

Fund Overview

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

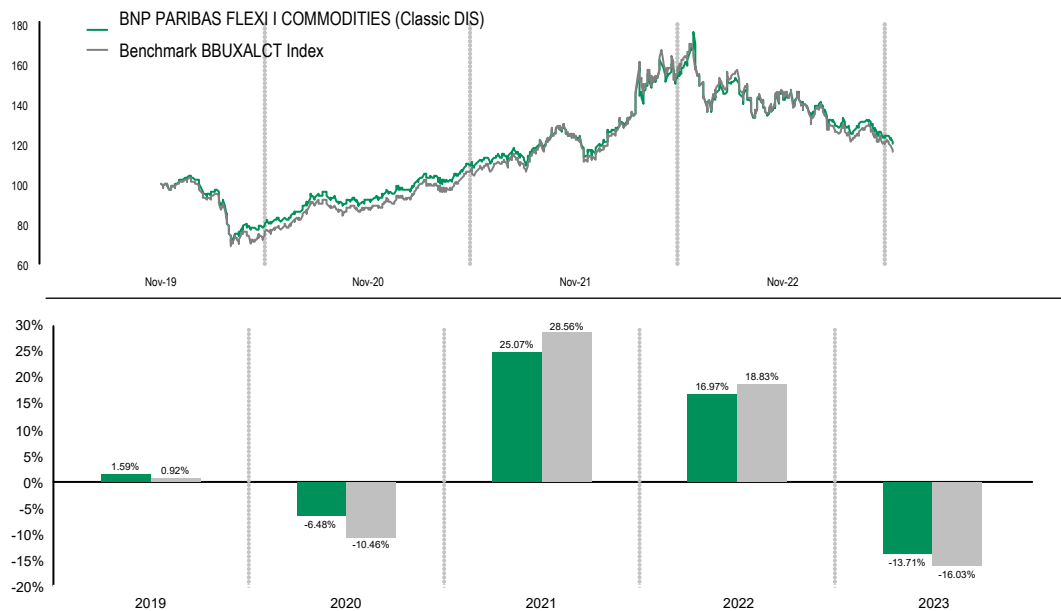
The Fund then aims at all times for an equal risk contribution allocation between these two strategies while attempting to keep the tracking-error below a 4.5% target.

Share class details - Share Classic DIS

Base currency (of share class)	USD
NAV (Classic DIS)	57.92
Share class	Distribution
ISIN Code	LU1931956368
Bloomberg Code	BFICMCU LX
Cut-Off (CET)	D 12:00 (24-hr)
Min. initial subscription	
Management fees	1.50%
Other fees	0.40%
Subscription tax	0.05%
Performance fees	None
Current real ongoing charges (including 0.01% of Foreign UCI Tax)	1.96%
European	Austria, Belgium, Switzerland, Czech
Passporting	Republic, France, Finland, Germany, Italy, Spain, Singapore, UK

Fund management comment

The BNP Paribas Flexi I Commodities (BFICIUA 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 DIS)

Performance statistics

	Cumulative performances			Annualised performances	
	1 Mo	1 Y	YTD	3 Y	Since Launch
Fund	-5.85%	-24.42%	-13.71%	-	5.27%
Benchmark	-6.86%	-28.18%	-16.03%	-	4.26%
Diff	1.01%	3.76%	2.33%	-	1.01%

Performance and risk analysis

	YTD		1 Year		3 Years		Since Launch	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Annualized volatility	14.69%	16.79%	22.37%	22.89%	-	-	19.55%	21.68%
Sharpe Ratio					-	-	0.27	0.20
Max drawdown	-14.60%	-16.73%	-31.51%	-31.49%	-	-	-32.22%	-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.

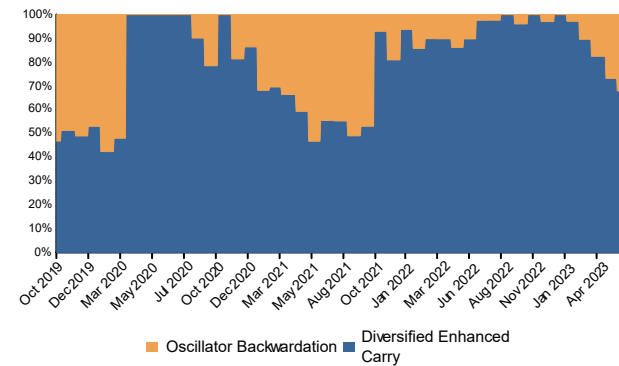
Be aware of currency risk. If the currency of your account is different from the currency of this Product, the payments you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Historical Monthly Performance (Share Classic DIS)

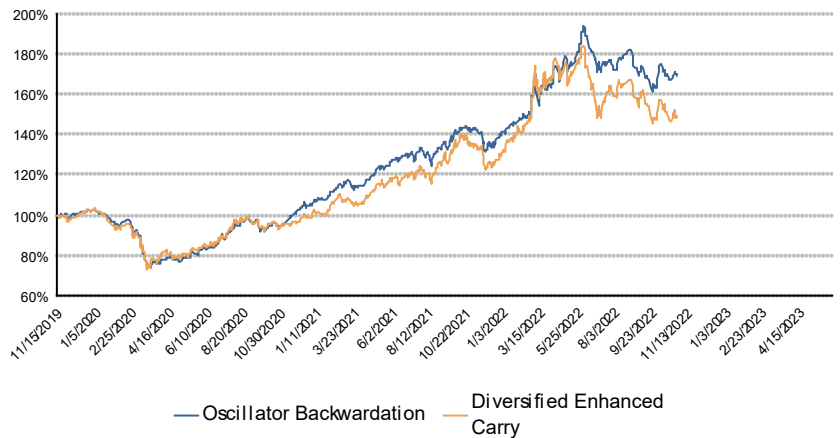
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	Fund	-1.49%	-5.58%		-1.46%	-5.85%								-13.71%
	Bench	-2.25%	-6.12%	-0.94%	-0.83%	-6.86%								-16.03%
2022	Fund	8.26%	4.76%	11.00%	3.47%	2.52%	-10.32%	4.82%	-0.92%	-9.25%	1.70%	6.54%	-4.36%	16.97%
	Bench	10.47%	4.95%	11.87%	4.39%	2.53%	-11.92%	7.13%	-1.36%	-10.15%	1.75%	5.49%	-4.72%	18.83%
2021	Fund	1.11%	6.64%	-2.18%	5.48%	4.27%	2.69%	2.91%	-0.75%	5.71%	1.78%	-7.66%	3.46%	25.07%
	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	-6.77%	-6.17%	-16.03%	3.41%	5.10%	2.35%	7.31%	6.81%	-5.55%	-0.69%	3.41%	2.94%	-6.48%
	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											-3.17%	4.92%	1.59%
	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%
Total	-6.16%	100.00%

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%
Total	87.90%	100.00%



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. Investments 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

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