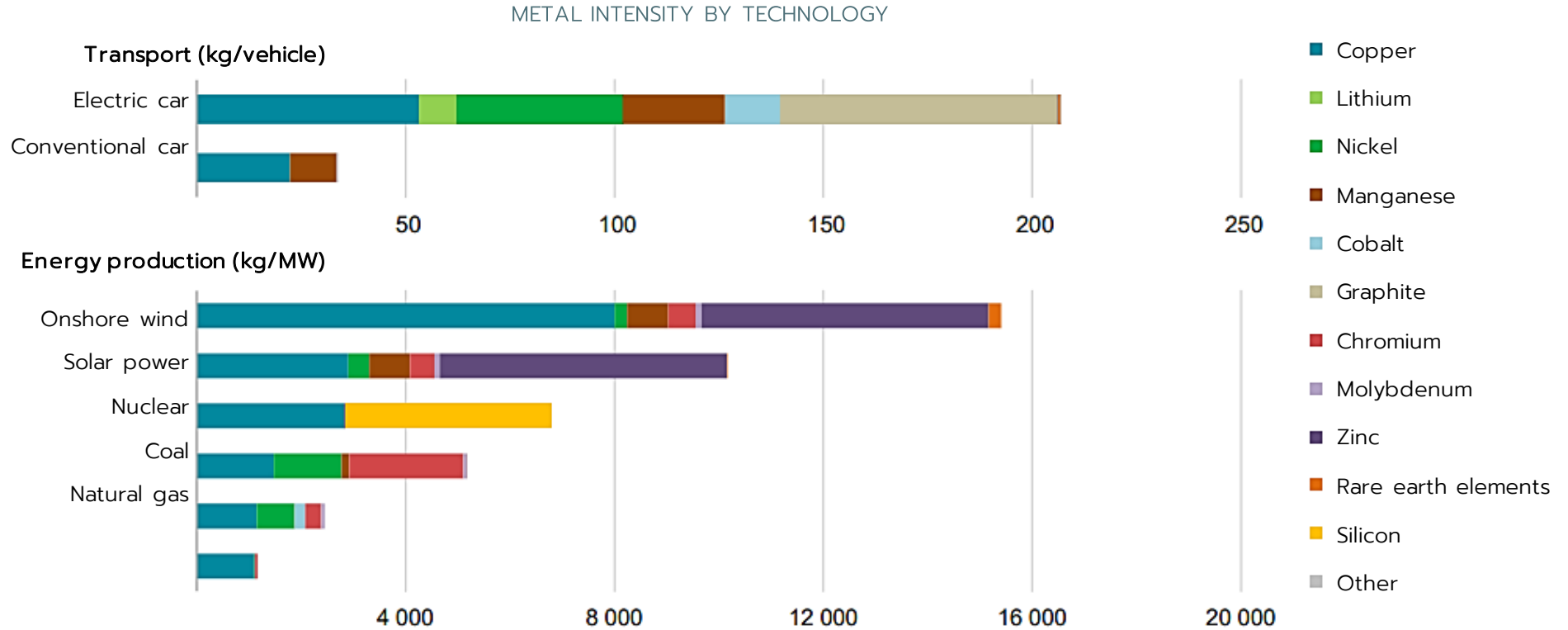
KEY CLEAN TECHNOLOGIES RAMP UP BY 2030 IN THE NET ZERO PATHWAY



Note: MJ = megajoule; GDP = gross domestic product in purchasing power parity.

