

Factsheet July 2017* - THEAM Quant - Equity Europe Income Defensive (C EUR, DIS)

Investment Objective

The sub-fund THEAM Quant - Equity Europe Income Defensive of THEAM Quant SICAV aims at increasing the value of its assets over the medium term by being exposed to a basket of high-dividend European equities. In addition to that, the Fund implements a systematic options strategy which aims at reducing risk by minimizing volatility in the Fund.

Investment strategy

- A selection of the most liquid European non-financial companies with high and consistent dividend yields, through the High Dividend Yield Europe strategy ¹
- A complementary systematic options strategy on the Euro Stoxx 50 index to improve the risk/return ratio of the fund
 - o Short positions on call options which aim at generating additional income while limiting the fund's volatility
 - o Long positions on put options in order to reduce the fund's volatility

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

¹ The high-dividend strategy is implemented within the BNP Paribas High Dividend Europe Equity Net Total Return Index (Bloomberg Code: BNPIHEUN Index).

RISK AND REWARD PROFILE

lower risk higher risk

←—————→

potentially lower rewards potentially higher rewards

1	2	3	4	5	6	7
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*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.

CODES

ISIN Code	LU1049885988
Bloomberg Code	THQEEIC LX

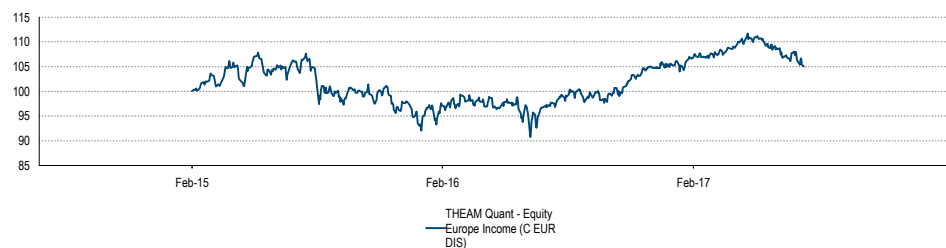
KEY FIGURES

NAV (Capi.) (C EUR DIS)	94.03
1Y NAV max.(EUR)	110.33
1Y NAV min. (EUR)	88.66
Total net assets (mln EUR)	1,293.71

CHARACTERISTICS

Benchmark	N/A
Legal form	Sub-fund of THEAM Quant Luxembourg SICAV, UCITS IV Compliant
Launch date (of absorbed FCP share class)	
Launch date (of SICAV sub-fund share class)	19 Feb 2015
Base currency (of share class)	EUR
Management Company	THEAM
Cut-Off (CET)	D 12:00 (24-hr)
Initial NAV (SICAV sub-fund)	100 EUR
Min. initial subscription	No minimum
Maximum subscription fees	3.00%
Maximum conversion fees	1.50%
Redemption fees	None
Management fees	1.15%
Performance fees	None
Other fees	0.35%
Subscription tax	0.05%
Total fees (ongoing charges)	1.55%
Periodicity of NAV Calculation	Daily
Share class	Distribution
Capital protection	No capital guarantee
Passporting	Belgium, France, Germany, Italy, Switzerland, Spain
Factsheet Distribution	France, Switzerland, Belgium, Germany, Italy

Fund performance since launch - (C EUR, DIS)*



Source: Bloomberg, BNP Paribas as of 31 Jul 2017. Performance expressed net of fees and in EUR. Past performance is not a reliable indicator of future results.

Fund management commentary

THEAM Quant – Equity Europe Income Defensive recorded a negative performance in July 2017, while the Stoxx Europe 600 Net TR was down -0.35% and the Euro Stoxx 50 Net TR was up +0.29%. With the Euro Stoxx 50 being slightly up, the option overlay had a slightly negative performance over the month (-26bps), but the high dividend stock selection (-1.35%) underperformed both benchmarks.

To give more details on the performance in July, and comparing with the Stoxx Europe 600 Index, the two best contributing sectors were the Personal & Household Goods and the Telecommunications sectors (+58bps and +47bps respectively). The worst contributors were the Industrial Goods & Services (-67bps) and the Automobiles & Parts (-39bps) sectors. Notice that more than half of the Industrial Goods & Services selected stocks are UK ones. The absence of financial stocks also weighed negatively (-68bps). Finally, currencies moved sharply in July, which had a significant impact because of the difference of country weighting compared to the benchmark. The sharp decrease of the GBP versus EUR during the month implied a -23bps underperformance relative to the Stoxx Europe 600 Index (because of overweighting). On the other hand, the extremely sharp decrease of CHF versus EUR implied a +50bps outperformance (because of the strong underweighting).

