

THEAM QUANT – EUROPE
TARGET PREMIUM FUNDtheam QUANT
FUNDS

EQUITY

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | JULY 2020

OBJECTIVE

- THEAM Quant – Europe Target Premium fund** seeks to provide income and capital growth by implementing a dynamic option strategy on Euro Stoxx 50 index which aims at generating income in bullish and moderately bearish markets with a risk reduction approach.

WHY THIS FUND?

REGULAR INCOME GENERATION

Potential income of 7% per year

Recurrent leveraged Income in bullish, moderately bearish and volatile markets

SIMPLE METHODOLOGY

Systematic Put-Write in UCITS wrapper

- Daily sale of fixed strike and short maturities options with a risk-reduction mechanism

PROVEN TRACK RECORD

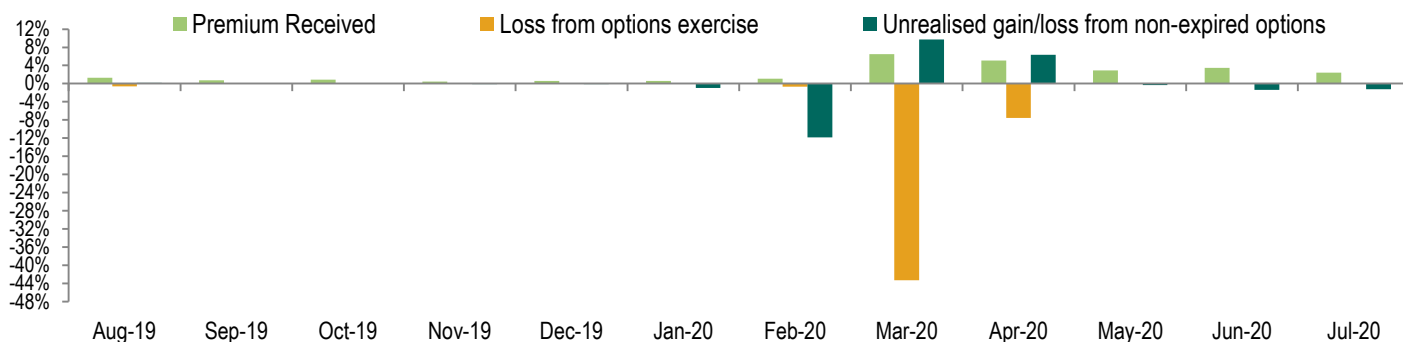
Popular strategy that answers multiple client needs

- Alternative to Income like products, Yield diversification, Equity-replacement

PERFORMANCE SIMULATION ANALYSIS

Simulated Performance of the strategy Net of fees (Net of Proxy Share Class (I-ACC EUR) fees) Since 2007

	Return p.a.	Volatility	Sharpe Ratio	Max Drawdown	Correlation
BNP Paribas Europe Target Premium Strategy*	2.69%	19.63%	0.14	-50.63%	0.76
Euro Stoxx 50 TR Index	0.96%	23.28%	0.04	-58.58%	-

Put Writing contribution to the performance – 1 Year

Source: Bloomberg, BNP Paribas as of 31 July 2020. *Strategy simulated performance is based on BNPITP2E Index simulations, net of fees (proxy Share Class I-Acc EUR) since 3rd January 2007. THEAM Quant – Europe Target Premium Share I – ACC EUR, launch date 5th November 2019, Historical data since then. Comparative index: Euro Stoxx 50 Total Return Index, Bloomberg code: < SX5T Index >. Comparative index for illustrative purposes only. This index does not represent an official benchmark of the fund. This is for general information only and should not be used as a basis for making any specific investment, business or commercial decisions. Any economic and market trend, prediction, projection or forecast is not necessarily indicative of the future or likely performance of the funds. This is a simulation of past performance, past performance or achievement is not indicative of current or future performance. There is no guarantee that the performance objective will be achieved. For further information, and in particular the risks of the product, please refer to the Prospectus and KIID of the fund.

THEAM Quant – Europe Target Premium Fund

EQUITY

FUND MECHANISM:



Optimized Put Options Parameters

Sell a 1-month | 5% OTM | 200% Leveraged Put on EUROSTOXX 50

Short Maturity

- Why? Short maturity options usually have a higher premium on an annual basis

Fixed Strike

- Why? A fixed strike finds the balance between premium received and risk taken

200% Leverage

- Why? Leverage helps capture 2 times more income in Bullish markets



Risk Reduction Approach

Systematic approach to reduce timing, human and market risks

Systematic Execution

- Why? It avoids noise from discretionary decisions

Daily Execution

- Why? It reduces timing risk, making entry and exit points smoother

A Defensive Mechanism

- Why? An average of 10% of the premium received p.a. is spent to buy a 1-year, 10% OTM long put in order to cushion the losses incurred by the written options in case of bear market, for a dynamic notional: 33% on average

These internal guidelines are mentioned for your information only and are subject to change. Prospectus guidelines and the KIID are leading.

