



## DISPERSION US

MAY 2025 NEWSLETTER

theam QUANT FUNDS

## MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY

This document has been prepared for discussion purposes only and does not constitute an offer or a solicitation to engage in any trading strategy or the purchase or sales of any financial instrument.

## INVESTMENT OBJECTIVE

The THEAM Quant Dispersion US Fund's investment objective is to offer shareholders, over a recommended investment horizon of two years, a positive exposure to the evolution of the dispersion in the US equity market. Dispersion can be seen as a measure of the difference between the performance of the shares in a given market and the performance of that market.

## STRATEGY

Traditional risk management techniques relying on diversifying asset allocation have become increasingly challenging due to the overall increase in the correlation between financial assets. Thus it is all the more important to find truly diversifying assets.

The fund is for qualified investors wishing to invest in an instrument which provides the potential of diversification for an equity portfolio during material market drawdowns while offering a potentially neutral carry cost over the medium term during rising markets. The Fund strategy is implemented systematically via a basket of individual stock volatility swaps and an index volatility swap.

- The THEAM Quant Dispersion US Fund aims to offer a long run negative/low correlation to US equities, providing strong diversification properties.
- Implementing a systematic strategy, the fund aims to capture dispersion whilst leveraging BNP Paribas' expertise in volatility.
- A potentially limited carry cost when compared to traditional volatility or other defensive strategies.
- The fund targets a constant exposure to volatility, enabling investors to invest on a "buy and hold" basis without the need to consider tactical market timing.

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

## PERFORMANCE

As of 31/05/2025	THEAM Quant Dispersion US <sup>1</sup>		
	Performance	Realised	Implied
1 month performance	<b>1.64%</b>	<b>0.83%</b>	<b>0.81%</b>
YtD performance	<b>-0.95%</b>	<b>-0.61%</b>	<b>-0.34%</b>
Since launch performance (May 2018) <sup>2</sup>	<b>35.95%</b>	<b>35.28%</b>	<b>0.67%</b>

<sup>1</sup> – Refers to FR0013292281, THEAM Quant – Dispersion US – Share I USD ACC <THQDUSI FP Equity>.

<sup>2</sup> – Refers to the launch of the fund, 15/05/2018.

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



Overall, THEAM Quant Dispersion US was up (1.64%) in May 2025 with a positive realised (0.83%) and positive implied spread (0.81%).

Main sectoral contributors to the performance in May:

- Largest Absolute Implied Contributor: Healthcare (1.19%).
- Largest Absolute Realised Contributor: Healthcare (1.21%).

