



EUROPE TARGET PREMIUM

MARCH 2024 NEWSLETTER

theam QUANT FUNDS

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY

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INVESTMENT OBJECTIVE

The objective of the THEAM Quant Europe Target Premium is to provide income and capital growth by implementing a dynamic systematic option strategy on EURO STOXX 50 ESG Index (Bloomberg Code: SX5EESG Index) which aims at generating income in bullish and moderately bearish markets while limiting the fund's potential drawdowns.

STRATEGY

The Fund seeks to provide income and capital growth by implementing a dynamic option strategy on EURO STOXX 50 ESG Index which aims at generating income in bullish and moderately bearish markets.

- Potential income of 7% per year*: Recurrent leveraged Income in bullish, moderately bearish and volatile markets
- Systematic Put-Write in UCITS wrapper: Daily sale of fixed strike and short maturities options
- Popular strategy that answers multiple client needs: Alternative to Income like products, Yield diversification, Equity-replacement
- Partial delta hedging was introduced to the strategy on 30/09/2022
- It is used to reduce directional exposure when risk of option exercising is high
- Options begin to be partially hedged when its delta decreases below 60%

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

**There is no guarantee that the performance objective will be achieved.*

PERFORMANCE

As of 28/03/2024	THEAM Quant – Europe Target Premium ¹	EURO STOXX 50 ESG Index ²
1 month performance	0.58%	4.67%
YTD performance	1.76%	12.31%
Overall annualised return ³	3.01%	11.65%

¹ - Refers to LU2051090053, THEAM Quant – Equity Europe Target Premium – Share I EUR ACC <TQETIEA LX Equity>.

² - Refers to the SX5EESG Index, which is for comparative purposes only and does not represent any official benchmark for the Fund.

³ - Overall performance since launch: 05/11/2019.

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

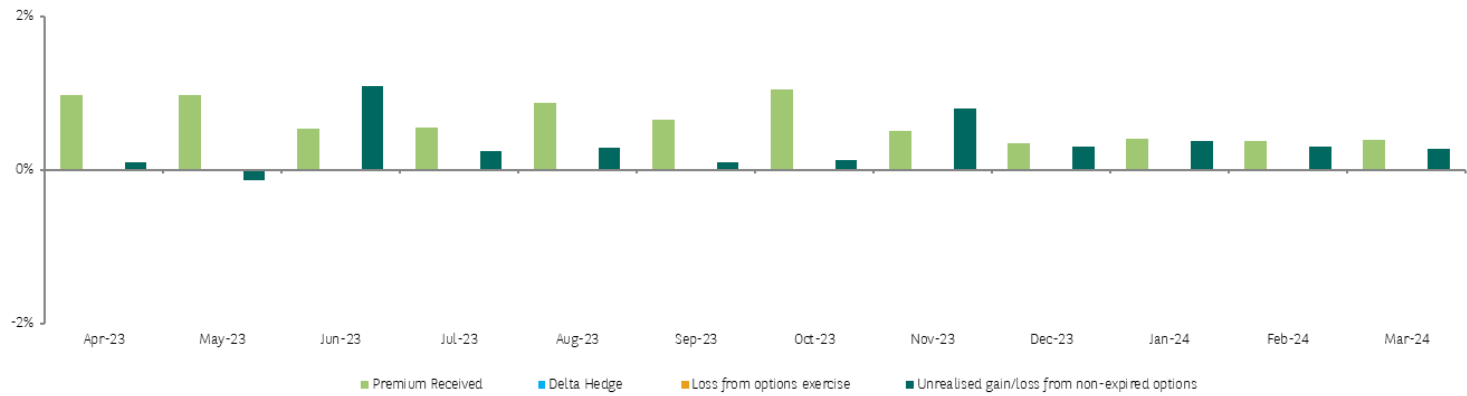
Follow the icon to go to the fund page on the THEAM Quant website



The fund was up by +0.58% in March, while the EURO STOXX 50 ESG was up +4.67%.

