



CROSS ASSET HIGH FOCUS

MARCH 2025 NEWSLETTER



MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY

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INVESTMENT OBJECTIVE

The THEAM Quant – Cross Asset High Focus Fund seeks to increase the value of its assets over the medium term, through the use of quantitative investment strategies across different asset classes. The systematic allocation between quantitative strategies aims for a portfolio with a defensive profile over the long-term compared to traditional assets with similar volatility (such as broad equity indices).

The Sub-Fund may not be exposed to all asset classes / strategies at all times; the eligible quantitative strategies will be reviewed and adjusted periodically to ensure that the Sub-Fund aims to achieve its investment objective.

STRATEGY

The fund consists of a liquid, high-focus portfolio, characterized by a defensive nature exhibiting positive carry on average, which aims to deliver high absolute returns, and provide the required diversification benefit to carry on through different/varying economic cycles and market regimes.

- The aforementioned portfolio is highly focused: it consists of 6 systematic strategies, diversified across core asset classes (equities, FX, commodities, rates) and factors (relative value, carry, momentum), that are monthly rebalanced;
Low correlation between the High Focus components is expected to favour a defensive behaviour and a lower probability of extreme losses;
The increase of correlations between portfolio components may not be excluded, which may undermine the diversification benefits.

Note: The fund has leverage on each of its underlying strategies; volatility of the resulting portfolio is high so as to achieve high absolute return. The portfolio aims for an annual volatility between 10% and 15% while maintaining a relatively defensive profile, but the achievement of this target is not guaranteed.

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

PERFORMANCE

Table with 2 columns: Performance Metric and THEAM Quant – Cross Asset High Focus 1. Rows include 1 month performance (-0.79%), YTD performance (-5.74%), 12 months performance (-19.31%), Global annualised return 2 (2.48%), Annualised Volatility (12.81%), and Maximum Drawdown (-24.75%).

1 - Refers to LU2346216455, THEAM Quant – Cross Asset High Focus – Share M EUR Acc <TQCAHFM LX Equity>.

2 - Global annualised return since 05/11/2021.

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



Award Winner

THEAM Quant – Cross Asset High Focus recently won two awards from the Hedge Fund Journal: Best New Launch and Best Multi-Strategy Fund (AUM > \$300m)

To access the article, click either image on the right

the hedge fund journal

UCITS Hedge Awards 2023

Best New Launch
THEAM Quant–Cross Asset High Focus
(BNP Paribas)

the hedge fund journal

UCITS Hedge Awards 2023

Multi-Strategy (AUM > \$300m) Best Performing Fund in 2022
THEAM Quant–Cross Asset High Focus
(BNP Paribas)

MONTHLY COMMENTARY

FUND PERFORMANCE

The fund posted a negative return in March: -0.79%.

The *FX Value* strategy was the best-performing, whereas the *Dynamic Risk Mitigation* strategy was the worst-performing.

PERFORMANCE BREAKDOWN

Best contributor: *FX Value*

BNP Paribas STEER G10 Series II Index posted a positive performance in March (+2.90 %).

Swedish Krona (+1.14 %) and Norwegian Krone (+0.85 %) contributed the most positively to the monthly performance.

With respect to the biggest exposures, at the end of the month, the strategy is long Japanese Yen (+5.42%) and Australian Dollar (+5.49 %) and short Euro (-10.96 %).

Worst contributor: *Dynamic Risk Mitigation*

The strategy performance was negative (-2.01%) in March, while S&P 500 lost -5.75%.

The put-writing leg displayed a negative performance (-1.44%), shaken by several exercises (-2.61%) as US stocks suffered from fears about economic growth fuelled by disappointing indicators (business surveys at the beginning of the month, consumer confidence and consumer spending). The premium collection partly compensated this loss (+1.33%, i.e. 15.9% on an annualized basis), while the mark-to-market contribution was negative (-0.15%)., On the other hand, the VIX leg had a bumpy month, spiking mid-March but ended the month down by -0.57% as VIX decreased in the second half of the month..

At the end of March (based on the last five days of the month), the income leg was generating +12.4% of premium p.a., with only a limited exposure to VIX futures (5.9%) and a delta of 37.4% to S&P 500.

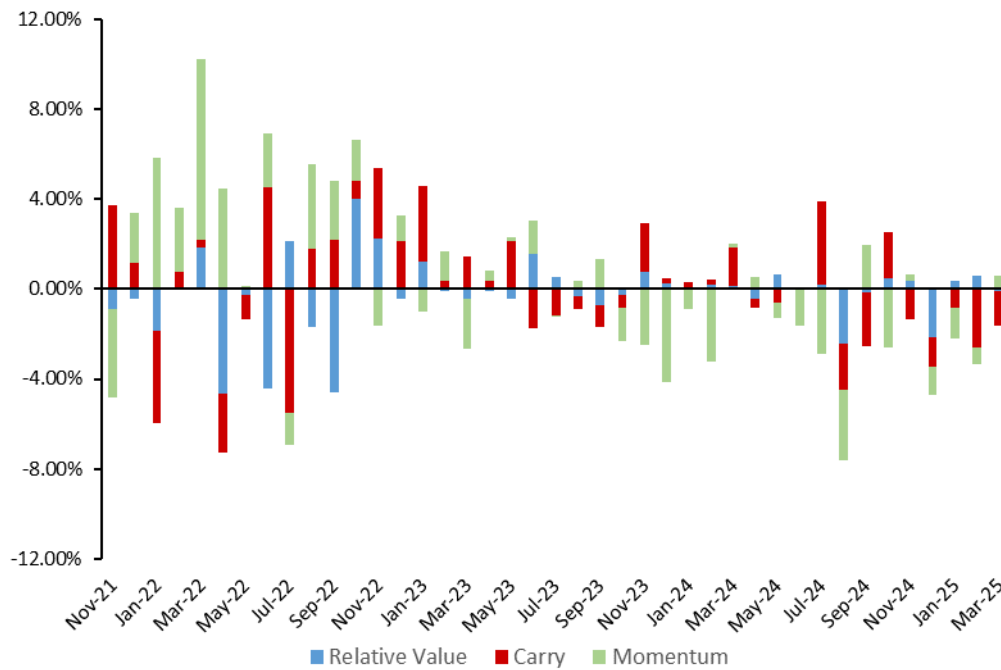
YTD, the strategy is down by -1.44% while the S&P 500 lost -4.59%, demonstrating its resilience in a challenging economic context.

