



DISPERSION US

MARCH 2025 NEWSLETTER



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 31/03/2025	THEAM Quant Dispersion US ¹		
	Performance	Realised	Implied
1 month performance	0.14%	0.19%	-0.05%
YtD performance	4.08%	3.61%	0.46%
Since launch performance (May 2018) ²	43.31%	41.28%	2.03%

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

² – 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 (+0.14%) in March 2025 with a positive realised (+0.19%) and negative implied spread (-0.05%).

Main sectoral contributors to the performance in March:

- Largest Absolute Implied Contributor: Information Technology (-0.51%).
- Largest Absolute Realised Contributor: Health Care (-0.37%).

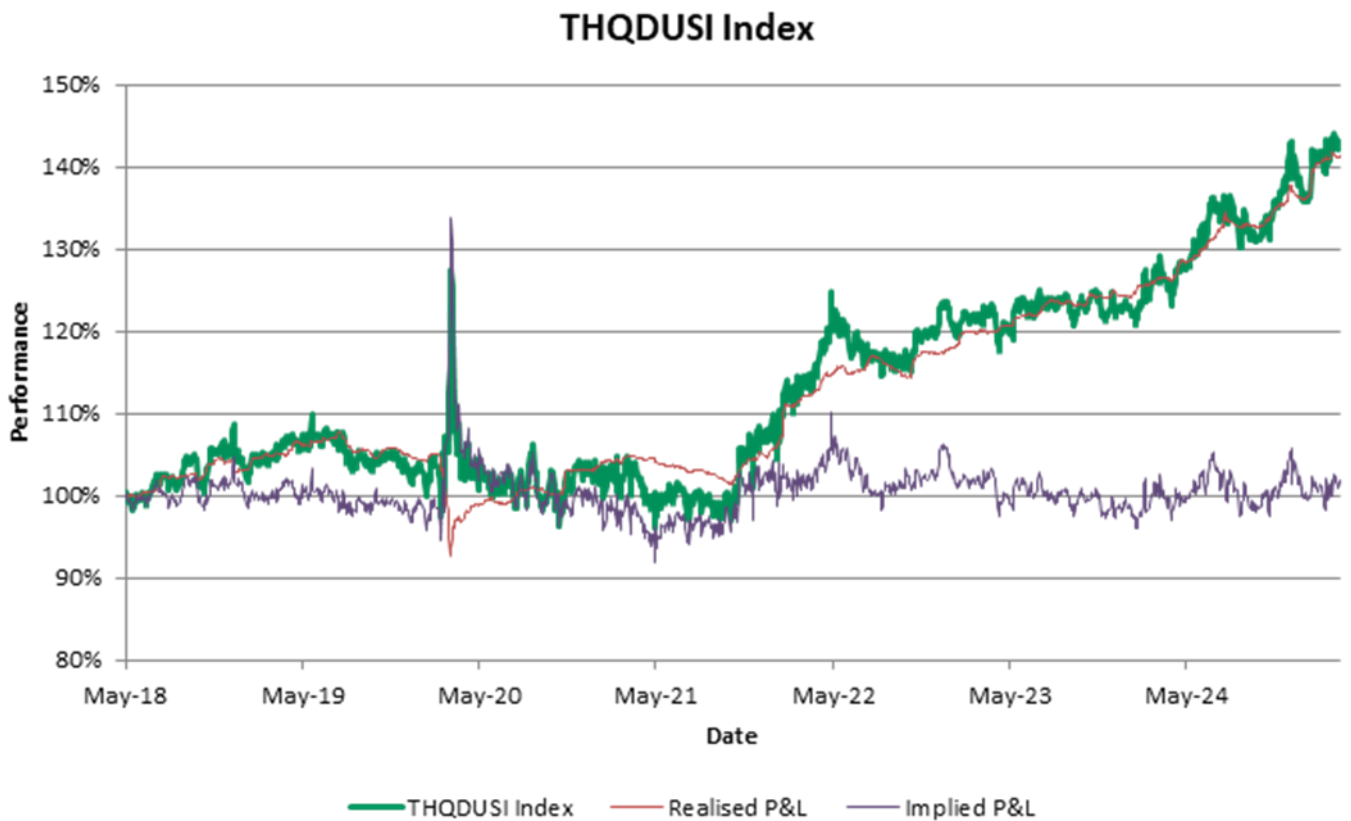
Implied Contribution Main Drivers:

- Top 3 absolute implied individual stock contributions: Tesla (+0.35%), Nvidia (-0.18%), and Oracle (-0.12%).