Source : IEA, 2021

THE FUTURE, CLEANER ECONOMY DEPENDS ON METALS

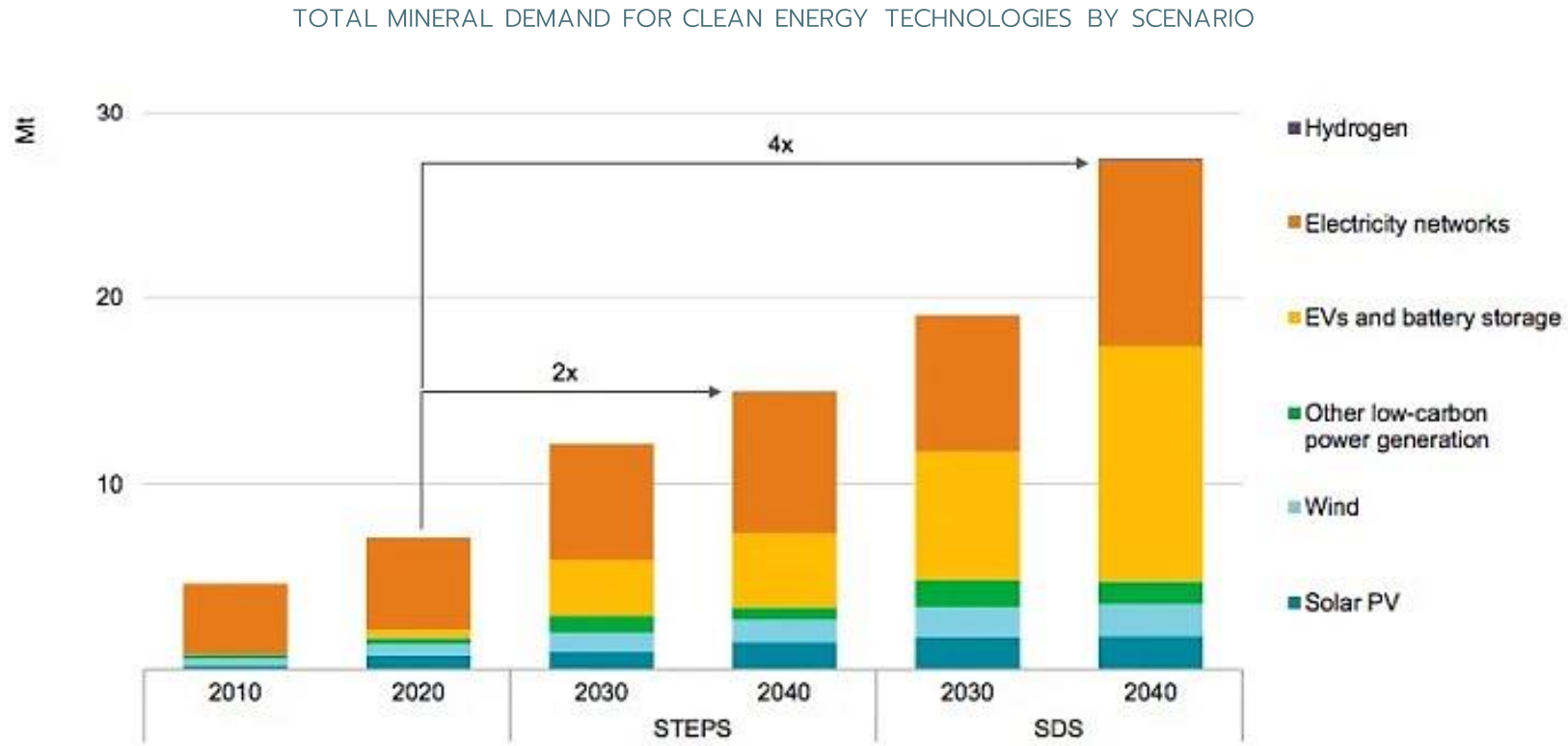


Source: The Role of Critical Minerals in Clean Energy Transitions, World Energy Outlook Special Report, IAE, May 2021.

Notes: kg = kilogram; MW = megawatt. The values for vehicles are for the entire vehicle, including batteries, motors and glider. The intensities for an electric car are based on a 75 kWh NMC (nickel, manganese, cobalt) 622 cathode and graphite-based anode. The values for offshore wind and onshore wind are based on the direct-drive permanent magnet synchronous generator system (including array cables) and the doubly-fed induction generator system respectively. The values for coal and natural gas are based on ultra-supercritical plants and combined-cycle gas turbines. Actual consumption can vary by project depending on technology choice, project size and installation environment.



