



EQUITY EUROPE FACTOR DEFENSIVE



MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | DECEMBER 2025

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INVESTMENT OBJECTIVE

The objective of the THEAM Quant – Equity Europe Factor Defensive is to provide capital growth by being exposed to a basket of European equities and by implementing a systematic options strategy which aims at reducing risk by minimizing volatility in the fund.

STRATEGY

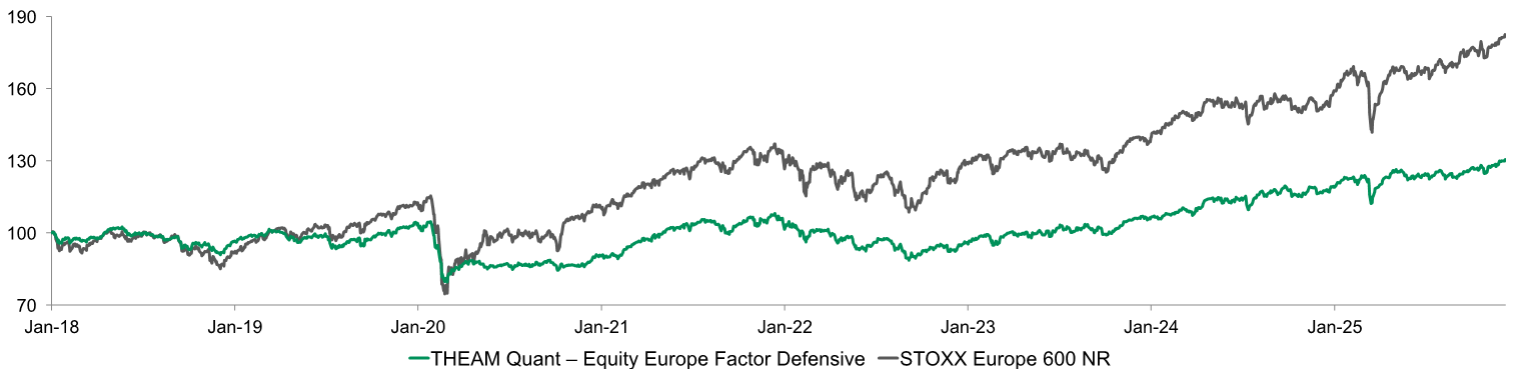
- BNP Paribas created THEAM Quant – Equity Europe Factor Defensive to allow investors to benefit from a balanced equity exposure while keeping a more defensive profile in case of adverse market conditions.
- The strategy aims to generate returns through a risk-balanced and low correlated portfolio that aims at generating alpha through a dynamic selection of the most relevant investment factor(s) for each market period. In addition to that, the Fund implements a systematic options strategy which aims to reduce drawdowns during bear markets and minimize volatility in the Fund.

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

PERFORMANCE

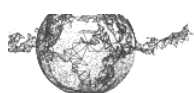
As of December 31st, 2025

Jan 18 - Dec 25	THEAM Quant – Equity Europe Factor Defensive	STOXX Europe 600 NR
Performance 1 month	2.11%	2.80%
Cumulative Performance Year To Date	11.88%	19.80%
Annualised Performance Since Start Date	3.41%	7.86%
Annualised Volatility Since Start Date	9.92%	16.00%
Annualised Sharpe Ratio Since Start Date	0.34	0.49
Max Drawdown Since Start Date	-24.02%	-35.36%



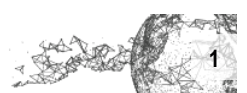
Refers to LU1685632132, THEAM Quant – Equity Europe Factor Defensive - I EUR ACC <TQEFIAE LX Equity>. Stoxx Europe 600 NR refers to the SXXR Index - This Index is for comparative purposes only and does not represent any official benchmark for the Fund. Source: Bloomberg. BNP Paribas. Past performance 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