Realised Contribution Main Drivers:

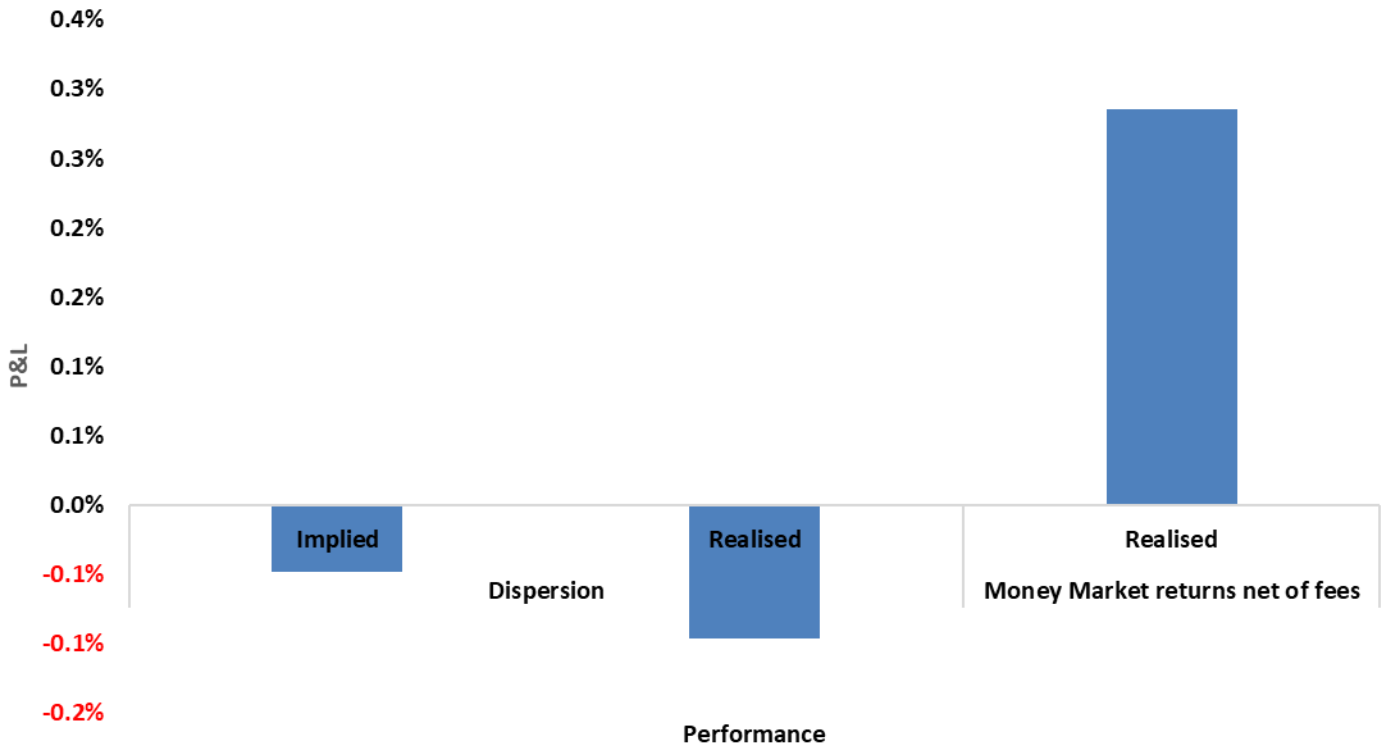
- Top 3 absolute realised individual stock contributions: Tesla (+0.50%), Broadcom (+0.17%) and Microsoft (-0.15%).

