



## Sub-fund of THEAM Quant Luxembourg SICAV

**Factsheet  
October  
2024**

## Marketing Communication

## Fund management comment

The American elections took center stage in October. While the political, economic and fiscal programs of the two candidates differ, one point of agreement was found between them: that of not talking about the exorbitant amount of public debt and the remedies to deal with it. This debt increased by 500 billion dollars in October alone, bringing the total to almost 36 trillion dollars. Economic indicators have stuck to their trends of recent months: inflation is falling, even if it seems more resilient in the US due to economic growth and a resilient consumer, manufacturing PMI indices are still in negative territory, while Services PMI indices are still expanding in both the US and Europe.

In that context, the different central banks, still confident about inflation, wish to continue their cycle of key rate cuts, which will also help to lower the cost of debt for governments. As expected, the European Central Bank and the Bank of Canada cut rates by -25bps and -50bps respectively. Nevertheless, in the wake of US 10Y rates, which gained +50bps over the month of October, with the prospect of D. Trump's victory and his protectionist and inflationary program, 10Y rates in the G10 universe rose overall. A decoupling of the pace of rate cuts could therefore materialize between the US and Europe.

On the corporate front, earnings were up on average in the US, but growth was not at the level implicitly expected. This did not bother investors, who have been postponing their expectations to the following quarter for some quarters now. The publications were more disappointing in Europe, where the outlook is also more difficult. The MSCI index lost -2% over the month, the Eurostoxx50 -3.5% and the S&P500 -1%. In terms of risk parameters, the VIX index gained +6 points with the prospect of elections. Credit spreads were flat on average over the month.

In that context, the funds recorded a negative performance.

Systematic strategies delivered a negative month. Rates trend factor is the main detractor and suffered from the important price action of the Treasuries this month, even if it has been slightly mitigated by Rates carry factor. Equities strategies posted a negative performance whereas FX and Commodos had a positive performance thanks to Carry factors mainly.

Implied strategies posted a positive performance this month. Relative value strategies on the Vix term structure rebounded from previous months underperformance. Rates Vol Carry delivered well thanks to MtM repricing.

Risk mitigation positions posted a small gain thanks to mid frequency positions.

### Historical Performance and Risk Analysis (Share J Perf EUR ACC)

THEAM Quant - LFIS Selection

Date	THEAM Quant - LFIS Selection
Apr-22	100.0
Apr-23	90.5
Apr-24	96.0

### Monthly contribution per Investment Style

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- The chart displays the monthly contribution of three strategies to the total sum of contributions. The y-axis ranges from -3% to 3%. The x-axis shows dates from April 2022 to October 2024. The legend indicates: Implied Strategies (green), Risk Mitigation (orange), and Systematic Strategies (blue). The 'Sum of Contributions' is shown as a blue line.
- | Date   | Implied Strategies (%) | Risk Mitigation (%) | Systematic Strategies (%) | Sum of Contributions (%) |
|--------|------------------------|---------------------|---------------------------|--------------------------|
| Apr-22 | -0.61                  | 0.02                | 0.00                      | -0.59                    |
| May-22 | -0.61                  | 0.00                | 0.00                      | -0.61                    |
| Jun-22 | -0.46                  | 0.00                | 0.00                      | -0.46                    |
| Jul-22 | -2.48                  | 0.00                | 0.00                      | -2.48                    |
| Aug-22 | 0.44                   | 0.00                | 0.00                      | 0.44                     |
| Sep-22 | -2.71                  | 0.00                | 0.00                      | -2.71                    |
| Oct-22 | 0.35                   | 0.00                | 0.00                      | 0.35                     |
| Nov-22 | -1.11                  | 0.00                | 0.00                      | -1.11                    |
| Dec-22 | 0.07                   | 0.00                | 0.00                      | 0.07                     |
| Jan-23 | -1.63                  | 0.00                | 0.00                      | -1.63                    |
| Feb-23 | 0.07                   | 0.00                | 0.00                      | 0.07                     |
| Mar-23 | -2.63                  | 0.00                | 0.00                      | -2.63                    |
| Apr-23 | -0.22                  | 0.00                | 0.00                      | -0.22                    |
| May-23 | 0.05                   | 0.00                | 0.00                      | 0.05                     |
| Jun-23 | 1.24                   | 0.00                | 0.00                      | 1.24                     |
| Jul-23 | 0.46                   | 0.00                | 0.00                      | 0.46                     |
| Aug-23 | 1.29                   | 0.00                | 0.00                      | 1.29                     |
| Sep-23 | 2.09                   | 0.00                | 0.00                      | 2.09                     |
| Oct-23 | -1.27                  | 0.00                | 0.00                      | -1.27                    |
| Nov-23 | -0.08                  | 0.00                | 0.00                      | -0.08                    |
| Dec-23 | -1.34                  | 0.00                | 0.00                      | -1.34                    |
| Jan-24 | 1.09                   | 0.00                | 0.00                      | 1.09                     |
| Feb-24 | -1.03                  | 0.00                | 0.00                      | -1.03                    |
| Mar-24 | 0.81                   | 0.00                | 0.00                      | 0.81                     |
| Apr-24 | 0.86                   | 0.00                | 0.00                      | 0.86                     |
| May-24 | 0.57                   | 0.00                | 0.00                      | 0.57                     |
| Jun-24 | -0.90                  | 0.00                | 0.00                      | -0.90                    |
| Jul-24 | -1.04                  | 0.00                | 0.00                      | -1.04                    |
| Aug-24 | -1.04                  | 0.00                | 0.00                      | -1.04                    |
| Sep-24 | 0.18                   | 0.00                | 0.00                      | 0.18                     |
| Oct-24 | -0.61                  | 0.00                | 0.00                      | -0.61                    |