METALS DEMAND TO RISE MASSIVELY



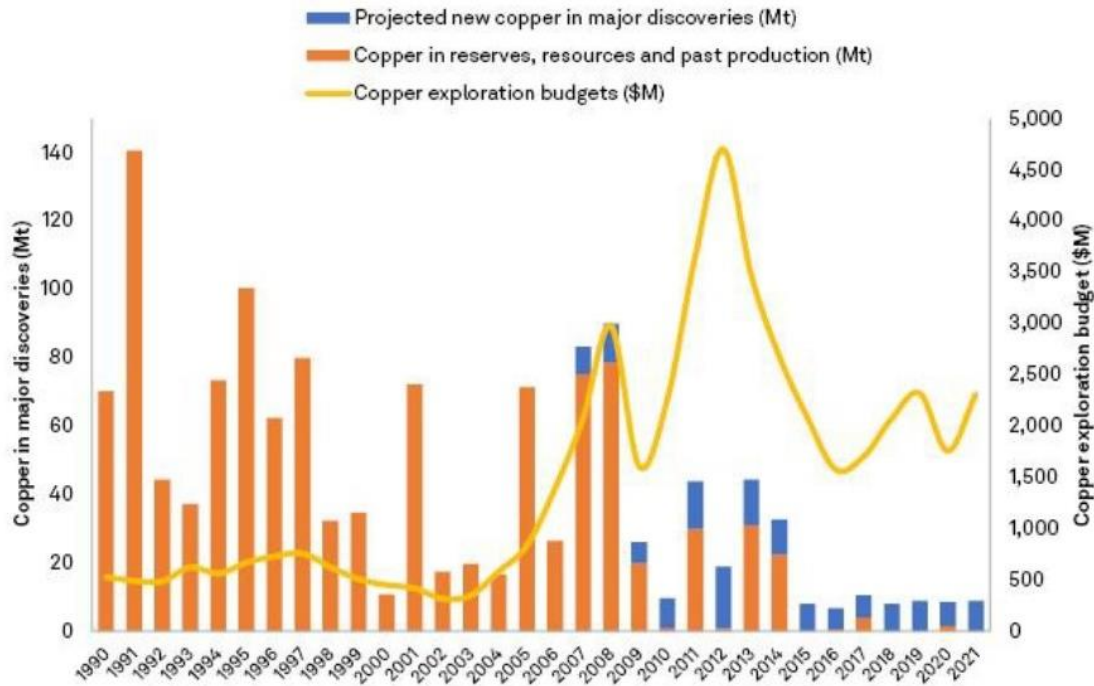
Source: IEA, 2021

- Transition to lead to a massive rise in metals demand in the next decades
- Visibility on future demand is very strong, due to long term energy transition investment plans