FUND PERFORMANCE WITH REALISED / IMPLIED BREAKDOWN



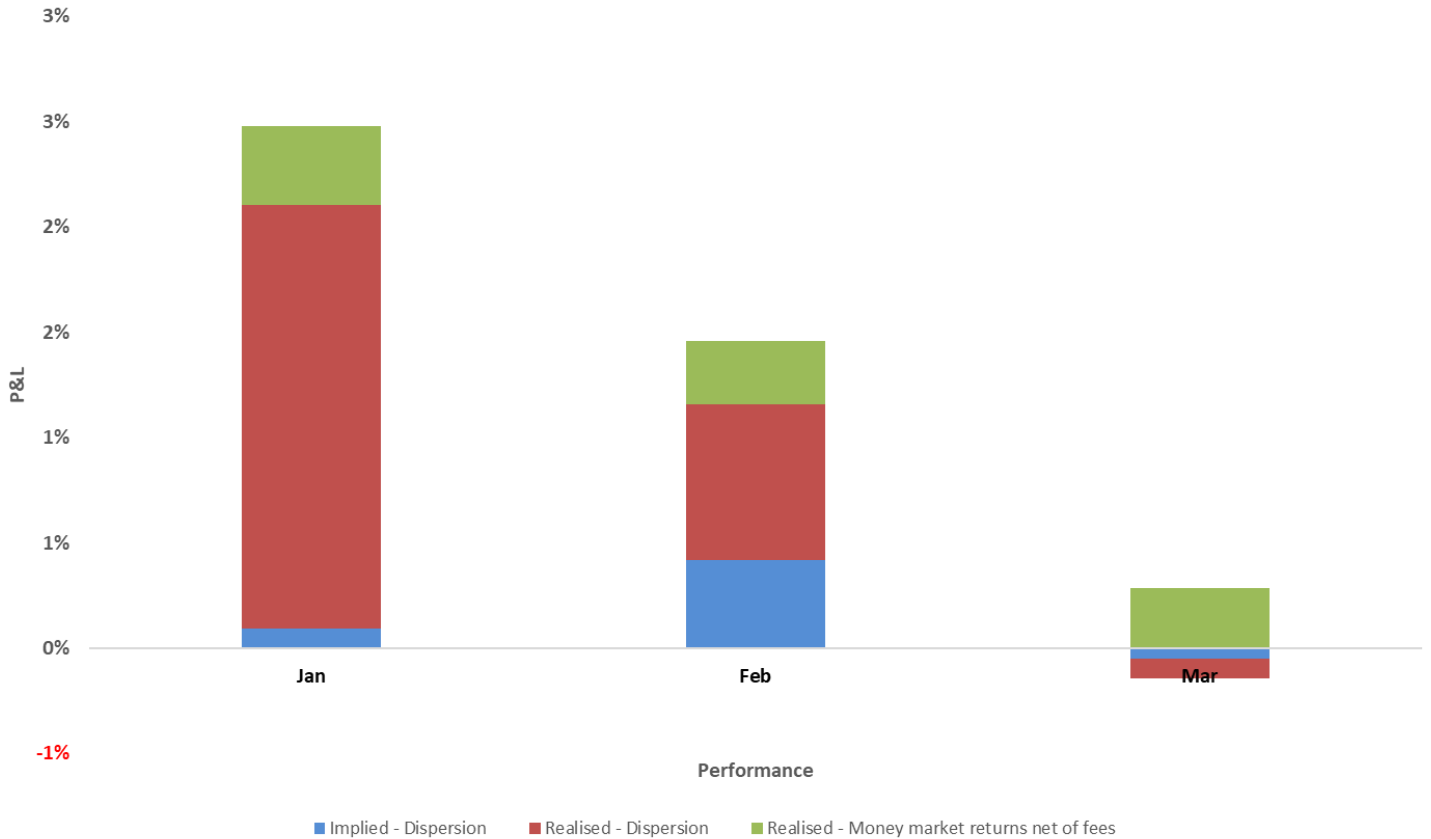
Source: BNP Paribas, from 15/05/2018 - 31/03/2025. Past performance is not an indicator of future performance. Realized performance includes the realized dispersion and the money market returns net of fees.