PERFORMANCE ATTRIBUTION BY STRATEGY

| | Fund Level | | Strategy Level | |
|-------------------------|-------------------------------------|---------------------------------|----------------|------------|
| | Monthly Contribution to Performance | YtD Contribution to Performance | 1-month Return | YtD Return |
| Dynamic Risk Mitigation | -1.54% | -1.06% | -2.01% | -1.44% |
| VIX Carry | -0.71% | -0.79% | -2.84% | -3.25% |
| Commodity Momentum | 1.34% | 1.40% | 2.73% | 2.97% |
| Commodity Curve Carry | -0.82% | -4.06% | -0.53% | -2.66% |
| Money Markets Trend | -0.75% | -2.97% | -0.47% | -1.96% |
| FX Value | 1.42% | 1.89% | 2.90% | 4.10% |

Source: Bloomberg, BNP Paribas as of 31/03/2025. Past performance is not an indicator of future performance.

PERFORMANCE ATTRIBUTION BY STYLE

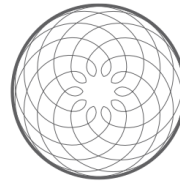


Source: Bloomberg, BNP Paribas as of 31/03/2025. Past performance is not an indicator of future performance.

Short-form research report:

Kepler | Absolute Hedge have recently released a short-form research report on THEAM Quant – Cross Asset High Focus

To access the article, click the image on the right



Kepler | Absolute Hedge

Short-form report

30th July 2023

THEAM Quant-Cross Asset High Focus

Summary

- A systematic, Multi Strategy fund comprising a complementary selection of quantitative investment strategies that exhibit a defensive profile over time.
- The fund is a 'high focused' portfolio that aims to deliver strong absolute returns by avoiding dilution and is designed to achieve 15% annualised volatility.
- The strategy has been run live since November 2021, and since then has delivered strong returns to investors.

INVESTMENT PROCESS IN A NUTSHELL

Quality Liquid Alpha



Defensive nature combined with on average a positive carry

- Selection of components that rank best for their expected behaviour during major market drawdowns
- Qualitative and quantitative filters to aim for a complementary portfolio

Uncorrelated Returns



Diversification benefit to carry on through market cycles

- Diversified across core asset classes and factors
- Low correlation between the resulting portfolio vs. equity

High Focus Portfolio



High Focus Portfolio that aims to deliver high absolute returns

- Volatility of the portfolio is high so that a high absolute return can be achieved
- It comes with a high leverage on each individual strategy

NB! The negative performance of a component may be amplified by the leverage.

CONTACTS

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FUND CHARACTERISTICS AND RISKS

| THEAM Quant – Cross Asset High Focus | | | | | | | | |
|---|---|---|---|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Management company | BNP Paribas Asset Management France | | | | | | | |
| Type of fund | Sub-fund of the Luxembourg SICAV THEAM Quant, UCITS Compliant | | | | | | | |
| Recommended investment horizon | 5 years | | | | | | | |
| Capital protected | No | | | | | | | |
| SRI Risk Classification (scale of 1-7) ³ | 4 | | | | | | | |
| Share ⁴ | Share M (EUR) ACC | Share J (EUR) ACC | Share I (EUR) ACC | Share I (CHF) RH ACC | Share I (USD) ACC | Share I (USD) RH) ACC | Share J (USD) RH) ACC | Share J (CHF) RH) ACC |
| Launch date | 05 November 2021 | 25 May 2022 | 13 November 2022 | 12 May 2022 | 12 May 2022 | 20 May 2024 | 8 August 2024 | 11 August 2024 |
| Bloomberg Code | TQCAHFM LX Equity | THAHFJE LX Equity | TQCAHFI LX Equity | TQCAICR LX Equity | TQCAIUC LX Equity | THQUCRS LX Equity | TQCAHJU LX Equity | HRCRFJC LX |
| ISIN Code | LU2346216455 | LU2346215481 | LU2346213866 | LU2346215135 | LU2346214161 | LU2346214328 | LU2346215721 | LU2654776074 |
| Subscription/ Exit fees | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| On-going charges | 0.25% | 0.54% | 0.76% | 0.76% | 0.76% | 0.76% | 0.54% | 0.54% |
| SFDR Article ⁵ | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| International registration | Germany, Ireland, Switzerland, UK | Austria, Germany, France, Italy (light registered), Switzerland, UK | Austria, Germany, France, Italy (light registered), Switzerland, UK | Switzerland | Austria, Switzerland | Switzerland | Switzerland | Switzerland |

³ - 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.

⁴ - For all shares available, please refer to the prospectus [here](#).

⁵ - 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).

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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