

**Fund Overview**

|                                 |   |
|---------------------------------|---|
| <b>Legal form</b>               | Sub-fund (the "Fund") of the Luxembourg SICAV |
| <b>Launch date</b>              | BNP Paribas Flexi I<br>15-Nov-2019            |
| <b>Fund Manager</b>             | PANEL Maxime                                  |
| <b>Total net assets</b>         | 271.73  |
| <b>Management Company</b>       | BNP Paribas Asset Management<br>Luxembourg    |
| <b>Capital protection</b>       | No capital guarantee                          |
| <b>Management by delegation</b> | BNP Paribas Asset Management<br>France        |
| <b>SFDR Article</b>             | 6   |

**Investment Objective**

The Fund investment objective is to offer investors using a synthetic replication method (via TRS - Total Return Swap) an exposure to the commodity markets - excluding the agricultural and livestock sectors - via a quantitative, directional investment strategy exposed to commodity futures through diversified commodity financial indices. The Fund also aims to outperform its benchmark, the Bloomberg Commodity ex-Agriculture and Livestock Capped Total Return Index.

**Investment strategy**

The Fund is exposed to two underlying strategies (through two financial indices): (1) BNPIECE: a "Diversified Enhanced Carry" strategy with a diversified exposure and risk control layers in order to reduce the tracking-error (TE) relatively to the Fund benchmark. (2) BNPIOBXA: an "Oscillator Backwardation" actively weighted strategy with a slightly higher tracking error than BNPIECE but also aiming at generating more performance, by combining both "Backwardation" with "Momentum" indicators. Effectively, the Fund combines a low TE strategy with a high TE actively weighted strategy in order to (1) more easily control the TE of the Fund by overweighting BNPIECE in times of stress and (2) extract more performance by allocating to the higher potentially performing BNPIOBXA strategy otherwise.

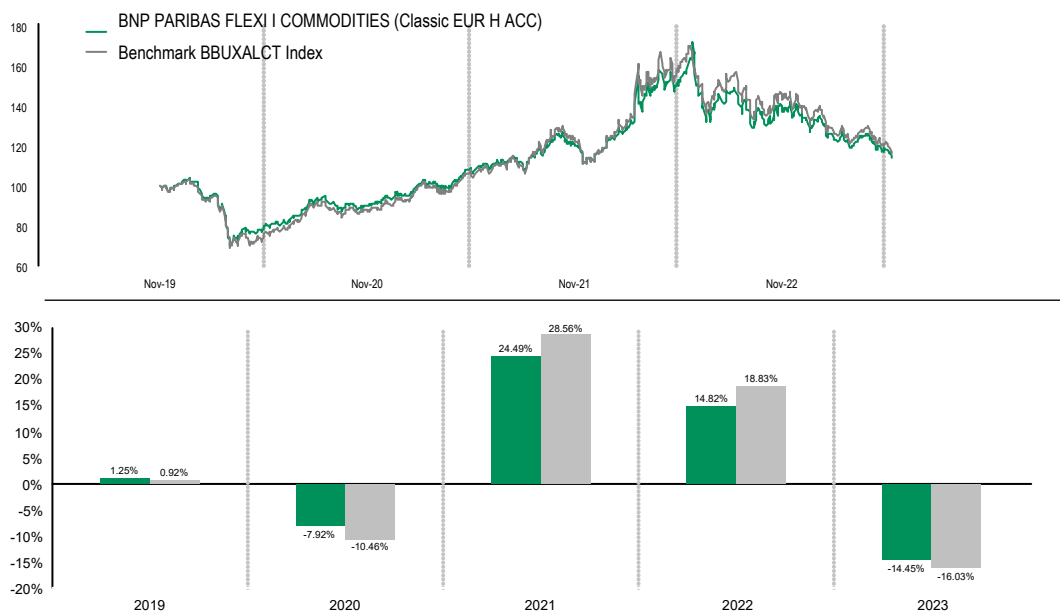
The Fund then aims at all times for an equal risk contribution allocation between these two strategies while attempting to keep the tracking-error below a 4.5% target.

**Share class details - Share Classic EUR H ACC**

|   |   |
|---|---|
| <b>Base currency (of share class)</b>       | EUR   |
| <b>NAV (Classic EUR H ACC)</b>              | 55.48   |
| <b>Share class</b>                          | Capitalisation  |
| <b>ISIN Code</b>                            | LU1931957093  |
| <b>Bloomberg Code</b>                       | BFICMHE LX  |
| <b>Cut-Off (CET)</b>                        | D 12:00 (24-hr)   |
| <b>Min. initial subscription</b>            |   |
| <b>Management fees</b>                      | 1.50%   |
| <b>Other fees</b>                           | 0.40%   |
| <b>Subscription tax</b>                     | 0.05%   |
| <b>Performance fees</b>                     | None  |
| <b>Current real ongoing charges</b>         | 1.96%   |
| <b>(including 0.01% of Foreign UCI Tax)</b> |   |
| <b>European</b>                             | Austria, Belgium, Czech Republic, Finland,  |
| <b>Passporting</b>                          | France, Germany, Greece, Hungary, Ireland,<br>Italy, Switzerland, Singapore, Sweden,<br>Slovakia, Spain |

