



## EUROPE CLIMATE CARBON OFFSET PLAN NEWSLETTER

**theam** QUANT  
FUNDS

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | MARCH 2024

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### INVESTMENT OBJECTIVE

The objective of the THEAM Quant Europe Climate Carbon Offset Plan is:

- To increase the value of its assets over the medium term by being exposed to a dynamic basket of equities listed on worldwide markets or operating on these markets, the components of which are chosen using a systematic selection method based on environmental, social and governance criteria (ESG) as well as a carbon emission and energy transition criteria and companies financial robustness;
- To offset its carbon footprint.

### STRATEGY

In order to achieve its objective, the fund implements a quantitative investment strategy through the BNP Paribas Equity Europe Select Climate Care NTR Index, with an expected tracking error of 5% with the STOXX Europe 600 NTR index.

The final selection accounts for the following elements:



The Fund provides exposure to European companies with high ESG standards



The selection of companies is made to ensure liquidity and risk reduction



Companies are also selected based on their carbon emissions and 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 the ones: (1) with a Moody's ESG Solutions ESG score in the lowest 25% in their sector or below 30/100, (2) involved in armament, nuclear, tobacco, pornography or in other controversial activities, (3) with a BNP Paribas Asset Management ESG score of 9 or 10 (10 being the worst score). These internal guidelines are for indicative purposes only; Prospectus and KID are prevailing.*

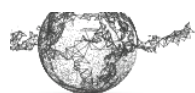
### PERFORMANCE

As of March 28<sup>th</sup>, 2024

Mar 19 - Mar 24	THEAM QUANT EUROPE CLIMATE CARBON OFFSET PLAN	Stoxx Europe 600 NR	MSCI Europe Equal Weighted NR EUR
Performance 1 month	3.79%	4.04%	4.00%
Cumulative Performance Year To Date	6.68%	7.65%	4.55%
Annualised Performance Since Start Date	6.83%	9.09%	6.62%
Annualised Sharpe Ratio Since Start Date	0.38	0.52	0.35
Annualised Volatility Since Start Date	17.77%	17.61%	18.72%
Max Drawdown Since Start Date	-34.49%	-35.36%	-37.44%

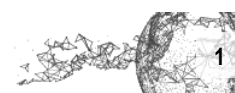
*Refers to FR0013397734, THEAM Quant – Europe Climate Carbon Offset Plan – I EUR ACC < TQECCCI FP Equity >. Refers to the SXXR Index. Refers to the MSCI Europe Equal Weighted Net EUR Index < M7EUEWE Index > for comparative purposes only. Source: Bloomberg. Past performance is not an indicator of future performance.*

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



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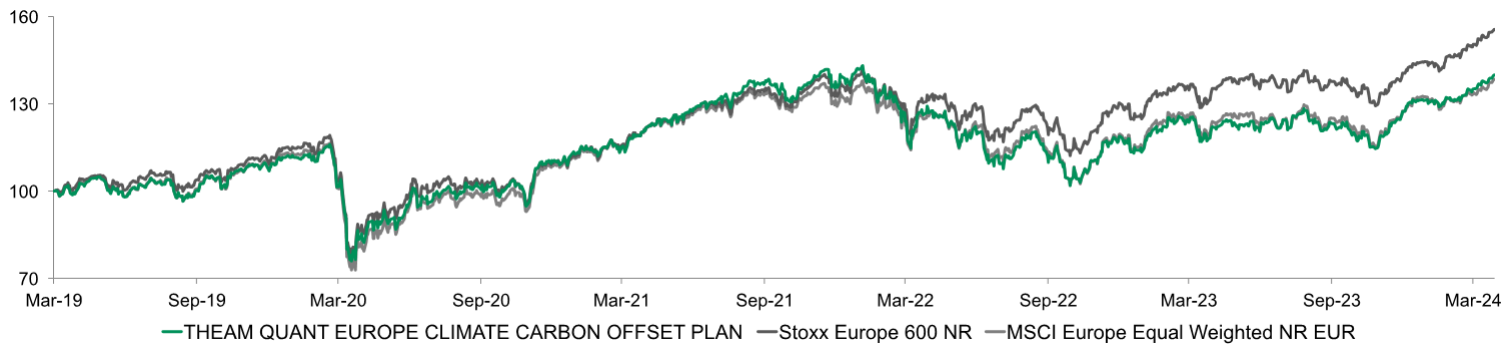
## NEWS UPDATE: WHAT'S NEXT FOR VOLUNTARY CARBON CREDIT MARKETS?