MONTHLY & YEARLY PERFORMANCE SIMULATIONS (NET OF PROXY SHARE CLASS (I-ACC EUR) FEES)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	Strategy net of fees	-0.47%	-11.53%	-27.11%	3.79%	2.40%	1.78%	0.85%						-29.98%
	Euro Stoxx 50 TR Index	-2.75%	-8.46%	-16.21%	5.32%	4.74%	6.40%	-1.61%						-13.86%
2019	Strategy net of fees	2.11%	0.17%	0.23%	0.49%	-0.19%	1.20%	0.11%	0.68%	0.53%	0.67%	0.25%	0.39%	6.83%
	Euro Stoxx 50 TR Index	6.03%	4.42%	1.82%	5.33%	-5.53%	6.00%	-0.09%	-1.07%	4.25%	1.08%	2.80%	1.29%	28.96%
2018	Strategy net of fees	0.19%	-0.57%	0.77%	0.78%	-0.60%	1.48%	0.72%	0.22%	0.43%	-1.26%	1.11%	-0.65%	2.61%
	Euro Stoxx 50 TR Index	3.09%	-4.61%	-2.18%	5.81%	-2.52%	-0.20%	3.93%	-3.71%	0.27%	-5.87%	-0.71%	-5.75%	-12.46%
2017	Strategy net of fees	0.13%	0.74%	0.50%	1.02%	0.78%	-0.25%	1.23%	0.54%	0.54%	0.26%	0.28%	0.18%	6.12%
	Euro Stoxx 50 TR Index	-1.72%	2.88%	5.65%	1.96%	0.98%	-2.97%	0.29%	-0.72%	5.15%	2.27%	-2.77%	-1.75%	9.15%
2016	Strategy net of fees	-2.78%	0.33%	0.97%	0.86%	2.14%	0.47%	1.15%	0.84%	0.86%	0.53%	1.45%	0.69%	7.69%
	Euro Stoxx 50 TR Index	-7.25%	-3.21%	2.08%	1.31%	2.45%	-6.19%	4.51%	1.15%	-0.60%	1.87%	0.01%	7.90%	3.07%
2015	Strategy net of fees	1.70%	0.54%	-0.44%	2.28%	0.16%	4.44%	-6.51%	0.21%	2.61%	0.88%	0.83%	8.10%	
	Euro Stoxx 50 TR Index	7.05%	7.41%	2.82%	-1.86%	-0.12%	-3.93%	5.22%	-9.13%	-5.08%	10.34%	2.69%	-6.16%	7.44%
2014	Strategy net of fees	-0.41%	1.96%	1.17%	0.93%	0.85%	0.21%	0.16%	1.17%	0.51%	-1.98%	0.85%	0.61%	6.14%
	Euro Stoxx 50 TR Index	-2.62%	4.51%	0.50%	1.53%	2.70%	-0.31%	-3.38%	1.86%	1.80%	-3.39%	4.54%	-3.40%	3.93%
2013	Strategy net of fees	0.62%	0.72%	0.25%	2.36%	0.58%	-1.25%	1.58%	-0.39%	1.78%	1.07%	0.52%	0.55%	8.67%
	Euro Stoxx 50 TR Index	3.15%	-2.55%	-0.29%	4.05%	3.26%	6.52%	-1.66%	6.46%	6.12%	0.78%	0.55%	21.61%	
2012	Strategy net of fees	1.44%	0.97%	0.47%	-3.33%	-0.43%	3.44%	1.04%	0.91%	0.05%	2.26%	1.27%	0.08%	8.31%
	Euro Stoxx 50 TR Index	4.62%	3.98%	-1.31%	-6.21%	-6.73%	7.26%	2.87%	4.98%	0.79%	2.12%	2.93%	2.08%	17.65%
2011	Strategy net of fees	1.44%	0.98%	0.30%	1.42%	1.17%	1.26%	-0.17%	-16.13%	1.44%	2.97%	2.21%	3.07%	-1.65%
	Euro Stoxx 50 TR Index	5.42%	2.04%	-3.38%	3.89%	-3.33%	-0.28%	-6.15%	-13.70%	-5.08%	9.50%	-1.96%	-0.51%	-14.54%
2010	Strategy net of fees	-2.68%	0.10%	1.10%	-1.75%	-3.36%	1.52%	3.80%	0.00%	2.79%	1.44%	-1.98%	4.65%	5.40%
	Euro Stoxx 50 TR Index	-6.33%	-1.66%	7.48%	-3.66%	-5.71%	-1.18%	6.60%	-4.21%	4.83%	3.60%	-6.48%	5.93%	-2.36%
2009	Strategy net of fees	-1.76%	-2.73%	1.83%	2.82%	2.07%	2.38%	1.14%	1.36%	1.53%	-1.22%	4.28%	2.65%	15.05%
	Euro Stoxx 50 TR Index	-8.58%	-11.59%	4.86%	15.49%	4.92%	-1.80%	9.95%	5.33%	3.57%	-4.43%	2.26%	6.18%	25.51%
2008	Strategy net of fees	-10.76%	1.79%	3.03%	1.28%	1.48%	-4.93%	0.11%	1.97%	-2.08%	-13.03%	5.87%	5.03%	-11.59%
	Euro Stoxx 50 TR Index	-13.70%	-1.77%	-2.55%	6.08%	0.44%	-11.14%	0.52%	0.07%	-9.61%	-14.66%	-5.78%	0.90%	-42.31%

