

Fund Overview

Legal form	Sub-fund (the "Fund") of THEAM QUANT, UCITS SICAV registered under Luxembourg law SICAV 16 Dec 2019
Launch date	
Fund Manager	Fabrice RICCI
Total net assets as of 31 Jul 2024 (mln EUR)	35.63
Management Company	BNP Paribas Asset Management Europe
Capital protection	No capital guarantee
Morningstar Category	EAA Fund Relative Value Arbitrage

Fund management comment

The Fixed Income Diversifier strategy (BNPIFIDE Index) went down by in July.

The long-term government bond multi-factor sub-strategy had a negative contribution in July (-0.57%). The strategy was short on the US and Germany, and long on the UK, Japan and Canada. This month, the momentum (-0.33%) and carry (-0.69%) strategies contributed negatively while the value strategy (+0.46%) contributed positively. In term of regions, best contributor is the Canada (+1.32%) and worst contributors are US (-2.39%) and Germany (-1.73%).

The short-term interest rates trend-following sub-strategy posted a negative contribution in July (-1.19%). The strategy continued to be short on USD and EUR money market futures. The strategy suffered from its short position on both USD and EUR, as market economists have adjusted their forecasts to be in line with the Fed's more dovish tone and many now expect a 25bp cut in September and a second cut in December. The US leg (-0.51%) and the EU leg (-0.68%) contributed negatively to the monthly performance.

The strategy (as of 31 July 2024) was still short on USD (-205%) and increased its short position on EUR (-325%) money market futures. On 10y bond futures, the strategy is short on Germany (-69%) and the US (-151%) and long the UK (+78%), Canada (+72%), and Japan (+21%).

Investment Objective

The THEAM Quant Fixed Income Diversifier (FIND) sub-fund is exposed to a global dynamic long/short portfolio of short-term money market rates and long term government bonds. The portfolio is built using a systematic selection of diversified sources of return in the interest rates markets while aiming at (i) keeping the objective of keeping the Sub-fund annual volatility at a target level of 4,5% and (ii) reaching market neutrality of the government bonds exposure over the medium term.

Investment strategy

In order to achieve its investment objective, the Sub-fund implements a euro-hedged investment strategy combining two pillars:

- 1) a money-market intruments portfolio (the Short-term Portfolio) which attempts to identify and monetise trends in short term interest rates by taking long or short exposure to EUR and USD short-term interest rates futures.
- 2) a long term government bonds long/short portfolio (the Bond Portfolio) particularly exposed to three performance factors: Carry, Momentum and Relative Value. The portfolio is exposed to European, North-American and Japanese government bond long-term futures, with exposures varying between -150% and 150% per future. An automatic reallocation within each strategy is carried out via the application of a systematic risk/return optimisation model, while aiming at having an overall neutral sensitivity to the bond market over the medium term. Environmental, social and governance (ESG) criteria are integrated to determine the allocation of the Bond Portfolio. The strategy's geographical allocation is contingent to each eligible geographical allocation is contingent to each eligible country's Democracy score and their signature of the Paris Agreement.

Historical Performance and Risk Analysis (Share I EUR ACC)



	Cumulative Performance				Annualized Return			
	YTD		1 Year		3 Years		Since launch	
	Fund	Index**	Fund	Index**	Fund	Index**	Fund	Index**
Performance	-1.44%	10.09%	-1.45%	11.71%	1.15%	8.70%	0.28%	8.26%
Annualized Volatility	3.09%	12.19%	4.79%	12.35%	5.12%	17.65%	4.99%	21.28%
Sharpe Ratio	-	1.45	-	0.98	0.24	0.50	0.10	0.40
Max drawdown	-2.52%	-5.16%	-3.96%	-10.08%	-4.58%	-23.70%	-12.74%	-38.24%
Information Ratio	-0.20		-0.14		-0.08		-0.08	

Share class details - Share I EUR ACC (31 Jul 2024)

Base currency (of share class)	EUR
NAV (Capi.) (I EUR ACC)	101.28
Share class	Capitalisation
ISIN Code	LU2051084916
Bloomberg Code	TFIDIEA LX
Cut-Off (CET)	D-1 16:00 (24-hr)
Min. initial subscription	100K € equiv
Management fees	0.12%
Other fees	0.17%
Subscription tax	0.01%
Performance fees	None
Total fees (ongoing charges)	0.30%
Passporting	Austria, Italy, UK, France, Germany, Switzerland