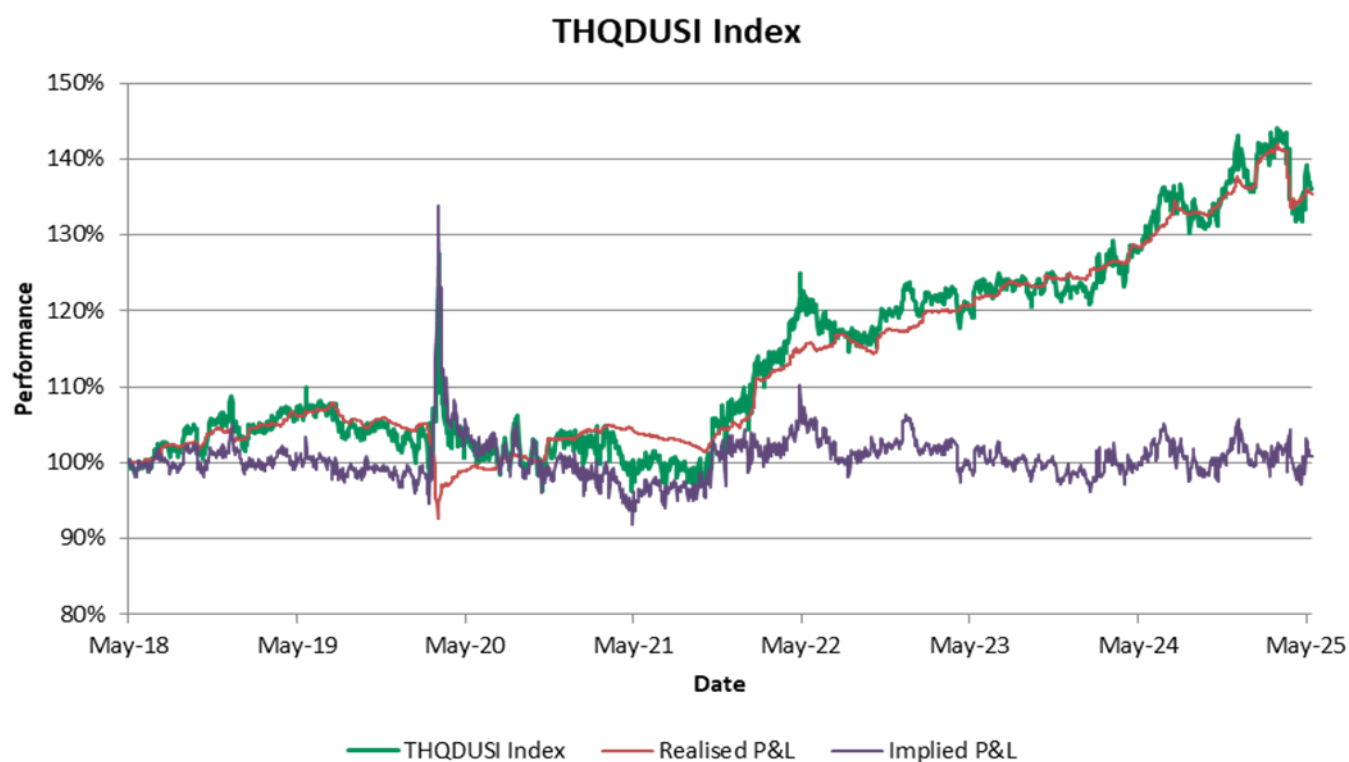
Implied Contribution Main Drivers:

- Top 3 absolute implied individual stock contributions: United Health (0.39%), Eli Lilly (0.28%), and Tesla (0.23%).

Realised Contribution Main Drivers:

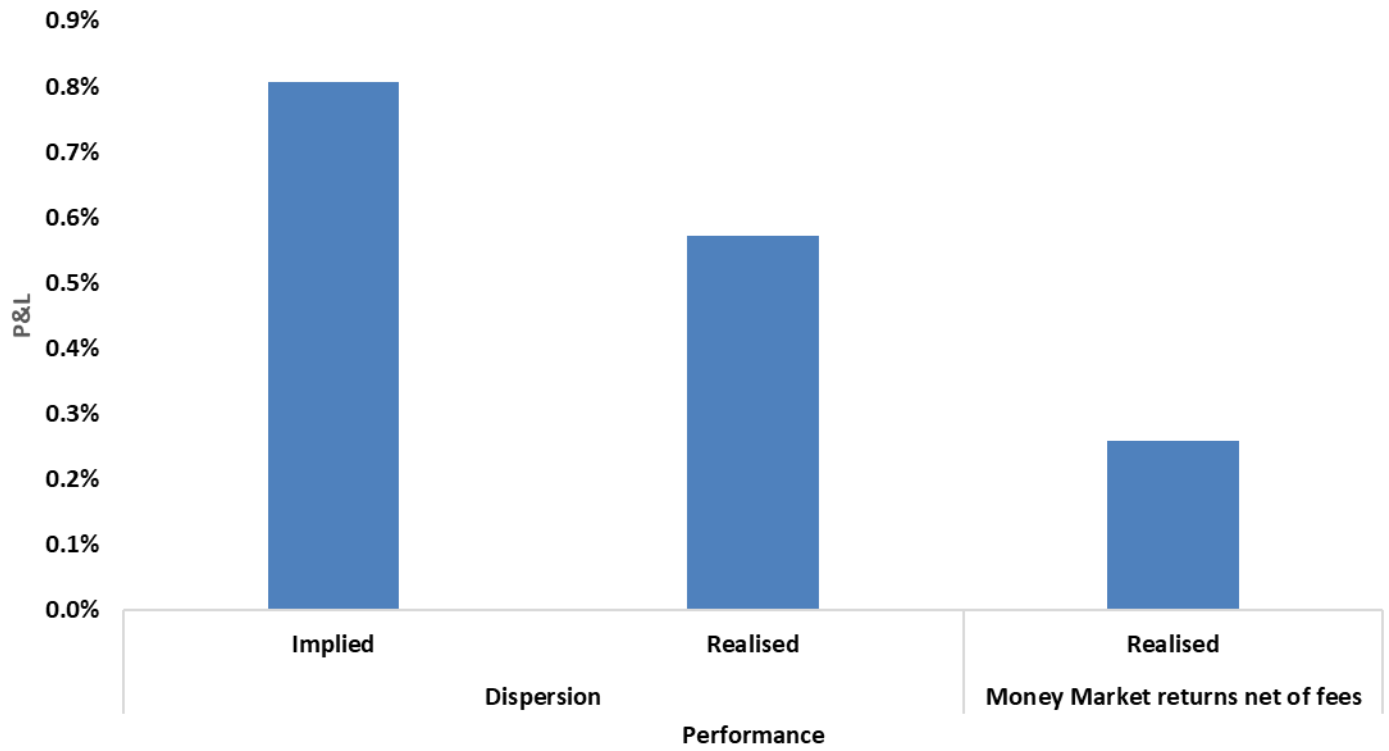
- Top 3 absolute realised individual stock contributions: United Health (0.67%), Eli Lilly (0.26%) and Nvidia (-0.25%).

