



THEAM QUANT – FIXED INCOME DIVERSIFIER (FIND)

theam QUANT FUNDS

LIQUID ALTERNATIVES

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | MARCH 2024

OBJECTIVE

The THEAM Quant – Fixed Income Diversifier (FIND) fund implements a systematic strategy aiming to generate uncorrelated performance over the medium term, by being exposed to a global dynamic long/short portfolio of short-term money market rates and long term government bonds

KEY POINTS

THEAM Quant – Fixed Income Diversifier gives access to different sources of returns in the interest rates curve with risk control mechanisms, in a fully systematic fashion:

- Trends in short-term interest rates
- Interest rates differences across countries observed with a diversified set of factors while aiming at neutralising the duration exposure in the medium term
- Leverages on the most recent research on factor investing in fixed-income. The BNP Paribas Quantitative Investment Strategies Lab team (QIS lab) has released a new research paper called 'Beyond carry and momentum in government bonds'¹ based on the results of their extensive work on factor investing in fixed-income

ESG Integration - the strategy's geographical allocation is contingent to each eligible country's²:

- Democracy score (provided by Vigeo Eiris): Sovereign bonds with a score below 60/100 are excluded. 10 EU Technical Expert Group disclosure factors³ are taken into account
- Signature of the Paris Agreement: Countries that do not adhere to the Paris Agreement will see their maximum long exposure reduced

STRATEGY

1

SHORT-TERM INTEREST RATES TIME SERIES TREND:



CYCLICAL ECONOMIC TRENDS

AFFECT



MARKET EXPECTATIONS OF CENTRAL BANK ACTIONS ON THE POLICY RATE

DRIVE



SHORT TERM INTEREST RATE (STIR) FUTURES MARKET

Seeking to take advantage of trends in stir while controlling for volatility budget

- ✓ Proprietary trend signal developed by BNP Paribas
- ✓ High reactivity to market movements
- ✓ Stringent risk control

EUR
(ICE Euribor Futures)USD
(CME Eurodollar Futures)

75% maximum weight (<5% daily turnover)

40% volatility contribution

2

LONG-TERM RATES LONG/SHORT MULTI-FACTOR:
GLOBAL GOVERNMENT BONDS MULTI-FACTOR

Designed to capture interest rates differences across countries with three long-short factor strategies

PROMINENT FACTOR

50% CARRY
Carry + roll-down

ALPHA DIVERSIFICATION

25% RELATIVE VALUE
Fair value of long term rates from short term rates, slope, equity and oil25% MOMENTUM
Residual momentum

One common portfolio optimisation:

Long / short market-neutral portfolios of 10y bond futures

- ✓ US
- ✓ Canada
- ✓ UK
- ✓ Germany
- ✓ Japan

150% maximum weight (<5% daily turnover)

60% volatility contribution

GEOGRAPHICAL DIVERSIFICATION

VOLATILITY BUDGET AND VOLATILITY CONTROL

It applies a volatility control mechanism both at the sub-strategy and at the portfolio level with 4.5% volatility target
Each sub-strategy's exposure to the underlying instruments may be leveraged to reach the volatility target, with look-through exposures to 10-years futures up to 150% (long or short) and to short-term interest rates up to slightly more than x10 (long or short)

THEAM Quant – Fixed Income Diversifier

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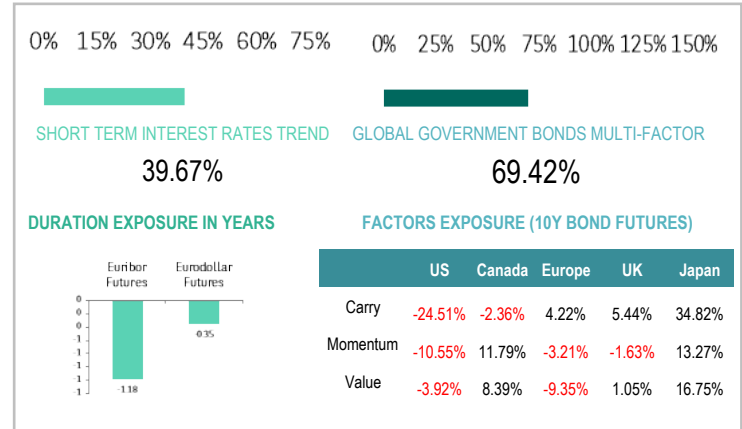
PERFORMANCE ANALYSIS

As of March 28th, 2024

Historical Performance (net of fees, Share I – EUR)



