



BOND EUROPE CLIMATE CARBON OFFSET PLAN NEWSLETTER

theam QUANT
FUNDS

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | APRIL 2024

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INVESTMENT OBJECTIVE

The objectives of the THEAM Quant Bond Europe Climate Carbon Offset Plan are:

- To provide capital growth over the medium term by being exposed to a dynamic basket of European investment-grade corporate Bonds, which are selected using a systematic selection method based on environmental, social and governance criteria (ESG), carbon emission and energy transition criteria as well as companies financial robustness;
- To offset its carbon footprint by purchasing verified emission reduction certificates (VERs) from the Kasigau Corridor REDD+ Project.

STRATEGY

In order to achieve its objective, the fund implements a quantitative investment strategy through the BNP Paribas Bond Europe Climate Care Index TR, with an expected tracking error of up to 2% with the European investment-grade bond market.

The final selection accounts for the following elements:



The Fund provides exposure to a basket of European investment-grade corporate Bonds with high ESG standards*;



The selection of Bonds is made to ensure liquidity, maintain risk control (through diversification) and aim for promising yield



Bonds are selected to reduce the portfolio's carbon emissions and maximize its energy transition strategy



The residual carbon footprint of the Fund is then offset every quarter by purchasing VER certificates from the Kasigau Corridor REDD+ project in Kenya.

**Excluding ones: (1) with a Moody's ESG score in the lowest 25% in their sector or below 30/100, (2) involved in alcohol, nuclear power, tobacco, pornography or other controversial activities, (3) with a BNP Paribas Asset Management ESG score of 9 or 10 (10 being the worst)*

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

PERFORMANCE

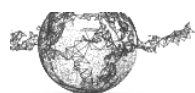
As of April 30th, 2024

Apr 21 - Apr 24	THEAM QUANT- BOND EUROPE CLIMATE CARBON OFFSET PLAN
Performance 1 month	-1.47%
Annualised Performance Since Start Date	-4.19%
Cumulative Performance Year To Date	-1.66%
Annualised Volatility Since Start Date	5.72%
Annualised Sharpe Ratio Since Start Date	-
Max Drawdown Since Start Date	-20.75%

Refers to LU2051095011, THEAM Quant – Bond Europe Carbon Offset Plan – I EUR ACC < THCOPIC LX Equity >

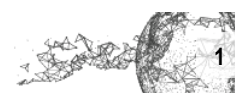
Source: Bloomberg. Past performance is not an indicator of future performance.

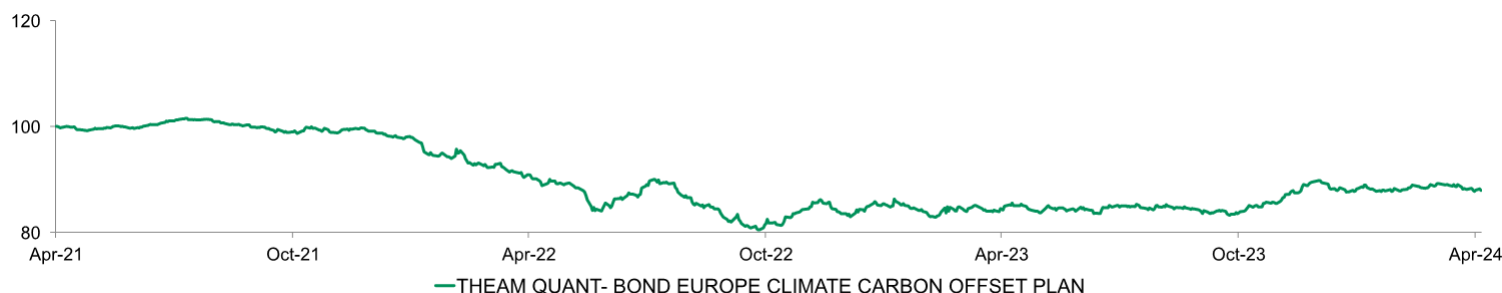
Follow the icon to go to the fund page on the THEAM Quant website



