



## BOND EUROPE CLIMATE CARBON OFFSET PLAN NEWSLETTER

theam QUANT  
FUNDS

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | MARCH 2025

THIS DOCUMENT HAS BEEN PREPARED FOR DISCUSSION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER OR A SOLICITATION TO ENGAGE IN ANY TRADING STRATEGY OR THE PURCHASE OR SALES OF ANY FINANCIAL INSTRUMENT.

### 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

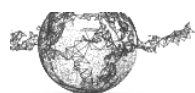
As of March 31<sup>st</sup>, 2025

Apr 21 - Mar 25	THEAM QUANT- BOND EUROPE CLIMATE CARBON OFFSET PLAN
Performance 1 month	-1.30%
Annualised Performance Since Start Date	-2.05%
Cumulative Performance Year To Date	-0.46%
Annualised Volatility Since Start Date	5.29%
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 >

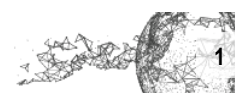
Source: Bloomberg. Past performance is not an indicator of future performance.

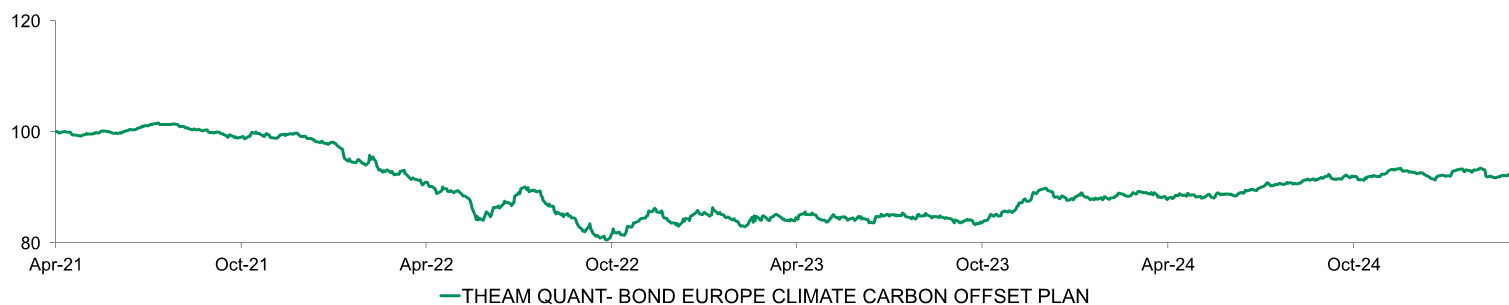
Follow the icon to go to the fund page on the THEAM Quant website



Learn more  
ABOUT **GLOBAL MARKETS**

<https://globalmarkets.cib.bnpparibas/>





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

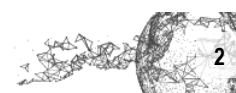
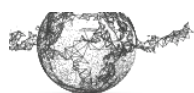
## MONTHLY COMMENTARY

