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

Product name: Ofi Invest Precious Metals **LEI:** 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.

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ____ %	☒ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ____ %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

Ofi Invest Precious Metals (hereinafter "the Sub-Fund") promotes environmental and social characteristics. In order to assess issuers' environmental, social and governance practices, the Management Company relies on the internal ESG rating methodology. It invests in order to gain exposure to the Basket Precious Metals Strategy Index made up of the following metals: Gold – Silver – Platinum – Palladium.

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 SRI comparison universe consists of a list made up primarily of OECD countries.

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:

- 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 "What investment strategy does this financial product follow?" section.
  - 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 States component of the investment universe).

- ***What are the objectives of the sustainable investments that the financial product 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.

- ***How were the indicators for adverse impacts on sustainability factors taken into account?***

Not applicable

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

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, anticorruption and antibribery 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	**States ESG rating**: this indicator is taken into account in: • Analysis of the "Energy, carbon and green sectors" issue • **The system of penalties** for countries that have not ratified the Kyoto Protocol and the Paris Agreement
16. Investee countries subject to social violations	**ESG rating of countries**: this indicator is taken into account in: • 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 at 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.

For the purposes of cash management, the Sub-Fund may invest up to 100% of its assets in term deposits, money market instruments and short-term negotiable debt securities (with a maturity of less than one year) issued by public-sector entities headquartered in an OECD member country that take environmental, social and governance (ESG) criteria into consideration.

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:

The Sub-Fund adopts a "Best-in-Universe" ESG approach, which involves excluding 20% in number from the SRI comparison universe, which consists of a list mainly composed of OECD countries. These non-investable securities correspond to issuers included on the Management Company's sectoral and norms-based exclusion lists, as well as securities with the lowest ESG ratings.

The proportion of stocks undergoing an ESG analysis in the portfolio must be higher than 90% of the Sub-Fund's net assets (excluding cash, UCIs and derivatives).

The themes taken into account when reviewing the good ESG practices of public issuers are:

- Governance: Respect for citizens – Quality of management – Independence and stability – Ethics;

- Societal: 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.

To be part of the eligible investment universe, countries must not appear in the lowest 20% of the countries category of the investment universe, according to the Management Company's proprietary ESG rating as applied to sovereign issuers.

Countries 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.

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 ESG team (data mainly from ESG rating agencies, but also from specialised agencies).

Issuers' ESG ratings are calculated quarterly, while underlying data are updated at least every 18 months.

If the ESG score of a security is downgraded, thereby leading to it changing from investable to non-investable status, sales transactions must be started as soon as this category is confirmed, in accordance with the process described in the Responsible Investment Policy available on the Ofi Invest AM website.

However, we could face certain methodological limitations such as:

- a problem associated with non-disclosure or incomplete disclosure by certain companies of information that is used as input for the rating model;
- a problem associated with the quantity and quality of ESG data to be processed.

Details of the issuers' ESG rating methodology are provided in the document entitled Responsible Investment Policy. This document is available online at https://www.ofi-invest-am.com/pdf/principes-et-politiques/responsible-investment-policy.pdf

In addition, Ofi Invest Asset Management has identified risk areas for its investments in relation to specific business sectors and international benchmarks. Therefore, the Management Company has introduced exclusionary policies to minimise these risks and manage its reputational risk.

Therefore, the Sub-Fund complies with the policies summarised in the document entitled "Investment Policy - Sector-based and Norm-based Exclusions". This document is available online at https://www.ofi-invest-am.com/fr/politiques-et-documents.

The exclusion policies are available in full online at https://www.ofi-invest-am.com

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

The minimum commitment rate corresponds to the exclusion, at any time, of 20% of public issuers from the Sub-Fund's investment universe.

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.

