BNP PARIBAS

The bank for a changing world

# EQUITY EUROPE CLIMATE CARE NEWSLETTER

theam QUANT FUNDS

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | MARCH 2026



## INVESTMENT OBJECTIVE

The objective of the THEAM Quant – Equity Europe Climate Care is:

- To provide capital growth over the medium term, by being exposed to Europe listed equities, selected based on their ESG performance, financial outlook, energy transition strategy and carbon intensity.

## STRATEGY

In order to achieve its objective, the fund implements a quantitative investment strategy through the BNP Paribas Equity Europe Select Climate Care NTR Index, with an expected tracking error of 5% with the STOXX Europe 600 NTR index.

The final selection accounts for the following elements:

- The Fund provides diversified exposure to European companies with high ESG standards
- The selection of companies is made to ensure liquidity and risk reduction
- Companies are also selected based on their carbon emissions and energy transition strategy
- Dedicated Carbon Credit Share Classes to mitigate residual carbon emissions through the purchase of carbon credits from the Kasigau Corridor REDD+ project

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

## PERFORMANCE

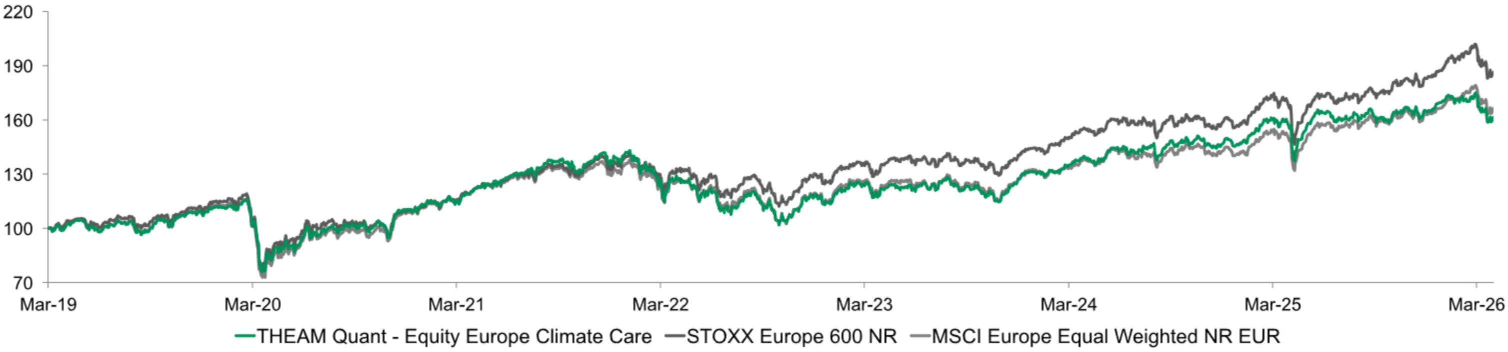
As of March 31st, 2026

| Mar 19 - Mar 26 | THEAM Quant - Equity Europe Climate Care | STOXX Europe 600 NR | MSCI Europe Equal Weighted NR EUR |
|---|---|---|---|
| Performance 1 month | -7.68% | -7.66% | -7.06% |
| Performance Year To Date | -5.14% | -1.01% | -0.59% |
| Annualised Performance Since Start Date | 7.00% | 9.19% | 7.46% |
| Annualised Volatility Since Start Date | 16.50% | 16.44% | 17.19% |
| Annualised Sharpe Ratio Since Start Date | 0.42 | 0.56 | 0.43 |
| Max Drawdown Since Start Date | -34.49% | -35.36% | -37.44% |

*Refers to FR0013397734, THEAM Quant – Equity Europe Climate Care – I EUR ACC < TQECCCI FP Equity >. Refers to the SXXR Index. Refers to the MSCI Europe Equal Weighted Net EUR Index < M7EUEWE Index > for comparative purposes only. 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

