BNP PARIBAS

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# MULTI ASSET DIVERSIFIED NEWSLETTER

them QUANT FUNDS

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | MAY 2025



## INVESTMENT OBJECTIVE

The objective of the THEAM Quant Multi Asset Diversified is to increase the value of its assets over the medium term, by being exposed to a diversified long/short basket, the components of which are chosen using a systematic selection method based on different asset classes. The exposure to the dynamic basket is adapted in order to keep the fund annual volatility at a target level of 10%*.

## STRATEGY

Many investors continue to take directional risks off the table and diversify their portfolio through multi asset funds. Our trend-based quant expertise has been recognized by the several awards received from the Hedge Fund Journal. It is built around the following approach:

- **A broad investment universe to increase opportunities**
  The universe is composed of 5** different asset classes (Equities, Bonds, FX, Commodities and Credit) and sub-asset categories which have been selected based on their market representativeness, liquidity and the fact that they complement each other well.
- **An agile asset allocation with daily reweighting and possibility to sell declining assets**
  The fund's allocation is reviewed on a daily basis in order to target the maximum return within a given level of risk among the sub-asset categories. Allocation is based on a systematic momentum methodology combining performance analysis within a risk diversification framework. Finally, the fund can take long, leveraged and short positions.
- **A systematic and quantitative approach with robust and strict risk controls**
  The performance adjusts its exposure to the portfolio on a daily basis with the objective of maintaining volatility at or below 10%*.

*These internal guidelines are for indicative purposes only; Prospectus and KID are prevailing.*
**There is no guarantee that the performance objective will be achieved.*
***Until the date of this report, the asset classes consist of Equities, Bonds – Govies, IG and Commodities.*

## PERFORMANCE

As of May 30th, 2025

| Feb 08 - May 25 | Cross Asset Trend vol 10% |
|---|---|
| Performance 1 month | -1.29% |
| Cumulative Performance Year To Date | -10.93% |
| Annualised Performance Since Start Date | -0.26% |
| Annualised Sharpe Ratio Since Start Date | - |
| Annualised Volatility Since Start Date | 9.43% |
| Max Drawdown Since Start Date | -35.69% |

*Refers to LU1353185074, THEAM Quant – Multi Asset Diversified – I EUR ACC <THQMADI LX Equity>.*
*SG Trend Index (NEIXCTAT Index) is for comparative purposes only and does not represent any benchmark for the Fund.*
*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

## PERFORMANCE

As of May 30th, 2025


## MONTHLY COMMENTARY

THEAM Quant - Multi Asset Diversified had a negative performance in May (-1.29%).

### MACRO BACKGROUND

In May, changes in US trade policy led to the most significant movements in financial markets. Apart from a brief episode of tensions with the European Union, negotiations appeared to be moving in the right direction, particularly between China and the US. The agreement reached on 12 May removed the risk of recession and triggered risk-on moves. Many questions remain unanswered, as shown by the twists and turns (legal and otherwise) at the end of the month.

US fiscal policy was the other driver of the month: Questions about US debt sustainability returned to centre stage after the House of Representatives passed a bill, which, as it stands, is likely to lead to a further ballooning of the fiscal deficit.

After new all-time highs posted in April and early May (closing above $3,400 an ounce), gold prices moved directionless to end the month practically unchanged from end-April at $3,289 an ounce. After its underperformance in April, oil benefited in the first half of the month from the ebb of global recession fears. The rise in prices remained fragile, however, and Brent crude ended the month up by 1.2% at $63.9 a barrel.