March 2025 Performance Breakdown



Source: BNP Paribas, from 31/03/2025. 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.

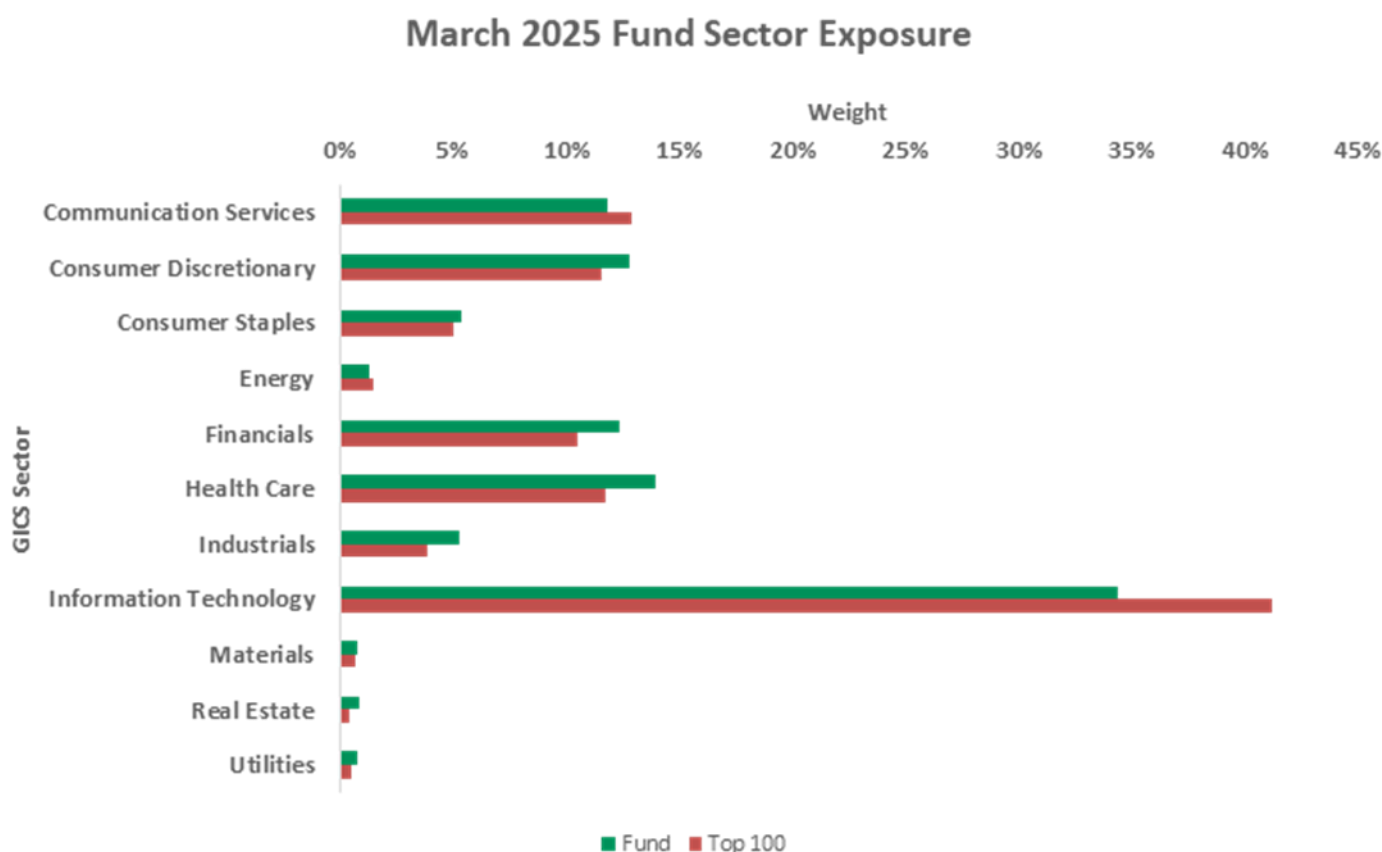
2025 Performance Breakdown



Source: BNP Paribas, from 31/03/2025

PERFORMANCE CONTRIBUTION

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



Source: BNP Paribas, as of 31/03/2025. 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	-0.09%	-0.09%	-0.01%	-0.14%	-0.18%	0.03%	11.85%	-1.04%
Consumer Discretionary	0.74%	0.35%	0.39%	0.46%	0.24%	0.22%	12.81%	1.22%
Consumer Staples	-0.06%	0.01%	-0.07%	0.17%	0.27%	-0.10%	5.36%	0.33%
Energy	-0.06%	-0.03%	-0.03%	-0.08%	-0.04%	-0.04%	1.36%	-0.11%
Financials	0.10%	0.01%	0.09%	0.11%	-0.06%	0.18%	12.41%	1.89%
Health Care	-0.31%	-0.37%	0.06%	-0.16%	0.07%	-0.23%	14.01%	2.29%
Industrials	-0.05%	-0.08%	0.04%	0.06%	0.10%	-0.04%	5.30%	1.38%
Information Technology	-0.35%	0.16%	-0.51%	2.79%	2.31%	0.48%	34.43%	-6.78%
Materials	-0.04%	-0.04%	-0.01%	-0.07%	-0.06%	-0.01%	0.79%	0.13%
Real Estate	-0.02%	-0.02%	0.00%	-0.03%	-0.01%	-0.02%	0.89%	0.42%
Utilities	-0.01%	-0.01%	0.00%	0.00%	0.00%	0.01%	0.79%	0.26%

Source: BNP Paribas, As of 31/03/2025. 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	Tesla	Consumer Discretionary	0.85%	0.72%	4.00%
	Broadcom	Information Technology	0.08%	0.83%	3.76%
	Apple	Information Technology	0.06%	0.45%	6.00%
	ServiceNow	Information Technology	0.05%	0.09%	0.71%
	KKR	Financials	0.05%	0.08%	0.45%
