

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Ofi Invest Precious Metals

Legal entity identifier: 9695006JSNO3RE8RMG80

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: ____ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: ____ %

☒ ☐ ☒ No

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Ofi Invest Precious Metals (hereinafter the "Sub-Fund") invests in order to gain exposure to the Basket Precious Metals Strategy Index made up of the following metals: Gold - Silver - Platinum - Palladium.

As part of its cash management process, the Sub-Fund may invest up to 100% of its assets in fixed-term deposits, in money market instruments and in short-term negotiable transferable securities (maturity at less than 1 year) issued by public entities in OECD member countries.

For this purpose, the Sub-Fund promotes environmental and social characteristics by financing issuers with good environmental, social and governance practices, in accordance with the Management Company's proprietary ESG rating methodology.

The themes taken into account in reviewing countries' good ESG management practices are:

- **Governance:** Respect for citizens – Quality of management – Independence and stability – Ethics;
- **Social:** Employment and labour market – Social equity – Education – Health;
- **Environmental:** Energy and carbon – Management of water and biodiversity – Limitation of toxic discharges – Development of green sectors.

The Management Company also intends to consider negative externalities related to producing the metals underlying the performance of the index.

To do this, the Management Company calculates the carbon footprint, taking into account the composition of the strategy, in order to determine the amount of Greenhouse Gas (GHG) emissions associated with the basket of commodities that make up the index. It does so for the purposes of estimating the number of certified Voluntary Emission Reductions (VER) necessary for the Management Company in order to offset carbon emissions.

The Sub-Fund has 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. This index may be used for financial performance measurement purposes. This index has been chosen independently of the environmental and/or social characteristics promoted by the Sub-Fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the Sub-Fund are:

- Regarding the carbon offsetting mechanism:
 - Calculation of GHG emissions associated with the basket of commodities that make up the index;
 - The number of certified Voluntary Emission Reductions (VER) acquired in order to offset GHG emissions.
- For the proportion of assets invested in government bonds of OECD countries:
 - The ESG rating calculated on public issuers during the investment strategy process. For the method used for calculation of this rating, please refer to the section "What investment strategy does this financial product follow?".
 - The percentage of public issuers belonging to the "Under Supervision" category as defined by the SRI score calculation method and which are subject to an exclusion (i.e., 20% of the Country component of the investment universe).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

☐ No

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The methods used by the Management Company to assess investee companies, for each of the principal adverse impacts linked to sustainability factors, are as follows:

| Adverse impact indicators | Valuation method (OECD countries + 5 countries) |
|---|---|
| 15. GHG intensity | ESG rating of countries: this indicator is taken into account in: <ul style="list-style-type: none"> Analysis of the "Energy, carbon & green sectors" issue The system of penalties for countries that have not ratified the Kyoto Protocol and the Paris Agreement |
| 16. Investment countries subject to social violations | ESG rating of countries: this indicator is taken into account in: <ul style="list-style-type: none"> Analysis of the "Employment and labour market" issue. The penalty system for countries on the Freedom House list, updated annually in its report on (civil and political) freedoms worldwide, and for those countries that have not abolished the death penalty. |

For more information, please refer to the "Statement on the Principal Adverse Impacts of Investment Decisions on Sustainability Factors", which can be found on the Management Company's website [in French]: <https://www.ofi-invest-am.com/finance-durable>



What investment strategy does this financial product follow?

The Sub-Fund invests in order to gain exposure to the Basket Precious Metals Strategy Index composed of the following metals: Gold - Silver - Platinum - Palladium.

In the context of management of its cash, the Sub-Fund may invest up to 100% of its assets in fixed-term deposits, in money market instruments and in short-term negotiable transferable securities (maturity at less than 1 year) issued by public entities with their registered office in a Member Country of the OECD, demonstrating cogent practices for managing ESG issues, and excluding those demonstrating insufficient consideration of these issues.

In addition, the Management Company considers negative externalities relating to producing the metals that make up the Basket Precious Metals Index, through the acquisition of certified Voluntary Emission Reductions (VER).

For more information on the investment strategy, please refer to the section on investment strategy in the prospectus.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy used to select the investments to attain each of the environmental and social characteristics promoted by the Sub-Fund are as follows:

ESG analysis carried out as part of the cash management strategy

Both countries and private issuers are facing long-term non-financial risks, risks associated with their governance, social risks and environmental risks. These different risks affect their political and social stability, and their economic and financial health.

Taking these factors into account while assessing countries helps to produce an estimate of how likely they are to be able to fulfil their commitments in the future.

