BNP PARIBAS

The bank for a changing world

THEAM QUANT EUROPE CLIMATE CARBON OFFSET PLAN

theam QUANT FUNDS

SRI

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | JUNE 2020

Objective

The Fund aims to provide capital growth over the medium term and to offset its carbon footprint (Scope 1 and 2)[1]. The FCP is exposed to the performance of listed European equities with high Environmental, Social and Governance (ESG) standards, selected on the basis of their carbon footprint and energy transition strategy. In order to achieve its objective, the Fund implements a quantitative investment strategy through the BNP Paribas Equity Europe Climate Care NTR Index, with an expected tracking error of 5% with the STOXX Europe 600 NTR index.

The carbon footprint of the portfolio is offset[1] every quarter through the purchase of verified emission reduction certificates (VERs) from the Kasigau Corridor REDD+ project in Kenya, chosen by BNP Paribas for its environmental and social impact.

Liquid investment strategy with high ESG standards

ESG Filters

The FCP provides exposure to European companies with high ESG standards, excluding the ones:

- With a Vigeo Eiris ESG score in the lowest 25% in their sector or below 30/100
- Involved in armament, nuclear, tobacco, pornography or in other controversial activities
- With a BNP Paribas Asset Management ESG score of 9 or 10 (10 being the worst score)

Portfolio Constraints

The selection of companies is made to ensure liquidity and risk reduction:

- Liquidity: 10 M USD average daily volume (over 1 and 6 months)
- Risk reduction through diversification:
  - Individual stock weighting 0 - 1% (Min 100 equities)
  - Sector weighting (level 1 of the ICB standard[2]): < 30% difference vs sector weight in the Benchmark

Carbon footprint reduction

Energy transition strategy filter

Companies are also screened based on their carbon emissions and energy transition strategy, following a scoring method provided by Vigeo Eiris:

- Among the intense carbon emitters[3], those with the best energy transition strategy in their sector are selected,
- Overall portfolio carbon footprint reduction of at least 50% compared to the benchmark (while maximising its energy transition score);

Carbon offsetting

The residual carbon footprint of the index is then offset every quarter:

- The management company will assess the carbon footprint of the portfolio and determine the amount of VERs necessary for offsetting.
- VERs from the Kasigau Corridor REDD+ project will be purchased and immediately cancelled so as to materialise the offsetting and be properly recognised.

Social and environmental impact: the Kasigau Corridor REDD + project

The project became the first REDD+ project in the world to issue REDD+ carbon credits under the Verified Carbon Standard (VCS) and the Climate Community and Biodiversity Standard (CCB). The benefits of the project are:

- Protection of more than 500,000 acres of forest
- Contribution to the reduction of more than 1 million tonnes of CO_2 per year (project lifespan of 30 years);
- Creation of more than 300 jobs (30% of the workforce being female);
- Development of eco-tourism, agroforestry and jobs linked to parkland conservation;
- 1/3 Income paid back to 4,500 landowners involved in the project. After project expenditures and salaries for local employees the remaining is split between Wildlife Works and local community projects, such as education scholarships and access to water initiatives.

FOCUS ON WILDLIFE WORKS

Founded in 1997, Wildlife Works is the world's first REDD+ program development and management company, using market-based solutions to promote biodiversity conservation objectives.

The first project set up in 1998 was Rukinga, protecting wildlife in southern Kenya. It was extended in 2010 to protect 500,000 acres of the Kasigau corridor.

In 2008, in response to the evolution of the United Nations' REDD+ initiative, Wildlife Works created Wildlife Works Carbon (WWC) in order to be able to sell REDD+ carbon credits and thus support the swift expansion of the conservation model of Wildlife Works.

The Kasigau corridor REDD + project contributes to 11 out of the 17

Focus on VCS

The world's first and most widely used voluntary greenhouse gas (GHG) emissions program, which has certified more than 1500 projects, accounting for a reduction of over 200 million of CO_2 emissions from the atmosphere.

Focus on CCB standard

Intended to verify the quality of GHG reduction projects with an additional aspects: social benefits.