In terms of stocks, the best contributors were Telenor ASA (+36bps, Telecommunications), Anglo American (+31bps including GBP effect, Basic Resources) and Taylor Wimpey (+28bps including GBP effect, Personal & Household Goods). The worst contributors were UPM Kymmene (-32bps, Basic Resources), Imperial Brands (-25bps including GBP effect, Personal & Household Goods), International Consolidated Airlines (-24bps including GBP effect, Travel & Leisure) and Daimler (-23bps, Automobiles & Parts).

Looking now at the contribution of the option overlay, with a market going up then down but essentially flat overall, calls had a +14bps contribution while, with no surprise, puts had a negative contribution of -39bps. Overall the overlay had a negative but low contribution of -26bps.

The volatility of the benchmarks increased a bit in July at 10.8% volatility for the Stoxx Europe 600 and 11.2% for the Euro Stoxx 50, which are still very low levels especially for the Eurostoxx 50 (usually more volatile than the other one). Thanks to the option overlay, the volatility of the Equity Europe Income Defensive was a bit lower at 9.4%.

Since the beginning of the year, THEAM Quant – Equity Europe Income Defensive has been up, when the benchmarks were up +6.67% and 7.02% respectively, with a volatility of 7.5%, versus 8.6% and 11.0% respectively. This is below the target of the fund (which is to suffer around half of the significant drawdowns while benefitting from more than half of the upside in an upward market). The overweight on UK stocks (by around 10%) has had a double negative impact since the beginning of the year: impact of the GBP fall (around -50bps YTD) and underperformance in local currency of medium-to-large cap UK stocks compared to Eurozone ones. In addition, in the UK, sectors paying higher dividends have been among the ones suffering the most. Finally the absence of financial stocks had a contribution close to -1% YTD.

At the end of July, the average strike of puts is equal to 95.2% and the global delta of the strategy around 78%. Implied volatility is still at very low levels, especially on the short term. The sale of calls is now generating around 1.5% on an annualized basis while the sale of puts costs 3.9%, leading to a net premium of -2.4%.

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. The fund uses derivatives to achieve its investment objective. This may have the effect of increasing the income paid to investors and reducing volatility, but there is the potential that performance, or capital value, may be eroded. Other important risks include equity, counterparty and interest rate risks. Please consult the latest available prospectus for further details.

* All data and performance are as of 31/07/2017, unless otherwise stated



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Monthly and annual net total return*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2017	-0.68%	3.02%	1.24%	1.34%	0.39%	-3.21%	-1.63%						
2016	-1.30%	1.31%	0.98%	0.00%	-0.97%	-3.30%	3.30%	1.03%	1.20%	0.82%	2.40%	1.59%	7.10%
2015			1.08%	1.13%	4.26%	-2.20%	1.89%	-4.99%	-2.78%	1.55%	1.36%	-3.30%	

Yield analysis (Distribution Share)*

Fund	Theoretical coupon**		Historical coupon payment			
	1m	Since last coupon	In currency	Nov-16	May-17	Nov-17
	0.11%	0.91%	In currency	3.30 EUR	2.52 EUR	
			In %	3.45%	2.50%	

Value of the Call and Put Option*

	15 bd Call 103	Put 100 1Y 50%
Monthly Option Value*	0.13%	-0.35%
Annualised Option Value*	1.54%	-4.15%

Current average weighted gross dividend yield****

Dividend yield
4.85%

* Source for all tables: Bloomberg, BNP Paribas as of 31 Jul 2017. Performance expressed net of fees and in EUR. Past performance is not a reliable indicator of future results.

** These simulations are the result of estimates made by BNP Paribas and THEAM at a given moment on the basis of the parameters selected by BNP Paribas and THEAM, of market conditions at this given moment and of historical data, which should not be used as guidance, in any way, of the future results of the fund.

*** In number of working days.

**** Gross premium before option exercise.

Performance and risk analysis*

	YTD	1 Year	3 Years	Since launch
Net total Return	0.33%	7.59%		2.04%
Annualized volatility	7.62%	7.79%		11.07%
Sharpe Ratio	-	-		-
VaR 95% (historical)	-1.41%	-1.47%		-2.37%
Max drawdown	-5.92%	-5.92%		-15.80%
Time to recovery***	-	-		188