Source: Bloomberg, BNP Paribas as of 31 July 2020. Strategy simulated performance is based on BNPI2PE Index simulations, net of fees (proxy Share Class I-Acc EUR) since 3rd January 2007. THEAM Quant – Europe Target Premium Share I – ACC EUR, launch date 5th November 2019. Historical Data since then. Comparative index: Euro Stoxx 50 Total Return Index, Bloomberg code: < SX5T Index >. Comparative index for illustrative purposes only. This index does not represent an official benchmark of the fund. This is for general information only and should not be used as a basis for making any specific investment, business or commercial decisions. Any economic and market trend, prediction, projection or forecast is not necessarily indicative of the future or likely performance of the funds. This is a simulation of past performance, past performance or achievement is not indicative of current or future performance. For further information, and in particular the risks of the product, please refer to the Prospectus and KIIDs of the fund.

FUND CHARACTERISTICS

	Share I – ACC (EUR)	Share C – ACC (EUR)	Share I – ACC (CHF - H)	Share I – ACC (USD - H)	Share C – DIS (EUR)	Share I – DIS (EUR)
Management Company	BNP Paribas Asset Management France					
Comparative Index	Euro Stoxx 50 TR Index					
Type	Sub-fund of the Luxembourg SICAV THEAM QUANT, UCITS compliant					
SRRI Ranking (scale from 1 to 7)*	6	6	6	6	6	6
Currency	EUR	EUR	CHF - H	USD - H	EUR	EUR
Launch Date	5th November 2019	5th November 2019	10th February 2020	10th February 2020	20th March 2020	20th March 2020
ISIN code	LU2051090053	LU2051089121	LU2051090640	LU2051090483	LU2051089394	LU2051090137
Bloomberg Ticker	TQETIA LX	TQETCEA LX	THETICH LX	THETIUH LX	THETPCD LX	THETPID LX
Ongoing charges	0.76%	1.55%	0.76%	0.76%	1.55%	0.76%
Subscription / Exit fees	None/None	3.00%/ None	None/None	None/None	3.00%/ None	None/None
Minimum holding	100 000 EUR equivalent	No minimum	100 000 EUR equivalent	100 000 EUR equivalent	No minimum	100 000 EUR equivalent
Passporting	Ireland/UK/France/Germany/ Italy/ Switzerland/Spain	Belgium/UK/France/Germany/Italy/ Switzerland/ Spain	Switzerland	France/ Switzerland (in progress)	Belgium/France/Germany/Spain/ UK/ Italy (in progress)/ Switzerland (in progress)	France/Germany/Ireland/ Spain/ UK/ Italy (in progress)/ Switzerland (in progress)

SPECIFIC RISKS FACTORS

The following list of risk factors associated with the funds is not exhaustive, please also see the common risk factors.

- Market volatility risk. Market volatility reflects the degree of instability and expected instability of the securities or other eligible assets in which a Sub-fund invests, the performance of the Shares, or the techniques used to link the net proceeds of any issue of Shares to OTC Derivatives underlying asset(s), where applicable.
- Model risk. The underlying strategies incorporated in the SICAV strategy rely on systematic and quantitative mechanisms. Therefore, there is a risk that the models are not efficient and lead to a decrease in the SICAV net asset value. These models do not constitute a guarantee of future results.
- Conflicts of interests. Investors should note that connected parties of the BNP Paribas group of companies (the BNP Paribas Group) may act, inter alia and not excluding, as Management Company, counterparty of the OTC Derivative, and Depositary. As a result not only will investors be exposed to the credit risk of the BNP Paribas Group but also operational risks arising from any potential lack of independence of the Management Company.

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 of 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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