Positioning as of 30 June 2023



Performance and Risk Statistics (net of fees, Share I – EUR)

THEAM QUANT- FIXED INCOME DIVERSIFIER	Return						Risk	Volatility p. a.		Max. Drawdown	
	1M	3M	1Y	3Y p.a.	5Y p.a.	Global p.a.					
	0.28%	0.03%	1.11%	2.15%	-	0.64%		4.77%		-12.74%	

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	-0.20%	-0.05%	0.28%										0.03%
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%	-1.64%	-1.98%	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%

Sources: Bloomberg, BNP Paribas. Historical performance of the Share I (EUR) Acc since 16 December 2019. Fund's performance is expressed net of management fees and in EUR. Following the effective withdrawal of the US from Paris agreement, from 19 November 2020 to 25 February 2021, the US allocation was restrained during that period. 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. Past and present performance is not a reliable indicator of future results.

FUND CHARACTERISTICS

Fund	THEAM QUANT- FIXED INCOME DIVERSIFIER			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 36.16 million as of 28 March 2024			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		C ACC EUR		J ACC EUR
Launch date	16 December 2019		16 December 2019		16 December 2019
ISIN code	LU2051084916		LU2051084080		LU2051085723
Bloomberg code	TFIDIEA LX		TFIDCEA LX		THFIDJE LX
Ongoing charges	0.32%		0.92%		0.22%
Subscription / Exit fees	None / None		3.00% / None		None / None
Minimum subscription	100K € equiv		No minimum		10M € equiv
Passporting	Austria, Switzerland, Germany, France, United Kingdom, Italy, Luxembourg		Belgium, Switzerland, Germany, France, Italy, Luxembourg		Switzerland, Germany, France, United Kingdom, Italy, 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. Characteristics are subject to change at any time without notice and should not be construed as investment recommendations. Prospectus and KID guidelines are leading. For a Complete description and definition of risks, please consult the last available prospectus and KID of the funds. Investors considering subscribing to a fund should read carefully its most recent prospectus and KID that can be downloaded free of charge from our website <https://www.bnpparibas-am.com>

Funds' main common risks

- The following list of risk factors associated with the funds is not exhaustive. The risk factors that should be considered in connection with any investment include (but are not limited to) the following:
- An investment in the funds may involve a significant degree of risk. Investment in the funds is only suitable for those persons who are able to bear the economic risk of the investment, understand the degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs, and have specific needs for liquidity of investment. There can be no assurance that the funds' objectives will be achieved or that there will be any return of capital.

Economic conditions

- The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the equity markets. Unexpected volatility or illiquidity in the markets in which the funds hold positions could impair the funds' ability to carry out their business or cause them to incur losses. None of these conditions is within the control of the funds or its management company and/or investment manager and no assurances can be given that the funds or its management company and/or investment manager will anticipate these developments.

The funds will possess inherent risks

- These include, among other things, credit, liquidity, volatility, currency and interest rate risk, the financial condition of the underlying obligors, general economic conditions, market price volatility, the condition of certain financial markets, political events and developments or trends in any particular industry.

Currency exchange risk

- The value of an investment may be affected by fluctuations in the currency of the country in which the investment was made, or exchange control regulations.

Interest rate risk

- The value of an investment may be affected by interest rate fluctuations. Interest rates may be influenced by several elements or events, such as monetary policy, the discount rate, inflation, etc.

Derivatives risk

- The use of derivatives by the funds includes various risks. Those risks are (without limitation), the lack of secondary market liquidity under circumstances, valuations risks, the lack of standardization and regulation, the risk of leverage, the risk of counterparty.

Liquidity risk

- There is a risk that investments made in funds may become illiquid due to an over-restricted market (often reflected by a very broad bid-ask spread or by substantial price movements), or if their "rating" declines or their economic situation deteriorates.

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. Funds investing in high-yield bonds present a higher than average risk due to the greater fluctuation of their currency or the quality of the issuer.

Risk linked to equity markets

- The risks associated with investments in equities (and similar instruments) include significant fluctuations in prices, negative information about the issuer or market and the subordination of a company's equities to its bonds. 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.

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 counterparty's ability to honor its commitments (payment, delivery, repayment, etc.)

The investments in the funds are subject to market fluctuations and the risks inherent in investments in securities. 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. Investors are warned that the capital invested may not be fully recovered, mutual funds described in this document being in risk of capital loss and risk of counterparty. Past performance is not indicative of future performance.

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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