To keep within the global carbon budget, our experts discuss the role of voluntary carbon credits in scaling up climate action.

To access the article, click the image



## PERFORMANCE

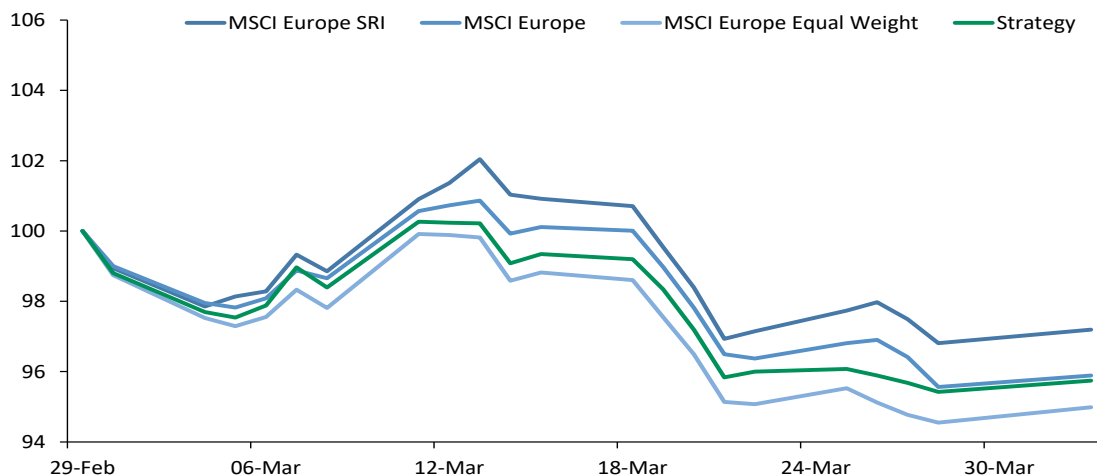


Source: BNP Paribas, Bloomberg. Past performance is not an indicator of future performance

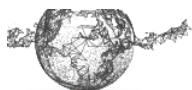
## MONTHLY COMMENTARY

### MACRO BACKGROUND

- Most developed market central banks appeared to confirm that 2024 would see policy rate cuts begin. While higher-than-expected inflation data raised question-marks over the timing, investors were reassured by central bankers' rhetoric. First to cut was the Swiss National Bank in March. The US Federal Reserve and the European Central Bank seem ready to act in June.
- The outlook on global economic growth improved, especially in the US. In the Eurozone, some tentative green shoots of growth appeared. In China, the authorities set their 2024 GDP growth target at 5% and hinted that they would use their fiscal and monetary policy margins to support the economy.
- In the Eurozone, most ECB governors reinforced the notion of a first rate cut in June. At the end of March, the market-based probability of a cut on 6 June was almost 100%. More than three cuts are expected in 2024. Flash purchasing managers' indices (PMIs) in March showed improving services activity but a still worsening situation in the manufacturing sector. Even so, the German economy started to show encouraging signs. Initial inflation estimates for March in the major Eurozone economies suggested the slowdown in price increases would continue, but not rapidly. The ECB forecast a modest normalisation of the labour market.

