BNP PARIBAS

The bank for a changing world

THEAM Quant – LFIS Selection

theam QUANT FUNDS

LIQUID ALTERNATIVES

MARKETING COMMUNICATION | FOR PROFESSIONAL INVESTORS ONLY | OCTOBER 2024

OBJECTIVE

THEAM Quant – LFIS Selection aims to increase the value of its assets over the medium term, through the use of quantitative investment strategies across different asset classes. The Sub-fund is taking into account recommendations from an Investment Adviser, with the objective to identify sources of return coming from market opportunities or inefficiencies and combine them within a balanced portfolio.

BNP PARIBAS AND LFIS CAPITAL: COMPLEMENTARY EXPERTISE THAT COMES IN A LIQUID UCITS FORMAT

BNP PARIBAS QIS
INVESTMENT UNIVERSE

Extensive liquid alpha range

- Diverse correlation, risk-return and market sensitivity profiles
- Cost-efficient design, liquidity, transparency
- Robustness of the operational framework

LFIS CAPITAL
INVESTMENT ADVISORY

Verification of:

- QIS robustness
- Representativity of the underlying strategy
- Implementation: turnover & costs

Recommendation on:
portfolio composition & weights

BNP PARIBAS Asset Management
PORTFOLIO MANAGEMENT

Portfolio allocation
Risk management
Reporting
Fiduciary Responsibility

PHILOSOPHY

Market-neutral Sub-fund, seeking to deliver absolute risk-adjusted returns and diversification

- Selected perennial cross-asset opportunities created by market dislocations combined with defensive and crisis alpha
- Disciplined risk-controlled portfolio, composed of liquid systematic blocks, exploiting current opportunities identified by the Investment Adviser

SOURCE OF COMPLEMENTARY RETURNS AND TRUE DIVERSIFICATION IN COSTANTLY CHANGING MARKETS

Allocation

Equal Risk Contribution Target over Time				Opportunistic	
SYSTEMATIC & BEHAVIORAL		*IMPLIED STRATEGIES*		*CRISIS ALPHA*	
Carry	Low Vol	Implied Volatility	Dispersion	Defensive	Hedging
Value	Trend	Dividends	Repo		
Momentum	Reversal				

Risk managed to target a volatility between 5%-10% with a medium-to-long term Sharpe ratio above 1

The achievement of this target is not guaranteed. NB! Example of liquid alpha strategies the Sub-fund may be exposed to. The list is not exhaustive. The universe of eligible quantitative strategies may be reviewed periodically by the Management Company to achieve the investment objective of the Sub-fund.

Sources: Bloomberg, BNP Paribas, as of 30 November 2023. This is for illustrative purposes only and should not be used as a basis for making any specific investment, business or commercial decisions. This is for general information only and should not be used as a basis for making any specific investment, business or commercial decisions. Any economic and market trend, prediction, projection or forecast is not necessarily indicative of the future or likely performance of the funds. For illustrative purpose only.

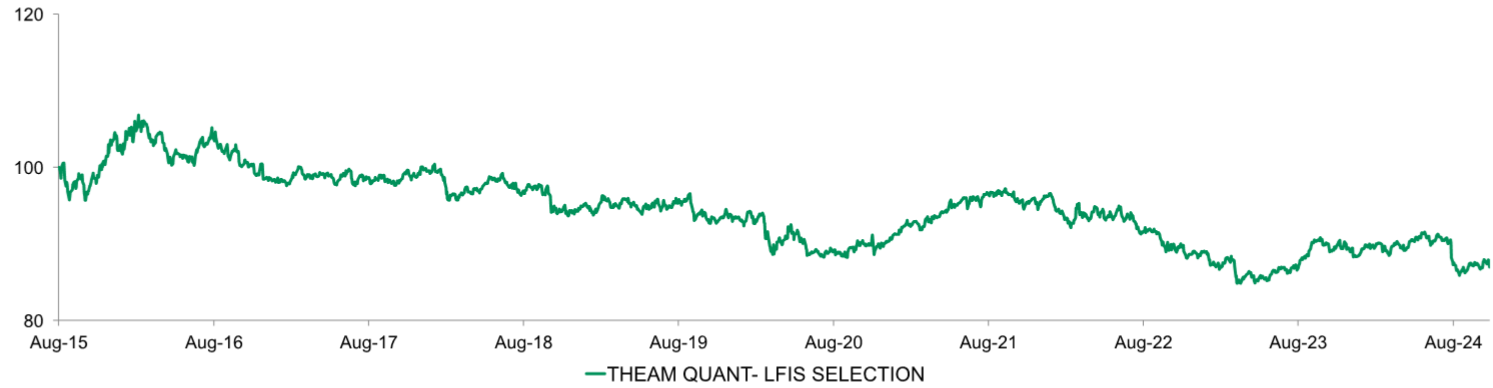
THEAM Quant – LFIS Selection

LIQUID ALTERNATIVES

PERFORMANCE SIMULATIONS SINCE SEPTEMBER 2010:

