

PRODUCT KEY FACTS

BNP PARIBAS A FUND European Multi-Asset Income

March 2015

*This statement provides you with key information about this product.
 This statement is a part of the offering document.
 You should not invest in this product based on this statement alone.*

Quick facts

Management Company:	BNP Paribas Investment Partners Luxembourg		
Fund Manager:	BNP Paribas Investment Partners Netherlands N.V. based in the Netherlands (internal delegation)		
Sub-Manager:	BNP Paribas Investment Partners UK Ltd. based in the United Kingdom (internal delegation) BNP Paribas Asset Management S.A.S. based in France (internal delegation)		
Custodian:	BNP Paribas Securities Services, Luxembourg Branch		
Ongoing charges#	“Classic” categories (unless otherwise stated):		1.95%
	Classic RH AUD – Capitalisation:		1.66%
	Classic RH HKD – Capitalisation:		1.66%
Dealing frequency:	Daily		
Base currency:	EUR	Dividend policy:	Capitalisation shares – No dividend distribution (income, if any, will be reinvested)
			Distribution shares - Dividend, if declared, will be paid Distributions may be paid out of capital which may result in an immediate reduction of the sub-fund’s net asset value per share The board of directors has the sole discretion to vary the rate and/or frequency of distribution subject to one month’s prior notice to shareholders
Financial year end of this sub-fund:	31 March	Min. investment:	None
		Min. holding:	“Privilege” categories - Equivalent of EUR 1 million

The ongoing charges figure is calculated based on the latest interim financial statements and is an annualized figure based on the expenses for the period from 5 August 2014 (the inception date) to 31 December 2014. This figure may vary from year to year. The ongoing charge is calculated by adding all direct fees, indirect fees and external fees of the sub-fund and then divided by the average net assets. Direct fees refer to charges and payment directly borne by the sub-fund such as operating costs, remuneration and payment to key operators and service providers. Indirect fees refer to the ongoing charges of the underlying funds which the sub-fund invests. External fees refer to any remuneration of the management company or other party that derives from fee-sharing arrangement. For the sake of clarity, there was no external fee for the sub-fund when the ongoing charge was calculated.

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What is this product?

This sub-fund is a fund constituted in the form of a mutual fund. It is incorporated under Luxembourg law and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

Objective and Investment Strategy

Objective

To provide regular income in the form of dividend and, on a secondary basis, to generate capital growth by investing in different asset classes in Europe. Whilst the sub-fund focuses on investments which are intended to provide income, the portfolio manager expects that some of such investments may generate capital growth in furtherance of the sub-fund's secondary objective.

Strategy

The sub-fund invests at least 90% of its portfolio in different asset classes in Europe including

- European equities, excluding real estate securities (up to 60%)
- European real estate securities (e.g. listed closed-ended real estate investment trusts and real estate operating companies which are publicly traded companies that specialize in real estate investments) (up to 30%)
- European corporate bonds (up to 30%)
- European high-yield bonds (up to 30%)
- European government bonds (up to 40%)
- European convertible bonds (up to 15%)
- Cash instruments (up to 80% which will only be held on a temporary basis in case of extreme adverse market conditions for decreasing the risk in the portfolio).

The sub-fund aims to invest directly in the above different asset classes, but may also invest indirectly in these asset classes through investment in other collective investment schemes of up to 40% of its net asset value. The maximum investment in each of the underlying fund will not be more than 20% of the sub-fund's net asset value. Derivatives will not be substantially or primarily used by the underlying funds for investment purpose.

Notwithstanding the individual limits of different asset classes set forth above, the aggregate exposure in bonds rated below investment grade (being below BBB- (S&P or Fitch) or Baa3 (Moody's)), or unrated will be up to 50% which may include European corporate bonds, European high-yield bonds, European government bonds and European convertible bonds. However, the sub-fund does not contemplate to invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade and/or unrated.

An essential feature of the investment policy is that the allocation between different asset classes and within each asset class in the portfolio are reviewed, monitored and dynamically adjusted. The allocation will depend on the portfolio manager's view of the ability of the various asset classes to achieve the sub-fund's primary objective by providing the fixed annual dividend amount (which is calculated with a fixed annual dividend rate set for the sub-fund each year with reference to the net asset value of the relevant monthly dividend share classes as at 31 October; and decomposed into a fixed monthly payment for a 12-month period in the following calendar year). The portfolio manager aims to invest in assets which it believes such assets provide a compelling yield opportunity or are undervalued so that the sub-fund may distribute dividend from the coupons and dividends received from the underlying investments or capital gains of the sub-fund.

The sub-fund will use derivatives for hedging purposes and efficient portfolio management. However, the sub-fund does not currently intend to use derivatives extensively for investment purpose.

The sub-fund does not currently intend to (i) enter into securities lending, repurchase and reverse repurchase transactions or other similar over-the-counter transactions; and (ii) hold asset backed securities and mortgage backed securities.