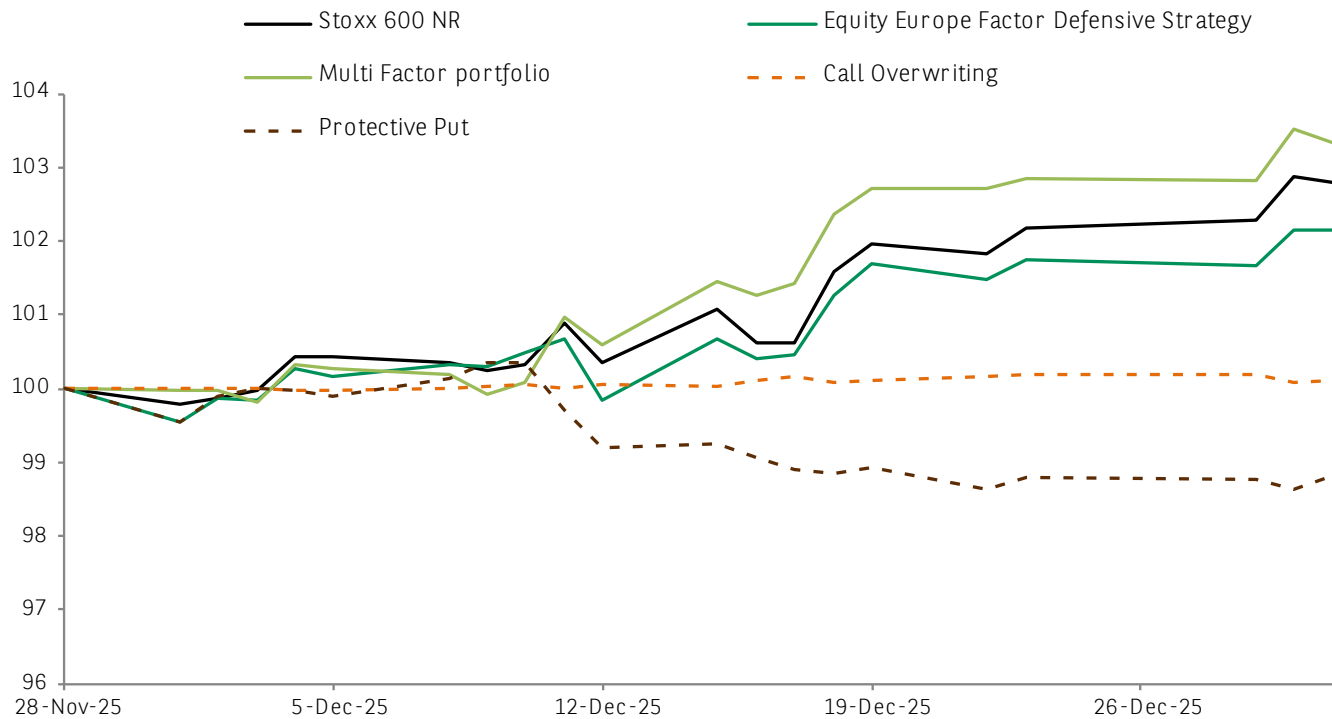
<https://globalmarkets.cib.bnpparibas/>



MONTHLY COMMENTARY

MACRO BACKGROUND

THEAM Quant – Equity Europe Factor Defensive recorded a positive performance in December 2025 while the Stoxx Europe 600 Net TR was up +2.80%. The option overlay had a negative performance over the month: -0.41%, while the multi factor stock selection overperformed the benchmark: +3.33%.



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

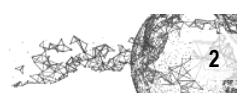
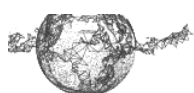
PERFORMANCE BREAKDOWN

The multi factor stock selection’s performance was due to the following factors:

- Within the **Cyclical Consumer Goods & Services**, the **Technology** and the **Healthcare** sectors, our equity selection underperformed those of the benchmark (-1 % versus +2.4 %, -1.3 % versus +1.3 % and -0.3 % versus +1 % respectively) on the back of, for example, the poor performances of LOGITECH (-9.7 %, with a weight of 1.7 %) and of NEXT (-2.7 %, weighted at 1.9 %).
- Within **France**, our choice underperformed by -2.6 %.
- Conversely, our selection within the **Utilities** sector outperformed that of the benchmark (+1.5 %), which was magnified by our stronger overweighting (+3.2 %). Lastly, within the **Energy** sector, stock picking outperformed by 2.6 %.

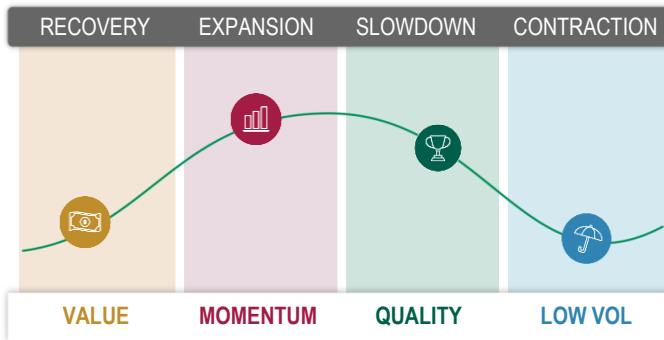
OVERLAY ANALYSIS:

- The puts net contribution was -0.51%.
- The sale of call options has contributed positively +0.10%.
- Overall, the overlay had a negative contribution of -0.41%.
- At the end of December, the average strike of puts is at 93%.
- The sale of calls is now generating +1.6% p.a. while the purchase of puts costs 2.9%, leading to a net contribution of -1.3% p.a. for the overlay.
- The delta of the strategy is around 76%.



