



EQUITY US FACTOR DEFENSIVE NEWSLETTER



MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | OCTOBER 2024

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INVESTMENT OBJECTIVE

The objective of the THEAM Quant Equity US Factor Defensive is to provide capital growth by being exposed to a basket of U.S. equities and by implementing a systematic options strategy which aims at reducing risk by minimizing volatility in the fund.

STRATEGY

BNP Paribas created THEAM Quant – Equity US Factor Defensive to allow investors to benefit from a balanced equity exposure while keeping a more defensive profile in case of adverse market conditions.

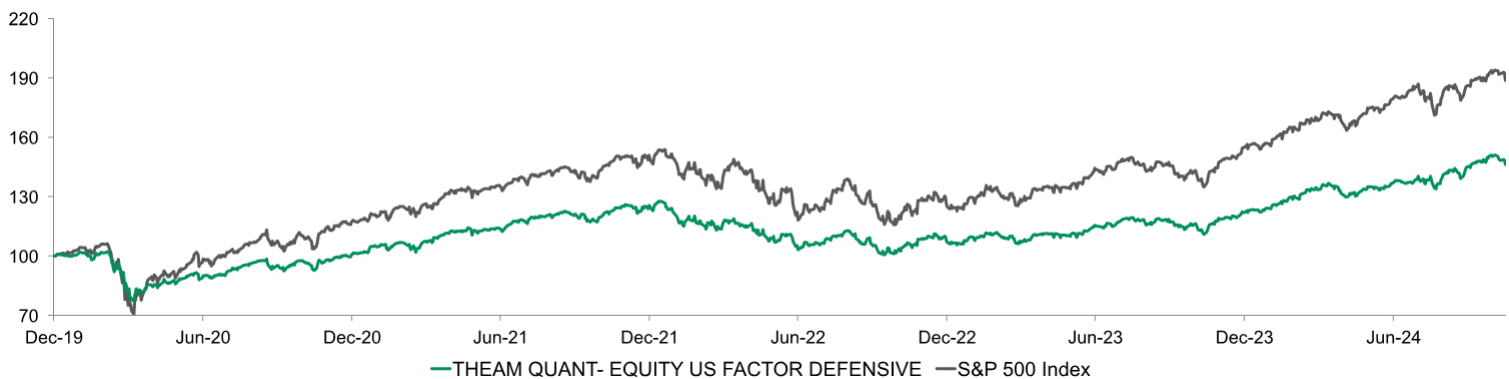
The strategy aims to generate returns through a risk-balanced and low correlated portfolio that captures the positive risk premia exhibited by 4 factors - momentum, quality, low volatility and value. In addition to that, the Fund implements a systematic options strategy which aims to reduce drawdowns during bear markets and minimize volatility in the fund.

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

PERFORMANCE

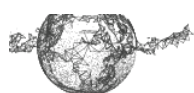
As of October 31st, 2024

Dec 19 - Oct 24	THEAM QUANT- EQUITY US FACTOR DEFENSIVE	S&P 500 Index
Performance 1 month	-1.22%	-0.93%
Cumulative Performance Year To Date	18.64%	20.56%
Annualised Performance Since Start Date	8.10%	13.90%
Annualised Sharpe Ratio Since Start Date	0.60	0.65
Annualised Volatility Since Start Date	13.61%	21.51%
Max Drawdown Since Start Date	-24.53%	-33.83%



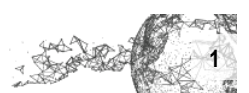
Refers to LU2051092851, THEAM Quant – Equity US Factor Defensive – I USD ACC < TQEUDIU LX Equity >. S&P5 500 Index refers to the SPTR500N Index - This Index is for comparative purposes only and does not represent any official benchmark for the Fund. Source: Bloomberg, BNP Paribas. Past performance is not an indicator of future performance.