Countries' good governance policies are analysed through pillar G of the ESG rating broken down into 4 issues:

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

- "Respect for Citizens" measures a State's ability to listen to its citizens, involve them in public debate and account for its actions;
- "Quality of Governance" aims to assess the effectiveness of a State's organisation and its ability to implement public policies;
- "Independence and Stability" aims to assess a State's political stability, particularly its ability to uphold the rule of law;
- "Ethics" measures the State's practices in combating corruption.

What is the asset allocation planned for this financial product?

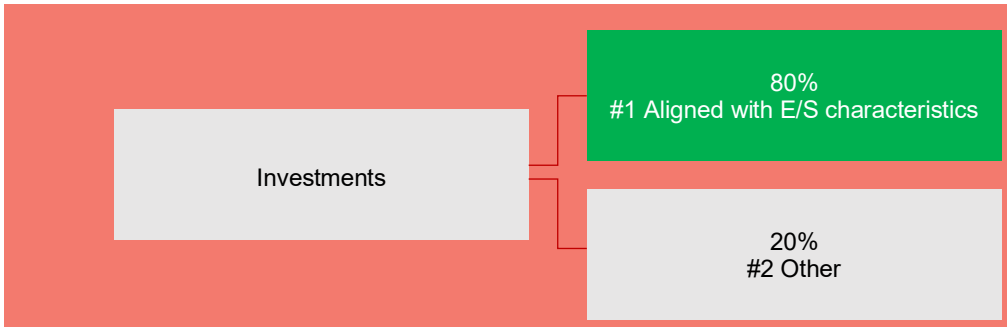
At least 80% of the Sub-Fund's net assets are made up of investments contributing to the promotion of environmental and social characteristics, including Article 8 and Article 9 UCIs under the SFDR Regulation (**#1 Aligned with E/S** characteristics).

Within the **#2 Other** component, a maximum of 20% of the Sub-Fund's investments will consist of:
- cash;
- derivatives;
- Portfolio securities without an ESG score;
- Article 6 UCIs under the SFDR Regulation.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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 result in the environmental and/or social characteristics promoted by the Sub-Fund being significantly or permanently distorted.

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 Sub-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 Sub-Fund commits is 0%.

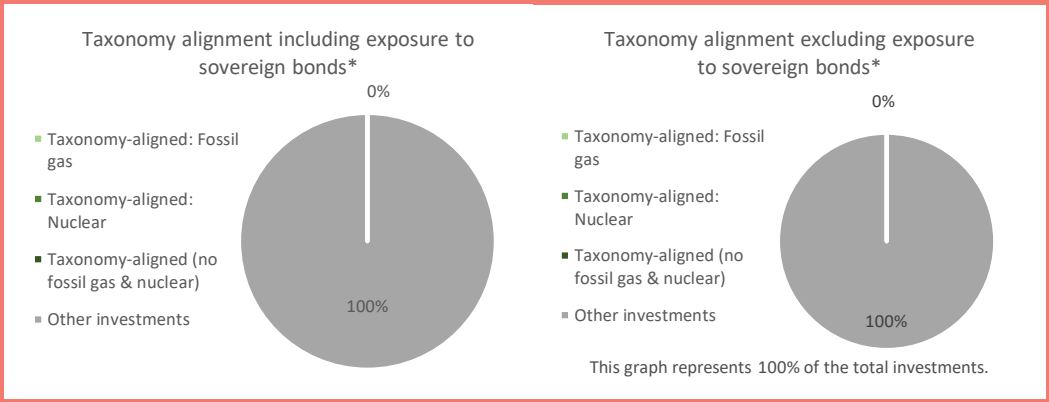
- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

☐ **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 purpose 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 – 5% Palladium – 20% 3-month SOFR.
- Portfolio securities without an ESG score;
- Article 6 UCIs under the SFDR Regulation.

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 benchmark index 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.

The SRI comparison universe consists of a list made up primarily of OECD countries.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***
  Not applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***
  Not applicable.
- ***How does the designated index differ from a relevant broad market index?***
  Not applicable.
- ***Where can the methodology used for the calculation of the designated index be found?***
  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.fr/produits