## FUND PERFORMANCE WITH REALISED / IMPLIED BREAKDOWN



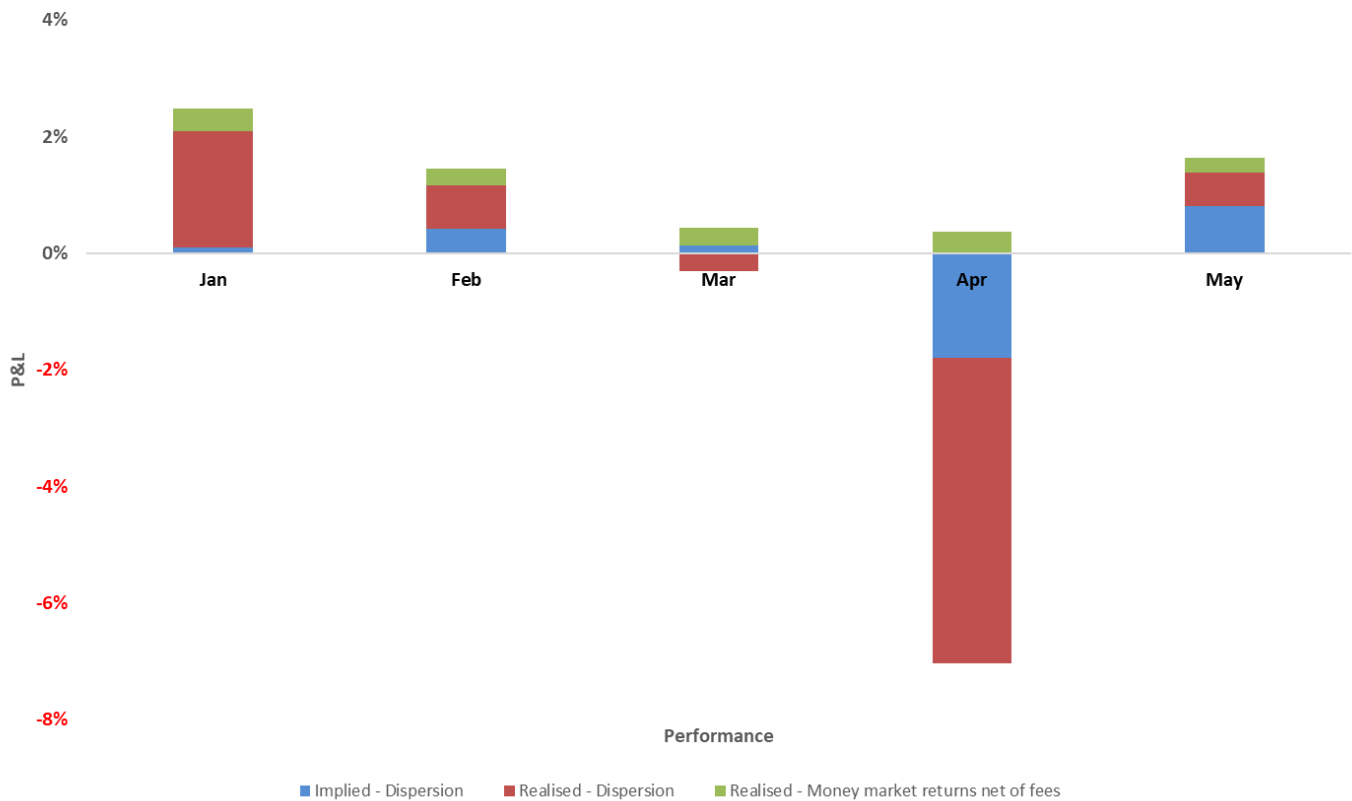
Source: BNP Paribas, from 15/05/2018 - 31/05/2025. Past performance is not an indicator of future performance.  
Realized performance includes the realized dispersion and the money market returns net of fees.