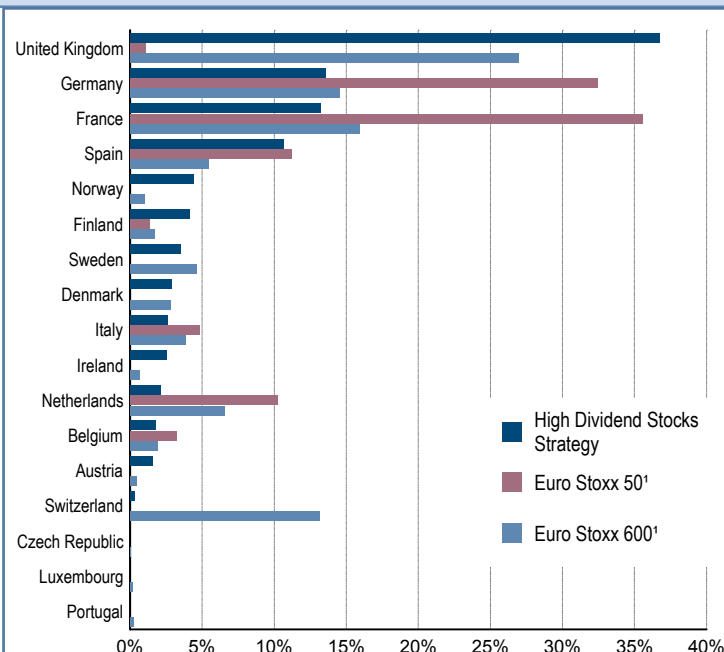
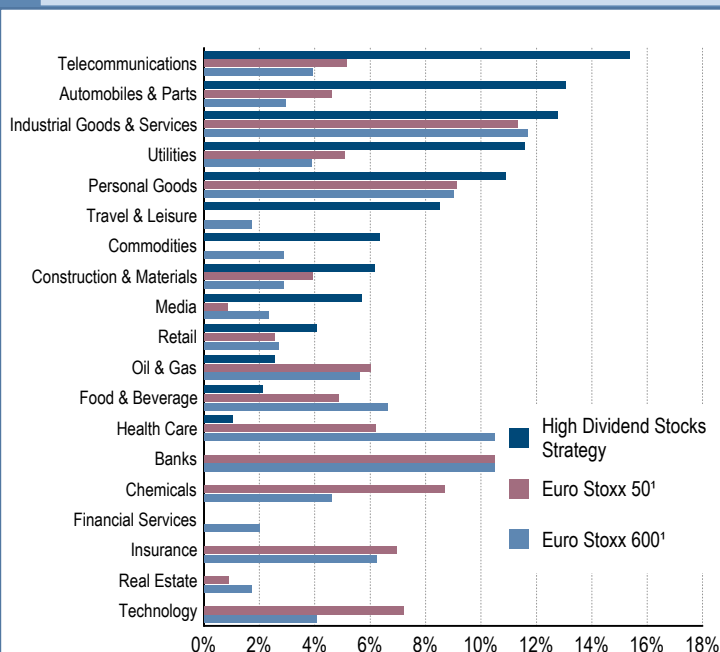
Top 10 components of the High Dividend Stocks Strategy (excluding Call and Put Strategy)

	Company name	Weight in %
1	TAYLOR WIMPEY	4.44%
2	UPM-KYMMENE	4.14%
3	BMW	3.71%
4	CENTRICA	3.57%
5	DAIMLER	3.54%

	Company name	Weight in %
6	INTL.CON.S.AIRL.GP.(CDI)	3.45%
7	RENAULT	3.43%
8	ROYAL MAIL	3.25%
9	ACS ACTIV.CONSTR.Y SERV.	3.18%
10	ORANGE	2.60%

Source: Bloomberg, BNP Paribas.

Sector and top country exposures of the High Dividend Stocks Strategy (excluding Call and Put Strategy)



Source: Bloomberg, BNP Paribas. ¹Comparative Index for illustrative purpose only. This index does not represent the official benchmark of the Fund.

Based on ICB Super-sectors.



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Risk

Risk of capital loss: The fund does not benefit from any guarantee or capital protection. Unitholders may therefore lose all their invested capital.

Equity risk: The fund is synthetically exposed to European equity markets. Unitholders are therefore exposed to declines in these equity markets.

Model risk: The model used to determine the asset allocation for each Strategy Index portfolio is based on a quantitative approach. There is a risk that the model will not be efficient as there is no guarantee that the indicators defined will be relevant in the future.

Counterparty Risk: This risk is associated with the ability of a counterparty in a financial transaction to fulfill its commitments like payment, delivery and reimbursement.

Risk related to the use of forward financial instruments: In order to achieve its investment objective, the Sub-Fund 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 Sub-Fund's NAV.

Disclaimer

THEAM is an investment manager registered with the Autorité des marchés financiers in France under number 04000048, a simplified joint stock company with a capital of 8.317.840 Euros with its registered office at 1, boulevard Haussmann 75009 Paris, France, RCS Paris 428 753 214 and is member of the Association Française de la Gestion Financière (AFG), a professional body for third-party asset management in France.

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All information referred to in the present document is available on www.theam.bnpparibas.com

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BNPP or its affiliates may own shares of the fund for a variety of purposes including but not limited to facilitating the management of inflows and outflows of the funds and seeding the fund during the early stages of its growth.