



ALPHA COMMODITY

MARCH 2024 NEWSLETTER

theam QUANT
FUNDS

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY

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INVESTMENT OBJECTIVE

The Sub-fund aims to generate absolute returns⁽¹⁾ from the three main sources of alpha across the commodity markets, excluding the agricultural and livestock commodities sector.

STRATEGY

- The fund aims to generate absolute performance, by providing synthetic exposure to a portfolio of quantitative strategies aiming at benefitting from key Commodities markets' specificities.
- The aforementioned portfolio is a non-directional, market-neutral portfolio which seeks to provide access to distinct and unadulterated commodity alpha sources; it consists of three quantitative strategies which are broadly uncorrelated with each other, in order to benefit from diversification.
- Performance is harvested by capturing carry differentials that arise across commodity forward curves, in addition to the alpha derived from market inefficiencies and opportunities.
- There is a dynamic and risk-balanced allocation between the three strategies which is updated on a monthly basis.
- The fund incorporated a 2x leverage mechanism on 31st December 2022 into the portfolio construction process.

These internal guidelines are for indicative purposes only; Prospectus and KIID are prevailing.

PERFORMANCE

As of 28/03/2024	THEAM Quant – Alpha Commodity ²	Bloomberg Commodity ex-Agriculture and Livestock Capped Total Return Index ³
1 month performance	2.52%	3.46%
YTD performance	1.99%	2.50%
12 months performance	8.95%	-1.11%
Global annualised return	7.42%	5.15%
Overall performance ⁴	41.17%	27.39%

1 – Alpha Commodity Sub-Fund does not qualify as an absolute return fund as defined by French AMF

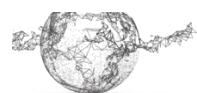
2 – Refers to LU1893641487, THEAM Quant – Alpha Commodity – I USD ACC <TQACIUA LX Equity>.

3 – Refers to BBUXALCT Index – Comparative Index for illustrative purposes only, it does not represent any benchmark for the fund.

4 – Overall performance since 28/06/2019.

Source: Bloomberg. Past performance is not an indicator of future performance.

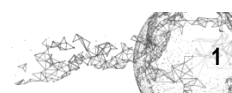
Follow the icon to go to the fund page on the THEAM Quant website



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MONTHLY COMMENTARY

PERFORMANCE

The THEAM Alpha Commodity fund gained +2.52% in March. Backwardation and Curve contributions were positive. Momentum contribution was negative.

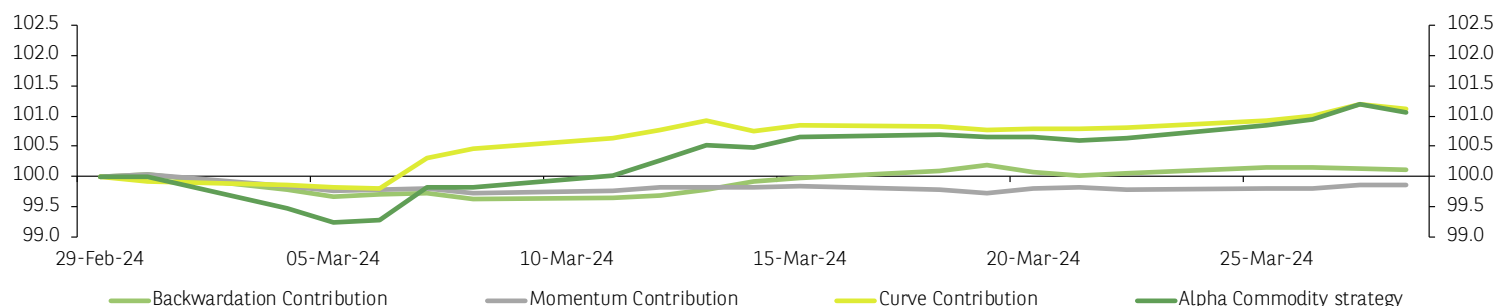
The index performance was mainly driven by the negative contribution of WTI and Brent to the Curve strategy, which was partly offset by the positive contributions of Natural Gas to the Backwardation and Momentum strategies.

