# Merger Notice to the shareholders of

## BNP Paribas A Fund European Multi-Asset Income

*SICAV under Luxembourg law – UCITS class*
*Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg*
*Luxembourg Trade and Companies Register No. B 145.536*

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

**The Board of Directors of BNP Paribas A Fund are the persons responsible for the information contained in this notice to shareholders (the "Notice"). To the best of the knowledge and belief of the Board of Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Notice is, at the date hereof, in accordance with the facts and does not omit anything likely to affect the importance of such information. The Board of Directors accept responsibility accordingly.**

| MERGING SUB-FUND | RECEIVING SUB-FUND | MERGER EFFECTIVE AS OF |
|---|---|---|
| **BNP Paribas A Fund European Multi-Asset Income** **(the "Merging Sub-fund", a sub-fund of BNP Paribas A Fund)** | **BNP Paribas Funds Europe Multi-Asset Income** **(the "Receiving Sub-fund", a sub-fund of BNP Paribas Funds)** | **SEPTEMBER 18, 2020** |

Luxembourg, August 11, 2020

Dear Shareholders,

We hereby inform you that the Board of Directors of BNP Paribas A Fund decided to **merge** the sub-funds (the **Merger**) as follows, on the basis of Article 32 of the Articles of Association of BNP Paribas A Fund and Chapter 8 of the Luxembourg Law of 17 December 2010 concerning UCI (the Law), in accordance with Article 1, point 20), a) of the Law:

| BNP PARIBAS A FUND Merging Sub-fund | | | | BNP Paribas Funds Receiving Sub-fund | | | |
|---|---|---|---|---|---|---|---|
| **ISIN code** | **Sub-fund** | **Share** | **Currency** | **Sub-fund** | **Share** | **Currency** | **ISIN code** |
| LU1078737910 | BNP Paribas A Fund European Multi-Asset Income | Classic-CAP | EUR | BNP Paribas Funds Europe Multi-Asset Income | Classic-CAP | EUR | LU1596579067 |
| LU1078738058 | | Classic MD-DIS | EUR | | Classic MD-DIS | EUR | LU1596579224 |
| LU1078738215 | | Classic RH AUD-CAP | AUD | | Classic RH AUD-CAP | AUD | LU1596579497 |
| LU1078738306 | | Classic RH AUD MD-DIS | AUD | | Classic RH AUD MD-DIS | AUD | LU1596579570 |
| LU1078738488 | | Classic RH CAD MD-DIS | CAD | | Classic RH CAD MD-DIS | CAD | LU1596579653 |
| LU1078738561 | | Classic RH HKD-CAP | HKD | | Classic RH HKD-CAP | HKD | LU1596579810 |
| LU1078738645 | | Classic RH HKD MD-DIS | HKD | | Classic RH HKD MD-DIS | HKD | LU1596579901 |
| LU1078739296 | | Classic RH USD-CAP | USD | | Classic RH USD-CAP | USD | LU1596580230 |
| LU1078739379 | | Classic RH USD MD-DIS | USD | | Classic RH USD MD-DIS | USD | LU1596580313 |

**1)** *Effective date of the Merger*

- ✓ The Merger will be effective on Friday September 18, 2020.
- ✓ The first NAV of the Receiving Sub-fund and its classes will be valued on Friday September 18, 2020, calculated on Monday September 21, 2020 on the valuation of the underlying assets set on Friday September 18, 2020.
- ✓ To summarize, please refer to the below for the key dates of the Merger (further details will be set out in the sections below):
  a) Last dealing day of the Merging Sub-fund: September 11, 2020
  b) Last redemption/conversion-out cut-off day of the Merging Sub-fund: September 11, 2020
  c) Date of the Merging Sub-fund's dissolution without liquidation by transferring all of its assets and liabilities into the Receiving Sub-fund: September 18, 2020
  d) Date of shareholders of the Merging Sub-fund to receive the shares of the Receiving Sub-fund: : September 18, 2020
  e) Date of Hong Kong shareholders being informed of the number of shares received after the merger by way of a contract note: September 21, 2020
  f) First NAV calculation and dealing day of the Receiving Sub-fund: September 21, 2020

**2)** *Background to and rationale for the Merger*

- ✓ In order to have a coherent and consistent fund range offer, BNP PARIBAS ASSET MANAGEMENT Luxembourg decides to rationalise its fund range by transferring the Merging Sub-fund into the BNP Paribas Funds umbrella for efficient management and in the shareholders' best interest.