Systematic Strategies: strategies with an economic and behavioral rational, for example the traditional academic premia.  
 Implied Strategies: strategies linked to markets dislocations on implied parameters, due to the structural industry flows.  
 Risk Mitigation Strategies: strategies with the role of absorbing the potential re-correlation of the strategy on the downside, mitigating the stress-tests.  
 Contribution levels represent that of the underlying strategy and represent a proxy of the share's LU2346217933 performance.

	Cumulative YTD*	1 Year	3 Years	Since launch
Performance	1.96%	5.88%	-	-
Annualized Volatility	4.01%	4.13%	-	-
Sharpe Ratio	-	-	-	-
Max drawdown	-1.82%	-2.73%	-	-

\*YTD performance is cumulative

## Historical Monthly Performance (Share J Perf EUR ACC)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2024	1.26%	-0.58%	1.27%										1.96%
2023	-1.73%	0.29%	-2.48%	-0.15%	0.50%	1.38%	0.36%	1.54%	2.25%	-0.85%		-1.18%	-0.19%
2022				0.10%	-0.54%	0.31%	-2.62%	0.38%	-2.76%	0.35%	-0.93%	0.26%	-5.38%

Other risks materially relevant to the Product not included in the summary risk indicator.



## Statistics

### Performance Attribution

Contribution per Asset Type:			
	1M Return	YTD Return	1Y Return
Commodity	0.09%	- 1.72%	- 1.46%
Equity	0.12%	- 0.53%	- 0.64%
Interest Rates	- 0.95%	- 3.00%	- 4.76%
Foreign Exchange	0.15%	0.57%	0.20%
Credit	- 0.02%	- 0.07%	0.43%

Contribution per Investment Style:			
	1M Return	YTD Return	1Y Return
Systematic Strategies	- 0.95%	- 2.41%	- 4.55%
Risk Mitigation	0.22%	- 1.25%	- 1.60%
Implied Strategies	0.12%	- 1.10%	- 0.08%

Contribution levels represent that of the underlying strategy and represent a proxy of the share's LU2346217933 performance.

## Look-Through Leverage

The strategy leverage (the "Look-through Leverage") may be generated by the synthetic exposure via OTC to futures, options, swaps, forward contracts, and other derivative contracts on equity, fixed income, interest rates, currency, volatility and commodities. Under normal market conditions, the level of the Look-through Leverage is expected to be on average below 20. It is possible that it may exceed such level or may also be subject to lower levels from time to time.

Such level is predominantly a function of the synthetic use of short-term interest rate strategies when opportunities arise in the market. However, there is usually limited relationship between interest rate risk and derivatives notional, short-term interest rate exposures have indeed usually a limited sensitivity to changes in interest rates, but need to employ large amounts of notional to generate those exposures. When disregarding such short-term interest rate exposures, or in circumstances where they do not form part of the Sub-fund Underlying Assets, the level of Look-through Leverage is expected to be on average less than 6.