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What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

Asset Allocation Risk

- The performance of the sub-fund is dependent on the success of the asset allocation strategy employed by the sub-fund. There is no assurance that the strategy employed by the sub-fund will be successful. In adverse situation, the sub-fund's asset allocation strategy may become ineffective and may result in losses to the sub-fund.

Geographical Concentration Risk

- The sub-fund's investments are concentrated in Europe. This may result in greater volatility than funds which comprise broad-based global investments. The sub-fund may be more susceptible to adverse fluctuations in value resulting from adverse condition in Europe and the sub-fund's value may be adversely affected.

Eurozone Market Risk

- The sub-fund invests in Eurozone. Economic and financial difficulties in Eurozone may continue, worsen or spread within and outside the Eurozone. Austerity measures and reforms may not be efficient or may subsequently result in social unrest or other unintentional consequences. Countries may depart from the European Union and cease to use Euro as local currency. Such events could adversely affect the investment of the sub-fund and thus adversely affect the performance and value of the sub-fund.

Risk in connection with investments in Non-Investment Grade and/or Unrated Debt Securities

- The sub-fund may invest in non-investment grade and/or unrated debt securities. Investing in non-investment grade and/or unrated debt securities may subject the sub-fund to higher credit risk/risk of default than investment grade debt securities. The sub-fund may be exposed to significant losses if the issuers of securities of the sub-fund default payments. The market of non-investment grade and/or unrated debt securities may be less active, making it more difficult to sell the securities. Valuation of such securities is more difficult and thus the sub-fund's price may be more volatile.

Interest Rate Risk

- The value of the sub-fund's investments in bond and other debt instruments 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. An increase in interest rates may result in a decrease in the value of investments in bonds and debt instruments and the value of investments of the sub-fund may go down.

Credit Risk

- The sub-fund may invest in other debt instruments and thus subject to credit risk. The ability of bond issuer to honour its commitments depends on the financial condition of the issuer. An adverse change in the financial condition of the issuer could lower the quality of the bonds, leading to greater price volatility of the bonds. The sub-fund may subject to the risk that the bond issuer not making payment on interest and principal of the bonds, causing the value of the investment to go down.
- In the event of the default of bond issuer, the sub-fund may experience both delays in liquidating the bonds and losses including a decline in value of the bonds during the period when the sub-fund seeks to enforce its rights.
- Downgrades of a rating of bond issue or issuer may lead to a drop in the value of bonds in which the sub-fund has invested. Such bonds may have less liquidity, making it more difficult to sell and their values may be more volatile.

Risk related to Equity Markets

- The sub-fund's investments in equity market may include significant fluctuations in prices, negative information about the issuer or market. Moreover, these fluctuations are often amplified in the short term and may have a negative impact on the performance of the overall portfolio at a given time. There is no guarantee that investors will see an appreciation in value. The value of investments of the sub-fund may go down and it is possible that investors will not recover their initial investment.

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Risk in connection with investments via other funds

- Where the sub-fund invests in other funds, there may be additional costs of investing in these funds which may increase the TER and/or ongoing charges. These costs may adversely affect the net asset value of the sub-fund. There is also a risk that the underlying funds in which the sub-fund invests may not be able to achieve the investment objective which may adversely affect the sub-fund.
- While the sub-fund will invest in underlying funds which provide daily liquidity, there can be no assurance that the liquidity of the underlying funds will always be sufficient to meet the redemption request and there is a possibility that the sub-fund may not be able to redeem its holding if the underlying fund imposes restriction on a particular dealing day.

Risk in connection with investments in Real Estate Securities

- Investments in real estate securities may be subject to certain similar risks as direct investments in real estate including, among others, possible declines in the value of real estate, risks related to general and local economic conditions, increase in interest rates and other real estate capital market influences; and the sub-fund's value may be adversely affected.
- The sub-fund may invest in listed real estate investment trusts ("REITs"). Such underlying REITs may not necessarily be authorised by the SFC and their dividend or payout policy is not representative of the dividend or payout policy of the sub-fund.

Risk in connection with investments in convertible bonds

- The sub-fund may invest in convertible bonds, which are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate, credit risk and prepayment risks associated with comparable straight bond investments, which may adversely affected the value of the sub-fund.

Risk in connection with investments in Sovereign Debt

- The sub-fund may invest in sovereign debt. Investment in sovereign debt issued or guaranteed by governments or governmental entities largely in-debt involves a higher degree of risk. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. The value of investments of the sub-fund may be adversely affected.

Downgrading risk for investment grade debt securities

- Investment grade debt securities face the risk that their ratings can be downgraded by the rating agencies during when these securities are invested by the sub-fund. Downgrading of a particular security may lead to reduced value of the security concerned and may result in losses to the sub-fund.

Risk in connection with the use of financial derivative instruments for hedging and efficient portfolio management

- The sub-fund may hold financial derivative instruments only for hedging purpose and/or efficient portfolio management purpose.
- The success of the sub-fund's hedging strategy will depend, in part, upon the investment manager's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged.
- The use of financial derivative instruments for hedging and efficient portfolio management may expose the sub-fund to additional risks including volatility risk, credit risk, liquidity risk, legal risk, valuation risk and counterparty risk.
- In adverse situation, the sub-fund's use of financial derivative instruments for hedging and efficient portfolio management purposes may become ineffective and may result in losses to the sub-fund.

