



SOLACTIVE EUROPEAN DEEP VALUE SELECT 50 INDEX

MARKETING COMMUNICATION | FOR PROFESSIONAL CLIENTS ONLY | FEBRUARY 2020

ALPHA | BETA | ENHANCED BETA

A smart access to robust European companies, through a selection based on in-depth fundamental analysis

Currency	Type of index	Live date	Bloomberg code	Reuters code
EUR	Price Return	7 July 2015	SOLEDVSP Index	. SOLEDVSP

EUROPEAN EQUITIES LOOK PROMISING



Euro Government and Corporate bonds are very expensive - distorted by Central Banks' exceptional intervention

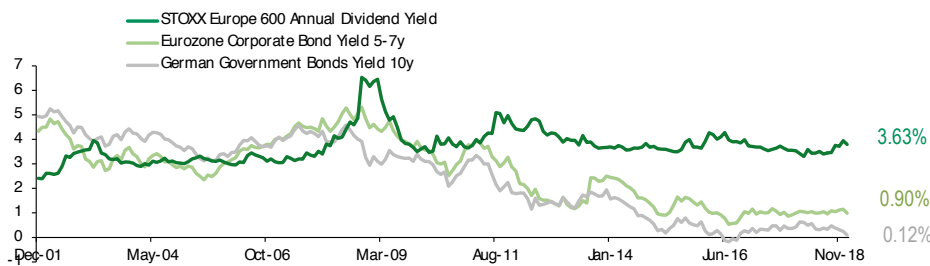


Equities have higher implicit yield in comparison to other asset classes (see chart below)



European equity market is supported by several positive elements:

- Limited political risks following the election of pro-European leaders
- ECB monetary policy accommodation
- Equity market growth beyond expectations



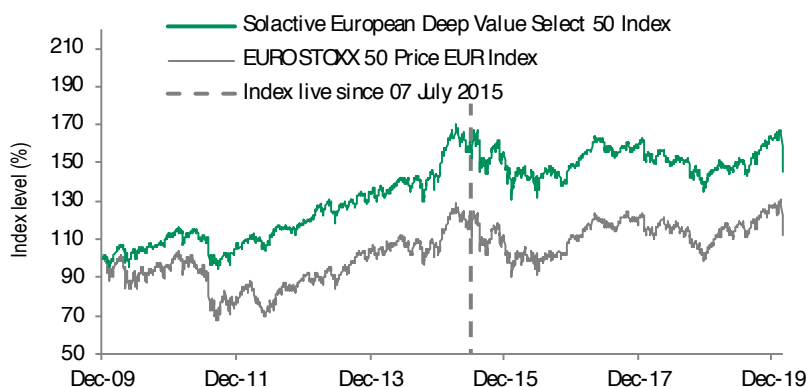
Source: Exane BNP Paribas, as of 13 February 2019. Past performance is not a guide to future performance. For illustrative purpose only.

THE SOLACTIVE EUROPEAN DEEP VALUE SELECT 50 INDEX

- A selection of robust companies...
 - Attractive market price, good financial health and proven economic performance
- ...published by Solactive...
 - Reputed for its expertise on fundamental equity strategies computation
- ...aiming to offer a significantly higher exposure to overperforming European Equities¹
 - By having a good balance between income and low volatility stocks

¹ Subject to the product structure and market conditions – risk of partial loss of investment.

PERFORMANCE AND STATISTICS



Dec 09 to Feb 20	Solactive European Deep Value Select 50 Index	EURO STOXX 50 Price EUR Index
Annualised Return	3.75%	1.14%
Volatility	12.84%	19.74%
Sharpe Ratio	0.29	0.06
Max Drawdown	-22.99%	-34.97%

Sources: BNP Paribas, Bloomberg as of 28 February 2020. Performance simulations on SOLEDVSP Index from 30 December 2009 until 06 July 2015. Historical data thereafter. Comparative index: EURO STOXX 50 Price EUR Index, Bloomberg code: < SX5E Index >. Comparative index for illustrative purpose only. This index does not represent an official benchmark of the Strategy. Simulated or historical past performance is not an indicator of future performance.