EQUITY EUROPE FACTOR DEFENSIVE: INVESTMENT PROCESS IN A NUTSHELL

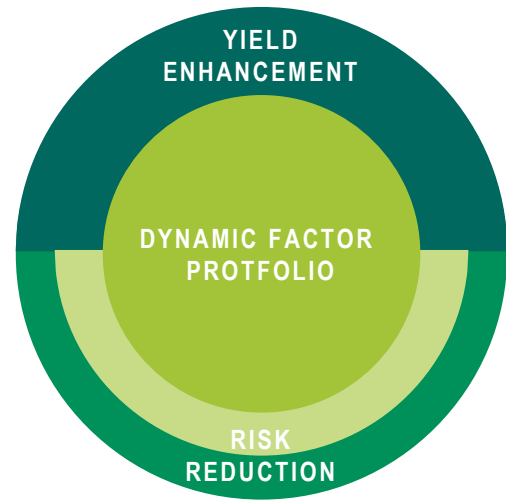
EQUITY FACTORS



A risk-balanced equity portfolio, aiming at generating alpha through a dynamic selection of the most relevant investment factor(s) for each market period

DEFENSIVE LAYER: YIELD ENHANCEMENT

Sell short dated (15 bd) calls (call overwriting) which provide additional yield



Buy longer dated (12 months) downside puts

CONTACTS

HEAD OF OPTION-BASED STRATEGIES, GLOBAL MARKETS | Gilles-Edouard Espinosa | gilles-edouard.espinosa@bnpparibas.com
BNP PARIBAS ASSET MANAGEMENT | CIB Strategies Sales Support | am.maqs.cibsalessupport@bnpparibas.com
dl.theam_gm_coordination@uk.bnpparibas.com

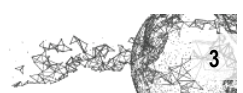
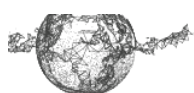
FUND CHARACTERISTICS AND RISKS

Fund	THEAM QUANT- EQUITY EUROPE DYNAMIC FACTOR DEFENSIVE								Capital protection	No
Management Company	BNP PARIBAS ASSET MANAGEMENT Europe								Minimum Investment horizon	5
Comparative Index	STOXX Europe 600 NR								Legal form	SICAV
Assets under Management	EUR 71.58 million as of 31 December 2025								SRI Ranking (scale from 1 to 7)*	4
Share	I ACC	C ACC	Privilege ACC	J ACC	J DIS	C DIS	I DIS	C USD RH ACC H		
Launch date	25 January 2018	25 January 2018	05 April 2019	02 May 2019	18 November 2019	18 December 2020	18 December 2020	18 December 2020		
ISIN code	LU1685632132	LU1685629427	LU1685631241	LU1685635150	LU1685635408	LU1685629773	LU1685632306	LU1685630359		
Bloomberg code	TQEFIAE LX	TQEFCAE LX	THEEPEA LX	THEEFJE LX	TQEEJED LX	TQEFCEI LX	TQEFIEI LX	THEFDCH LX		
Ongoing charges	0.81%	1.56%	0.91%	0.45%	0.45%	1.56%	0.81%	1.56%		
Subscription / Exit fees	None / None	3.00% / None	3.00% / None	None / None	None / None	3.00% / None	None / None	3.00% / None		
Minimum subscription	100 K€	No minimum	1M€ equiv , Ptf Mgr None	10M €	10M €	No minimum	100 K€	No minimum		
Passporting	France, Switzerland, Belgium, Austria, Germany, Spain, Italy, Luxembourg	France, Spain, Austria, Switzerland, Italy, Luxembourg, Belgium, Germany	Austria, Belgium, Germany, Italy, Spain, Luxembourg, France, Switzerland	France, Switzerland, Luxembourg	Belgium, Germany, Switzerland, France, Luxembourg	Switzerland, Germany, France, Austria, Belgium, Spain, Italy, Luxembourg	Switzerland, Germany, France, Italy, Belgium, Luxembourg, Spain, Austria	France, Luxembourg, Switzerland, Spain, Austria, Belgium, Italy, Germany		

*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](#).

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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.

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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