**Fund management comment**

The BNP Paribas Flexi I Commodities (BFICMHE LX Equity) lost in May. The BCOM ex-Agriculture & Livestock Capped Index lost -6.86%. Global equities lost 1.3% in May (MSCI AC World index in US dollar terms), leaving them up by 6.8% from the end of 2022. The weakness in May resulted from renewed concerns over US regional banks, after a third bankruptcy at the beginning of the month, and uncertainty over the outcome of US debt ceiling negotiations. At the beginning of the month, the quarterly earnings reports of some regional banks highlighted a significant decline in deposits, leading to a dizzying fall in their stock price, accentuated by short selling. Investors' attention in the 2nd half of May shifted to the possibility of a US default from 1 June, the deadline announced by the Treasury Secretary in a letter to Congress on 1 May. This topic is essentially political and US equities rolled on during the progress and deadlocks in the negotiations over the debt ceiling between Joe Biden and the Republicans. At the end of the month, an 'agreement in principle' was reached to suspend the debt ceiling until 2025. Finally, in the face of persistently high core inflation, monetary policy decisions and expectations also remained sources of uncertainty, with erratic movements in bond yields fuelling volatility in equities. The message from activity indicators is difficult to decipher: The US economy remains resilient (employment, domestic demand) while Europe shows signs of weakness (technical recession in Germany, deterioration in the business climate) and the reopening of the Chinese economy is disappointing, weighing on equities (-9.0% in May for the MSCI China index in US dollar terms). Weather was once again the main mover for Natural Gas. However, unlike the winter months where it was abnormally warm, forecasts are now suggesting it is abnormally cool. This is therefore bearish for Air Conditioning usage which is weighing on prices. As gas prices decreased, the contango exhibited by the gas forward curve steepened, which resulted in outperformance of the fund, and notably of the deferred BCOM expositions, compared to the market benchmark.

**Historical Performance and Risk Analysis (Share Classic EUR H ACC)**

**Performance statistics**

|                  | Cumulative performances |         |         | Annualised performances |              |
|------------------|-------------------------|---------|---------|-------------------------|--------------|
|                  | 1 Mo                    | 1 Y     | YTD     | 3 Y                     | Since Launch |
| <b>Fund</b>      | -6.13%                  | -26.55% | -14.45% | -                       | 3.77%        |
| <b>Benchmark</b> | -6.86%                  | -28.18% | -16.03% | -                       | 4.26%        |
| <b>Diff</b>      | 0.73%                   | 1.63%   | 1.58%   | -                       | -0.49%       |

**Performance and risk analysis**

|                              | YTD     |           | 1 Year  |           | 3 Years |           | Since Launch |           |
|------------------------------|---------|-----------|---------|-----------|---------|-----------|--------------|-----------|
|                              | Fund    | Benchmark | Fund    | Benchmark | Fund    | Benchmark | Fund         | Benchmark |
| <b>Annualized volatility</b> | 14.71%  | 16.79%    | 22.47%  | 22.89%    | -       | -         | 19.65%       | 21.68%    |
| <b>Sharpe Ratio</b>          |         |           |         |           | -       | -         | 0.19         | 0.20      |
| <b>Max drawdown</b>          | -15.05% | -16.73%   | -33.44% | -31.49%   | -       | -         | -33.44%      | -33.20%   |

**Risk Indicator**

**Lower Risk** **Higher Risk**

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

The summary risk indicator is a guide to the level of risk of this Product compared to other Products. It shows how likely it is that the Product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this Product as 4 out of 7, which is a medium risk class.

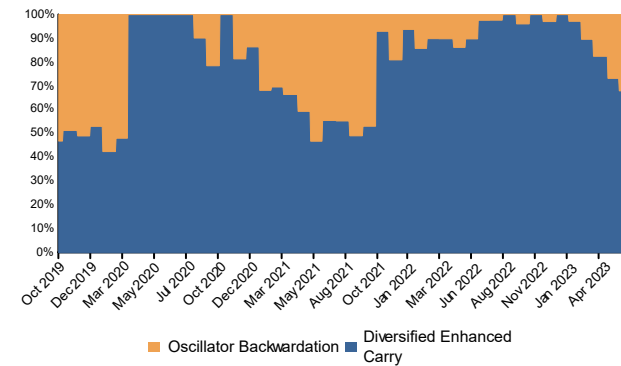
**Be aware of currency risk. If the currency of your account is different from the currency of this Product, the payments you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