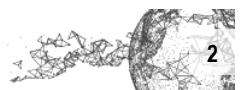


Source: BNP Paribas, Bloomberg. Past performance is not an indicator of future performance



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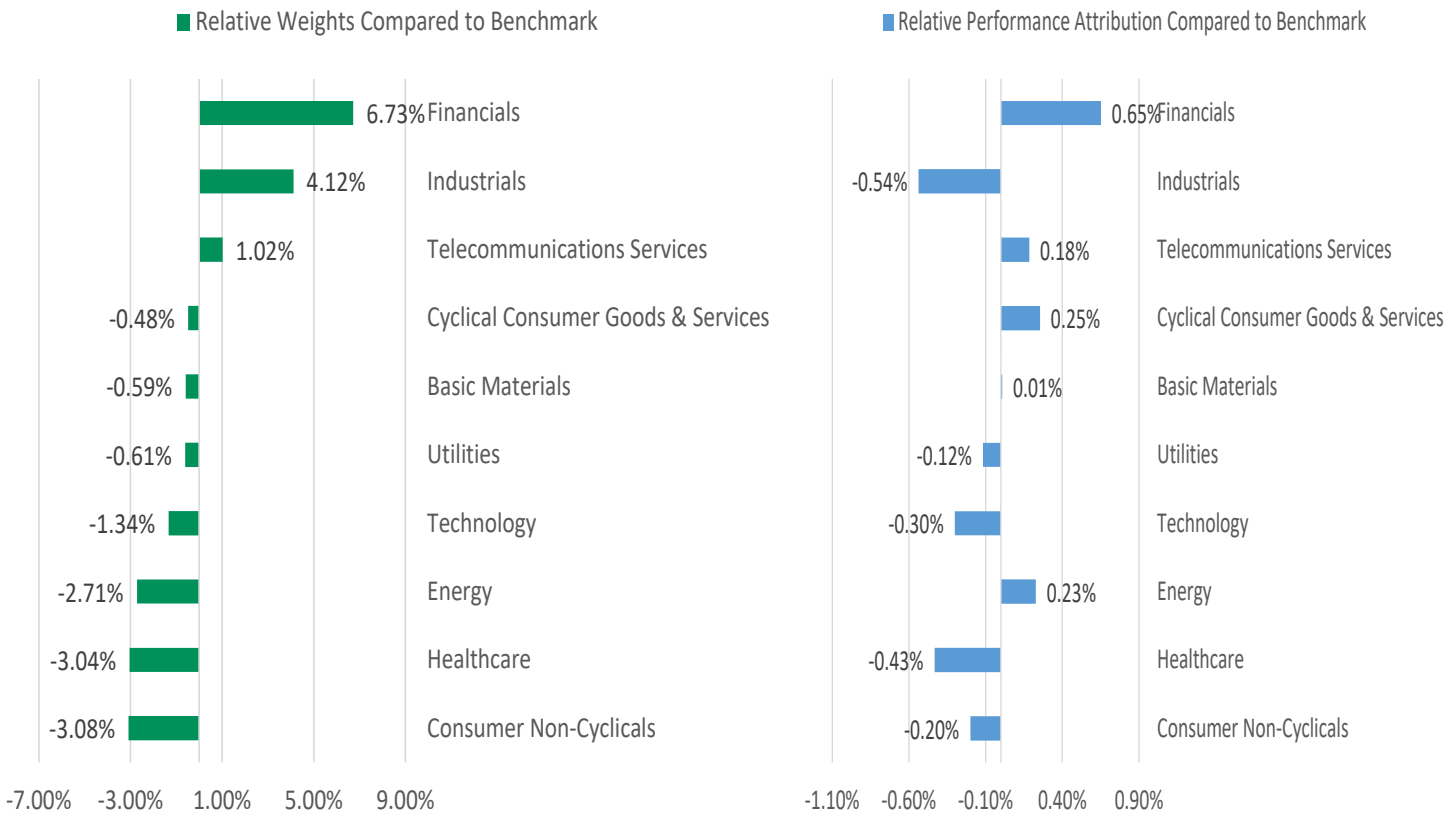