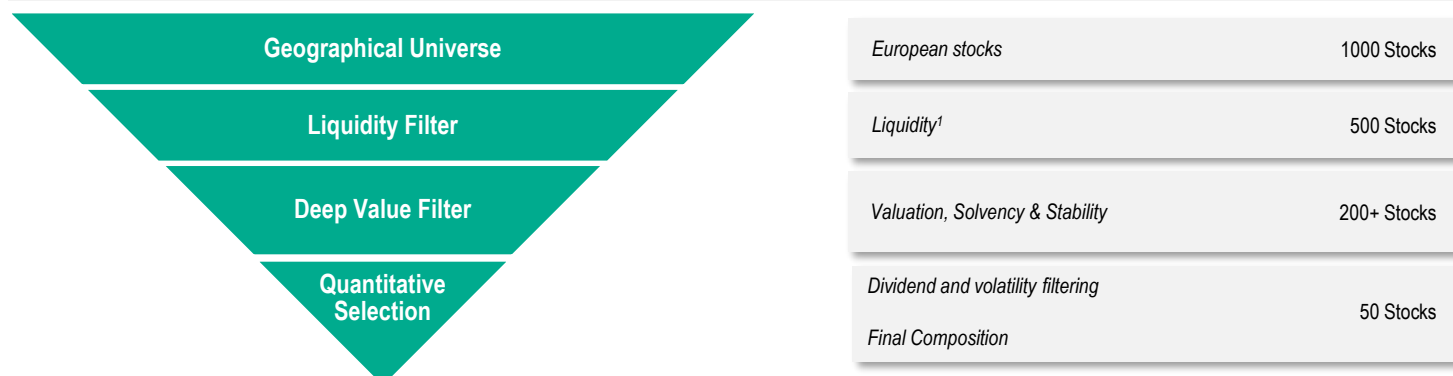


Historically, the strategy has displayed higher returns and lower risk than the benchmark

OVERVIEW OF THE SELECTION PROCESS

BENJAMIN GRAHAM, THE FATHER OF VALUE INVESTING

“Long ago, Ben Graham taught me that price is what you pay, value is what you get. Whether we’re talking about socks or stocks, I like buying quality merchandise when it is marked down.”
(Warren Buffett)



EUR Equally Weighting Monthly rebalancing

Source: BNP Paribas, for illustrative purpose only
¹ Average daily volume observed at or above €10M over a 20 days period.

THE DEEP VALUE FILTER : HOW IT WORKS

- The methodology focuses on the intrinsic value of the companies, as Benjamin Graham did, using 3 fundamental filters:

<p>1 VALUATION</p> <p>Is the company's price attractive enough compared to its revenues and assets?</p> <ul style="list-style-type: none"> Select efficient business models Avoid overvalued names 	<p>2 SOLVENCY</p> <p>Is the company's financial position solid?</p> <ul style="list-style-type: none"> Target companies with limited debt compared to their revenues Companies' financial expenses largely covered by their revenues 	<p>3 STABILITY</p> <p>Are the company's earnings stable?</p> <ul style="list-style-type: none"> Select companies able to generate profit in any market condition Target companies that are able to reward investors
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Source: BNP Paribas, for illustrative purpose only

QUANTITATIVE FILTERS: HOW THEY WORK

Aiming at controlling the risk and income of the strategy, quantitative filters are applied:

- Low volatility filter:** Stocks which comply with the Deep Value filter according to their 6 month historical volatility are ranked. Less volatile stocks tend to display a better risk/return profile than their peers
- Dividend selection:** A maximum of 25 low volatility stocks² which are expected to pay a dividend in the coming month in order to improve the price efficiency of the Index are selected

²According to their 6-month historical volatility

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