**Historical Monthly Performance (Share Classic EUR H ACC)**

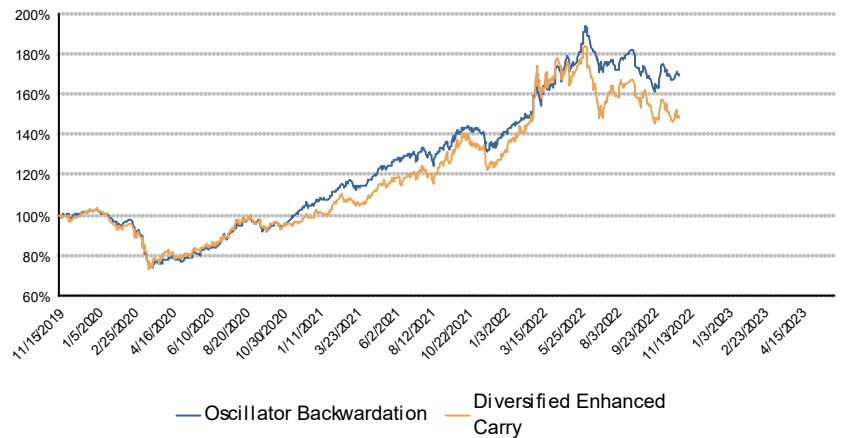
|      |       | Jan    | Feb    | Mar     | Apr    | May    | Jun     | Jul   | Aug    | Sep     | Oct    | Nov    | Dec    | Year    |
|------|-------|--------|--------|---------|--------|--------|---------|-------|--------|---------|--------|--------|--------|---------|
| 2023 | Fund  | -1.79% | -5.84% | -0.35%  | -1.10% | -6.13% |         |       |        |         |        |        |        | -14.45% |
|      | Bench | -2.25% | -6.12% | -0.94%  | -0.83% | -6.86% |         |       |        |         |        |        |        | -16.03% |
| 2022 | Fund  | 8.16%  | 4.68%  | 11.29%  | 3.75%  | 2.29%  | -10.55% | 4.72% | -1.19% | -9.60%  | 1.41%  | 6.15%  | -4.67% | 14.82%  |
|      | Bench | 10.47% | 4.95%  | 11.87%  | 4.39%  | 2.53%  | -11.92% | 7.13% | -1.36% | -10.15% | 1.75%  | 5.49%  | -4.72% | 18.83%  |
| 2021 | Fund  | 0.99%  | 6.59%  | -2.27%  | 5.91%  | 4.21%  | 2.54%   | 2.87% | -0.90% | 5.61%   | 1.79%  | -7.69% | 3.35%  | 24.49%  |
|      | Bench | 1.42%  | 7.83%  | -2.99%  | 6.65%  | 4.52%  | 2.68%   | 3.40% | 0.16%  | 7.45%   | 2.20%  | -9.48% | 2.83%  | 28.56%  |
| 2020 | Fund  | -7.08% | -6.38% | -16.31% | 3.93%  | 4.94%  | 2.22%   | 7.13% | 6.49%  | -5.63%  | -0.77% | 3.32%  | 2.79%  | -7.92%  |
|      | Bench | -8.10% | -6.73% | -18.14% | 1.26%  | 6.78%  | 3.47%   | 7.31% | 7.55%  | -6.87%  | 0.21%  | 3.17%  | 2.44%  | -10.46% |
| 2019 | Fund  |        |        |         |        |        |         |       |        |         |        | -3.27% | 4.67%  | 1.25%   |
|      | Bench |        |        |         |        |        |         |       |        |         |        | -3.82% | 4.83%  | 0.92%   |



Allocation between underlying strategies since launch



Performance of underlying strategies since launch



Monthly performance and current allocations of the strategy

| BNP Paribas Flexi I Commodities | Perf.         | Weight         |
|---------------------------------|---------------|----------------|
| Diversified Enhanced Carry      | -6.96%        | 67.94%         |
| Oscillator Backwardation        | -4.14%        | 32.06%         |
| <b>Total</b>                    | <b>-6.16%</b> | <b>100.00%</b> |