As of October 31st, 2024

Based on Illustrative "Full Strategy" selection



Note that the Fund is less than 1 year old and currently does not implement yet the Full Strategy

Simulated Performance and Risk Statistics

		1M	3M	1Y	3Y p.a.	5Y p.a.	Global p.a.		Volatility p. a.	Max. Drawdown
THEAM QUANT- LFIS SELECTION	Return	-0.38%	-3.93%	-2.95%	-2.73%	-1.41%	-1.50%	Risk	5.32%	-20.58%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	1.23%	-0.59%	1.25%	0.41%	1.09%	-0.52%	-0.59%	-3.94%	0.39%	-0.38%			-1.75%
2023	-1.75%	0.29%	-2.50%	-0.16%	0.47%	1.37%	0.32%	1.53%	2.22%	-0.87%	-0.02%	-1.19%	-0.43%
2022	-2.99%	-0.30%	-0.43%	1.24%	-0.56%	0.30%	-2.64%	0.36%	-2.76%	0.33%	-0.94%	0.25%	-7.95%
2021	1.36%	-0.74%	1.59%	0.91%	1.23%	0.46%	0.73%	0.15%	-0.18%	-1.94%	0.54%	1.62%	5.83%
2020	-0.46%	-2.13%	0.03%	0.68%	-0.84%	-1.84%	0.53%	-1.09%	1.38%	0.39%	-0.11%	1.52%	-1.99%
2019	-0.36%	-0.21%	1.18%	-0.94%	-0.45%	0.06%	0.72%	1.07%	-2.10%	-1.01%	0.78%	-1.05%	-2.33%
2018	-0.74%	-2.56%	0.85%	0.41%	1.40%	-0.77%	-1.34%	1.10%	-0.42%	-2.68%	-0.21%	1.09%	-3.89%
2017	-0.08%	2.04%	-1.00%	0.14%	-0.67%	-0.62%	0.58%	0.46%	-0.98%	1.46%	-0.39%	0.27%	1.17%
2016	1.05%	2.28%	-1.24%	-3.93%	1.25%	0.99%	1.15%	-1.86%	0.22%	-1.60%	-1.19%	-1.15%	-4.12%
2015								-3.19%	1.86%	-0.07%	2.90%	0.83%	2.24%

Sources: Bloomberg, BNP Paribas. LFIS Selection simulated performance based on a Full Strategy portfolio, in EUR capitalised on €STER net of 0.80%. The Full Strategy corresponds to the a basket comprising the whole universe of strategies eligible to be part of the target portfolio. The Full Strategy aims to be implemented following a progressive onboarding process and to be implemented as the AUMs grow. Past and present performance is not a reliable indicator of future results. This is for general information only and should not be used as a basis for making any specific investment, business or commercial decisions. Any economic and market trend, prediction, projection or forecast is not necessarily indicative of the future or likely performance of the funds. For further information, and in particular the risks of the product, please refer to the Prospectus and KIDs of the fund.

Look-through Leverage is estimated looking through the TRS used to get exposed to the Investment Strategy and its Underlying Assets composition

Look-through Leverage may be generated by the synthetic exposure to futures, options, swaps, forward contracts, and other derivative contracts on equity, fixed income including credit, interest rates, currency, volatility and commodities. Under normal market conditions, the level of the Look-through Leverage is expected to be on average below 20. It is possible that it may exceed such level or may also be subject to lower levels from time to time. Such level is predominantly a function of the synthetic use of short-term interest rate strategies when opportunities arise in the market. However, there is usually limited relationship between interest rate risk and derivatives notionals, short-term interest rate exposures have indeed a limited sensitivity to changes in interest rates, but need to employ large amounts of notional to generate those exposures. When disregarding such short-term interest rate exposures, or in circumstances where they do not form part of the Sub-fund Underlying Assets, the level of Look-through Leverage is expected to be on average less than 6. Look-through Leverage may under certain circumstances generate an opportunity for higher return and therefore more important income, but at the same time, may increase the volatility of the Sub-fund and therefore the risk to lose capital but within the limit of the Shareholders' investment as described in the Section 19.1 of the General Section of the THEAM Quant Prospectus. A risk management process supervises this investment strategy through a Look-through Leverage monitoring, a daily VaR (99%; 1-month) monitoring completed by back tests and stress tests.