## PERFORMANCE



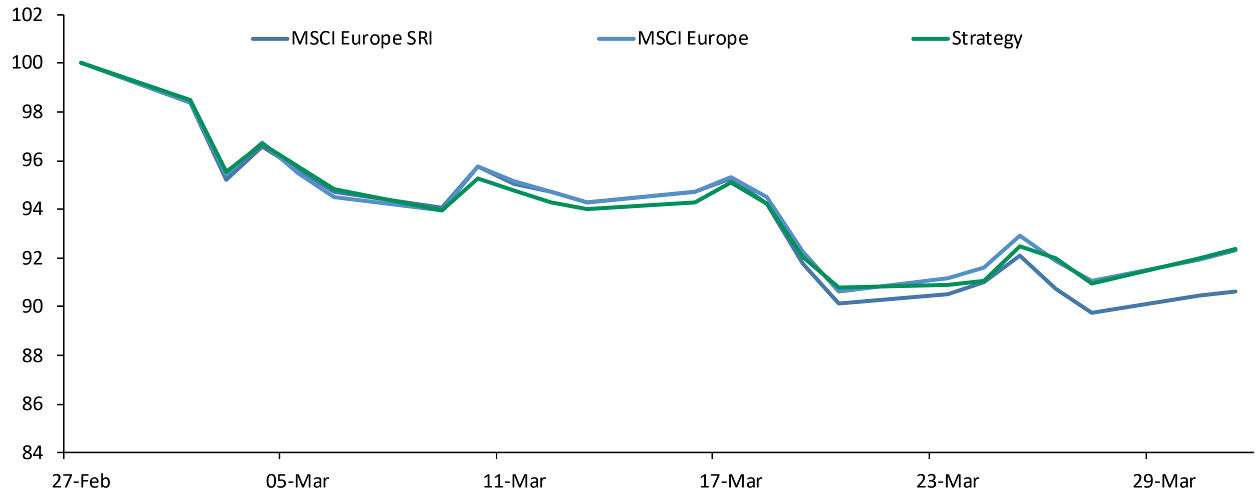

*Source: BNP Paribas, Bloomberg. Past performance is not an indicator of future performance*

## MONTHLY COMMENTARY

### MACRO BACKGROUND

- Geopolitical risk was on everyone's mind in March as the Middle East situation remained very unstable and information was patchy, often changing and contradictory. From the viewpoint of investors and economists, the duration of the block on shipping in the Strait of Hormuz is crucial as it will govern energy price movements, and therefore short-term inflation and growth. With the renewed nervousness on risky assets, the price of gold resumed its rise (+5.9% to $4,239 per ounce) after its brisk correction in October.
- Volatility in financial markets increased in the face of this new source of uncertainty. Oil prices soared (+63% for a barrel of Brent at $118.4; +51.3% for WTI at $101.4), reacting to any statement by the US President and experiencing very erratic movements.
- Gold prices fell (-12% in March to end at $4,668 an ounce), which may seem paradoxical given the nervousness that gripped investors. It probably reflected profit-taking rather than calling into question the attractiveness of precious metals in the medium term.
- As expected, the European Central Bank (ECB) left its three key rates unchanged at its meeting on 19 March. Since the last cut in June 2025, the deposit rate has stayed at 2.00%. The press release highlights that 'the war in the Middle East has made the outlook significantly more uncertain, creating upside risks for inflation and downside risks for economic growth'. Although the ECB considers itself to be 'well positioned to navigate this uncertainty', the tone of the statement and the press conference appeared hawkish. Clearly, and as confirmed in subsequent statements, the ECB is concerned more about inflation and less about growth in the medium term. ECB staff economic projections reflect a temporary negative impact on growth from the oil shock, with a rapid return in 2027 to the GDP growth pace that prevailed before the geopolitical shock. In 2026, inflation is expected to peak above 3%.
- According to the preliminary estimate, inflation was 2.5% year-on-year in March (after 1.9% in February), the highest since January 2025, driven by the sharp acceleration in energy costs (+6.8% compared to the previous month; +4.9% year-on-year). Core inflation (ex-food and energy) came in at 2.3% year-on-year (after 2.4% in February). These results were all slightly lower than expected, not least because goods prices excluding energy fell and services inflation slowed.
- The behaviour of price indices in March should not change the current thinking within the ECB governing council of ensuring the anchoring of inflation expectations and, to this end, raising policy rates. Futures markets adjusted rapidly to point to three 25bp hikes by the end of the year (compared to the end of February, when the possibility of an additional cut was not ruled out by futures markets). Due to several official statements mentioning the need for 'extreme vigilance', the consensus of economists has adapted but remains more cautious than market expectations. The question of a first hike in April or June has not yet been resolved, even by the ECB committee.
- Geopolitical tensions weighed on business surveys in March. The composite purchasing managers' index (PMI) fell from 51.9 in February to 50.5 in March (Flash estimate), its lowest in 10 months, despite the acceleration in activity in the manufacturing sector (where the index reached 51.4, its highest in 45 months). The components of the manufacturing survey are less encouraging than the index itself and could reflect disruptions along the supply chain. In addition, price paid indices in the manufacturing and, to a lesser extent, the services sectors have risen sharply. This data pointed to a slowdown in GDP growth in the first quarter with upside risks to inflation.