**3)** *Impact of the Merger on the Shareholders of the Merging Sub-fund*

Please note the following **impacts** of the Merger:

- ✓ Except for existing monthly saving plan investors and ILAS investors, subscription, and /or conversion-in orders from Hong Kong investors will no longer be accepted from the date of this Notice. The last conversion-out, and redemption orders in the Merging Sub-fund will be accepted until the cut-off time (6 pm Hong Kong time) on Friday September 11, 2020. Investors should note that different distributors may have different dealing cut-off time which may be earlier than the time specified.
- ✓ Orders received after these cut-off times will be rejected.
- ✓ The shareholders of the Merging Sub-fund, who do not make use of their shares redemption and / or conversion rights (explained below on point 8), will become shareholders of the Receiving Sub-fund.
- ✓ The Merging Sub-fund will be dissolved without liquidation by transferring all of its assets and liabilities into the Receiving Sub-fund. The Merging Sub-fund ceases to exist at the effective date of the Merger.
- ✓ 2020 Monthly Dividends into the "MD-DIS" classes

  There would be no change to the distribution policy including the payment dates and the monthly amount of the dividends after the Merger. Monthly dividends from September to December 2020 will be paid in the Receiving Sub-fund and no dividends will be paid in the Merging Sub-fund starting from September 2020.

- ✓ There may be significant number of shareholders of Merging Sub-fund redeem prior to the Merger, who would not participate in the Merger. Such redemptions may lessen the increase in assets in the Receiving Sub-fund which would occur through the Merger. Starting from the date of this Notice, in order to protect the interests of remaining shareholders of Merging Sub-fund, when the total net redemption/conversion applications received on a dealing day for the Merging Sub-fund equals or exceeds 10% of its net assets, the Board of Directors may decide to split and/or defer the redemption/conversion applications on a pro-rata basis so as to reduce the number of shares redeemed/converted to date to 10% of the net assets of the Merging Sub-fund. Any redemption/conversion applications deferred shall be given in priority in relation to redemption/conversion applications received on the next dealing day, again subject to the limit of 10% of net assets. Please refer to the Hong Kong Offering Document of BNP Paribas A Fund for the details.

***4)*** *Impact of the Merger on Receiving Sub-fund*

Please note the following points:

- ✓ The Receiving Sub-fund will be launched by this Merger.
- ✓ Calculations below would be conducted in accordance with the Articles of Association and the Hong Kong Offering Documents.
- ✓ For remaining shareholders of the Merging Sub-fund, the first NAV of the Receiving Sub-fund and its classes will be valued on Friday September 18, 2020, calculated on Monday September 21, 2020 on the valuation of the underlying assets of the Merging Sub-fund as of Friday September 18, 2020.
- ✓ For new investors, **first orders** into the Receiving Sub-fund will only be accepted after the first NAV valuation date, i.e. first orders from new investors will be accepted from **Friday September 18 to Monday September 21, 2020**, and be processed collectively at the NAV valued on **Monday September 21, 2020**, calculated on Tuesday September 22, 2020.

***5)*** *Organisation of the exchange of shares*

- ✓ The shareholders of the Merging Sub-fund will receive, in the Receiving Sub-fund, the same number of shares, in a category and class registered in the same currency as they have in the Merging Sub-fund, based on an exchange ratio of one (1) share of the Merging Sub-fund for one (1) share of the Receiving Sub-fund.
- ✓ No initial charge and subscription fees would be charged for issuance of share classes of the Receiving Sub-fund.
- ✓ **Registered Shareholders** will receive registered shares.