## May 2025 Performance Breakdown



Source: BNP Paribas, from 31/05/2025. Past performance is not an indicator of future performance. Realized dispersion refers to calculations where the implied volatility level of each swap is taken equal to its strike, whilst implied dispersion refer to calculations where a proxy for the implied level of the remaining vega for each volswap is used to approximate the fund performance attributable to moves in implied volatility. As this is a proxy a renormalization is done to attribute the implied performance to the individual stocks.

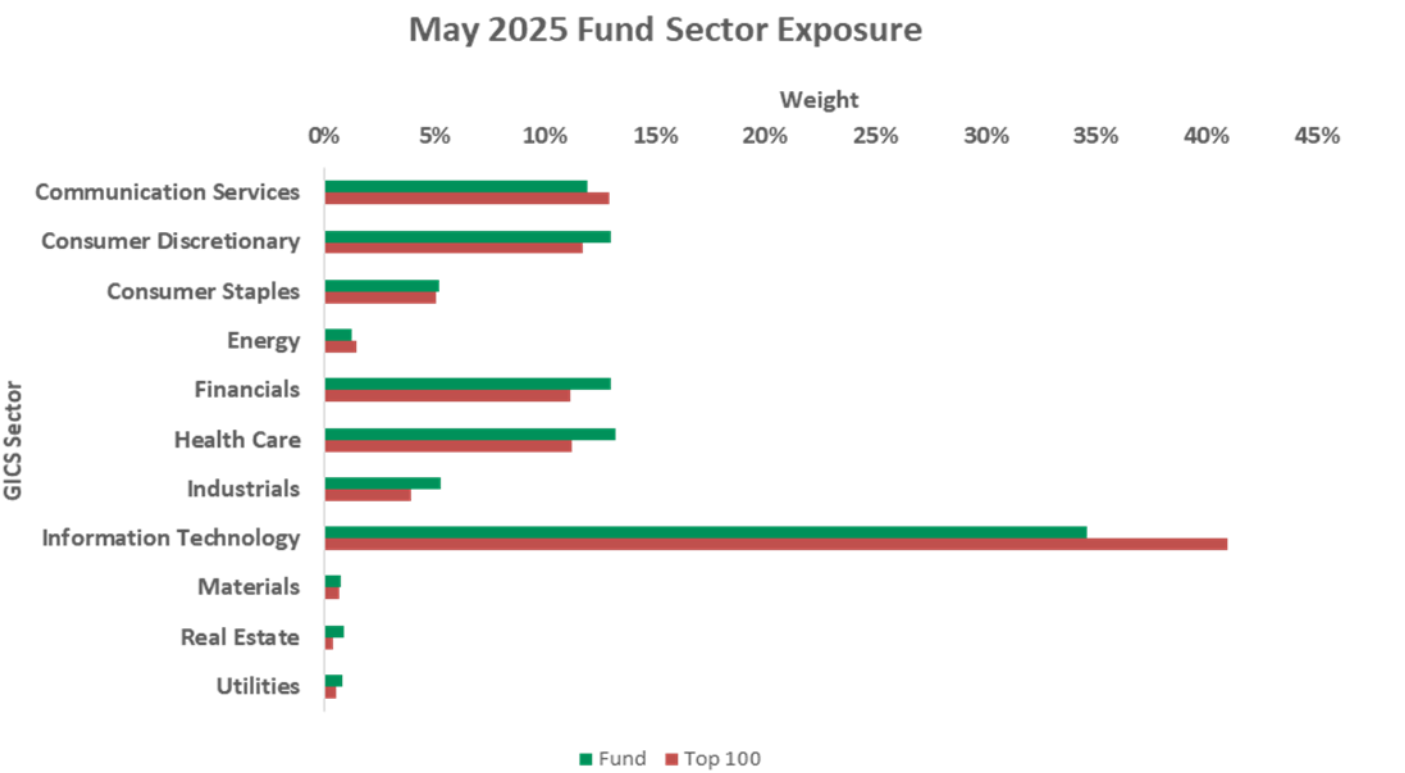
## 2025 Performance Breakdown



Source: BNP Paribas, from 31/05/2025

PERFORMANCE CONTRIBUTION

The chart below shows the sectorial exposure of the fund vs. the Top 100 Benchmark.



Source: BNP Paribas, as of 31/05/2025. Past performance is not an indicator of future performance.  
Top 100 Benchmark : same composition of the fund, weighted by market capitalization

The table below shows the breakdown of the contribution to the performance of the fund by sector.

Sector	1 Month Fund Contribution			YtD Fund Contribution			Weight	
	Net	Realised	Implied	Net	Realised	Implied	Fund	Difference
Communication Services	0.30%	0.15%	0.16%	-1.60%	-1.42%	-0.19%	11.95%	-0.96%
Consumer Discretionary	-0.06%	-0.12%	0.06%	-0.67%	-0.51%	-0.16%	12.96%	1.25%
Consumer Staples	-0.06%	-0.11%	0.05%	-0.99%	-0.82%	-0.17%	5.24%	0.20%
Energy	-0.06%	-0.02%	-0.04%	-0.09%	-0.11%	0.02%	1.27%	-0.17%
Financials	-0.38%	-0.18%	-0.20%	-0.76%	-0.67%	-0.09%	13.01%	1.85%
Health Care	2.39%	1.21%	1.19%	0.63%	-0.05%	0.68%	13.23%	1.98%
Industrials	-0.13%	-0.09%	-0.05%	-0.46%	-0.29%	-0.17%	5.30%	1.39%