After the equity market turmoil triggered by the 2 April announcements on reciprocal tariffs, US trade policy continued to influence the economic scenario and risky asset behaviour. Progress in the negotiations brought some relief. The signing of an agreement with the UK on 8 May that removed the 25% tariff on UK steel and aluminium exports and reduced the tax on automotive exports came four days before the announcement of a trade truce with China. For 90 days, the US will cut tariffs to 30% on Chinese products and China will reduce its tariffs to 10% on US products, which should allow for calmer discussion. The news was welcomed by investors. The following days brought more worries on the trade front: On 23 May, President Trump suddenly threatened the European Union with 50% tariffs from as early as 1 June, citing what he saw as ‘bad faith’ shown by the European negotiators. He then back-tracked on his statements. At the end of the month, Trump claimed China had ‘totally violated’ the 12 May agreement. Finally, a US court argued that Trump could not claim his tariff decisions were based on ‘national security’. The court’s decision appeared to weaken his ability to set reciprocal tariffs before being contradicted by a federal court of appeal. Despite these disturbing twists and turns, optimism prevailed.

Thanks to the ‘good news' on the trade front, the scenario of a US recession has faded away, which has reassured investors, especially as recent economic indicators have shown activity remaining relatively resilient. In addition, the quarterly corporate earnings season proved better than expected. Against this background, the rise in US long-term bond yields in the face of the risk of an increase in the federal budget deficit and debt had no lasting effect on equities. The MSCI AC World index in US dollar terms rose by 5.5% from the end of April to return close to its record high set in February. Year-to-date, global equities are up by 4.5%. Emerging market reactions were similar; the MSCI Emerging Markets index in US dollar terms gained 4.0% in May.

MONTHLY COMMENTARY

As of May 30th, 2025

## PERFORMANCE

- After tariffs were put on hold and US companies reported fairly good results, the risk of a recession decreased, but inflation became the main concern.
- The strategy had a slight negative performance in May, benefiting from equities, particularly in Europe, but suffering from rates, mainly due to a long position in Japanese Government Bonds (JGBs), and from the rebound in energy commodities.
- The foreign exchange (FX) segment was slightly negative due to the strengthening of the USD, especially against the JPY. Equity exposures were slightly increased, while bond exposures were decreased, resulting in a net short duration for US bonds.
- Short positions in energy and industrial metals were reduced, while positions in emerging market currencies against the USD were increased.

## PERFORMANCE CONTRIBUTION

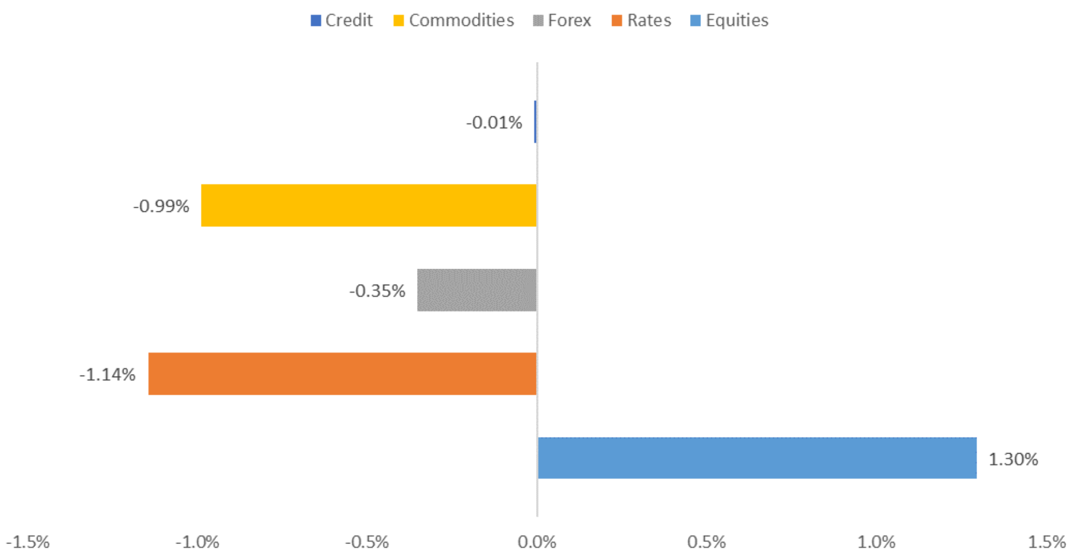
| | Contribution | Current Weight | Weight Variation | Underlying Performance |
|---|---|---|---|---|
| | PER ASSET CLASS | | | |
| Equities | 1.30% | 33.03% | 10.27% | |
| Bonds* | -1.14% | 20.40% | -49.68% | |
| FX | -0.35% | 48.75% | 21.40% | |
| Commodities | -0.99% | -7.40% | 12.98% | |
| Credit | -0.01% | -6.41% | 19.78% | |
| | PER ASSET | | | |
| European Equities | 0.57% | 10.16% | 1.31% | 4.90% |
| North American Equities | 0.14% | 7.03% | 5.10% | 5.31% |
| South American Equities | 0.02% | 1.52% | -0.38% | 0.79% |
| Developed APAC | 0.26% | 7.33% | 2.50% | 4.80% |
| Emerging APAC | 0.30% | 7.00% | 1.74% | 5.39% |
| European Bonds* | -0.26% | 3.21% | -14.71% | -0.65% |
| North American Bonds* | -0.28% | -15.44% | -14.00% | -1.77% |
| APAC Bonds* | -0.60% | 32.63% | -20.98% | -0.75% |
| G10 FX | -0.26% | 7.23% | -7.18% | 0.21% |
| Emerging FX | -0.09% | 41.52% | 28.58% | 1.56% |
| Energy Commodities | -0.90% | -8.93% | 6.16% | 1.02% |
| Industrial Metals | -0.04% | -4.00% | 8.58% | 1.00% |
| Precious Metals | -0.05% | 5.53% | -1.76% | -0.18% |
| European Credit | 0.00% | 4.28% | 17.38% | 1.68% |
| US Credit | -0.01% | -10.69% | 2.40% | 1.80% |