Counterparty Risk

- This risk is associated with the ability of a counterparty in a financial transaction, in particular involving payment for / delivery of financial instruments and the signing of agreements involving forward financial instruments, to fulfil its commitments like payment, delivery and reimbursement. The sub-fund may be exposed to significant losses in the event of a counterparty default.

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Liquidity Risk

- Investments made by the sub-fund may become illiquid. It may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in the sub-fund hence the sub-fund may suffer a substantial loss for the concerned asset.

Risk in connection with Dividend Payment

- The Management Company may at its discretion pay dividends out of the capital of the sub-fund. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the sub-fund's capital may result in an immediate reduction of net asset value per share. The Management Company may change the policy in relation to payment of dividends out of capital subject to the SFC's prior approval and by giving not less than one month's notice to investors.
- The sub-fund contains monthly dividend share classes with a fixed annual dividend amount (which is calculated with a fixed annual dividend rate to be determined by the investment manager with reference to the net asset value of the relevant monthly dividend share classes as at 31 October each year and decomposed into a fixed monthly dividend payment for the 12-month period in the following calendar year). While there will be no variations month on month and investors will receive a fixed dividend amount on a monthly basis, the monthly dividend rate with reference to the prevailing net asset value of the share classes concerned will vary. Such share classes will continue to distribute monthly dividends in periods when the sub-fund has negative return, which will further reduce the net asset value of the sub-fund, and in adverse situation, investors may not be able to get back their original investment amount.

Investment Risk

- When investing in a fund, there is a risk that the final outcome may deviate from the initial expectations. The sub-fund's investment portfolio may fall in value and therefore may suffer losses. In addition, there is no guarantee of principal repayment.

How has the fund performed?

The sub-fund has been launched for less than one year. There was insufficient data available in that year to provide performance and thus performance information is not shown.

Is there any guarantee?

This sub-fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the sub-fund.

Fee	What you pay
Subscription fee	Up to 3% of the net asset value of the relevant share class subscribed
Switching fee (Conversion fee)	Up to 1.5% of the net asset value of the relevant share class converted
Redemption fee	Nil

Ongoing fees payable by the sub-fund

The following expenses will be paid out of the sub-fund. They affect you because they reduce the return you get on your investments.

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Annual rate (as a % of the net asset value of the relevant share category)

Management fee	“Classic” – Up to 1.25% “Privilege” categories – Up to 0.65%
Custodian fee	Included in other costs
Performance fee	Not applicable
Administration fee	Included in other costs
Other costs (Other costs cover the general asset custody expenses payable to the custodian and the daily administration expenses)	Up to 0.40% for all share categories

Other fees

You may have to pay other fees when dealing in the shares of the sub-fund.

Additional Information

- You generally buy and redeem shares at the sub-fund's next determined subscription price and redemption price through your authorised distributor after the transaction servicing agent receives your request via your authorised distributors in good order on or before 5 pm (Hong Kong time) on a Hong Kong business day. Investors should note that different distributors may have different dealing cut-off which may be earlier than the time specified in this document. Investors should check with the relevant authorised distributors accordingly.
- For the monthly dividend share classes, the aggregate annual dividend payout is set each year after end of October as a fixed annual dividend amount which is calculated with a fixed annual dividend rate with reference to the net asset value of the relevant monthly dividend share classes as at 31 October. The fixed annual dividend amount will be in turn decomposed into a fixed monthly dividend payment for a 12-month period in the following calendar year and will be delivered to investors by way of the monthly distribution. The fixed annual dividend rate to derive the fixed annual dividend payment will be determined by the investment manager taking into account the current yield and expected yield of the underlying investments, and the sub-fund's expected and past performance and will be fixed each year after end of October. While there will be no variations month on month and investors will receive a fixed dividend amount on a monthly basis, the monthly dividend rate with reference to the prevailing net asset value of the share classes concerned will vary. A dividend calendar including the fixed annual dividend rate with reference to the net asset value of the relevant monthly dividend share classes as at 31 October of the previous year, the amount of the fixed monthly dividend payment and the payment date will be sent to existing shareholders around January each year and also available from BNP Paribas Investment Partners Asia Limited on request and from the website <http://www.bnpparibas-ip.com.hk>. Please refer to the “Risk in connection with Dividend Payment” under the section “What are the key risks?” above for further details. The dividend calendar for 2015 is available from BNP Paribas Investment Partners Asia Limited on request and from the above website.
- The compositions of the dividends for the last 12 months are available from the Hong Kong representative on request and also on the website at <http://www.bnpparibas-ip.com.hk>.
- The net asset value of this sub-fund is calculated and the price of shares published each business day in the South China Morning Post and Hong Kong Economic Times.
- Investors may obtain information on the intermediaries from our hotline (852) 2533 0088.

Important

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If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.