As of March 31st, 2026



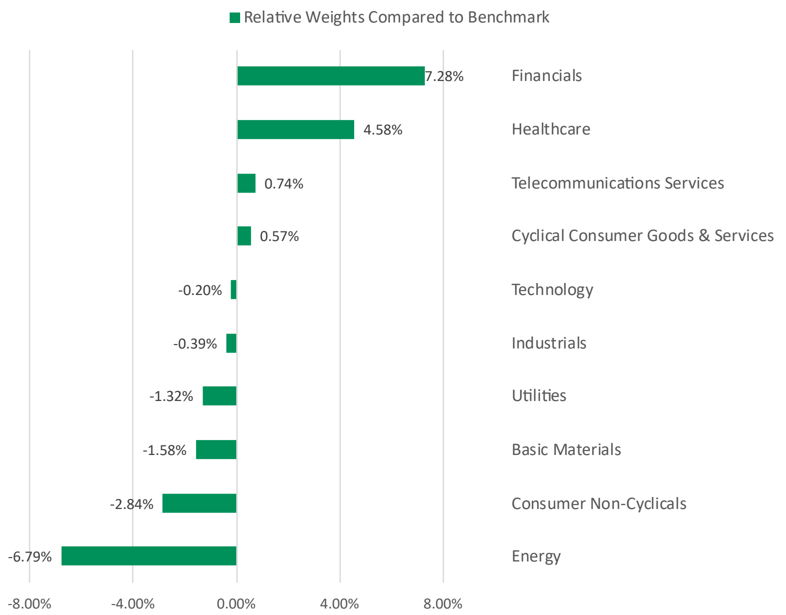

*Source: BNP Paribas. Past performance is not an indicator of future performance.*

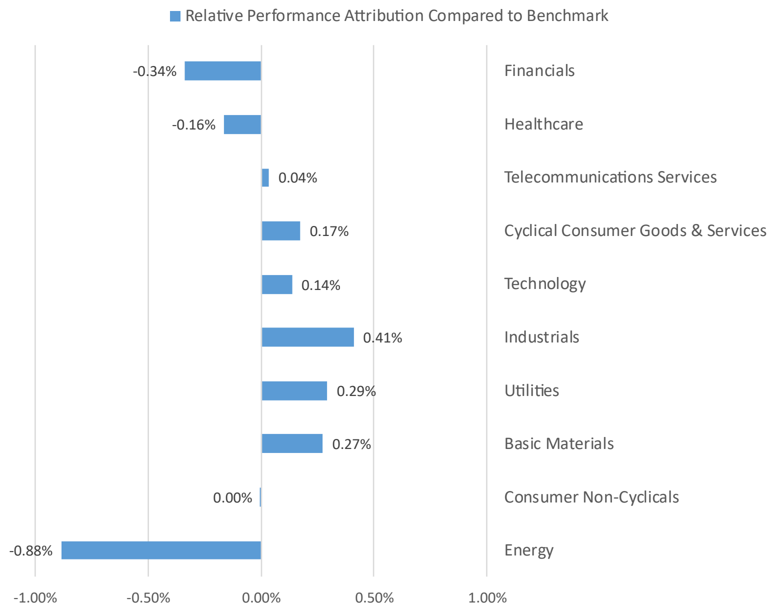
## FUND PERFORMANCE

- Within the Industrials, the Utilities and the Basic Materials sectors, stock picking outperformed by resp. 2.2 %, 7.1 % and 3.9 % with, for example, the positive performances of FORTUM (+10.4 %, with a weight of 1.1 %) and of BRENNTAG (+9.5 %, weighted at 1.3 %).
- Conversely, despite our selection within the Financials sector outperformed that of the benchmark (+0.8 %), our stronger relative over allocation (+7.3 %) in this sector generated a loss. Our selection within the United Kingdom underperformed that of the benchmark (-10.4 % versus -7.9 %), a loss amplified by our strong relative overweighting (+4.8 %). Lastly, our strategy was not exposed to the Energy sector (versus 6.8 %), which outperformed than the Stoxx Europe 600 NR (by +20.7 %).
- The allocation analysis shows a rise of 1.5 % and 0.5 % for the Technology and the Cyclical Consumer Goods & Services sectors (weighted at 8.9 % and 8.3 % respectively). On the contrary, Industrials and Financials fell by 1.4 % and 0.4 % (weighted at 16.0 % and 31.9 % respectively).