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



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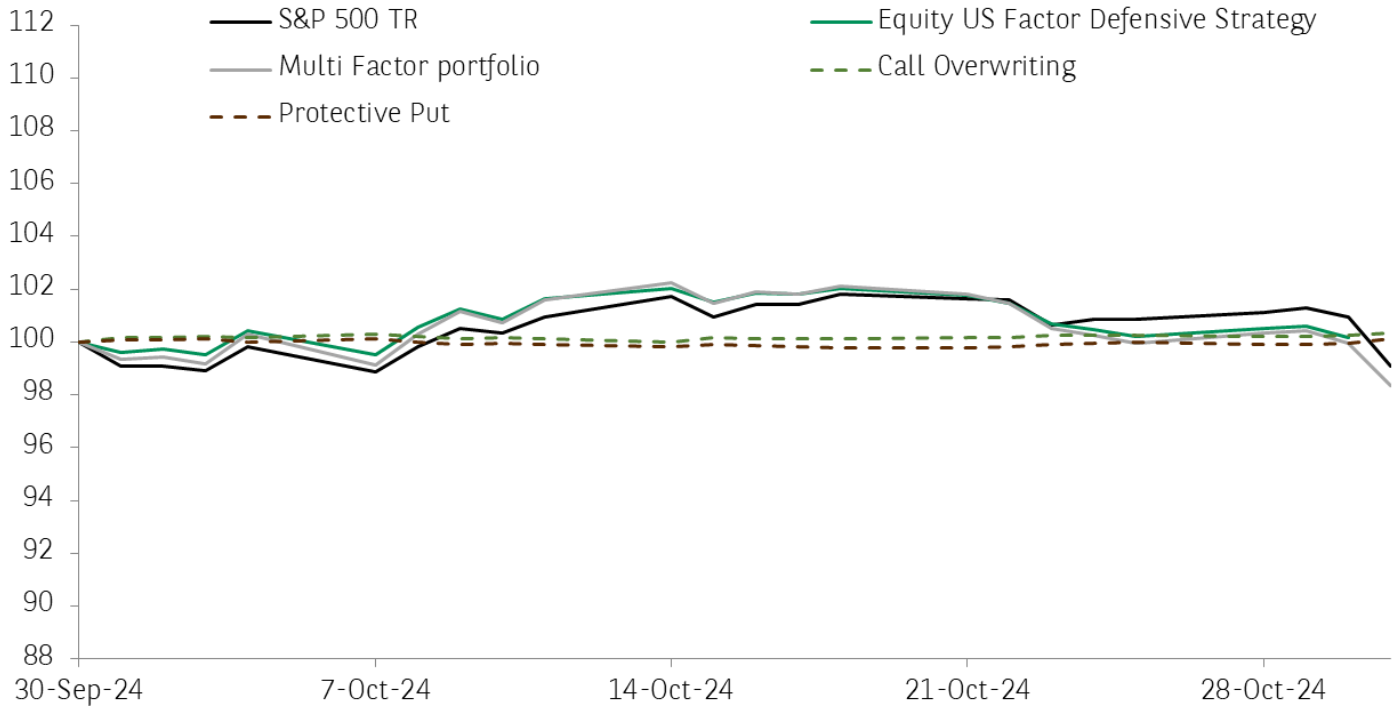
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MONTHLY COMMENTARY

MACRO BACKGROUND

THEAM Quant – Equity US Factor Defensive recorded a negative performance in October 2024 while the S&P 500 NR was down -0.93%. The option overlay had a positive performance over the month: +0.51%, while the multi factor stock selection underperformed the benchmark: -1.65%.



Source: BNP Paribas, Bloomberg as of 28/04/2023. Past performance is not an indicator of future performance.

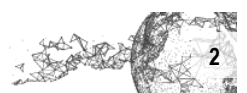
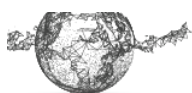
PERFORMANCE BREAKDOWN

The multi factor stock selection's performance was due to the following factors:

- Within the **Financials**, the **Cyclical Consumer Goods & Services** and the **Energy** sectors, our equity selection underperformed those of the S&P 500 Index (resp. -3.7 %, -2.0 % and -18.0 %) on the back of, for example, the poor performances of SCORPIO TANKERS (-18.3 %, weighted at 1.6 %) and of ARCH CAP (-11.9 %, with a weight of 1.2 %).
- On the contrary, within the **Industrials** and the **Technology** sectors, stock picking outperformed by resp. 4.8 % and 0.3 %.