MACRO & COMMODITIES ANALYSIS

- In equity markets, after their surge in February, global equities continued their upward, though more hesitant, trend, taking many indices to new record highs.
- With the consensus view on global growth improving, equity investors were reassured by central bank statements making it clear that policy rate cuts would occur in the coming months in most developed economies. Expectations for the US Federal Reserve's monetary policy remained the predominant focus for global markets. The yield on the US 10-year T-note (4.25% at the end of February) moved trendless between 4.05% and 4.35% during the month. It quickly fell below 4.10% (its lowest since early February) before returning above 4.30% in mid-month on the release of higher-than-expected consumer and producer price indices.
- Globally, the petroleum sector saw the biggest monthly rise. Crude oil prices reached their highest since November on 19 March and then stabilised to end the month up by 4.6% and 6.3%, respectively, for a barrel of Brent (at USD 87.5) and WTI (at USD 83.2).
- Natural Gas prices on the other hand continued to fall as Henry Hub spot prices hit their lowest levels since the early 1990s driven by an oversupplied market as mild weather curbed heating demand and inventory levels rose.

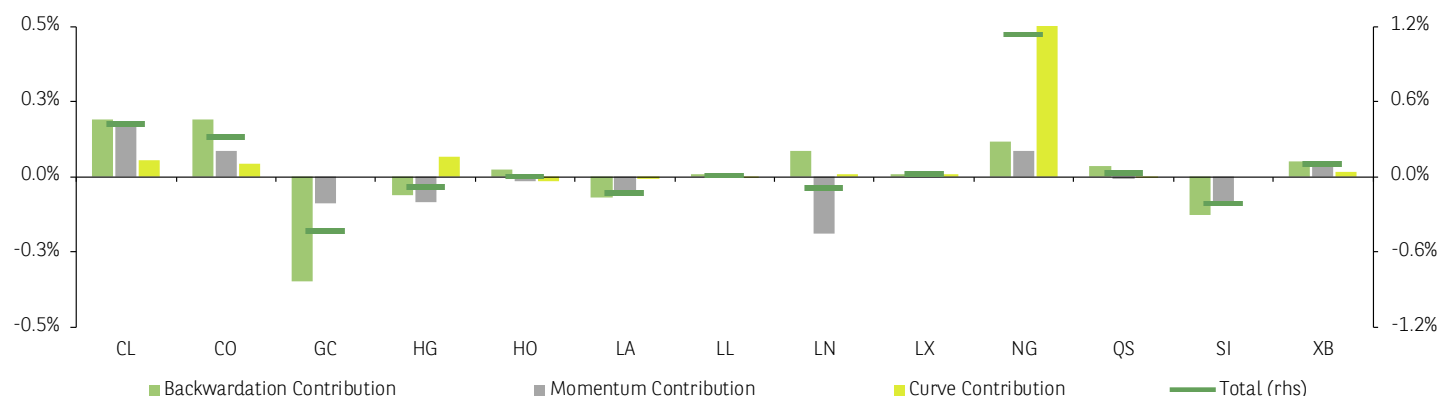
PERFORMANCE CONTRIBUTION:

STRATEGY & INDEX PERFORMANCE



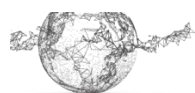
Source: Bloomberg, BNP Paribas. As of 28/03/2024

CONTRIBUTION BY COMMODITY AND MECHANISM TO STRATEGY PERFORMANCE



CL: Nymex WTI, CO: ICE Brent, HO: Nymex ULSD (NY Harbour), XB: Nymex RBOB Gasoline, NG: Nymex Natural Gas (Henry Hub), LA: LME Aluminium, LX: LME Zinc, LN: LME Nickel, HG: COMEX Copper, GC: COMEX Gold, SI: COMEX Silver

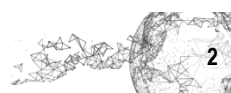
Source: Bloomberg, BNP Paribas. As of 28/03/2024.