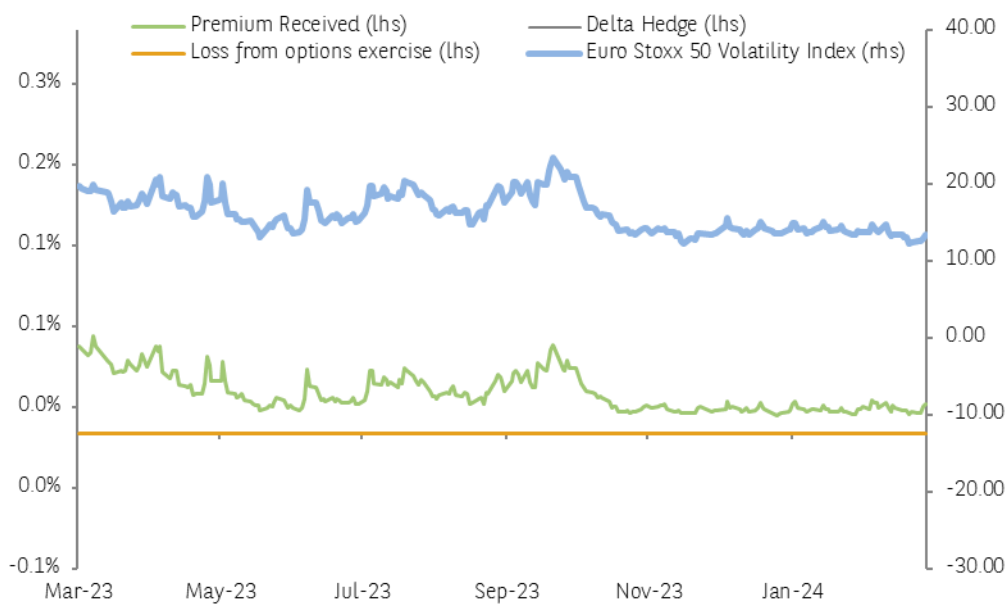
- The performance was driven this month by the income generated (+0.40%, i.e. 4.83% on an annualised basis) and the positive mark-to-market contribution (+0.26%). For the twelfth month in a row, no exercises were recorded in February.
- YTD Europe Target Premium is up by +2.13% while the EURO STOXX 50 gained +12.43%, as the strategy is penalized by the current low regime of volatily inflecting options premiums.

PERFORMANCE BREAKDOWN



Source: BNP Paribas, As of 28/03/2024. Past performance is not an indicator of future performance

PREMIUM AND EXERCISE EVOLUTION



Source: Bloomberg, BNP Paribas as of 28/03/2024. Past performance is not an indicator of future performance.

EUROPE TARGET PREMIUM STRATEGY: ENHANCED PUT-WRITING



Streamlined Put Option Parameters

Sell a 1-month | 5% Out Of The Money | 200% Leveraged Put on EURO STOXX 50®

Short Maturity

- Collect a higher premium on an annual basis

Out-of-the-money (OTM) Strike

- Balance premium received and risk taken

200% Leverage

- Capture 2 times more income in bullish markets



Risk Reduction Approach**

Systematic approach to reduce human, timing and market risks

Systematic Daily Execution

- Avoid discretionary decisions, smooth entry and exit points

Risk Reduction Mechanism (Partial Delta Hedge)

- Reduce partially the directional exposure to the market when the risk of option exercise is high
- Mitigate the losses in gap market scenarios but keep the overall income-like profile

CONTACTS

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FUND CHARACTERISTICS AND RISKS

	THEAM Quant – Europe Target Premium	
Management company	BNP Paribas Asset Management France	
Type of fund	Sub-fund of the SICAV THEAM QUANT, UCITS Compliant	
Recommended investment horizon	3 years	
Capital protected	No	
SFDR Article	8	
SRI Risk Classification (scale of 1-7) ⁴	4	4
Share	Share I (EUR) ACC	Share C (EUR) ACC
Launch date	5 May 2019	5 May 2019
Bloomberg Code	TQETIEA LX Equity	TQETCEA LX Equity
ISIN Code	LU2051090053	LU2051089121
Subscription/ Exit fees	0.00% max / 0.00% max	3.00% max / 0.00% max
On-going charges	0.76%	1.55%
International registration	Austria, Ireland, UK, France, Germany, Italy, Switzerland, Spain	Belgium, UK, France, Germany, Italy, Switzerland, Spain

⁴ - 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.

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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