*Social Responsible Investing.[1]Scope 1 concerns the direct emissions of companies (such as fuel consumption for example). Scope 2 concerns indirect emissions due to the business's activity (for example the electricity supplier's fuel consumption). Scope 3 concerns indirect emissions due to the use of products sold (such as, for example, fuel consumption by the client's electricity supplier due to use of the product). With the current status of available data, the CO_2 emissions relating to Scope 3 are difficult to access and incomplete, and can only be estimated. Scope 3 will therefore not be taken into account in the context of offsetting the group's carbon footprint. [2]Industry Classification Benchmark. [3]Companies are graded into four categories in line with their carbon level (Scope 1 + Scope 2). "Intense" emitters are those whose emissions are greater than 10MtCO_2 equivalent.

THEAM Quant Europe Climate Carbon Offset Plan

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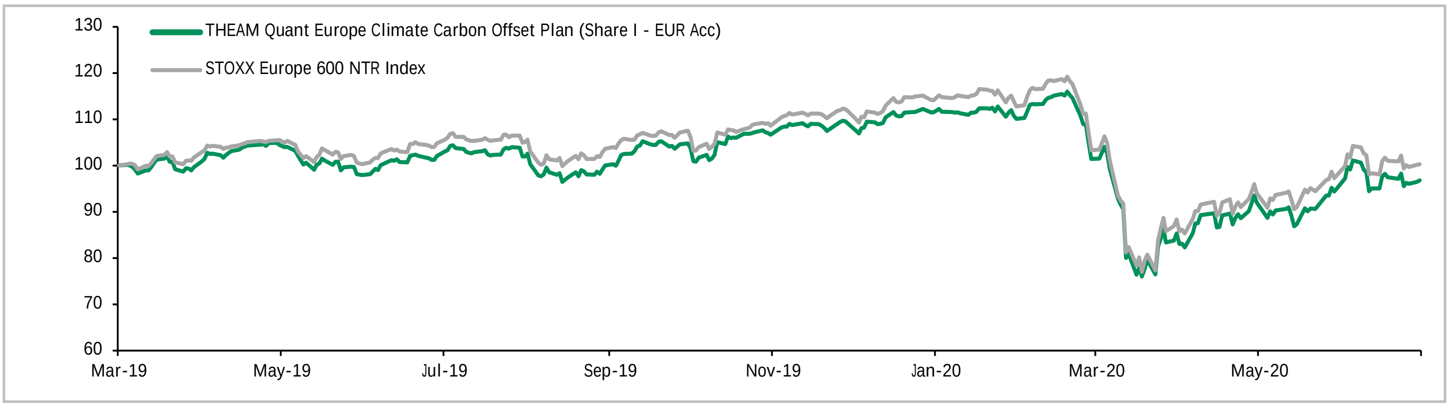
Performance Analysis

Historical Performance (net of fees, Share I - EUR)



Performance and Risk Statistics (net of fees, Share I - EUR)

		1M	3M	1Y	3Y p. a.	5Y p. a.	Global p. a.		Volatility p. a.	Max. Drawdown
THEAM Quant Europe Climate Carbon Offset Plan	Return	2.55%	13.45%	-5.12%			-2.39%	Risk	23.59%	-34.49%
STOXX Europe 600 NTR Index	Return	3.06%	13.49%	-4.30%			0.19%	Risk	24.04%	-35.36%

		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
2020	Fund	-1.26%	-7.87%	-15.86%	7.85%	2.57%	2.55%							-13.16%
	SXXR	-1.18%	-8.34%	-14.51%	6.50%	3.40%	3.06%							-12.12%
2019	Fund			0.43%	4.88%	-6.14%	4.13%	-0.09%	-1.86%	4.78%	1.81%	2.23%	2.17%	24.31%
	SXXR			2.06%	3.76%	-4.94%	4.47%	0.31%	-1.35%	3.70%	1.04%	2.83%	2.13%	26.82%

*Social Responsible Investing. Source: Bloomberg, BNP Paribas as of 30 June 2020. Fund performance of the Share I (EUR) Acc since 1 March 2019. *Fund's* performance is expressed net of management fees and in EUR. Past and present performance is not a reliable indicator of future results. For more details please refer to the prospectus. Comparative index: STOXX Europe 600 NTR Index, Bloomberg code: <SXXR Index>. Comparative index for illustrative purposes only. This index does not represent an official benchmark of the fund.