***6)*** *Material differences between Merging and Receiving Sub-funds*

- ✓ **The differences** between the umbrella of the Merging and Receiving Sub-funds are the following:

| ***features*** | ***BNP Paribas A Fund*** | ***BNP Paribas Funds*** |
|---|---|---|
| **Financial Year** | From 01-Apr to 31-Mar | From 01-Jan to 31-Dec |
| **Annual general Meeting of Shareholders** | 3rd Friday of July | 25-Apr |

- ✓ The **differences** between the Merging and Receiving Sub-funds are the following:

| ***features*** | ***"BNP Paribas A Fund European Multi-Asset Income" Merging Sub-fund*** | ***"BNP Paribas Funds Europe Multi-Asset Income" Receiving Sub-fund*** |
|---|---|---|
| Investment 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. | |

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| Investment policy and use of derivatives | The sub-fund invests at least 90% of its portfolio in different asset classes in Europe including<br><br>- European corporate bonds **(up to 30%)**<br>- European high-yield bonds **(up to 30%)**<br>- European government bonds **(up to 40%)**<br>- European convertible bonds **(up to 15%)**<br><br>- European equities, including emerging, high income and small cap equities but excluding real estate securities (up to 60%)<br><br>- 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%)**<br><br>- 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).<br><br>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 10% of its net asset value. **Derivatives will not be substantially or primarily used by the underlying funds for investment purpose.**<br><br>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 | The sub-fund is actively managed through exposure on at least 90% of its total assets (as mentioned below) in different asset classes in Europe. European securities mentioned below refers to securities listed or traded on an official stock exchange or a regulated market in Europe (such as Germany, United Kingdom, France, Russia and Spain etc.), including<br><br>**1. European debt securities (up to 100% in total):**<br>- European government bonds **(up to 100%)**<br>- European corporate investment grade bonds **(up to 40%)**<br>- European high yield bonds **(up to 40%)**<br>- European convertible bonds **(up to 20%)**<br>- **European structured debt securities (including but not limited to asset backed securities, mortgage backed securities, collateralised loan obligation and equity linked notes) (up to 10%)**<br><br>2. European equity securities (excluding real estate securities) (up to 60% in total):<br>- **European large cap securities (i.e. companies with a market capitalization equal to or higher than that of the smallest company in the STOXX Europe 600 Index at the time of purchase) (up to 60%)**<br>- **European mid/small cap securities (i.e. companies with a market capitalization equal to or lower than that of the largest company in the STOXX Europe Mid 200 Index at the time of purchase) (up to 20%)**<br><br>3. European real estate securities (i.e. 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 40%)**<br><br>4. Cash and European money market instruments (i.e. liquid assets such as bank deposits, certificates of deposit and commercial paper) (**up to 100%** in total, which will only be held on a temporary basis under exceptional circumstances (e.g. market crash or major crisis) for cash flow management):<br>- **European money market instruments (up to 100%)**<br>- **Cash (up to 49%)**<br><br>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 10% of its total assets.<br><br>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% of its total assets, which may include European government bonds, European corporate bonds, European high yield bonds and European convertible bonds. |

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| | 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. | However, the sub-fund does not contemplate to invest more than 10% of its total assets 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.<br><br>**In the event the portfolio ends up with any distressed securities (i.e. securities of companies that is near or is currently going through default and / or bankruptcy) as a result of a restructuring event or any event beyond the control of the company, the portfolio manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders. In any case distressed securities will never represent more than 10% of the total assets.** |
| | 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. | An essential feature of the investment policy is that the proportions between and within the different asset classes in the sub-fund are variable. The asset class mix will change based on the portfolio manager's medium term and short terms views on the economic cycle. The portfolio manager will also take into account the sustainability of the dividends in driving the asset class mix. The portfolio manager aims to invest in assets which he 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.<br><br>**The Investment Manager applies also BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance criteria in the investments of the sub-fund.** |
| | Repurchase transactions and reverse repurchase transactions are used for efficient portfolio management up to 100% of the NAV with the aim of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund. | Repurchase transactions, reverse repurchase transactions and similar over-the counter transactions are used for efficient portfolio management up to 100% of the total assets with the aim of raising short term capital in order to enhance the liquidity of the sub-fund. |
| | The sub-fund does not currently intend to (i) enter into securities lending; **and (ii) hold asset backed securities and mortgage backed securities.** | The sub-fund does not currently intend to enter into securities lending. |
| | The sub-fund's net derivative exposure may be up to 50% of the sub-fund's NAV. | The sub-fund's net derivative exposure may be up to 50% of the sub-fund's NAV. |

