Ofi Invest Energy Strategic Metals I

Monthly Factsheet - Commodities - February 2024

Investment policy :

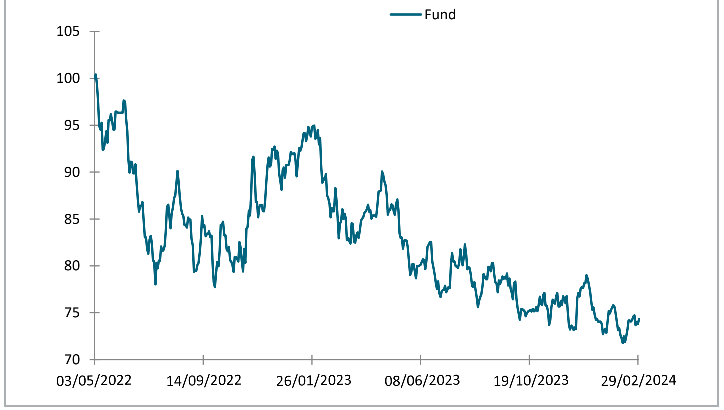
Ofi Invest Energy Strategic Metals aims to offer exposure to a basket of real assets that synthetically replicates the "Basket Energy Strategic Metals" index. This index was developed by the fund management team and consist of futures contracts on the main precious metals and industrial metals.

Registered in : DEU AUT ITA ESP PRT FRA

Key figures as of 29/02/2024

Net Asset Value (EUR):	37 170,90
Net assets of the unit (EUR M):	49,80
Total Net Assets (EUR M):	186,23
Number of holdings:	10

Return since inception



Source : Europerformance

Risk Profile

Level : 1 2 3 **4** 5 6 7

Monthly return

Source : Europerformance

YTD return

Source : Europerformance

Characteristics

ISIN Code :	FR0014008NM5
Europerformance Classification:	Commodities
SFDR Classification	Article 8
Main risks:	Counterparty risk, risk arising from the use of forward financial instruments
Management company:	OFI INVEST ASSET MANAGEMENT
Fund manager(s :	Benjamin LOUVET - Olivier DAGUIN - Marion BALESTIER
Legal form:	SICAV (UCITS V)
Distribution policy:	Capitalisation
Currency:	EUR
Inception date:	03/05/2022
Recommended investment horizon:	Over 5 years
Valuation:	Daily
Subscription cut-off:	D at 12h
Redemption cut-off:	D at 12h
Settlement:	D+2
Subscription fees:	None
Redemption fees:	None
Outperformance fees:	None
Management fees and other administrative and operating expenses:	0,89%
Custodian:	SOCIETE GENERALE PARIS
Administrator:	SOCIETE GENERALE PARIS

Return & Volatility

	Since inception		3 years *(cum.)*		1 year *(cum.)*		YTD		6 months	3 months
	Return	*Volat.*	Return	*Volat.*	Return	*Volat.*	Return	*Volat.*	Return	Return
Ofi Invest Energy Strategic Metals I	-25,66%	*21,27%*	-	-	-12,26%	*17,99%*	-4,78%	-	-6,40%	-2,20%

Source : Europerformance

Monthly returns

	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2022					-3,68%*	-12,04%	1,83%	-4,78%	-2,66%	-0,72%	11,96%	3,43%	-8,06%
2023	2,76%	-10,32%	2,13%	0,04%	-9,11%	-1,77%	6,47%	-3,48%	-1,37%	-3,05%	0,10%	2,70%	-15,08%
2024	-3,18%	-1,65%											-4,78%

** Performance from 03/05/2022 to 31/05/2022*

Source : Europerformance

Paying Agents :

Spain : *Comisión Nacional del Mercado de Valores (CNMV) – Number : 1820 / Distributor and paying agent : SELECCIÓN E INVERSION DE CAPITAL GLOBAL, AGENCIA DE VALORES, S.A. María Francisca, 9 - 28002 Madrid* ***. Italy :*** *Registered for distribution to institutional investors only.*
Portugal : *Distributor and paying agent: BEST - BANCO ELECTRONICO DE SERVICO TOTAL, Praça Marquês de Pombal, 3-3º, 1250-161 Lisboa, Portugal.* ***Germany :*** *Paying and Information Agent : OLDENBURGISCHE LANDESBANK AG, Stau 15/17, 26122 Oldenburg.*
Austria : *PAYING AND INFORMATION AGENT : Raiffeisen Bank International AG, Otto Wagner Platz 5 1090 Wlen.*