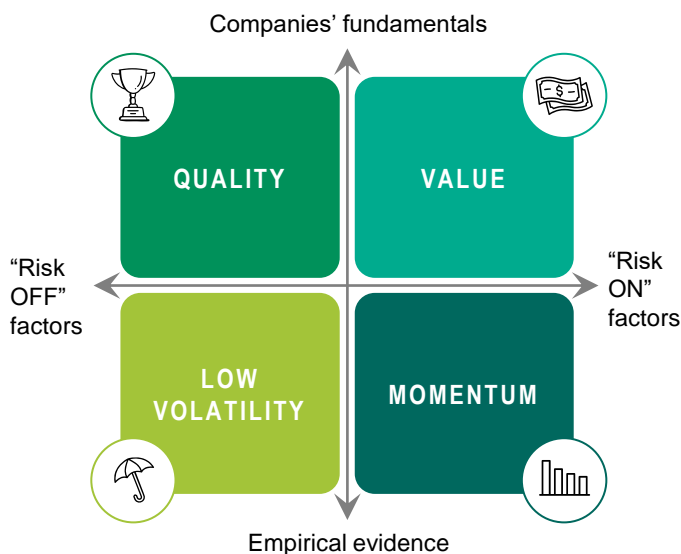
OVERLAY ANALYSIS

- The puts net contribution was +0.15%.
- The sale of call options has contributed positively +0.36%.
- Overall, the overlay had a positive contribution of +0.51%.
- At the end of October, the average strike of puts is at 91%.
- The sale of calls is now generating +1.6% p.a. while the purchase of puts costs 2.2%, leading to a net contribution of -0.6% p.a. for the overlay.
- The delta of the strategy is around 87%.

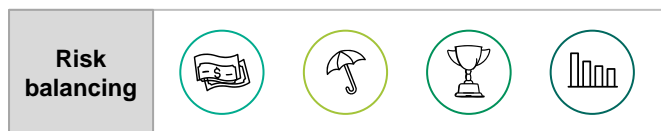


EQUITY US FACTOR DEFENSIVE: INVESTMENT PROCESS IN A NUTSHELL

CORE: Multi Factor Portfolio

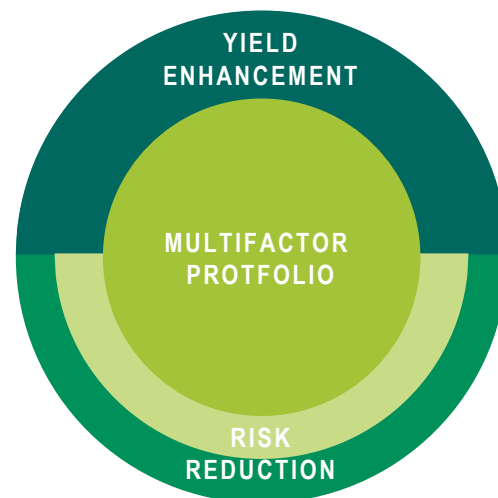


A risk-balanced portfolio composed of four core equity, aiming at generating excess returns over the market benchmarks



Defensive layer: Yield enhancement

Sell short dated (15 bd) calls (call overwriting) which provide additional yield



Buy longer dated (12 months) downside puts

CONTACTS

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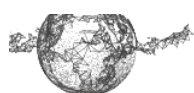
FUND CHARACTERISTICS AND RISKS

Fund	THEAM QUANT- EQUITY US FACTOR DEFENSIVE				Capital protection	No
Management Company	BNP PARIBAS ASSET MANAGEMENT Europe				Minimum Investment horizon	5
Comparative Index	S&P 500 Index				Legal form	SICAV
Assets under Management	USD 6.57 million as of 31 October 2024				SRI Ranking (scale from 1 to 7)*	4
SFDR article	6 – Sustainability Risks : This products integrates the analysis of sustainability risks in its investment process pursuant to article 6 of the EU regulation 2019/2088.					
Share	I ACC USD	C ACC USD	I ACC -	C ACC EUR	I ACC EUR H	
Launch date	16 December 2019	16 December 2019	21 December 2020	18 December 2020	18 December 2020	
ISIN code	LU2051092851	LU2051091705	LU2051093073	LU2051091960	LU2051093156	
Bloomberg code	TQEUDIU LX	TQEUDCU LX	THUFDIE LX	THUFDCE LX	THUFDIH LX	
Ongoing charges	0.87%	1.62%	0.87%	1.62%	0.87%	
Subscription / Exit fees	None / None	3.00% / None	None / None	3.00% / None	None / None	
Minimum subscription	100K \$ equiv	No minimum	-	No minimum	100 K€	
Passporting	Switzerland, Germany, France, United Kingdom, Italy, Luxembourg	Belgium, Switzerland, Germany, France, Italy, Luxembourg	Switzerland, Germany, France, Italy, Luxembourg	Belgium, Switzerland, Germany, France, Italy, Luxembourg	Switzerland, Germany, France, Italy, Luxembourg	

*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.

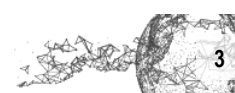
For all shares available, please refer to the prospectus [here](#).

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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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