*Source: BNP Paribas. Past performance is not an indicator of future performance.*

## SECTOR RELATIVE WEIGHTS AND PERFORMANCE ATTRIBUTION

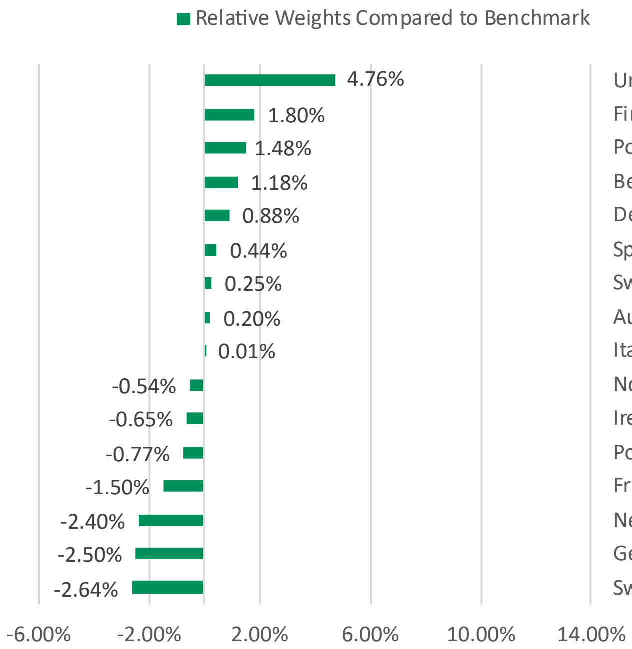


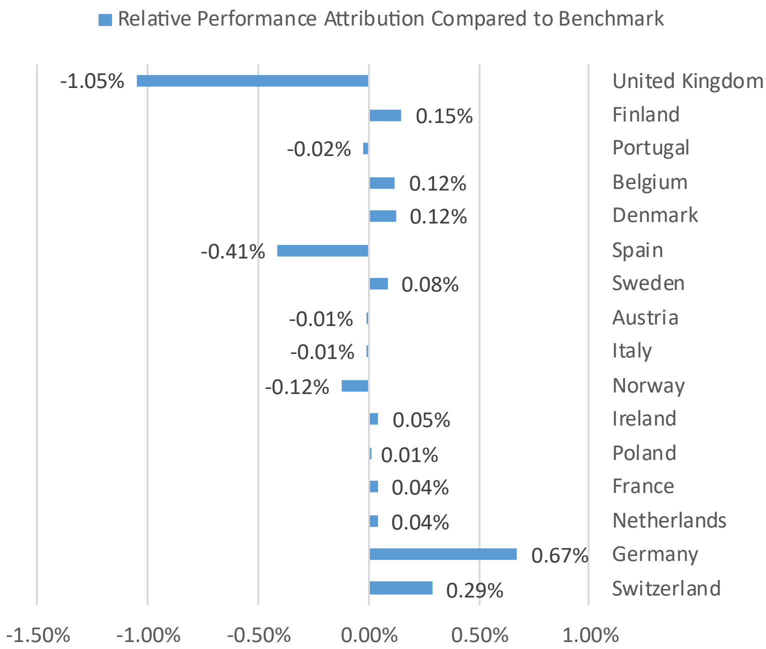




*Source: BNP Paribas. Past performance is not an indicator of future performance*

As of March 31st, 2026

## COUNTRY RELATIVE WEIGHTS AND PERFORMANCE ATTRIBUTION




*Source: BNP Paribas. Past performance is not an indicator of future performance*

## EXTRA-FINANCIAL REPORTING

### MSCI LOW CARBON TRANSITION SCORE

A three-step based score designed to identify potential leaders and laggards by measuring companies' exposure to and management of carbon related risks and opportunities.