WHAT ABOUT METALS SUPPLY ? CLOSE UP ON COPPER

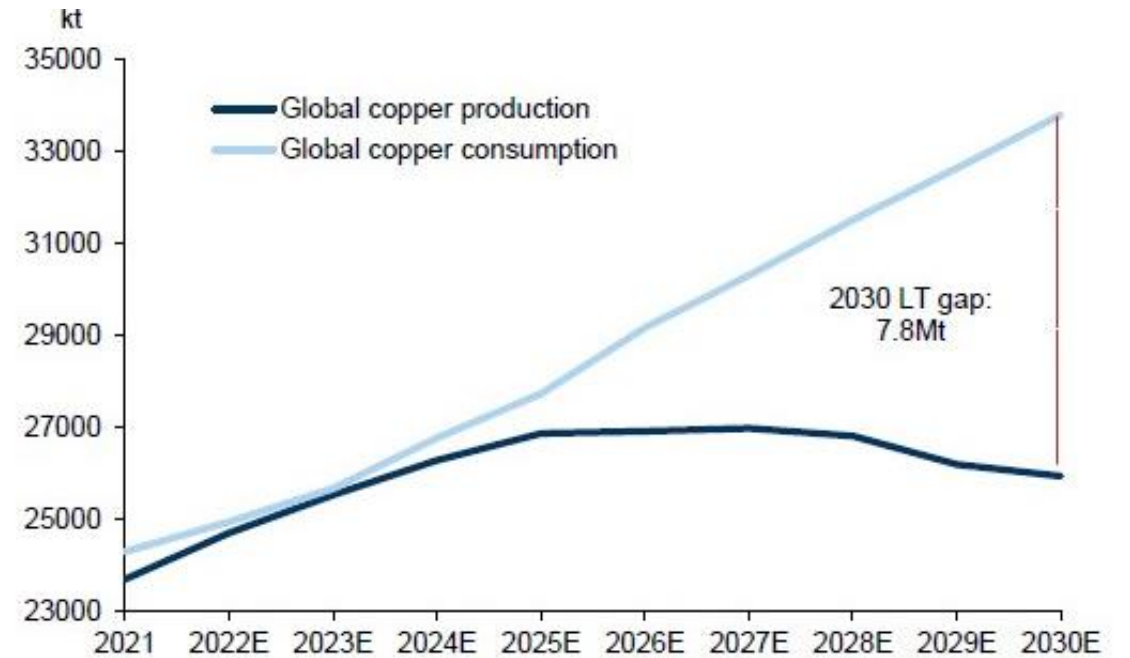
29 63,55
Cu
 Copper

COPPER DISCOVERIES AND EXPLORATION BUDGETS



Source: S&P Global Market Intelligence, as of 10 May 2022

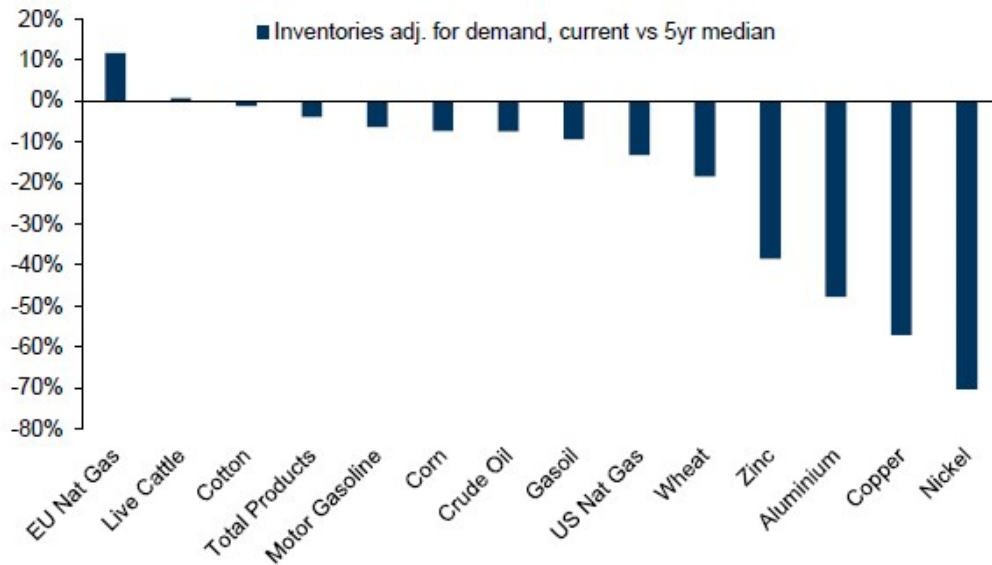
COPPER PRODUCTION AND CONSUMPTION PROJECTIONS



Source: Goldman Sachs

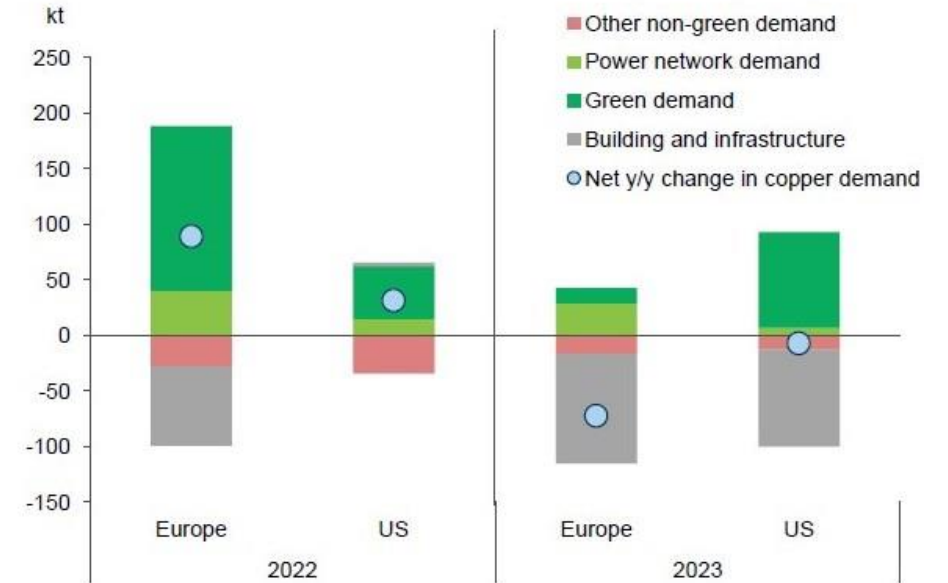
TRANSITION-LED DEMAND ALREADY ON THE RISE