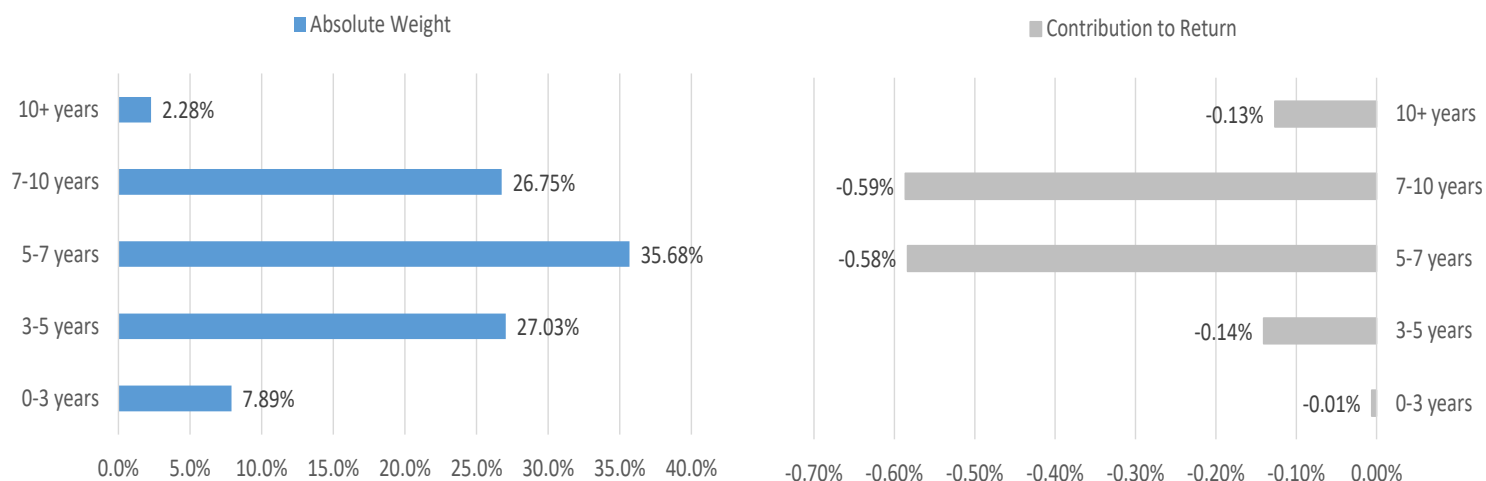
### MACRO BACKGROUND

- US trade policy remained a key focus in March as President Trump made multiple announcements about import tariffs, and some tariffs (notably on steel and aluminium) were raised.
- Investors were still trying to reassure themselves about the implementation of reciprocal tariffs when, on 26 March, Donald Trump suddenly announced the imposition of a 25% tariff on 'all cars not made in the US' from 3 April.
- Eurozone bond markets fell significantly at the beginning of the month because of the announcements of the future German Chancellor Friedrich Merz. The 10-year Bund yield (2.41% at the end of February) jumped to 2.79% on 5 March in reaction to the large-scale fiscal plan that should be facilitated by the reform of the 'debt brake' and the creation of a special fund to finance infrastructure spending. At the same time, European leaders approved a defence spending plan.
- Expectations for stronger growth and larger bond supply in the coming years explained the movements in government bonds.
- Against this backdrop, the 5-year Bund yield increased from 2.15% to 2.34% over the month. Investment Grade credit spreads increased to 64bps in March from 54bps at the end of February.
- A rebalancing of the portfolio occurred on 3rd Jan with a turnover of 24%. The index displays good diversification among issuers, sectors and geographies.