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

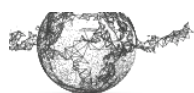
MONTHLY COMMENTARY

MACRO BACKGROUND

- With the US economy still posting solid growth and inflation remaining stubbornly too high, investors are inferring a postponement of the start of monetary easing by the US Federal Reserve (Fed).
- The threat of a global recession appears to be waning: The Chinese economy is improving, the Eurozone looks like rebounding and geopolitical risks are tentatively ebbing. Core inflation is still expected to slow gradually, allowing central banks in developed economies to adopt a less restrictive monetary policy stance.
- In the Eurozone, Germany's ZEW index returned to its highest level since early 2022 on a more promising global economic outlook (which should support German exports) and expectations of a cut in key ECB rates. In April, core Eurozone inflation was 2.7% according to the flash estimate, the lowest since early 2022. After remaining at 4.0% for five months, services inflation fell to 3.7%, which indicates faint progress. Futures markets' gauging of a first ECB rate cut in June was close to 90%, with three cuts expected in 2024.
- In the Eurozone, the 10-year Bund yield moved in the wake of US yields but outperformed due to much less dynamic growth than in the US, slowing inflation and a clear indication that the ECB would start cutting rates in June. It ended the month at 2.58% (+29bp compared to the end of March). The front end of the curve outperformed, with the 2-year Bund yield rising by only 19bp to 3.03%. Peripheral Eurozone bond markets saw the spread between the Italian BTP and German 10-year Bund yield rising above 145bp in mid-month before ending at 133bp. On 26 April, rating agencies Fitch and Moody's made no change to France's sovereign rating (AA- with stable outlook and Aa2 with stable outlook, respectively), although they did highlight France's high level of debt. The OAT-Bund spread thus ended the month below 50bp.

PERFORMANCE BREAKDOWN

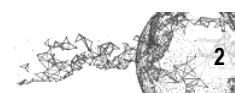
- The Europe Bond Climate Care strategy posted a negative performance in April (-1.35%), underperforming the European Investment Grade Market (QW5A Index) at -0.79%. Corporate bonds were penalized by the increase of interest rates across the board over the month and the widening of investment grade credit spread during the first half of the month.
- A rebalancing of the portfolio occurred on 4th April with a turnover of 27%.
- The index displays good diversification among issuers, sectors and geographies.
- It includes 68 Bonds, among 33 issuers
- The top 3 countries are similar for both the index and the benchmark: France (40% vs 27%), Netherlands (16% vs 20%), Spain (18% vs 6%).
- In terms of sectorial exposures: as expected, given the index thematic, some carbon-intensive sectors are underweighted (Energy, Consumer Cyclical, Utilities), while some low-carbon sectors are overweighted (Technology, Financial).
- Credit ratings range from Aa3 to Baa3 (as per Moody's), with the median rating being Baa1 (in line with the Benchmark's one)
- In terms of sustainability, the Index meets expectations:
 - its Energy Transition score is equal to 76 –scoring scale from 1 to 100- (vs 63 for the Benchmark)
 - its Carbon Intensity is 14 tons per million € invested (vs 102 for the Benchmark).
- The Index yield averaged at 3.79% over the month for an average time-to-maturity (at end of April) of 6.2Y, vs 3.61% and 6.04Y for the Benchmark.