| | | |
|---|---|---|
| Specific Risk Factors | - Investment Risk<br>- Asset Allocation Risk<br>- Geographical Concentration Risk<br>- Eurozone Market Risk<br>- Risk in connection with Investments in Sovereign Debt<br>- Risk in connection with Investments in Non-Investment Grade and/or Unrated Debt Securities<br>- Liquidity Risk<br>- Interest Rate Risk<br>- Credit Risk<br>- Downgrading risk for Investment Grade Debt Securities<br>- Risk related to Equity Markets<br>- Risk in connection with Investments in Real Estate Securities<br>- Risk relating to Repurchase Transactions<br>- Risk relating to Reverse Repurchase Transactions<br>- Risk associated with investments in financial derivative instruments<br>- **Risk in connection with Investments via Other Funds**<br>- **Risk in connection with Investments in Convertible Bonds**<br>- Counterparty Risk<br>- Risk in connection with Dividend Payment<br>- | - Investment Risk<br>- Asset Allocation Risk<br>- Geographical Concentration Risk<br>- Eurozone Market Risk<br>- Risk in connection with Investments in Sovereign Debt<br>- Risk in connection with Investments in Non-Investment Grade and/or Unrated Debt Securities<br>- Liquidity Risk<br>- Interest Rate Risk<br>- Credit Risk<br>- Downgrading risk for investment grade debt securities<br>- Risk related to Equity Markets<br>- Risk in connection with Investments in Real Estate Securities<br>- Risk relating to Repurchase Transactions<br>- Risk relating to Reverse Repurchase Transactions<br>- Risk associated with investments in financial derivative instruments<br>- Counterparty Risk<br>- Risk in connection with Dividend Payment<br>- |
| Ongoing Charges Ratio<br>(as of 31 July 2020):<br>“Classic” | 1.66% | 1.68% (estimated) |
| Fund Size (as of 31 July 2020) | EUR 237.42 Million | N/A (Sub-fund not yet launched) |
| Unamortized preliminary expenses | There is no unamortized preliminary expenses | |

There is no other differences between the Merging and Receiving Sub-funds. They have the same characteristics, inter alia:

- Investment Manager
- Operating Parties
- Fee structure (including management fees)
- Dividend and Distribution Policy
- Risk Management Process (Commitment Approach)
- Accounting Currency
- NAV Cycle
- Valuation Day
- any other characteristics not included in the table above.

- ✓ The Merger will be done in kind. Nevertheless, local regulations in some countries do not authorise to transfer securities free of payment. In these cases the securities will be sold within the Merging Sub-fund and will be bought in the Receiving Sub-fund according to its investment policy. The transaction costs associated with these operations will be charged to the Merging Sub-fund, provided that they are not material as explained below on point 10).
- ✓ The Ongoing Charges Ratios as disclosed in the tables above are calculated by adding all direct fees, indirect fees and external fees of the Merging and Receiving Sub-funds 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.

***7)*** *Tax consequences*

- ✓ The tax position of shareholders in Hong Kong, in respect of their holdings, will generally **not be affected** following the Merger. Shareholders are recommended to consult their tax advisors to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with the Merger.

***8)*** *Actions to be taken*

Your options:

- ✓ If you **accept** this Merger, you do **not need** to take any action. Shareholders' holding in Merging Sub-fund will be automatically merged into the Receiving Sub-fund on Friday September 18, 2020. Hong Kong shareholders will be informed of the number of shares received after the Merger by way of a contract note.
- ✓ Should you **not accept** this Merger, you have the possibility to request the redemption of your shares or convert your shares to BNP Paribas A Fund Dynamic Portfolio free of charge from the date of this Notice until the cut-off time, on Friday September 11, 2020. Please refer to the Hong Kong Offering Document of BNP Paribas A Fund for details of the procedures for placing redemption and conversion requests in respect of the shares; as well as for the details of BNP Paribas A Fund Dynamic Portfolio.