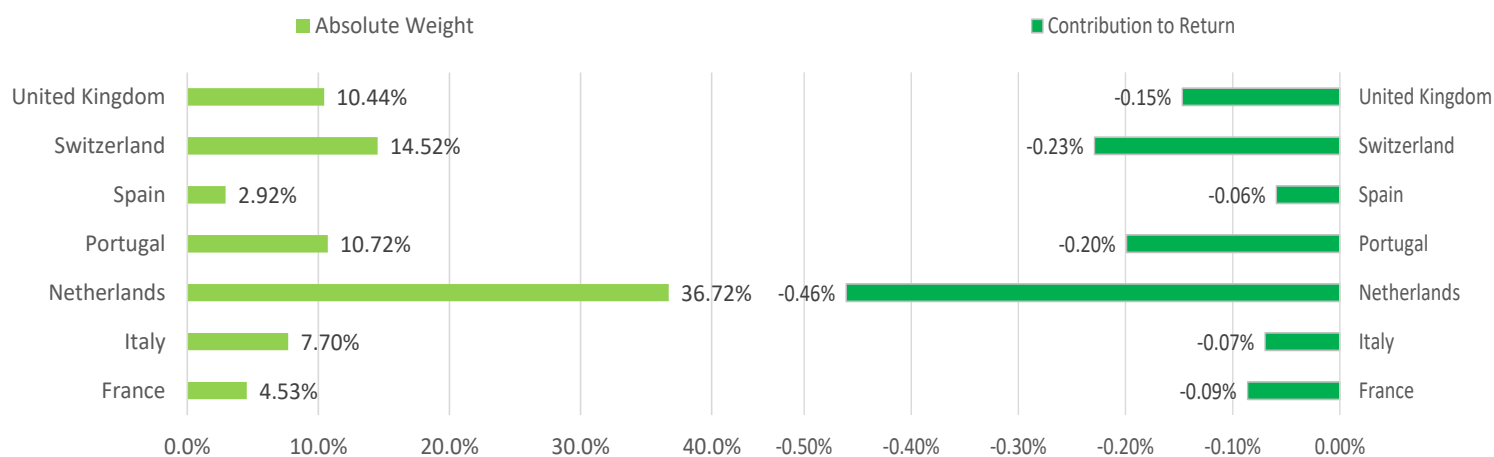
### PERFORMANCE BREAKDOWN

- The Europe Bond Climate Care strategy posted a negative performance in March (-1.28%), underperforming the European Investment Grade Market (QW5A Index) at -1.02%. Corporate bonds were mostly impacted by the rise in yields of government bonds during the month, investment grade credit spreads slightly increased over the month.
- 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 (37% vs 28%), Netherlands (17% vs 22%), Italy (13% vs 7%).
- 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, Communications).
- 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 77 –scoring scale from 1 to 100- (vs 62 for the Benchmark)
  - its Carbon Intensity is 45 tons per million € invested (vs 90 for the Benchmark).
- The Index yield averaged at 3.32% over the month for an average time-to-maturity (at end of March) of 5.61Y, vs 3.16% and 5.75Y for the Benchmark.

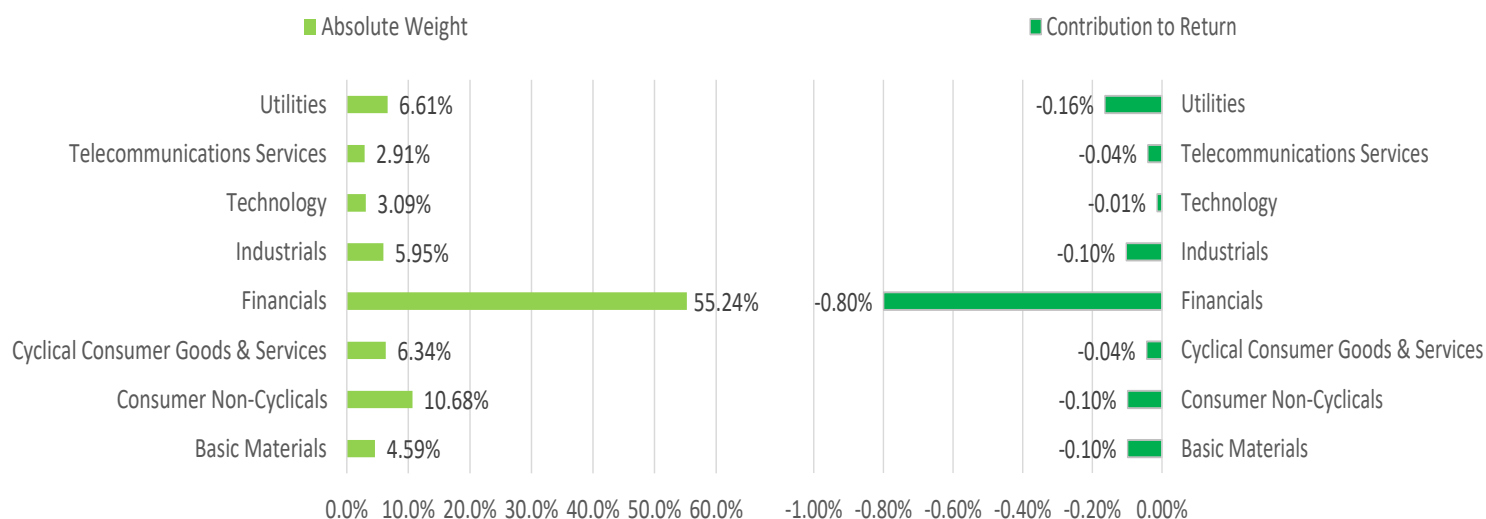


**BREAKDOWN BY TIME TO MATURITY**

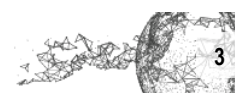
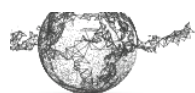
Source: Bloomberg, BNP Paribas. Past performance is not an indicator of future performance.

**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 (76) ◀ 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
33
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
0.06%

CONTACTS

EQUITIES STRATEGIES, GLOBAL MARKETS | Antoine Victoire | [antoine.victoire@bnpparibas.com](mailto:antoine.victoire@bnpparibas.com)  
BNP PARIBAS ASSET MANAGEMENT | CIB Strategies Sales Support | [aam.maqs.cibsalesupport@bnpparibas.com](mailto:aam.maqs.cibsalesupport@bnpparibas.com)  
[dl.theam\\_gm\\_coordination@uk.bnpparibas.com](mailto: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 19.08 million as of 31 March 2025		SRI Ranking (scale from 1 to 7)*	3
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	0.43%			
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

Legal Notice: This document is CONFIDENTIAL AND FOR DISCUSSION PURPOSES ONLY; it constitutes a marketing communication and has been prepared by a Sales and Marketing function within BNP Paribas and/or its subsidiaries or affiliates (collectively "we" or "BNP Paribas"). As a confidential document it is submitted to selected recipients only and it may not be made available (in whole or in part) to any other person without BNP Paribas' written consent.