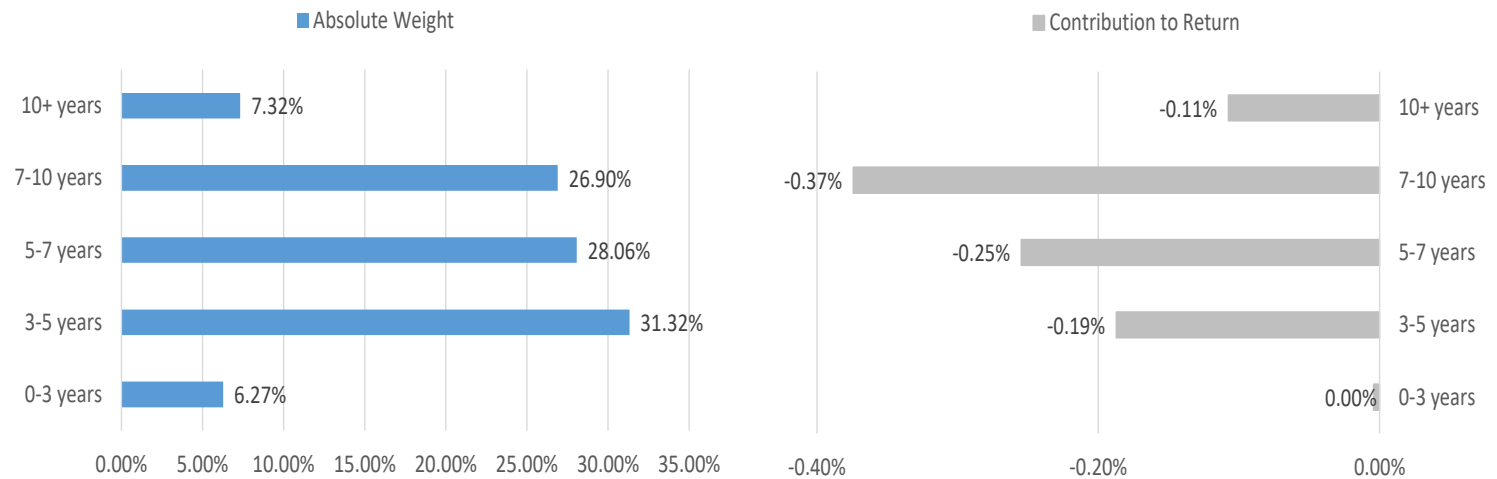
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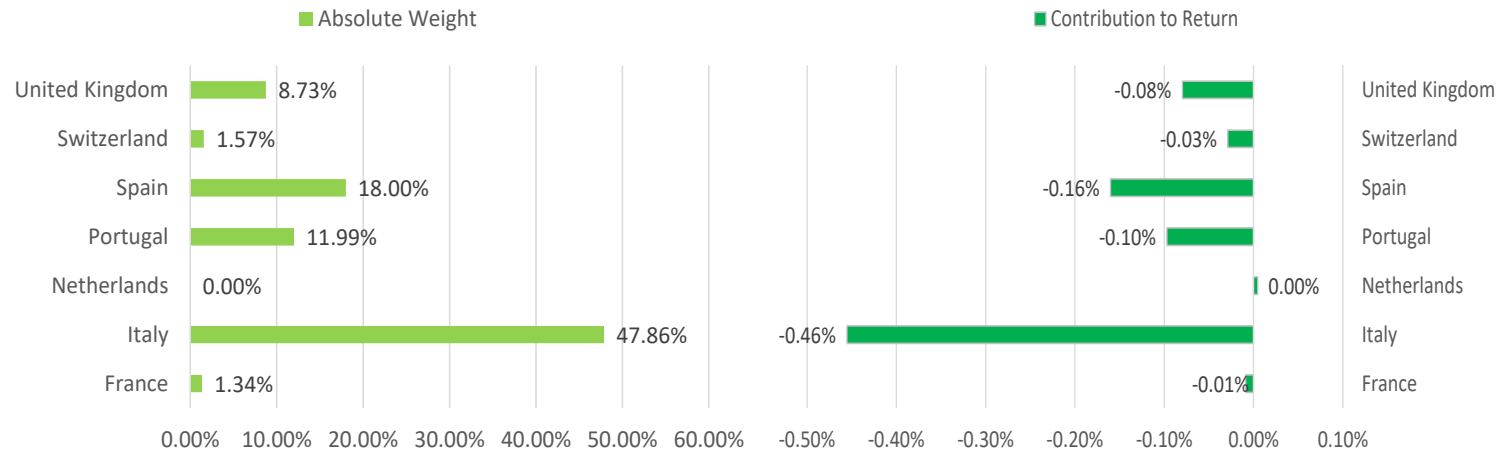


BREAKDOWN BY TIME TO MATURITY



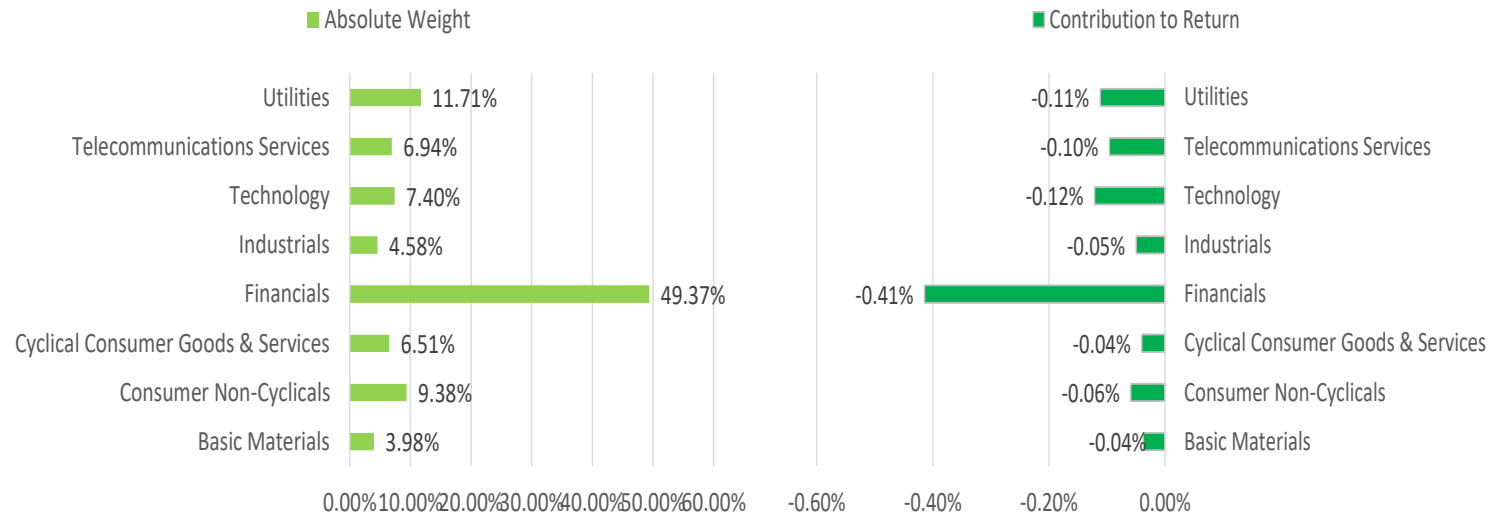
Source: Bloomberg, BNP Paribas. Past performance is not an indicator of future performance.