***9)*** *Documents available for inspection*

- ✓ Copies of the current Hong Kong Offering Document, the Articles of Association and the latest financial report of BNP Paribas A Fund and BNP Paribas Funds (collectively, the **Companies**) are available upon request, free of charge, at the office of the Hong Kong Representative – BNP PARIBAS ASSET MANAGEMENT Asia Limited at 17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong and on the website at http://www.bnpparibas-am.hk[1].

[1] Investors should note that this website has not been reviewed by the SFC.

## *10) Other information*

- ✓ The costs and expenses of the Merger (including audit costs), which is estimated to be EUR 6,890, will be borne by BNP PARIBAS ASSET MANAGEMENT Luxembourg, the Management Company of both Companies, except for banking and transaction related costs (including e.g. taxes and stamp duties) which may be charged to the Merging Sub-fund, provided that they are not material.
- ✓ The merging operations will be validated by PricewaterhouseCoopers, Société Coopérative, the auditor of the Companies and the Merging and Receiving Sub-funds.
- ✓ Starting from the date of this Notice, the Merging Sub-fund would no longer be allowed to be marketed to the public in Hong Kong. Subscription orders from new Hong Kong investors would no longer be accepted. The Board of Directors of BNP Paribas A Fund accepts the responsibility for the accuracy of the contents of this Notice. This Notice will also be communicated to any potential investor of the Receiving Sub-fund before subscription. Hong Kong shareholders may contact BNP PARIBAS ASSET MANAGEMENT Asia Limited, the Hong Kong Representative of the Companies, at (852) 2533 0088 for any questions.
- ✓ Please refer to the Hong Kong Offering Document of the Companies for any term or expression not defined in this Notice.

Best regards,

**The Board of Directors**

**HONG KONG COVERING DOCUMENT AND INFORMATION FOR HONG KONG INVESTORS**

# BNP PARIBAS A FUND

Société d'investissement à capital variable or "SICAV"

An open-ended investment company
incorporated under Luxembourg law

**IMPORTANT**

**This document forms part of and should be read in the context of and together with the Prospectus dated June 2020 as supplemented from time to time (the "Prospectus"). Investors should refer to the Prospectus for full information and terms defined therein have the same meaning in this document unless otherwise defined herein.**

**If you are in doubt about the contents of the Prospectus, this document or any of the Product Key Facts Statements of the sub-fund(s) ("KFS") (collectively, the "Hong Kong Offering Documents"), you should consult your stockbroker, bank manager, accountant, tax adviser, solicitor or other independent financial adviser.**

**The Board of Directors of BNP PARIBAS A FUND (the "Company") accepts responsibility for the accuracy of the information contained in the Prospectus, this document and the KFS of the sub-fund(s) on the date of publication and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would may any statement misleading.**

Warning: In relation to the sub-funds set out in the Prospectus, only the following sub-funds are authorised by the Securities & Futures Commission (the "**SFC**") pursuant to section 104 of the Securities and Futures Ordinance (the "**SFO**") and hence may be offered to the public of Hong Kong (the "Sub-funds"):

- BNP Paribas A Fund European Multi-Asset Income
- BNP Paribas A Fund Dynamic Portfolio

Please note that the Prospectus is a global offering document and therefore also contains information of the following funds which are not authorised by the SFC:

- BNP Paribas A Fund Capital Builder
- BNP Paribas A Fund Global Bond Portfolio 2024
- BNP Paribas A Fund Global Fixed Rate Portfolio 2024

No offer shall be made to the public of Hong Kong in respect of the above unauthorised sub-funds. The issue of the Prospectus was authorised by the SFC only in relation to the offer of the above SFC-authorised sub-funds to the public of Hong Kong. Intermediaries should take note of this restriction.

SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The SFC does not take any responsibility as to the accuracy of the statements made or opinion expressed in the Prospectus, this document or any of the KFS.

## Matters for Clarification, Additional Information and General Risk Factors

### Matters for Clarification

"Regulated market" means a market regulated by government appointed bodies to control trades and ensure that fair services are offered to customers.

*Foreign Account Tax Compliance Act ("FATCA")*

Investors should refer to the disclosures mentioned in the "US Tax" sub-section under the section "Tax Provisions" in Book I of the Prospectus for the information about FATCA. To clarify, "income from such US investments" mentioned therein includes "interests and dividends". In addition, investors should note that the Company has already been registered with the United States Internal Revenue Service as a "Registered Foreign Financial Institution" and its GIIN (Global Intermediary Identification Number) is LFW1Y4.99999.SL.442 .

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the share held by shareholders may suffer material loss. All prospective investors/ shareholders should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the sub-fund of the Company.

**Additional Information**

*Investor type profile*

The information contained in the "Investor type profile" section in the Prospectus for each of the sub-funds is provided for reference only. Before making any investment decisions, investors should consider their own specific circumstances, including, without limitation, their own risk tolerance level, financial circumstances, and investment objectives. If in doubt, investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers, representative banks or other financial advisers.

*Investments in derivatives*

The following sub-funds net derivative exposure may be up to 50% of the sub-fund's NAV.

- BNP Paribas A Fund European Multi-Asset Income
- BNP Paribas A Fund Dynamic Portfolio

*Investments in below investment grade and/or unrated sovereign debts*

The following sub-fund(s) do 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.

- BNP Paribas A Fund European Multi-Asset Income
- BNP Paribas A Fund Dynamic Portfolio

*Concerning investments in the shares or units of UCITS or other UCIs*

Where a sub-fund invests in the units or shares of other UCITS or UCIs which are managed, directly or by delegation, by the same Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the sub-fund will not incur any subscription or redemption for the units or shares of these underlying assets.

A sub-fund will not acquire units or shares of other UCITS or UCIs having a management fee exceeding 3% per annum.

*Closure of a sub-fund, category and /or class for subscription or conversion*

As disclosed in the "SUBSCRIPTION, CONVERSION AND REDEMPTION OF SHARES" subsection of "THE SHARES" section of the Prospectus, the Board of Directors may decide, in the interest of shareholders, to close a sub-fund, category and/or class for subscription or conversion in, under certain conditions and for the time it defines. Hong Kong investors will be informed of such decision as soon as practicable by way of a notice.

*Redemptions*

In the "SUBSCRIPTION, CONVERSION AND REDEMPTION OF SHARES" subsection of "THE SHARES" section of the Prospectus, it is stated that "In the event that the total net redemption/conversion applications received for a given sub-fund on a Valuation Day equals or exceeds 10% of the net assets of the sub-fund in question, the Board of Directors may decide to split and/or defer the redemption/conversion applications on a pro-rata basis so as to reduce the number of shares redeemed/converted to date to 10% of the net assets of the sub-fund concerned". In another word, the redemption/conversions out applications will be reduced to 10% as set by the Board of Directors for SFC authorised sub-fund(s) of BNP Paribas A Fund, where the remaining portion of the application exceeding the limit will be automatically deferred to the following dealing day(s) on a pro-rata basis until the original size of the application is fully processed.

*Swing Pricing*

As disclosed in the "SWING PRICING" subsection of "NET ASSET VALUE" section of the Prospectus, the Board of Directors may further adjust the NAV for transaction fees and sales commissions at a level which normally does not exceed 1% of the NAV of the sub-fund at that time, provided however, that such limit could be raised beyond this maximum level on a temporary basis when necessary and during exceptional market circumstances to protect the interests of shareholders.

Prior notice will be given to Hong Kong shareholders if a revised swing factor, which exceeds the 1% limit, may be used by any sub-fund in the future. Information regarding the swing pricing mechanism, the methodology by asset classes, and its implementation status are available upon request free of charge at the office of the Hong Kong Representative, during normal business hours on any Hong Kong business day.