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Composition of the benchmark

FUTURES	CODE	WEIGHT
NICKEL	LN	10,8%
COPPER	HG	30,4%
ALUMINIUM	LA	15,8%
PLATINUM	PL	9,6%
SILVER	SI	16,0%
ZINC	LX	9,6%
LEAD	LL	4,0%
PALLADIUM	PA	3,8%

Source : Ofi Invest AM

Contribution to gross monthly performance

Futures	Market return	Contribution to portfolio
NICKEL	9,52%	0,95%
COPPER	-2,09%	-0,65%
ALUMINIUM	-2,92%	-0,46%
PLATINUM	-5,21%	-0,52%
SILVER	-2,16%	-0,34%
ZINC	-4,67%	-0,47%
LEAD	-5,14%	-0,22%
PALLADIUM	-5,82%	-0,24%

Source : Ofi Invest AM

Principal holdings by type of instrument

Negotiable debt securities			
Name	**Weight**	**Country**	**Maturity**
BTF ETAT FRANC 23/05/2024	22,89%	France	23/05/2024
BTF ETAT FRANC 10/04/2024	22,47%	France	10/04/2024
BTF ETAT FRANC 24/04/2024	17,09%	France	24/04/2024
BTF ETAT FRANC 27/03/2024	15,00%	France	27/03/2024
BTF ETAT FRANC 13/03/2024	9,66%	France	13/03/2024

Source : Ofi Invest AM

Swap		
Index swap	**Weight**	**Counterparty**
Basket Energy Strategic Metals Index	99,94%	(JPM/SG)

Source : Ofi Invest 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	-0,97	-	-	49,02%	-19,05%	-

Source : Europerformance

Asset management strategy

OFI Invest Energy Strategic Metals lost 1.65% in February. As we said last month, the environment for industrial metals is less buoyant in the early part of the year. This is partly a consequence of what tends to be weak demand from China in January and February: the Chinese New Year period, when domestic activity slows sharply, is behind this adverse seasonal effect on demand for metals. A second factor hampered the market during the month: the prospect of monetary easing by the Fed – which looked very optimistic at the beginning of the year, with investors anticipating nearly 200 basis points of rate cuts – was substantially revised as central banks sought to hammer home a cautious message, with the result that only 75 bps of rate cuts are now priced in for 2024. This drastic revision caused both interest rates and the dollar to rise and weighed on sentiment and economic growth expectations.

The metals hit hardest by this environment were platinum and palladium, down more than 5% in the month, closely followed by lead and zinc. All four metals suffered from reduced liquidity, heightening the effect of sell-offs on prices. Platinum group metals also continued to be the primary target for systematic trading. However, this market is increasingly beset by threats of production cuts: the prices of these metals mean many mining companies are now producing at a loss and planning to quickly shut down capacity. The first drastic staff cuts have already been announced, which means these companies are likely to significantly cut their production forecasts starting this year.

Silver, copper and aluminium posted more moderate declines of between 1.5% and 3%. Although affected by weak seasonal demand from China, these metals are supported by severe constraints on production capacity and the positive demand outlook from new technologies and the energy transition. Signs of tightness in the physical market are increasingly evident: pressure on copper refining margins, indicating a shortage of raw copper; increased Chinese imports, with Chinese production capacity in aluminium now in full swing; rapid growth of new technologies using more silver in a market already in deficit for this year; etc. The wait-and-see environment as regards US monetary policy and the lack of optimism in China are limiting the impact of these pressures on metal prices for the time being. However, the post-Chinese New Year period and the arrival of the expected monetary easing in the next few months should see metals rebound strongly.

Lastly, nickel rallied nearly 10% in the month. With prices so low over the past few months, many producers can no longer rely on generating positive margins and some have announced production cuts to stem their losses. However, we think this market will remain in surplus this year given growth in Indonesian production and fast-growing refining capacity in China, both of which mean the market will continue to have access to cheap supply.
Cyclical headwinds should thus quickly dissipate while the long-term trend remains intact. This means a strategy of diversification is once again more relevant than ever.

Benjamin LOUVET - Olivier DAGUIN - Marion BALESTIER - Fund manager(s)