Information Technology	-0.68%	-0.26%	-0.42%	1.71%	1.98%	-0.28%	34.57%	-6.40%
Materials	-0.02%	-0.02%	-0.01%	-0.18%	-0.15%	-0.03%	0.76%	0.10%
Real Estate	0.02%	-0.01%	0.02%	-0.09%	-0.09%	0.00%	0.89%	0.47%
Utilities	0.05%	0.02%	0.04%	-0.06%	-0.08%	0.02%	0.82%	0.28%

Source: BNP Paribas, As of 31/05/2025. Past performance is not an indicator of future performance.  
Top 100 Benchmark : same composition of the fund, weighted by market capitalization  
Difference is with regard to Top 100 Benchmark.

The table below shows the top and bottom 5 stocks contributing to the performance of the fund over the past month, their respective contribution over the past year and their current forward-looking exposure within the fund.

Net Contribution (Realised & Implied)					
Type	Stock	Sector	1 Month Fund Contribution	YtD Fund Contribution	Weight
Top 5	United Health	Health Care	1.06%	1.60%	1.82%
	Eli Lilly	Health Care	0.54%	0.28%	2.24%
	Google	Communication Services	0.21%	-0.34%	2.80%
	Apple	Information Technology	0.21%	1.36%	6.00%
	Google	Communication Services	0.20%	-0.38%	2.64%
Bottom 5	Boeing	Industrials	-0.09%	0.02%	0.48%
	Meta	Communication Services	-0.10%	-0.30%	2.70%
	Microsoft	Information Technology	-0.10%	-0.84%	5.95%
	Broadcom	Information Technology	-0.12%	0.74%	3.84%
	Nvidia	Information Technology	-0.27%	-0.03%	6.00%

Source: BNP Paribas, 31/05/2025. Past performance is not an indicator of future performance.

LARGEST DAILY MOVERS (YEAR TO DATE)

In order to link the numbers above to actual market events, we have put together the table below that shows the largest 5 positive and negative daily moves across all of the constituents of the live clips that have a minimum of 0.05% of realized P&L on the month of the move.