**STRATEGY AVERAGE SCORE:**

**6.57**

**BENCHMARK PORTFOLIO AVERAGE SCORE:**

**5.73**

| | |
|---|---|
| *SOLUTIONS* | *> 7.12* |
| *NEUTRAL* | *5.65 < to ≤ 7.12* |
| *TRANSITION* | *2.09 < to ≤ 5.65* |
| *ASSET STRANDING* | *≤ 2.09* |

### ESG REPORT

**For the latest ESG Report on the THEAM Quant – Equity Europe Climate Care, please click here.**

## CARBON INTENSITY REPORTING: EQUITY EUROPE CLIMATE CARE

As of March 31st, 2026

- BNP PARIBAS ASSET MANAGEMENT France assesses the carbon intensity of companies (Scope 1 & 2) each quarter, taking into account the composition of the BNP Paribas Equity Europe Select Climate Care NTR Index to determine the amount of Carbon Credits necessary for mitigating its residual carbon emissions. Carbon credits are purchased from the Kasigau Corridor REDD+ project in Kenya, chosen for its environmental benefits and social co-benefits.
- BNP PARIBAS ASSET MANAGEMENT France then calculates the carbon intensity of the carbon credit share classes of the Sub-fund, this being the intensity of the exposure to the climate care investment strategy, at the beginning of each quarter, based on the average assets under management of the carbon credit share classes of the fund over the previous quarter (note that the carbon intensity reported below may differ from the Financed Carbon intensity found in the Key Indicators section, due to different carbon data providers).

### CURRENT QUARTER

Estimated carbon footprint of the Europe Climate Care Fund (ton of CO2 for €1M invested in the fund) for 1 year

**30**

Estimated annualised cost of VER acquisition and servicing necessary to offset the carbon footprint of an investment into the fund expressed in bp of the fund NAV

**0.05%**

## CONTACTS

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## FUND CHARACTERISTICS AND RISKS

| | | | |
|---|---|---|---|
| Fund | **THEAM QUANT EQUITY EUROPE CLIMATE CARE** | Capital protection | No |
| Management Company | BNP PARIBAS ASSET MANAGEMENT Europe | Minimum Investment horizon | 5 |
| Comparative Index | STOXX Europe 600 (EUR) NR | Legal form | Mutual Fund |
| Assets under Management | EUR 73.65 million as of 31 March 2026 | SRI Ranking (scale from 1 to 7)* | 4 |
| SFDR article | This product promotes environmental or social characteristics pursuant to article 8 of the EU regulation 2019/2088. | | |

| Share | I CC ACC | C CC ACC | J CC ACC | S CC ACC | Privilege CC ACC |
|---|---|---|---|---|---|
| Launch date | 01 March 2019 | 01 March 2019 | 01 March 2019 | 01 March 2019 | 28 June 2019 |
| ISIN code | FR0013397734 | FR0013397726 | FR0013397742 | FR0013403409 | FR0013425931 |
| Bloomberg code | TQECCCI FP | TQECCCC FP | TQECCCJ FP | TQECCCS FP | TQECCPV FP |
| Ongoing charges | 0.80% | 1.70% | 0.58% | 0.39% | 0.95% |
| Subscription / Exit fees | None / None | 3.00% / None | None / None | 3.00% / None | 3.00% / None |
| Minimum subscription | 100 K€ | No minimum | 10M € | 10 M € | 1,000,000.00 |
| Passporting | Spain, United Kingdom, Austria, Sweden, France, Italy, Ireland rep., Belgium, Cyprus, Greece, Luxembourg, Germany, Switzerland | Spain, Germany, Italy, Switzerland, Greece, Ireland rep., Belgium, France, Luxembourg, Cyprus, Sweden | Italy, Germany, United Kingdom, Sweden, Belgium, Luxembourg, France, Ireland rep., Switzerland, Spain | Luxembourg, Switzerland, Sweden, Ireland rep., Spain, Italy, Germany, France, Belgium, United Kingdom | Ireland rep., France, Spain, Switzerland, Germany, Luxembourg, United Kingdom, Sweden, Belgium, Italy |

**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.*
*For all shares available, please refer to the prospectus here.*
*Following the Sustainable Finance Disclosure Regulation (SFDR), financial entities, such as BNP Paribas Asset Management, which sell products in EU are required to classify the products they manufacture/advise into one of three categories: products with sustainable investment objectives (Article 9); products promoting environmental/social characteristics (Article 8); products which neither correspond to Article 8 or Article 9 (Article 6).*

As of March 31st, 2026

## 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.

**Risks related to carbon footprint measurement:** The Fund's carbon footprint will be offset based on an estimated carbon footprint at each Strategic Index rebalancing date and offset at the next Strategic Index rebalancing date. Therefore, there is a risk of error in the carbon footprint estimation due in particular to a risk of deviation between two rebalancing dates that could lead to an incomplete compensation of the Fund's carbon footprint.

**Risks related to the underlying project of the VER certificates:** the attention of the unitholders is drawn to the fact that there is a risk of cancellation of the VERs in the event of exceptional events (errors, fraud, political risk etc.) affecting the projects at the origin of the issue VER.

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