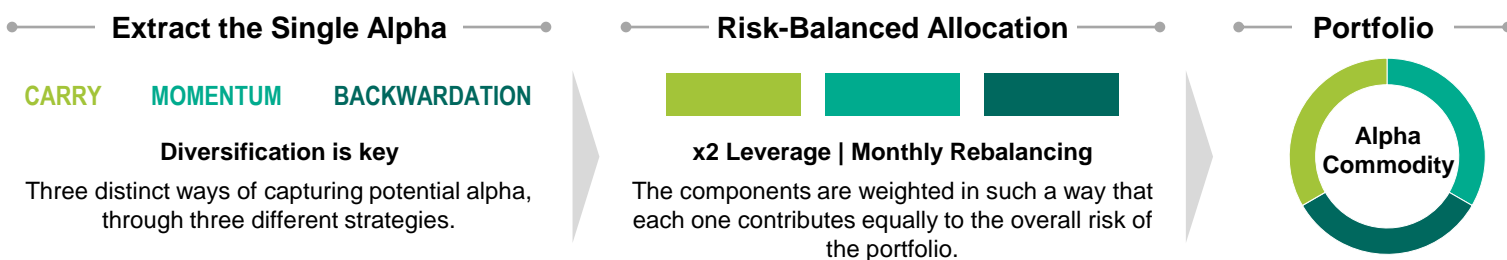
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INVESTMENT PROCESS IN A NUTSHELL



For illustrative purposes only.

- The fund's strategy aims to generate return by exploiting supply-demand imbalances and persistent price-trends in the commodities sector (excluding agriculture and livestock), by providing access to the following three strategies:
 - Dynamic Roll Alpha: Aims at exploiting the outperformance of an optimised placement along forward curves vs. the placement of benchmark indices
 - Alpha Momentum: Aims at exploiting the usual persistence of commodity price trends (supply-demand imbalances)
 - Alpha Backwardation: Aims at exploiting the usual outperformance of backwardated commodities
- There is an "Equally-Weighted Risk Contribution" allocation between the strategies, which is updated on a monthly basis.

CONTACTS

COMMODITIES INVESTORS DERIVATIVES GROUP, GLOBAL MARKETS | Youssef Boumenir | youssef.boumenir@uk.bnpparibas.com
 BNP PARIBAS ASSET MANAGEMENT | CIB Strategies Sales Support | am.maqs.cibsalessupport@bnpparibas.com
dl.theam_gm_coordination@uk.bnpparibas.com

FUND CHARACTERISTICS AND RISKS

	THEAM Quant – Alpha Commodity	
Management company	BNP Paribas Asset Management France	
Type of fund	Sub-fund of the Luxembourg THEAM Quant SICAV, UCITS compliant	
Recommended investment horizon	4 years	
Capital protected	No	
SFDR Article	6	
SRI Risk Classification (scale of 1-7) ⁵	3	
Share ⁶	I (USD) ACC	I (EUR) ACC
Launch date	28 June 2019	28 June 2019
Bloomberg Code	TQACIUA LX Equity	TQACIEH LX Equity
ISIN Code	LU1893641487	LU1893641727
Subscription/ Exit fees	None	
On-going charges	0.65%	
International registration	Austria, France, Italy, Germany, Switzerland	France, Germany, Italy (light registered), Switzerland

5 - The Summary Risk Indicator is determined on a scale from 1 to 7 (7 being the highest risk level), the higher the risk, the longer the recommended investment horizon.

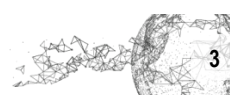
6 - For all shares available, please refer to the prospectus [here](#).



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WHAT ARE THE RISKS?

The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested.

Liquidity Risk: This risk arises from the difficulty of selling an asset at a fair market price and at a desired time due to lack of buyers.

Counterparty Risk: Linked to the default of a counterparty on over-the-counter markets.

Risk related to the use of forward financial instruments: In order to achieve its investment objective, the UCITS 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 net asset value of the UCITS.

For the full list of risks, please refer to the prospectus.

DISCLAIMER

"THEAM Quant" is the generic name given to a broad range of systematic strategies designed by BNP Paribas Global Markets and mostly implemented in Funds managed by BNP Paribas Asset Management

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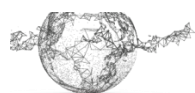
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