GRAPH 1: COMMODITIES INVENTORIES VS 5YR AVERAGE



Source: IEA, 2021

GRAPH 2: GREEN METALS DEMAND COULD OFFSET MOST CYCLICAL DOWNTURNS



Source : Goldman Sachs

- Despite a weak macro environment, metals markets have been tightening in 2022 (Graph1)
- Metals demand becomes more resilient to downcycles (Graph2)
- Trend particularly strong in China: net copper demand up 2% in 2022 despite Zero Covid policy, weak property market
- New record for wind and solar installation expected in 2023: 200GW target in China alone, +20% vs existing capacity



3

**OFI INVEST ENERGY
STRATEGIC METALS**

OUR APPROACH



METALS

A selection of 8 metals considered strategic by the management team, widely used in today's economy, with a central role in the energy transition, quoted on liquid and regulated markets. Investment in precious and industrial metals without equity or credit risk.



UCITS V

An original structuration to offer a fund exposed to metals in a full UCITS V compliant fund offering daily liquidity.



ANNUAL REVIEW

Allocation reviewed on an annual basis by an experts committee to reflect potential evolution in technologies & metals utilization.

A SELECTION OF 8 METALS

Chemical symbol/ name of element		Cu Copper	Ag Silver	Ni Nickel	Pd Palladium	Pt Platinum	Al Aluminium	Zn Zinc	Pb Lead	Total
Energy	Solar power	■	■	□	□	□	■	■	■	6
	Wind power	■	□	■	□	□	■	■	■	5
	Hydrogen	■	□	□	■	■	□	□	□	3
	Electric	■	□	■	□	□	■	□	□	3
Transport	Electric car	■	■	■	■	■	■	■	□	7
	Conventional car	■	■	■	■	■	■	■	■	8
Construction & building		■	□	□	□	□	■	■	□	4
Machines		■	□	■	□	□	■	■	□	4
Telecommunications		■	□	■	□	□	■	□	□	4
Jewellery		□	■	□	■	■	□	□	□	4
Total		9	4	6	4	4	8	6	3	

REASONS TO INVEST

			13 5 10.811 B BORON	14 6 12.011 C CARBON
			13 13 26.982 Al ALUMINUM	14 14 28.086 Si SILICON
10 28 58.693 Ni NICKEL	11 29 63.546 Cu COPPER	12 30 65.38 Zn ZINC	31 69.723 Ga GALLIUM	32 72.64 Ge GERMANIUM
46 106.42 Pd PALLADIUM	47 107.87 Ag SILVER	48 112.41 Cd CADMIUM	49 114.82 In INDIUM	50 118.71 Sn TIN
78 195.08 Pt PLATINUM	79 196.97 Au GOLD	80 200.59 Hg MERCURE	81 204.38 Tl THALLIUM	82 207.2 Pb LEAD
110 (281) Ds DARMSTADIUM	111 (280) Rg ROENTGENIUM	112 (285) Cn COPERNICIUM		
63 151.96 Eu EUROPIUM	64 157.25 Gd GADOLINIUM	65 158.93 Tb TERBIUM	66 162.50 Dy DYSPROSIUM	67 164.93 Ho HOLMIUM
95 (243) Am AMERICIUM	96 (247) Cm CURIUM	97 (247) Bk BERKELIUM	98 (251) Cf CALIFORIUM	99 (252) Es EINSTEINIUM

1. Capture the mega trend of energy transition and its potentially massive impact on future metals demand
2. Different play on climate change and green technologies themes, offering **diversification and decorrelation** via real assets without exposure to the equity market
3. A UCITS V compliant portfolio with a transparent investment process, offering exposure to a liquid basket of metals