Bottom 5	Google	Communication Services	-0.09%	0.04%	2.94%
	Amazon	Consumer Discretionary	-0.10%	-0.21%	4.92%
	Nvidia	Information Technology	-0.13%	0.63%	5.87%
	United Health	Health Care	-0.13%	-0.04%	1.93%
	Microsoft	Information Technology	-0.22%	-0.03%	5.92%

Source: BNP Paribas, 31/03/2025. 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	Intel	Information Technology	16.06%	18-Feb-2025	0.07%
	Tesla	Consumer Discretionary	11.93%	24-Mar-2025	0.50%
	Nvidia	Information Technology	8.93%	28-Jan-2025	0.71%
	Broadcom	Information Technology	8.64%	07-Mar-2025	0.17%
	Tesla	Consumer Discretionary	7.59%	12-Mar-2025	0.50%
Bottom 5	Tesla	Consumer Discretionary	-15.43%	10-Mar-2025	0.50%
	Eaton	Industrials	-15.56%	27-Jan-2025	0.10%
	Nvidia	Information Technology	-16.97%	27-Jan-2025	0.71%
	Broadcom	Information Technology	-17.40%	27-Jan-2025	0.42%
	Arista	Information Technology	-22.35%	27-Jan-2025	0.09%

Source: BNP Paribas, from 01/01/2024 - 31/03/2025. Past performance is not an indicator of future performance.

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

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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) ³	6		
SFDR Article	6		
Share ⁴	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

³ - 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.

⁴ - 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

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