

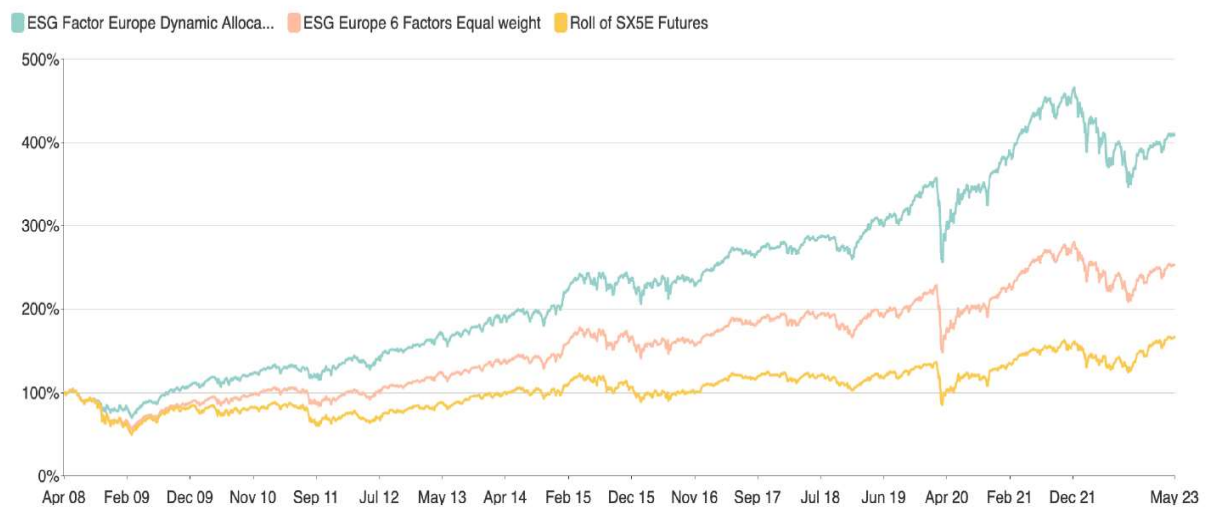
Please find below an example of strategy for one of our institutional client: a European ESG Dynamic Beta...

Specifications:

- “Long only” biased process invested in 6 “plain vanilla” ESG Chapter 8 factors.
- Based on a non-linear dataset, the exposure ranges from 70% to 100%, equally weighted over the 6 factors.
- Additionally, a risk “switch” may reduce the allocation to 70% with the two most defensive factors overweighted.

Performance

Performance chart



Source BNP Paribas CIB

The value creation is spread throughout the life of the strategy and not clustered around a few good “bets”. Overall, with 90% average exposure, the strategy is able to capture most of the upside of a bull market.

Resilience – Controlled Drawdown

Annualized Performance and Statistics

	ESG Dynamic Beta	Equal Weight Allocation
Return	9.43%	6.11%
Volatility	15.34%	18.09%
Sharpe Ratio	0.60	0.32%
Skewness	-0.34	-0.53%
Kurtosis	7.15	9.73%
Max Drawdown	-33.05%	-47.49%
Worst Monthly Performance	-9.93%	-14.72%
Worst Month	March 2020	March 2020
Average Monthly Positive Perf.	3.01%	-3.31%
Average Monthly Negative Perf.	-2.66%	-3.31%
% Positive Months	61.88%	59.12%
% Positive Months	38.12%	40.88%

Source BNP Paribas CIB

Our risk filters are able to capture the increased probability of significant market pull-backs which leads to resilience and the ability to endure downturns. The drawdown is significantly reduced.

Resilience – Fast Recovery

ESG Factor Europe Dynamic Allocation - Main drawdown

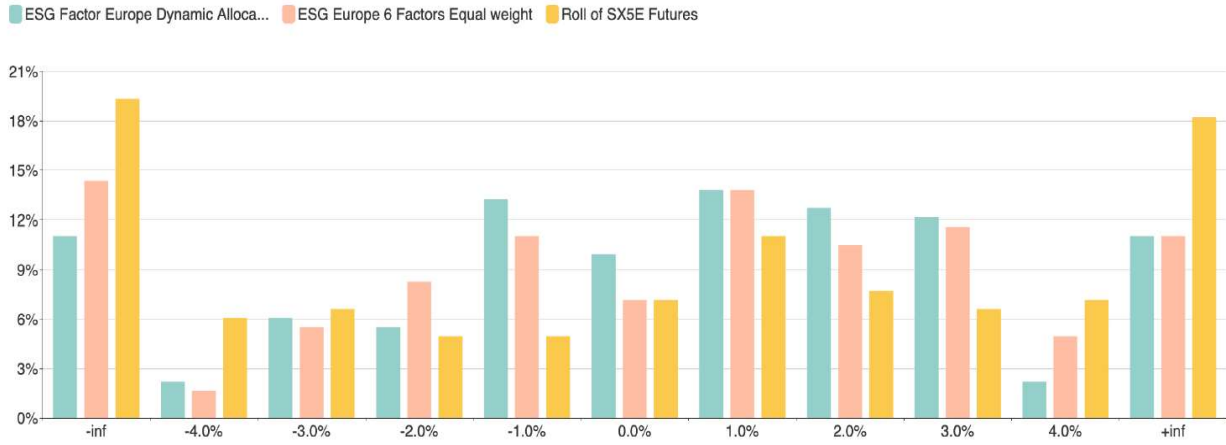
From	Through	To	Depth	Length	To Through	Recovery
19 May 08	9 Mar 09	16 Sep 09	-33.05%	347	210	137
19 Feb 20	23 Mar 20	11 Nov 20	-28.8%	190	23	167
5 Jan 22	29 Sep 22	-	-25.95%	356	191	-
5 Aug 15	11 Feb 16	20 Dec 16	-16.2%	359	136	223
11 May 11	4 Oct 11	3 Jan 12	-13.95%	169	104	65

Source BNP Paribas CIB

Because the strategy has controlled drawdowns, it displays on top of its ability to endure, the capacity to recover quickly.

Resilience – Statistically Predictable

Returns distribution



Source BNP Paribas CIB

The performance of the strategy is more linearly distributed and the negative tails are reduced when compared to the market, making the strategy easier to predict.