ADMINISTRATIVE CHARACTERISTICS

Legal form	Sub-fund of a French SICAV (open-ended investment company)	
ISIN codes	XL Share: FR0014005WK6 • I Unit: FR0014008NM5 • RF Unit: FR0014008NO1 • R Unit: FR0014008NN3	
Inception	27 January 2022	
Recommended investment horizon	5 years	
Currency	Euro	
NAV	Daily	
Investment manager	Ofi Invest Asset Management	
Custodian	Société Générale	
Valuation agent	SGSS NAV	
Earnings distribution	Capitalisation	
Financial fees	XL Unit: 0.55% max • I Unit : 0.93% max • RF Unit : 1.03% max • R Unit : 1.81% max	
Subscription/redemption	Cut-off at midday each working day not including holidays (D) • Orders placed at day D NAV (calculated D+1) Settled D+1	
Subscription fee (Max/Real)	2% / None	
Subscription Minimum	XL Unit: €15,000,000 • I Unit : €1,000,000 • RF Unit : None • R Unit : None	
Exit fee	None	
Main risks	<ul style="list-style-type: none"> • Capital loss • Investment in commodities futures • Counterparty • Interest rate • Sustainability risk • Foreign exchange risk • Liquidity <p>Details of the various risks are given in the fund prospectus which is free to download from the Ofi Invest AM website or available on request from the company.</p>	

SRI

Lower risk,
potentially lower reward

Higher risk,
potentially higher reward

◀ 1 2 3 4 5 6 7 ▶

It is not certain that the risk category posted will remain unchanged, the classification of your Sub-Fund then being likely to change over time. The lowest category is not synonymous with risk-free investment.

ARTICLE 8 SFDR

According to the SFDR (Sustainable Finance Disclosure Regulation), this product promotes environmental or social characteristics but does not aim at sustainable investment.

Investors should be aware and prepared to accept that, for those Funds which have a sustainable management process, this process is based on the use of a proprietary model to determine the ESG score. There is a risk that this model may not be efficient. The performance of these Funds may therefore be below the management objective.

The KID must be given to subscribers prior to subscription.

The operating rules, the risk and return profile and the fees relating to investment in a fund are described in the fund's KIID.

IMPORTANT INFORMATION

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.

COUNTERPARTY RISK

The counterparty risk is associated with swaps and other derivative instruments contracted by the Sub-Fund. The Sub-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 Sub-Fund.

INTEREST RATE RISK

The Sub-Fund, through the index, directly or through monetary UCIs 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.

FOREIGN EXCHANGE RISK

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

RISK ASSOCIATED WITH THE INVESTMENT IN FUTURES INSTRUMENTS ON COMMODITIES

The Sub-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 Sub-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.

LIQUIDITY RISK

The portfolio's liquidity risk is based on the liquidity of the investment vehicles used: this liquidity risk in the Sub-Fund mainly exists due to positions on metals, as some events can result in share trading or listing being suspended on the markets on which they are traded. Lack of liquidity in a security may increase the cost of liquidating a position and, as a result, cause a drop in the net asset value of the Sub-Fund or lead to liquidation being delayed should an underlying market be suspended.

SUSTAINABILITY RISK

Sustainability risks are primarily related to climate events resulting from climate change (known as physical risks), 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

ALLOCATION PROCESS



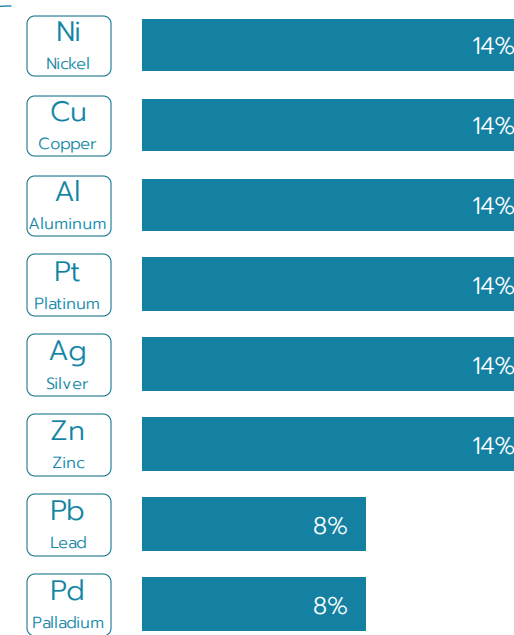
PORTFOLIO ALLOCATION

Negotiable debt security allocation

Index allocation
(100% exposure)

Performance swap for the "Basket Energy Strategic Metals" Index

French Treasury bills
(or the equivalent)
maturing in less than 3 months
Cash (<10%)
Money market fund (<10%)



- Fixed allocation. Basket reviewed once a year by a committee.
- The index is rebalanced between these various components quarterly.
- Fund based on a daily EUR currency hedged Index.
- Index allocation and weightings reviewed during an investment committee meeting held once a year.