FUND PERFORMANCE

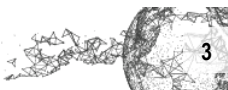
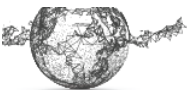
- Within the **Industrials**, the **Healthcare** and the **Technology** sectors, stock picking underperformed by resp. -3.7 %, -2.5 % and -3.0 % on the back of, for example, the poor performances of TELEPERFORMANCE (-21.4 %, with a weight of 1.0 %) and of RELX (-1.1 %, weighted at 1.0 %).
- Conversely, our selection within the **Financials** sector outperformed that of the benchmark (+8.4 % versus +8 %), which was magnified by our stronger overweighting (+6.7 %).
- Our selection within **Italy** outperformed that of the benchmark (+4.0 %), which was magnified by our stronger over allocation (+5.4 %).
- Lastly, within the **Cyclical Consumer Goods & Services** sector, our equity selection outperformed that of the Stoxx Europe 600 NR (+4.3 % versus +2 %).
- The allocation analysis shows a rise of 2.5 % and 2.5 % for the **Healthcare** and the **Industrials** sectors (weighted at 12.7 % and 19.6 % respectively). On the contrary, **Cyclical Consumer Goods & Services** and **Basic Materials** fell by 2.7 % and 0.8 % (weighted at 10.6 % and 6.1 % respectively).