*Source: Bloomberg, BNP Paribas. Refers to the index to which the fund is exposed.*
*Past performance is not an indicator of future performance.*
**Bond positions are converted in a 10 year equivalent before being aggregated.*

## MONTHLY COMMENTARY

As of May 30th, 2025

### MONTHLY PERFORMANCE ATTRIBUTIONS




*Source: Bloomberg, BNP Paribas. Refers to the index to which the fund is exposed.*

## CONTACTS

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## FUND CHARACTERISTICS AND RISKS

| | | | |
|---|---|---|---|
| Fund | **THEAM QUANT- MULTI ASSET DIVERSIFIED** | 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 22.09 million as of 30 May 2025 | SRI Ranking (scale from 1 to 7)* | 3 |

| Share | I ACC EUR | C ACC EUR | I DIS EUR | C DIS EUR | I ACC GBP H | Privilege ACC EUR |
|---|---|---|---|---|---|---|
| Launch date | 19 May 2016 | 19 May 2016 | 16 June 2016 | 16 June 2016 | 02 March 2017 | 13 November 2017 |
| ISIN code | LU1353185074 | LU1353183533 | LU1353185157 | LU1353183616 | LU1353185587 | LU1353184184 |
| Bloomberg code | THQMADI LX | THQMADC LX | TQMADII LX | TQMADCI LX | TQMAIGH LX | TQMADPR LX |
| Ongoing charges | 0.77% | 1.76% | 0.77% | 1.76% | 0.77% | 1.01% |
| Subscription / Exit fees | None / None | 3.00% / None | None / None | 3.00% / None | None / None | 3.00% / None |
| Minimum subscription | 100K € equiv | No minimum | 100K € equiv | No minimum | 100K € equiv | 1M€ / Ptf Mgr None |
| Previous Fund Name | THEAM Quant Multi Asset Diversified A EUR ACC | THEAM Quant Multi Asset Diversified B EUR ACC | - | - | - | - |
| Launch date | 01 February 2008 | 01 February 2008 | - | - | - | - |
| ISIN code | FR0010517953 | FR0010574392 | - | - | - | - |
| Passporting | Austria, Germany, France, Hungary, Italy, Luxembourg | Austria, Germany, France, Hungary, Italy, Luxembourg | Austria, Germany, France, Hungary, Italy, Luxembourg | Austria, Germany, France, Hungary, Italy, Luxembourg | Luxembourg | Germany, France, Italy, Luxembourg |

**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?

As of May 30th, 2025

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.*