Type	Stock	Sector	Largest Move	Date	Realized P&L (month)
Top 5	Advanced Micro Devices	Information Technology	23.82%	09-Apr-2025	0.14%
	Micron Technology	Information Technology	18.81%	09-Apr-2025	0.09%
	Intel Corp	Information Technology	18.75%	09-Apr-2025	0.11%
	Broadcom	Information Technology	18.66%	09-Apr-2025	0.27%
	Analog Devices	Information Technology	18.39%	09-Apr-2025	0.08%
Bottom 5	Nvidia	Information Technology	-16.97%	27-Jan-2025	0.71%
	Broadcom	Information Technology	-17.40%	27-Jan-2025	0.42%
	United Health	Healthcare	-17.79%	13-May-2025	0.67%
	Arista	Information Technology	-22.35%	27-Jan-2025	0.09%
	UnitedHealth	Healthcare	-22.38%	17-Apr-2025	0.53%

Source: BNP Paribas, from 01/01/2024 - 31/05/2025. Past performance is not an indicator of future performance.

## INVESTMENT PROCESS IN A NUTSHELL

### KEY FEATURES

#### THE STRATEGY

- **Type:** volswap (capped @250%)
- **Number:** 101
- **Length:** 12 months,
- **Recurrence:** monthly
- **Vega notional\*\*:** 5%/12 of the prevailing strategy level

#### THE BASKET SELECTION

- **Investment Universe:** top 100 names of the S&P500
- **Basket allocation:** depends on realised over implied volatility of selected stock
- **Maximum sectorial divergence vs. S&P 500 TR Index** < 5%

Aiming to pick up stocks with the best realised volatility with an optimised allocation.

- **Every** Month a new clip of 101 volatility swaps is initiated with 12-month maturity and an exposure of 5/12 for each swap:

**1 short** volatility swap on the S&P500 Index

&

**100 long** volatility swaps on a selected basket of the 100 largest market caps from the S&P500 Index (Top 100)\*

## CONTACTS

**OPTION-BASED STRATEGIES, GLOBAL MARKETS** | Gilles-Edouard Espinosa | [gilles-edouard.espinosa@bnpparibas.com](mailto:gilles-edouard.espinosa@bnpparibas.com)  
**PORTFOLIO MANAGERS SOLUTIONS, GLOBAL MARKETS** | Benjamin Corbin | [benjamin.corbin@bnpparibas.com](mailto:benjamin.corbin@bnpparibas.com)  
**BNP PARIBAS ASSET MANAGEMENT** | CIB Strategies Sales Support | [am.maqs.cibsalessupport@bnpparibas.com](mailto:am.maqs.cibsalessupport@bnpparibas.com)  
[dl.theam\\_gm\\_coordination@uk.bnpparibas.com](mailto:dl.theam_gm_coordination@uk.bnpparibas.com)

## FUND CHARACTERISTICS AND RISKS

THEAM Quant Dispersion US			
Management company	BNP Paribas Asset Management France		
Type of fund	THEAM Quant FCP		
Recommended investment horizon	2 years		
Capital protected	No		
SRI Risk Classification (scale of 1-7) <sup>3</sup>	6		
SFDR Article	6		
Share <sup>4</sup>	Share I (USD) ACC	Share J (USD) ACC	Share I (EUR) H ACC
Launch date	15 May 2018	15 May 2018	06 May 2019
Bloomberg Code	THQDUSI FP Equity	THQDUSJ FP Equity	THQDIEU FP Equity
ISIN Code	FR0013292281	FR0013292299	FR0013396926
Minimum Initial Subs	USD 100,000	USD 10,000,000	USD 1,000,000
On-going charges	0.76%	0.51%	0.76%
Maximum Subscription Fees	2.00%	2.00%	2.00%
Maximum Exit Fees	None	None	None
International registration	Austria, Denmark, Germany, Italy, Luxembourg, Netherlands, Norway, Sweden, Spain, Switzerland, UK	Denmark, Germany, Italy, Luxembourg, Netherlands, Sweden, Spain, Switzerland, UK	Denmark, Germany, Italy, Luxembourg, Netherlands, Sweden, Spain, Switzerland, UK

<sup>3</sup> - 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.

<sup>4</sup> - For all shares available, please refer to the prospectus [here](#).

## 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

Legal Notice: This document is CONFIDENTIAL AND FOR DISCUSSION PURPOSES ONLY; it constitutes a marketing communication and has been prepared by a Sales and Marketing function within BNP Paribas and/or its subsidiaries or affiliates (collectively "we" or "BNP Paribas"). As a confidential document it is submitted to selected recipients only and it may not be made available (in whole or in part) to any other person without BNP Paribas' written consent.