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

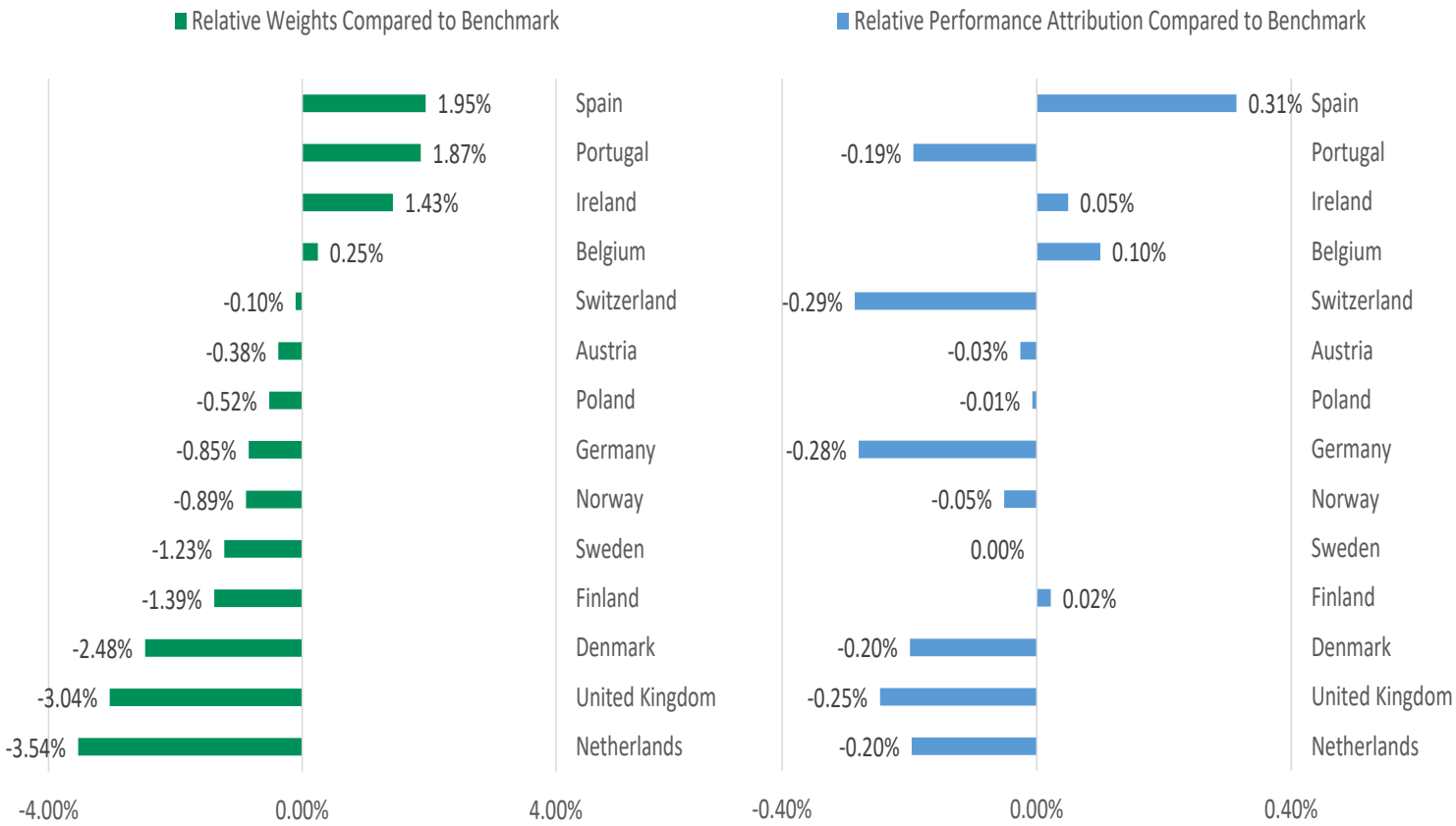
SECTOR RELATIVE WEIGHTS AND PERFORMANCE ATTRIBUTION



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



COUNTRY RELATIVE WEIGHTS AND PERFORMANCE ATTRIBUTION



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

ENERGY TRANSITION SCORE

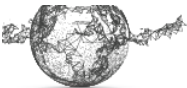
Average Pro Forma Energy Transition Strategy score vs. Benchmark portfolio

<div>STRATEGY SCORE:</div> <div>66.61</div> <div>BENCHMARK PORTFOLIO SCORE:</div> <div>57.99</div>	ADVANCED	Scores between 60 and 100
	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 – Europe Climate Carbon Offset Plan fund, please click the banner below



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 Equity Europe Select Climate Care NTR Index 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 of the fund over the quarter

CURRENT QUARTER

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

35

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%

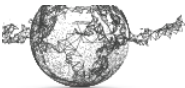
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[dl.theam\\_gm\\_coordination@uk.bnpparibas.com](mailto:dl.theam_gm_coordination@uk.bnpparibas.com)

FUND CHARACTERISTICS AND RISKS

Fund	THEAM QUANT EUROPE CLIMATE CARBON OFFSET PLAN				Capital protection	No
Management Company	BNP PARIBAS ASSET MANAGEMENT Europe				Minimum Investment horizon	5
Comparative Index	STOXX Europe 600 (EUR) NR				Legal form	Mutual Fund
Assets under Management	EUR 175.43 million as of 28 March 2024				SRI Ranking (scale from 1 to 7)*	4
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	S ACC EUR	Privilege ACC EUR	
Launch date	01 March 2019	01 March 2019	01 March 2019	01 March 2019	28 June 2019	
ISIN code	FR0013397734	FR0013397726	FR0013397742	FR0013403409	FR0013425931	
Bloomberg code	TQECCCI FP	TQECCCC FP	TQECCCI FP	TQECCCS FP	TQECCPV FP	
Ongoing charges	0.82%	1.72%	0.60%	0.41%	0.97%	
Subscription / Exit fees	None / None	3.00% / None	None / None	3.00% / None	3.00% / None	
Minimum subscription	100 K€	No minimum	10M €	10 M €	1,000,000.00	
Passporting	Austria, Belgium, Switzerland, Germany, Spain, France, United Kingdom, Ireland rep., Italy, Luxembourg, Sweden	Belgium, Switzerland, Germany, Spain, France, United Kingdom, Ireland rep., Italy, Luxembourg, Sweden	Belgium, Switzerland, Germany, Spain, France, United Kingdom, Ireland rep., Italy, Luxembourg, Sweden	Belgium, Switzerland, Germany, Spain, France, United Kingdom, Ireland rep., Italy, Luxembourg, Sweden	Belgium, Switzerland, Germany, Spain, France, United Kingdom, Ireland rep., Italy, Luxembourg, Sweden	

\*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 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.

**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. Therefore, there is a risk of error in the carbon footprint estimation due in particular to a risk of deviation between 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 the event 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.

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