Current allocations of the strategy

| Commodity   | Weight | Benchmark |
|-------------|--------|-----------|
| WTI Crude   | 9.67%  | 11.27%    |
| Brent Crude | 9.14%  | 10.58%    |
| Gold        | 18.17% | 19.89%    |
| Copper      | 3.26%  | 9.96%     |
| Heating Oil | 3.82%  | 2.55%     |
| Aluminium   | 5.39%  | 8.22%     |
| Nickel      | 2.79%  | 4.16%     |
| Zinc        | 5.07%  | 4.41%     |
| Natural Gas | 7.87%  | 10.86%    |
| Gas Oil     | 4.36%  | 3.36%     |
| Silver      | 8.45%  | 9.24%     |
| Gasoline    | 5.38%  | 3.76%     |
| Cash        | 14.25% | 0.00%     |
| Copper      | 3.37%  | 0.00%     |
| Lead        | 1.16%  | 1.75%     |

| Sector            | Weight        | Benchmark      |
|-------------------|---------------|----------------|
| Energy            | 40.22%        | 42.37%         |
| Industrial Metals | 21.05%        | 28.50%         |
| Precious Metals   | 26.63%        | 29.13%         |
| <b>Total</b>      | <b>87.90%</b> | <b>100.00%</b> |



## Risks

**Risk of capital loss:** The Fund does not benefit from any guarantee or capital protection. Shareholders may therefore lose all their invested capital.

**Model risk:** The model used to determine the asset allocation for each underlying strategy is based on a quantitative approach. There is a risk that the model will not be efficient as there is no guarantee that the indicators defined will be relevant in the future.

**Risk associated with a commodity futures index:** The Fund's various underlying strategies are based on commodity futures, the Fund is consequently exposed to the liquidity risk inherent in trading in this type of financial instrument.

**Counterparty Risk:** This risk is associated with the ability of a counterparty in a financial transaction to fulfill its commitments like payment, delivery and reimbursement.

**Risk related to the use of forward financial instruments:** In order to achieve its investment objective, the Sub-Fund makes use of forward financial instruments traded over-the-counter that allow it to replicate the performance of the strategy. These instruments may involve a series of risks that could lead to adjustments or even the early termination of the instrument, which may affect the Sub-Fund's NAV.

## Glossary

**EAA - Fund Commodities Broad Basket:** Broad-basket portfolios can invest in a diversified basket of commodity goods including but not limited to grains, minerals, metals, livestock, cotton, oils, sugar, coffee, and cocoa. Inves can be made directly in physical assets or commodity-linked derivative instruments, such as commodity swap agreements. Source: Morningstar ©2017 Morningstar, Inc. All Rights Reserved.

**Net Asset Value** - Represents the net assets of the Fund (ex-dividend) divided by the total number of shares issued by the Fund.

**Historical tracking error** - Measure of the actual deviation of the Fund's returns from the comparative benchmark index returns (annualised). A higher number means that the Fund is taking greater risk against the benchmark.

**Historical Volatility of Portfolio** - Illustrates the dispersion of the fund's realized monthly returns around the average monthly return, indicating how volatile the Fund's return is over time. The higher the number the more volatile the Fund's returns.

**UCITS V** - "UCITS" or "Undertakings for the collective investment in transferable securities" are investment Funds regulated at European Union level. They account for around 75% of all collective investments by small investors in Europe. The legislative instrument covering these Funds is Directive 2014/91/EU.

**Ongoing Charges** - The ongoing charges figure is based on the Fund's expenses during the previous year. It excludes transaction costs and performance fees incurred by the Fund.

## Disclaimer

BNP Paribas Asset Management Luxembourg SA, a management company governed by chapter 15 of the law of 17 December 2010 and an alternative investment Fund manager governed by the law of 12 July 2013 supervised by the Commission de Surveillance du Secteur Financier (CSSF) under number S00000608 and A00000763 respectively, incorporated under the form of a société anonyme, with its registered office at 10, rue Edward Steichen, L-2540 Luxembourg, Grand-Duchy of Luxembourg, RCS Luxembourg B27605, and its Website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) (hereafter the "Company"). This material is issued and has been prepared by the management company. It contains opinions and statistical data that are considered lawful and correct on the day of their publication according to the economic and financial environment at the time. This document does not constitute investment advice or form part of an offer or invitation to subscribe for or to purchase any financial instrument(s) nor shall it or any part of it form the basis of any contractor commitment whatsoever. This document is provided without knowledge of an investors' situation. Prior to any subscription, investors should verify in which countries the financial instruments referred to in this document refers are registered and authorised for public sale. In particular financial instruments cannot be offered or sold publicly in the United States. Investors considering subscriptions should read carefully the most recent prospectus and Key Investor Information Document (KIID) agreed by the regulatory authority, available on the website. Investors are invited to consult the most recent financial reports, which are also available on the website. Investors should consult their own legal and tax advisors prior to investing. Given the economic and market risks, there can be no assurance that the financial instrument(s) will achieve its investment objectives. Their value can decrease as well as increase. In particular, changes in currency exchange rates may affect the value of an investment. Performance is shown net of management fees and is calculated using global returns with time factored in, with net dividends and reinvested interest, and does not include inscription redemption fees, exchange rate fees or tax. Past performance is not a guarantee of future results. All information referred to in the present document is available on [www.bnpparibas-am.com](http://www.bnpparibas-am.com)