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 3 out of 7, which is a medium-low 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 I EUR ACC)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2024	-0.20%	-0.05%	0.28%	1.08%	-0.26%	-0.91%	-1.37%						
2023	0.18%	1.21%	-0.79%	0.04%	0.20%	1.44%	-0.58%	0.21%	0.71%	-1.20%	1.00%	-0.71%	1.68%
2022	1.98%	0.82%	0.02%	0.55%	0.60%	0.58%	1.61%	0.50%	-1.87%	1.82%	-0.19%	-0.51%	6.03%
2021	-0.50%	-2.88%	-2.30%	0.96%	0.98%	-0.66%	0.19%	0.05%	-0.61%	-1.91%	-1.72%	1.59%	-6.71%
2020	0.45%	4.28%	0.87%	-0.80%	0.26%	-0.64%	0.19%	-0.45%	-0.34%	-1.33%	0.27%	-0.12%	2.58%
2019												-0.41%	-0.41%

Performances are calculated with dividend reinvested (for the distributing share classes).



Risks

**Credit Risk** - This is the risk that may derive from the rating downgrade of a bond issuer to which the funds are exposed, which may therefore cause the value of the investments to go down. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share.

**Liquidity Risk** - This risk may concern all financial instruments and impact one or several Sub-funds. There is a risk that investments made by the Sub-funds may become illiquid due to an over-restricted market (often reflected by a very broad bid-ask spread or by substantial price movements), if, among other conditions, their "rating" declines or if the economic situation deteriorates; consequently, it may not be possible for the Sub-fund to sell or buy these instruments quickly enough to prevent or minimize a loss in these Sub-funds.

**Counterparty risk** - This risk relates to the quality of the counterparty with whom the funds do business or enter into various transactions. This risk reflects the ability to honor its commitments (payment,delivery, repayment, etc.)

**Interest Rates** - Investors in the Shares should be aware that an investment in the Shares may involve interest rate risk and that there may be fluctuations in the currency of denomination of securities or other eligible assets in which a Sub-fund invests the Shares.

**Market volatility risk** - Market volatility reflects the degree of instability and expected instability of the securities or other eligible assets in which a Sub-fund invests, the performance of the Shares, or the techniques used to link the net proceeds of any issue of Shares to OTC Derivatives underlying asset(s), where applicable. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

**Synthetic Replication** - The Sub-fund does not actually hold the underlying securities of the strategy, but instead relies on swaps to deliver the performance of the strategy. This may be achieved through total return (or unfunded swaps) and fully-funded swaps. Synthetic replication however involves counterparty risk. If the Sub-fund engages in OTC Derivatives, there is the risk beyond the general counterparty risk that the counterparty may default or not be able to meet its obligations in full.

**Risk linked to the use of financial derivative instruments** - While the prudent use of financial derivative instruments can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Sub-fund.

**Conflicts of interests** - Investors should note that connected parties of the BNP Paribas group of companies (the BNP Paribas Group) may act, inter alia and not excluding, as Management Company, counterparty of the OTC Derivative, and Depositary. As a result not only will investors be exposed to the credit risk of the BNP Paribas Group but also operational risks arising from any potential lack of independence of the Management Company. The operational risks arising from any such potential lack of independence are in part reduced by the fact that different legal entities or different divisions of a single legal entity within the BNP Paribas Group will be responsible for implementing for instance the management of the Sub-fund and the safekeeping of the Sub-fund's assets. Each such legal entity or division is run as a separate operational unit, segregate by information barriers (commonly called Chinese Walls) and run by different management teams. In addition, the Depositary and the Management Company have undertaken to act independently of each other in their dealings with the Sub-fund. Whilst compliance procedures require effective segregation of duties and responsibilities between the relevant legal entities or divisions of a single legal entity within the BNP Paribas Group, the possibility of conflicts of interest arising cannot be wholly eliminated.

Glossary

**Net Asset Value** - Represents the net assets of the fund (ex-dividend) divided by the total number of shares issued by the fund.

**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 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.

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