This document is not a recommendation to engage in any action, does not constitute or form any part of any offer to sell or issue and is not a solicitation of any offer to purchase any financial instrument, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. To the extent that any transaction is subsequently entered into between the recipient and BNP Paribas, such transaction will be entered into upon such terms as may be agreed by the parties in the relevant documentation.

The information contained in this document has been obtained from sources believed to be reliable, but there is no guarantee of the accuracy, completeness or suitability for any particular purpose of such information or that such information has been independently verified by BNP Paribas or by any person. None of BNP Paribas, its members, directors, officers, agents or employees accepts any responsibility or liability whatsoever or makes any representation or warranty, express or implied, as to the accuracy or completeness of the information, or any opinions based thereon, contained in this document and it should not be used in place of professional advice. Additional information may be provided on request, at our discretion. Any scenarios, assumptions, historical or simulated performances, indicative prices or examples of potential transactions or returns are included for illustrative purposes only. Past performance is not indicative of future results. Investors may get back less than they invested. BNP Paribas gives no assurance that any favourable scenarios described are likely to happen, that it is possible to trade on the terms described herein or that any potential returns illustrated can be achieved. This document is current as at the date of its production and BNP Paribas is under no obligation to update or keep current the information herein. In providing this document, BNP Paribas offers no investment, financial, legal, tax or any other type of advice to, and has no fiduciary duty towards, recipients. Certain strategies and/or potential transactions discussed in this document may involve the use of derivatives which may be complex in nature and may give rise to substantial risks, including the risk of total or partial loss of any investment or losses without limitation and which should only be undertaken by those with the requisite knowledge and experience. BNP Paribas makes no representation and gives no warranty as to the results to be obtained from any investment, strategy or transaction, or as to whether any strategy, security or transaction described herein may be suitable for recipients' financial needs, circumstances or requirements. Recipients must make their own assessment of strategies, securities and/or potential transactions detailed herein, using such professional advisors as they deem appropriate. BNP Paribas accepts no liability for any direct or consequential losses arising from any action taken in connection with or reliance on the information contained in this document even where advised of the possibility of such losses.

As an investment bank with a wide range of activities BNP Paribas may face conflicts of interest and you should be aware that BNP Paribas and/or any of its affiliates may be long or short, for their own account or as agent, in investments, transactions or strategies referred to in this document or related products before the material is published to clients and that it may engage in transactions in a manner inconsistent with the views expressed in this document, either for their own account or for the account of their clients. Additionally, BNP Paribas may have acted as an investment banker or may have provided significant advice or investment services to companies or in relation to investments mentioned in this document. The information in this document is not intended for distribution to, or use by, any person or entity in any jurisdiction where (a) the distribution or use of such information would be contrary to law or regulations, or (b) BNP Paribas or a BNP Paribas affiliate would become subject to new or additional legal or regulatory requirements. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly.

This document is intended for, and is directed at, (a) Professional Clients and Eligible Counterparties as defined by the European Union Markets in Financial Instruments Directive ("MiFID"), and (b) where relevant, persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, and at other persons to whom it may lawfully be communicated (together "Relevant Persons"). Any investment or investment activity to which this document relates is available only to and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or its content.

This document is being communicated by BNP Paribas, a Limited Liability company incorporated in France. Registered Office: 16 boulevard des Italiens, 75009 Paris, France. 662 042 449 RCS Paris. BNP Paribas is lead supervised by the European Central Bank (ECB) and the French Autorité de Contrôle Prudentiel et de Résolution (ACPR).. © BNP Paribas. All rights reserved.

For funds authorized for marketing in Switzerland or from Switzerland, prospectuses, key investor information documents, articles of association, annual or semi-annual reports can be obtained free of charge from the representative agent in Switzerland, BNP Paribas (Suisse) SA, 2, place de Hollande, CH-1204 Genève; Payment Agency services are provided by BNP Paribas Securities Services, Paris, Zurich branch, 16, Selnaustrasse, 8002 Zurich, Switzerland.

All information referred to in the present document is available at [www.bnpparibas-am.com](http://www.bnpparibas-am.com).