*Enhanced Disclosure / Elaboration of the Sub-fund's Investment Policy*

The sub-fund's investment objective and investment policy are set out in Book II of the Prospectus. HK Investors can refer to the additional elaboration of the Investment Policy depicted in the table below for more details.

| Sub-fund | Further elaboration of the Investment Policy |
|---|---|
| BNP Paribas A Fund<br>European Multi-Asset Income | The sub-fund invests at least 90% of its portfolio in different asset classes in Europe including<br>- European equities, including emerging, high income and small cap equities but excluding real estate securities (up to 60%)<br>- 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%) |

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| | - European corporate bonds (up to 30%)<br>- European high-yield bonds (up to 30%)<br>- European government bonds (up to 40%)<br>- European convertible bonds (up to 15%)<br>- 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).<br><br>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 10% of its net asset value. Derivatives will not be substantially or primarily used by the underlying funds for investment purpose.<br><br>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.<br><br>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.<br><br>Repurchase transactions and reverse repurchase transactions are used for efficient portfolio management up to 100% of the NAV with the aim of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund. |

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| | The sub-fund does not currently intend to (i) enter into securities lending; and (ii) hold asset backed securities and mortgage backed securities. |
| BNP Paribas A Fund Dynamic Portfolio | The sub-fund invests primarily (i.e. at least 2/3 and less than 100% of its total assets) in other collective investment schemes that provides exposure to equities, bonds, real estate investments, alternative investments and money market instruments. The remaining portion, namely a maximum of 1/3 of its assets, may be invested directly in equities, debt securities, money market instruments, financial derivative instruments or cash.<br><br>The underlying asset classes of the underlying funds include equities, fixed income and money market instruments. The sub-fund invests with no prescribed regional, country, industry sector or market capitalization limits for investment by its underlying funds.<br>Geographically, the sub-fund may invest up to 50% of its NAV in Asia, Europe and US markets respectively from time to time.<br><br>The following table shows the allowable bandwidths across the different classes of the underlying funds:<br>- Listed equities with exposure to Asia, emerging markets, Europe, USA and global markets (excluding Real Estate Investments): 0-80%<br>- Bonds (including corporate bonds, government bonds, high yield bonds and inflation-linked bonds) with exposure to Asia, emerging markets, Europe, USA and global markets: 0-100%. There is no specific requirement on the credit rating of the bonds.<br>- Money Market (which will only be held on a temporary basis in case of exceptional circumstances (e.g. market crash or major crisis) for decreasing the risk in the portfolio): 0-45%<br>- Real Estate Investments (i.e. via funds that primarily invest in securities issued by real estate companies or companies operating in the real estate sector): 0-25%<br>- Alternative Investments (such as total return funds and commodity funds) (excluding Real Estate Investments): no more than 30%<br>- Cash: 0-30% (no more than 15% in normal market conditions and up to 30% which will only be held on a temporary basis in case of exceptional circumstances (e.g. market crash or major crisis) for decreasing the risk in the portfolio)<br><br>The sub-fund does not hold real estate or listed closed-ended real estate investment trusts (REITs) directly.<br><br>The sub-fund will only invest in other funds authorized by the SFC or in recognized jurisdiction schemes domiciled in Luxembourg, Ireland and the United Kingdom (whether authorized by the SFC or not), except that not more than |

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| | 10% of the sub-fund's NAV may be invested in non-recognized jurisdiction schemes not authorized by the SFC.<br><br>The sub-fund does not intend to invest in any underlying funds which 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.<br><br>The sub-fund will invest less than 30% of its net asset value in underlying funds which may use Financial Derivative Instruments (the "FDI") primarily / extensively for investment purposes.<br><br>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. |

**General Risk Factors**

*Risk of Investments*

Funds can help diversify your investment but may not protect your investment from the impact of wider economic issues. Before investing in the Company and/or any sub-fund, potential investors should consider the risks involved. Investors are referred to Appendix 3 of the Prospectus (headed "INVESTMENT RISKS") for risks associated with each sub-fund. Neither the Board of Directors, the Management Company, nor the portfolio managers / the investment advisors guarantee the performance of the Company and/or any sub-fund or the repayment of capital from the Company and/or any sub-fund. When investing in a sub-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. Prospective investors should be aware that the price of shares in the relevant sub-fund and the income from it (if any) may go down as well as up. There is no assurance that the investment objectives of the relevant sub-fund will be achieved.