This document is not a recommendation to engage in any action, does not constitute or form any part of any offer to sell or issue and is not a solicitation of any offer to purchase any financial instrument, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. To the extent that any transaction is subsequently entered into between the recipient and BNP Paribas, such transaction will be entered into upon such terms as may be agreed by the parties in the relevant documentation.

The information contained in this document has been obtained from sources believed to be reliable, but there is no guarantee of the accuracy, completeness or suitability for any particular purpose of such information or that such information has been independently verified by BNP Paribas or by any person. None of BNP Paribas, its members, directors, officers, agents or employees accepts any responsibility or liability whatsoever or makes any representation or warranty, express or implied, as to the accuracy or completeness of the information, or any opinions based thereon, contained in this document and it should not be used in place of professional advice. Additional information may be provided on request, at our discretion. Any scenarios, assumptions, historical or simulated performances, indicative prices or examples of potential transactions or returns are included for illustrative purposes only. Past performance is not indicative of future results. Investors may get back less than they invested. BNP Paribas gives no assurance that any favourable scenarios described are likely to happen, that it is possible to trade on the terms described herein or that any potential returns illustrated can be achieved. This document is current as at the date of its production and BNP Paribas is under no obligation to update or keep current the information herein. In providing this document, BNP Paribas offers no investment, financial, legal, tax or any other type of advice to, and has no fiduciary duty towards, recipients. Certain strategies and/or potential transactions discussed in this document may involve the use of derivatives which may be complex in nature and may give rise to substantial risks, including the risk of total or partial loss of any investment or losses without limitation and which should only be undertaken by those with the requisite knowledge and experience. BNP Paribas makes no representation and gives no warranty as to the results to be obtained from any investment, strategy or transaction, or as to whether any strategy, security or transaction described herein may be suitable for recipients' financial needs, circumstances or requirements. Recipients must make their own assessment of strategies, securities and/or potential transactions detailed herein, using such professional advisors as they deem appropriate. BNP Paribas accepts no liability for any direct or consequential losses arising from any action taken in connection with or reliance on the information contained in this document even where advised of the possibility of such losses.

As an investment bank with a wide range of activities BNP Paribas may face conflicts of interest and you should be aware that BNP Paribas and/or any of its affiliates may be long or short, for their own account or as agent, in investments, transactions or strategies referred to in this document or related products before the material is published to clients and that it may engage in transactions in a manner inconsistent with the views expressed in this document, either for their own account or for the account of their clients. Additionally, BNP Paribas may have acted as an investment banker or may have provided significant advice or investment services to companies or in relation to investments mentioned in this document. The information in this document is not intended for distribution to, or use by, any person or entity in any jurisdiction where (a) the distribution or use of such information would be contrary to law or regulations, or (b) BNP Paribas or a BNP Paribas affiliate would become subject to new or additional legal or regulatory requirements. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly.

This document is intended for, and is directed at, (a) Professional Clients and Eligible Counterparties as defined by the European Union Markets in Financial Instruments Directive ("MiFID"), and (b) where relevant, persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, and at other persons to whom it may lawfully be communicated (together "Relevant Persons"). Any investment or investment activity to which this document relates is available only to and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or its content.

This document is being communicated by BNP Paribas, a Limited Liability company incorporated in France. Registered Office: 16 boulevard des Italiens, 75009 Paris, France. 662 042 449 RCS Paris. BNP Paribas is lead supervised by the European Central Bank (ECB) and the French Autorité de Contrôle Prudentiel et de Résolution (ACPR). © BNP Paribas. All rights reserved.

For funds authorized for marketing in Switzerland or from Switzerland, prospectuses, key investor information documents, articles of association, annual or semi-annual reports can be obtained free of charge from the representative agent in Switzerland, BNP Paribas (Suisse) SA, 2, place de Hollande, CH-1204 Genève; Payment Agency services are provided by BNP Paribas Securities Services, Paris, Zurich branch, 16, Selnaustrasse, 8002 Zurich, Switzerland.

All information referred to in the present document is available at [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