Based on the reference systems for countries' key issues, an ESG Score is calculated per country. The E and S issues each represent 30% of the score, and the G issue, 40%.

For each issue, this score reflects the State's positioning compared to its peers. This ESG score is calculated out of 5.

The ESG analysis of issuers is carried out using a dedicated proprietary tool for automating the quantitative processing of ESG data, combined with a qualitative analysis by the SRI division (data mainly from ESG rating agencies, but also from specialised agencies).

There is a risk that, from time to time, our approach will not be effective and that the final rating assigned to an issuer by the Management Company's SRI division will differ from that proposed by a third party. Furthermore, the selection of SRI UCIs external to the Management Company may generate a lack of consistency insofar as the funds selected can a priori implement different and independent ESG approaches.

Each SRI category covers 20% of countries, and these categories are as follows:

- **Under Supervision**: Countries lagging behind in consideration of ESG issues
- **Uncertain**: Countries whose ESG issues are poorly managed
- **Followers**: Countries whose ESG issues are averagely managed
- **Involved**: Countries that are proactive in the consideration of ESG issues
- **Leaders**: Countries most advanced in the consideration of ESG issues

The 20% of countries lagging the furthest behind in managing ESG issues are excluded from the investment universe, corresponding to the "Under Supervision" category.

Assets forming the subject of an ESG rating or an SRI score will represent at least 80% of assets.

Furthermore, with a view to cash management, the Sub-Fund may invest up to 10% of its net assets in money market UCIs. These UCIs managed by the Management Company are classified as Article 8 products within the meaning of the SFDR, and apply its ESG integration strategy.

Carbon offsetting mechanism for emissions from underlying metals

Emissions will be calculated on Scope 1 and 2, which constitute the majority (more than 90% of the sector's emissions).

The methodology for calculating Scope 1 and Scope 2 emissions is as follows:

- **Direct GHG emissions (or Scope 1)**: Direct emissions from fixed or mobile installations situated within the organisational structure, i.e. emissions from sources owned or controlled by the metal-producing organisation such as: combustion of fixed and mobile sources, industrial processes excluding combustion, emissions from ruminants, biogas from technical landfills, leakage of refrigerants, nitrogen fertilisation, biomass and more.
- **Indirect energy emissions (or Scope 2)**: Indirect emissions associated with the production of electricity, heat or steam imported for the activities of the metal-producing organisation.

Carbon offsetting is by use of Verified Emission Reductions (VER) that comply with the highest standards (CDM (<https://cdm.unfccc.int/>), Gold Standard (<https://www.goldstandard.org/>) and Verra, a body that issues the VCS label: <https://verra.org/>).

Average carbon footprint offset costs are intended to cover the costs associated with the carbon footprint offset service. They will represent a maximum of 10% of the financial management fees, net of retrocession, received by the Management Company, of which a maximum of 15% for the carbon offset service and a minimum of 85% in order to obtain VERs.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The committed minimum rate corresponds to the exclusion of 20% of public issuers from the corresponding component of the investment universe ("Under Supervision" SRI category) at any time.

● **What is the policy to assess good governance practices of the investee companies?**

Regarding the portion of the Sub-Fund's assets invested in index swaps on futures contracts giving exposure to the performance of precious metals, these inert products are unable to incorporate good governance factors.

For the portion invested in government bond issues of OECD countries, the analysis of good governance practices forms an integral part of the ESG analysis through the selection of criteria in the area of Governance (Respect of citizens – Quality of management – Independence and stability – Ethics).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