BREAKDOWN BY COUNTRY

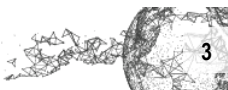
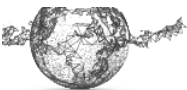


Source: Bloomberg, BNP Paribas. Past performance is not an indicator of future performance.

BREAKDOWN BY SECTOR



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



ENERGY TRANSITION SCORE

Average Pro Forma Energy Transition Strategy score vs. Benchmark portfolio

ADVANCED	Scores between 60 and 100	◀ BNP Paribas Bond Europe Climate Care Strategy (77) ◀ European Investment-Grade Market Index (63)
ROBUST	Scores between 50 and 59	
LIMITED	Scores between 30 and 49	
WEAK	Scores between 0 and 29	

For illustrative purposes only. Source: Moody's ESG Solutions.

ESG REPORT

For the latest ESG Report on the THEAM Quant – Bond Climate Carbon Offset Plan fund, please click the banner below.

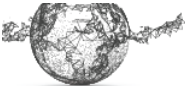
BOND CLIMATE CARBON OFFSET PLAN STRATEGY
ESG, CARBON FOOTPRINT & ENERGY TRANSITION FACTSHEET



CARBON FOOTPRINT REPORTING: CARBON OFFSET PLAN

- BNP PARIBAS Asset Management France assesses the carbon footprint of companies (Scope 1 & 2) each quarter, taking into account the composition of the BNP Paribas Bond Europe Climate Care Strategy to determine the amount of VERs necessary for offsetting the carbon emissions.
- BNP PARIBAS Asset Management France then calculates the carbon footprint of fund, this being the carbon footprint of the exposure of the Climate Care investment strategy, at the beginning of the quarter based on the average assets under management (AUM) of the fund over the quarter.

CURRENT QUARTER
Estimated carbon footprint of the Bond Europe Climate Carbon Offset Plan Fund (ton of CO2 for €1M invested in the fund) for 1 year
31
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

EQUITIES STRATEGIES, GLOBAL MARKETS | Antoine Victoire | antoine.victoire@bnpparibas.com
BNP PARIBAS ASSET MANAGEMENT | CIB Strategies Sales Support | aam.maqs.cibsalesupport@bnpparibas.com
dl.theam_gm_coordination@uk.bnpparibas.com

FUND CHARACTERISTICS AND RISKS

Fund	THEAM QUANT- BOND EUROPE CLIMATE CARBON OFFSET PLAN		Capital protection	No
Management Company	BNP PARIBAS ASSET MANAGEMENT Europe		Minimum Investment horizon	3
Comparative Index	No Benchmark		Legal form	SICAV
Assets under Management	EUR 18.19 million as of 30 April 2024		SRI Ranking (scale from 1 to 7)*	2
SFDR article	This products promotes environmental or social characteristics pursuant to article 8 of the EU regulation 2019/2088.			
Share	I ACC EUR			
Launch date	15 April 2021			
ISIN code	LU2051095011			
Bloomberg code	THCOPIC LX			
Ongoing charges	0.47%			
Subscription / Exit fees	None / None			
Minimum subscription	100K € equiv			
Passporting	Belgium, Switzerland, Germany, France, United Kingdom, 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](#).
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 or 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.

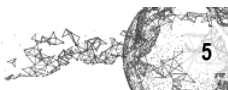
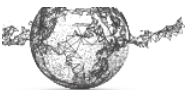
Counterparty Risk: Linked to the default of a counterparty on over-the-counter markets.

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. Thus, there is a risk of error in the carbon footprint estimation due, in particular, to a risk of deviation between the 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 case 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.



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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