FUND CHARACTERISTICS

Fund	**THEAM QUANT- LFIS SELECTION**	Capital protection	No
Management Company	BNP PARIBAS ASSET MANAGEMENT Europe	Minimum Investment horizon	4
Comparative Index	No Benchmark	Legal form	SICAV
Assets under Management	EUR 16.09 million as of 31 October 2024	SRI Ranking (scale from 1 to 7)*	2
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 EUR	J ACC Perf H	I DIS Perf
Launch date	07 August 2015	06 October 2023	06 October 2023
ISIN code	LU1120439341	LU2346218071	LU1179462749
Bloomberg code	THQABAI LX	-	-
Ongoing charges	0.85%	0.61%	0.85%
Subscription / Exit fees	None / None	None / None	None / None
Minimum subscription	100K € equiv	10M € equiv	100K€ equiv
Passporting	Switzerland, Germany, France, United Kingdom, Ireland rep., Italy, Luxembourg, Sweden	Luxembourg	Luxembourg

*Source: BNP Paribas. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay, the fund described being in risk of capital loss. Following the new Sustainable Finance Disclosure Regulation (SFDR) that came into force on the 10th of March 2021, financial entities such as BNP Paribas Asset Management who sell products into the EU are required to classify the products they manufacture or advise into three categories: products with sustainable investment objective (Article 9); products promoting environmental or social characteristics (Article 8); products neither Article 8 or Article 9 (Article 6). *The summary risk indicator is determined on a scale from 1 to 7 (7 being the highest risk level). It is subject to a periodical computation and can consequently change over time. We invite you to consult regularly the KID.*

Funds' main common risks

Risks related to the algorithms used for the calculation of the Strategy: The allocation model used by the Strategy, as well as the several quantitative strategies models, are based on certain criteria for yielding and risk calculation based on historical results. It is therefore possible that the models are not fully efficient, as past situations may not necessarily be reproduced in the future. The use of these models is consequently not a guarantee for future results of the Strategy.

Market volatility:

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.

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 OTC Derivatives, administrator of index, provider of systematic strategy 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 risk and the safe keeping of the Sub-fund's assets. Each such legal entity or division is run as a separate operational unit, segregated 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.

The Management Company may enter into OTC Derivative or EPM Techniques with counterparties affiliated to the BNP Paribas Group. In this case, there is a potential conflict of interests between the interests of the Shareholders and the interests of the group to which the Management Company belongs. An ongoing efficient management policy of conflicts of interests shall ensure the respect of the primacy of Shareholders' interests.

Commodity market risk:

This risk is present in each Sub-fund having synthetic or indirect exposure to commodities in its investment universe. Commodity markets may experience significant, sudden price variations that have a direct effect on the valuation of shares and securities that equate to the shares in which a sub-fund may invest and/or indices that a sub-fund may be exposed to. Moreover, the underlying assets may evolve in a markedly different way from traditional securities markets (equity markets, bond markets, etc.).

Interest rate:

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.

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the securities or other eligible assets in which a Sub-fund invests are denominated may affect the value of the Shares.

Risks in transactions in currencies:

In general, foreign exchange rates can be extremely volatile and difficult to predict. Foreign exchange rates may be influenced by, among other factors: changing supply and demand for a particular currency; trade, fiscal and monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); political events; changes in balances of payments and trade; domestic and foreign rates of inflation; domestic and foreign rates of interest; international trade restrictions; and currency devaluations and revaluations. In addition, governments from time to time intervene, directly and by regulation, in the currency markets to influence prices directly. Variance in the degree of volatility of the market form the Management Company, the Investment Manager and the Investment Adviser's expectations may produce significant losses to a Sub-fund, particularly in the case of transactions entered into pursuant to non-directional strategies.

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.

Synthetic Short Selling: Sub-funds may utilise synthetic short exposures through the use of cash settled derivatives such as swaps, futures and forwards in order to enhance their overall performance. A synthetic short sale position replicates the economic effect of a transaction in which a fund sells a security it does not own but has borrowed, in anticipation that the market price of that security will decline. When a Sub-fund initiates such a synthetic short position in a security that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. A Sub-fund may be required to pay a fee to synthetically short particular securities and is often obligated to pay over any payments received on such securities. Each Sub-fund maintains sufficiently liquid long positions in order to cover any obligations arising from its short positions. If the price of the security on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-fund will incur a loss; conversely, if the price declines, the Sub-fund will realise a short-term capital gain. Any gain will be decreased and any loss increased by the transactional costs described above. Although a Sub-fund's gain is limited to the price at which it opened the synthetic short position, its potential loss is theoretically unlimited. Stop loss policies are typically employed to limit actual losses, which would otherwise have to be covered by closing long positions.

Synthetic Leverage: A Sub-fund's portfolio may be leveraged by using financial derivative instruments (including OTC Derivatives) i.e. as a result of its transactions in the futures, options and swaps markets. A low margin deposit is required in futures trading and the low cost of carrying cash positions permit a degree of leverage, which may result in exaggerated profits or losses to an investor. A relatively small price movement in a futures position or the underlying instrument may result in substantial losses to the Sub-fund resulting in a similar decline to the Net Asset Value per Share. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract or security underlying the option which the writer must purchase or deliver upon exercise of the option. Contracts for differences and swaps may also be used to provide synthetic short exposure to a stock – the risks associated with using swaps and contract for differences are more fully disclosed in Section 19.31 of THEAM Quant Prospectus – January 2022.

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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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