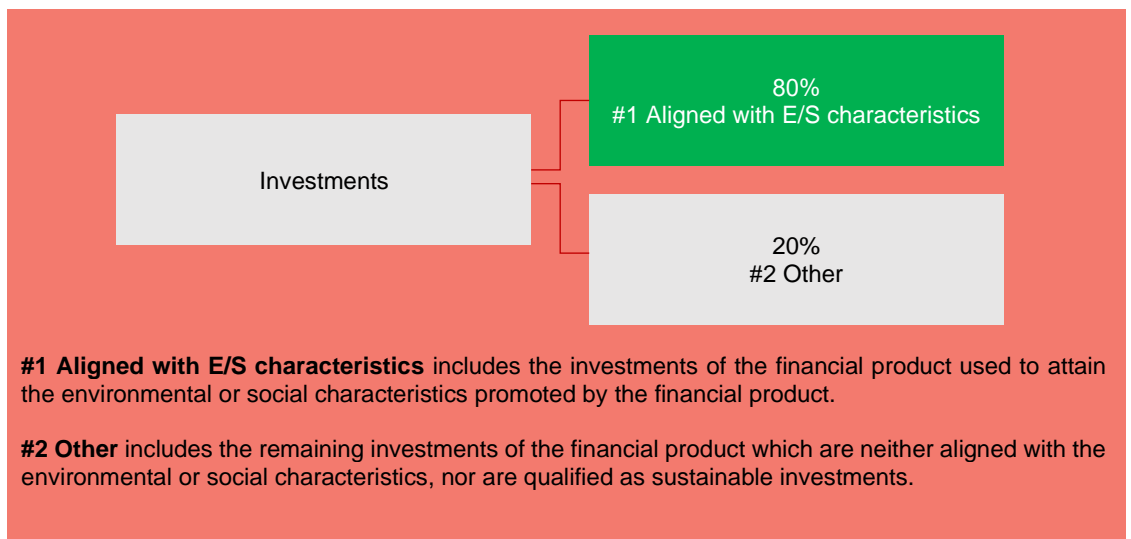


Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



At least 80% of the net assets of the Sub-Fund are made up of investments contributing to the promotion of environmental and social characteristics (**#1 Aligned with E/S characteristics**).

Within the **#2 Other** component, a maximum of 20% of the Sub-Fund's investments will consist of cash and derivatives.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The use of derivatives will not aim to attain E/S characteristics. However, their use will not have the effect of significantly or permanently distorting the environmental and/or social characteristics promoted by the Sub-Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not currently make any minimum commitments to align its activities with the Taxonomy Regulation. Accordingly, the minimum investment percentage aligned with the EU Taxonomy to which the Fund commits is 0%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

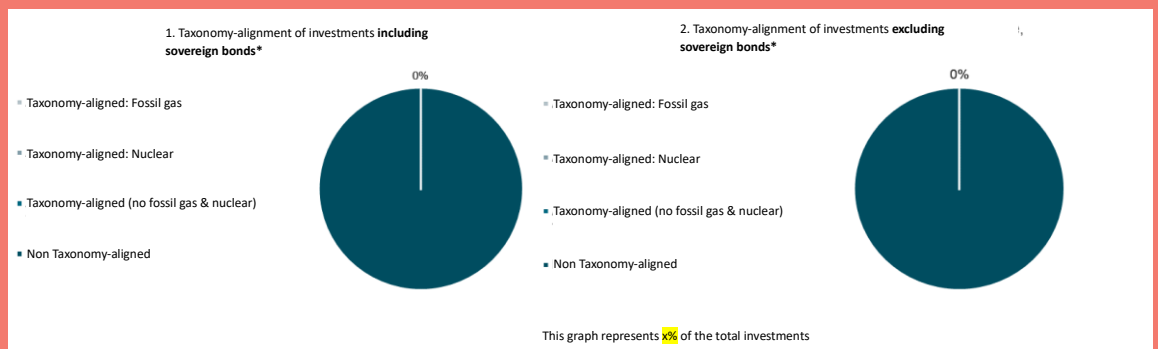
☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purposes of these graphs, 'sovereign bonds' consist of all sovereign exposures.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

These investments represent a maximum of 20% of the Sub-Fund's investments and will consist of:

Cash:

Derivatives, so as to gain exposure to the Basket Precious Metals Index, made up of the following metals: Gold, Silver, Platinum, Palladium. A basic long position is set up, based on swaps on the Basket Precious Metals Strategy index. This index is made up of futures contracts on the main selected precious metals and on interest rates with the following allocation: 35% Gold – 20% Silver – 20% Platinum – 20% Palladium – 5% 3-month SOFR

However, from 10/04/2024, the weighting of the index will gradually shift in favour of 35% Gold, 20% Silver, 20% Platinum, 5% Palladium and 20% SOFR 3-month.

It is important to note that the index will be gradually switched over a period of 30 business days in order to avoid the impact of the Palladium market on the Sub-Fund's net asset values. As the index is traded every day except for public holidays in the USA, the weightings of the index will change on public holidays in France and the United Kingdom. The new weighting will therefore be effective from “22/05/2024”.

Although this category does not have an ESG rating and no environmental and social guarantees have been implemented, its use will not have the effect of significantly or permanently distorting the environmental and/or social characteristics promoted by the Sub-Fund.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.



Where can I find more product specific information online? More product-specific information can be found on the website:

More Sub-Fund-specific information can be found on the website:
<https://www.ofi-invest-am.com/en/produits>