Source: Ofi Invest AM, January 2023

FUNCTIONING OF THE SWAP

Swap

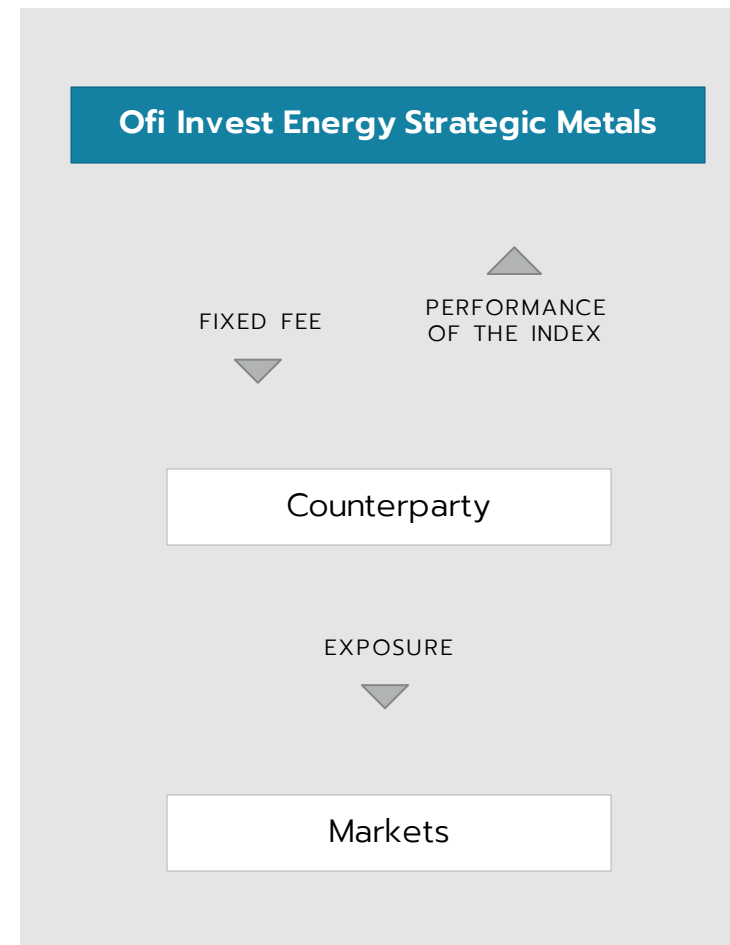
- To gain exposure to the commodity markets, OFI Invest Energy Strategic Metals has entered into a financial swap agreement.
- This swap agreement consists in exchanging a fixed fee for the performance of a financial index. The index is independently quoted by Solactive. Solactive is an index provider based in Germany, which operates globally and develops bespoke index-linked investment products with the world's main investment banks and asset managers.

Swap counterparties

- UBS, BNP Paribas, JP Morgan, Bank of America and Société Générale are some of the counterparties selected (possibility of structuring with other counterparties).

Collateral and limiting of risk with the counterparty

- No collateral: the fund is mainly invested in French Treasury bills, with a residual balance held by the custodian, Société Générale.
- The commitment limit is set at the index's performance over one day, with a payment made systematically if the performance swap's balance is above €250,000 on either side of the swap.



IMPORTANT INFORMATION

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fund in question. Potential subscribers must be provided with the relevant KIID before making any subscription. The operating rules, risk and reward profile, and fees relating to investments in a fund are set out in the fund's KIID. The KIID and latest periodical reports are available on request from Ofi Invest Asset Management. The performance figures cited herein cover past years. Past performances are not a reliable indicator of future performances. Ofi Invest Asset Management reserves the right to modify the information presented in this document at any time and without notice. Ofi Invest Asset Management may not be held liable for any decision made or not made based on information contained in this document, or the use that may be made thereof by a third party. In the event that a fund is subject to a particular tax treatment, it should be noted that such treatment depends on the individual situation of each client and may be subject to change in the future.