Look-through Leverage may under certain circumstances generate an opportunity for higher return and therefore more important income, but at the same time, may increase the volatility of the Sub-fund and therefore the risk to lose capital but within the limit of the Shareholders' investment as described in the Section 19.1 of the General Section of the Sub-fund prospectus.

A risk management process supervises this investment strategy through a Look-through Leverage monitoring, a daily VaR (99%; 1-month) monitoring completed by monthly back test and stress tests

## Risks

**Equity risk** - Includes significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Potential investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

**Market volatility risk** - 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. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

**Liquidity Risk** - There is a risk that investments made by the Sub-funds may become illiquid due to an over-restricted market (often reflected by a very broad bid-ask spread or by substantial price movements), if, among other conditions, their "rating" declines or if the economic situation deteriorates; consequently, it may not be possible for the Sub-fund to sell or buy these instruments quickly enough to prevent or minimize a loss in these Sub-funds.

**Conflicts of interests** - The Management Company may enter into OTC Derivative or EPM Techniques with counterparties affiliated to the BNP Paribas Group. In this case, there is a potential conflict of interests between the interests of the Shareholders and the interests of the group to which the Management Company belongs. An ongoing efficient management policy of conflicts of interests shall ensure the respect of the primacy of Shareholders' interests.

**Counterparty Risk** - The Sub-funds may enter into transactions in OTC markets, which will expose the Sub-funds to the credit of its counterparties and their ability to satisfy the terms of such contracts.

**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.

**Risks related to the algorithms used for the calculation of the Strategy** - the allocation model used by the Strategy, as well as the several risk premia strategies models, are based on certain criteria for yielding and risk calculation based on historical results. It is therefore possible that the models are not fully efficient, as past situations may not necessarily be reproduced in the future. The use of these models is consequently not a guarantee for future results of the Strategy.

**Commodity market risk** - This risk is present in each Sub-fund having synthetic or indirect exposure to commodities in its investment universe. Commodity markets may experience significant, sudden price variations that have a direct effect on the valuation of shares and securities that equate to the shares in which a sub-fund may invest and/or indices that a sub-fund may be exposed to. Moreover, the underlying assets may evolve in a markedly different way from traditional securities markets (equity markets, bond markets, etc.).

**Interest rate Risk** - There may be fluctuations in the currency of denomination of securities or other eligible assets in which a Sub-fund invests the Shares.

Fluctuations in short term and/or long term interest rates, interest rates of the currency in which the Shares are denominated, or interest rates of the currency or currencies in which the securities or other eligible assets in which a Sub-fund invests are denominated may affect the value of the Shares.

**Risks in transactions in currencies** - In general, foreign exchange rates can be extremely volatile and difficult to predict. Variance in the degree of volatility of the market from the Management Company, the Investment Manager and the Investment Adviser's expectations may produce significant losses to a Sub-fund, particularly in the case of transactions entered into pursuant to non-directional strategies.

### Commentary on Hedged Share Classes against Currency Risk:

We would like to draw your attention to the fact that some share classes hedged against currency risk have been launched or are about to be launched within the sub-fund THEAM Quant - LFIS Selection. An up-to-date version may be sent on request addressed to the following email address: LIST.AMGPECIBSALESSUPPORT@bnpparibas.com

The full list of risks linked to the sub-fund can be found in the prospectus.

As from the 20th of March 2020, the sub-fund strategy has unwound its exposure to the commodities volatility strategy.

## Glossary

**Net Asset Value** - Represents the net assets of the fund (ex-dividend) divided by the total number of shares issued by the fund.

**Historical tracking error** - Measure of the actual deviation of the fund's returns from the comparative benchmark index returns (annualised). A higher number means that the fund is taking greater risk against the benchmark.

**Historical Volatility of Portfolio** - Illustrates the dispersion of the fund's realized monthly returns around the average monthly return, indicating how volatile the fund's return is over time. The higher the number the more volatile the fund's returns.

**UCITS** - "UCITS" or "undertakings for the collective investment in transferable securities" are investment funds regulated at European Union level. They account for around 75% of all collective investments by small investors in Europe. The legislative instrument covering these funds is Directive 2014/91/EU.

**Ongoing Charges** - The ongoing charges figure is based on the fund's expenses during the previous year. It excludes transaction costs and performance fees incurred by the fund.



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