Fund characteristics

	THEAM Quant Europe Climate Carbon Offset Plan				
Management Company	BNP Paribas Asset Management France				
Comparative Index	STOXX Europe 600 NTR Index				
Type	FCP UCITS (eligible for PEA)				
Assets under Management	EUR 229.25 million as of (30 June 2020)				
Capital protection	No				
Investment horizon	5 years				
SRRI Ranking (scale from 1 to 7)*	5				
Share	Share C (EUR) - Acc	Share I (EUR) – Acc	Share J (EUR) Acc	Share S (EUR) Acc	Share « Privilège »
Launch date	1 March 2019	1 March 2019	1 March 2019	1 March 2019	1 March 2019
Bloomberg code	TQECCCC FP	TQECCCI FP	TQECCCJ FP	TQECCCS FP	TQECCPV FP
ISIN code	FR0013397726	FR0013397734	FR0013397742	FR0013403409	FR0013425931
Ongoing charges as of March 2019 (including cost of offsetting the carbon footprint): Carbon offsetting service Acquisition of VERs	1.77% (0.12%) 0.06% 0.06%	0.87% (0.12%) 0.06% 0.06%	0.65% (0.12%) 0.06% 0.06%	0.46% (0.12%) 0.06% 0.06%	1.02% (0.12%) 0.06% 0.06%
Subscription / Exit fees	3.00% max / None	0.00% / None	0.00% / None	0.00% until 30/08/2019, 3% starting from 02/09/2019 / None	3.00% max / None
Minimum subscription	None	EUR 100 000	EUR 10 000 000	EUR 10 000 000	EUR 1,000,000 (Zero for portfolio managers or distributors)
Passporting	Belgium, France, Italy, Germany, Luxemburg, Spain, United Kingdom, Sweden				

The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay, the fund described being in risk of capital loss. *The synthetic risk indicator is determined on a scale from 1 to 7 (7 being the highest risk level). It is subject to a periodical computation and can consequently change over time. We invite you to consult regularly the KIID.

Funds' main common risks

- The following list of risk factors associated with the funds is not exhaustive. The risk factors that should be considered in connection with any investment include (but are not limited to) the following:
- An investment in the funds may involve a significant degree of risk. Investment in the funds is only suitable for those persons who are able to bear the economic risk of the investment, understand the degree or risk involved, believe that the investment is suitable based upon their investment objectives and financial needs, and have specific needs for liquidity of investment. There can be no assurance that the funds' objectives will be achieved or that there will be any return of capital.

Economic conditions

- The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the equity markets. Unexpected volatility or illiquidity in the markets in which the funds hold positions could impair the funds' ability to carry out their business or cause them to incur losses. None of these conditions is within the control of the funds or its management company and/or investment manager and no assurances can be given that the funds or its management company and/or investment manager will anticipate these developments.

The funds will possess inherent risks

- These include, among other things, credit, liquidity, volatility, currency and interest rate risk, the financial condition of the underlying obligors, general economic conditions, market price volatility, the condition of certain financial markets, political events and developments or trends in any particular industry.

Currency exchange risk

- The value of an investment may be affected by fluctuations in the currency of the country in which the investment was made, or exchange control regulations.

Interest rate risk

- The value of an investment may be affected by interest rate fluctuations. Interest rates may be influenced by several elements or events, such as monetary policy, the discount rate, inflation, etc.

Derivatives risk

- The use of derivatives by the funds includes various risks. Those risks are (without limitation), the lack of secondary market liquidity under circumstances, valuations risks, the lack of standardization and regulation, the risk of leverage, the risk of counterparty.

Liquidity risk

- There is a risk that investments made in funds may become illiquid due to an over-restricted market (often reflected by a very broad bid-ask spread or by substantial price movements), or if their "rating" declines or their economic situation deteriorates.

Credit risk

- This is the risk that may derive from the rating downgrade of a bond issuer to which the funds are exposed, which may therefore cause the value of the investments to go down. Funds investing in high-yield bonds present a higher than average risk due to the greater fluctuation of their currency or the quality of the issuer.

Risk linked to equity markets

- The risks associated with investments in equities (and similar instruments) include significant fluctuations in prices, negative information about the issuer or market and the subordination of a company's equities to its bonds. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay.

Counterparty risk

- This risk relates to the quality of the counterparty with whom the funds do business or enter into various transactions. This risk reflects the counterparty's ability to honor its commitments (payment, delivery, repayment, etc.)

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