

# OFI Institutional Commodities Opportunities

## Product Summary

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### Product Overview

A non-traditional, commodities strategy consisting of commodity derivatives, global natural resource equities, and money market investments. This innovative strategy is designed to capture the commodity market's value proposition in the most efficient manner.

### Objective

To outperform the Dow Jones-AIG Commodity Index<sup>SM</sup> over a full market cycle.

### Investment Approach

- *Asset Allocation:* Using proprietary models, the team actively manages the asset allocation among commodity derivatives, global natural resource equities, and money market investments based on opportunities in the commodity markets.
- *Commodity Derivatives:* Exposure to commodity derivatives is actively managed versus the Dow Jones-AIG Commodity Index<sup>SM</sup> based on proprietary trading algorithms.
- *Global Natural Resource Equities:* Flexibility to enhance commodity exposure in global natural resource equities through efficient, passive management via swaps.
- *Fixed Income Investments:* Money markets are used for collateral and margining of derivative instruments.

### Distinct Advantages

- Innovative approach to gain commodities exposure, including the ability to actively allocate assets among commodity derivatives and global natural resource equities.
- This multi-asset class approach is an improvement upon other traditional passive or enhanced-index commodity strategies that are subject to accepting current market conditions, including negative roll yields.
- Experienced investment team led by Kevin Baum (lead manager of commodities since 1999).
- Long and successful track record actively managing commodity derivatives by an experienced and highly-skilled commodities team.
- Proprietary asset allocation models drive relative value decisions.
- Risk management encompasses the overall investment strategy through risk budgeting, adherence to investment guidelines, and risk monitoring.

### Pricing

- Commingled vehicle: Annual fees are 1.00% on the first \$100 million under management, 0.95% on the next \$150 million, 0.90% on any additional amount.
- Separate account: Annual fees are 1.00% on the first \$100 million under management, 0.95% on the next \$150 million, 0.90% on any additional amount.
- Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.

### Disclosures

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OFII claims compliance with the Global Investment Performance Standards ("GIPS"). A GIPS-compliant presentation and a description of OFII's composites are available upon request.

The Dow Jones-AIG Commodity Index<sup>SM</sup> (DJ-AIGCI<sup>SM</sup>) is a registered service mark of Dow Jones & Company, Inc. ("Dow Jones") and American International Group, Inc. The DJ-AIGCI<sup>SM</sup> is designed to be a highly liquid and diversified benchmark for the commodity futures market. The DJ-AIGCI<sup>SM</sup> uses liquidity as well as production factors to determine component weightings, limiting any single commodity group to be no more than one third of the Index. Index performance includes reinvestment of income but does not reflect transaction costs.

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