*Risk in connection with paying dividend out of capital*

The Management Company may at its discretion pay dividends out of the capital of the sub-fund(s). 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 the net asset value per share.

The distribution amount and NAV of the hedged share class may be adversely affected by differences in the interest rates of the reference currency of the hedged share class and the Sub-fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence further negative impact on capital than other non-hedged share classes.

*Early Termination Risk*

Investors should note that the sub-fund(s) may be subject to early termination due to liquidation. Investors should refer to Appendix 4 headed "LIQUIDATION, MERGER, TRANSFER AND SPLITTING PROCEDURES" in the Prospectus for further information about the circumstances under which the Company or any sub-fund may be liquidated. In case of an early termination, investors may not be able to redeem their holdings in the sub-fund(s) at or above the price that they have subscribed into the sub-fund(s) and may be therefore subject to a loss of their investments.

*Currency Exchange Risk*

The sub-fund may hold assets denominated in currencies that differ from its reference currency, and may be affected by exchange rate fluctuations between the reference currency and the other currencies and by changes in exchange rate controls. If the currency in which a security is denominated appreciates in relation to the reference currency of the sub-fund, the exchange value of the security in the reference currency will appreciate; conversely, a depreciation of the denomination currency will lead to a depreciation in the exchange value of the security and under such circumstances the sub-fund's value may be adversely affected and offset any positive return of the sub-fund. Investors may even suffer a significant loss as a result.

Certain share classes of the sub-fund may be denominated in a currency other than the reference currency of the sub-fund. Therefore changes in exchange rate may also affect the value of an investment in the sub-fund.

When the manager is willing to hedge the currency exchange risk of a transaction, there is no guarantee that such operation will be completely effective.

*Liquidity Risk*

The possible absence of a liquid market for any particular instrument at any particular time may inhibit the ability of the relevant sub-fund(s) to value and liquidate the derivatives at an advantageous price.

*Depositary Risk*

Assets of the sub-fund that are financial instruments/securities are held in custody by the Depositary. Such assets of the sub-fund will be identified in the Depositary's books as belonging to the sub-fund at all times and will be segregated from other assets of the Depositary. The Depositary will be liable for any loss of assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control the consequences of which would have been unavoidable despite reasonable efforts to the contrary. The Depositary's liability will not be affected by the fact that it has entrusted to a third party/sub-custodian all or some of its custody tasks and the Depositary will remain liable for the loss of such assets, even where the loss occurred at the level of the third party/sub-custodian. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets or a corresponding amount to the sub-fund without undue delay.

For non-custody assets such as cash, the Depositary is not required to segregate these assets and is only required to verify the sub-fund's ownership of such non-custody assets and to maintain a record of such assets. Cash of the sub-fund is held with a third party bank on deposit. In the event of insolvency of the third party, in accordance with standard banking practice, the sub-fund will rank as an unsecured creditor. The Depositary, in such instance, will not be liable to the return such cash/ non-custody assets and will only be liable if a loss is suffered as a result of its negligence or failure to properly verify the sub-fund’s ownership of such cash/non-custody assets.

In the event of insolvency of the Depositary, investors are exposed to the risk of the Depositary not being able to fully meet its obligations to restitute in a short time frame all of the assets of the sub-fund. No segregation applies to cash which means there is an increase in the risk of non-restitution in the case of insolvency. Investors are exposed to the risk of insolvency of any third party/sub-custodians in the same manner as they are to the risk of insolvency of the Depositary.

*Risk associated with investments in financial derivative instruments*

Risk associated with financial derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instruments by the sub-fund. Exposure to financial derivative instruments may lead to a high risk of significant loss by the sub-fund.

*Use of FDIs for hedging*

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

In adverse situation, the sub-fund’s use of financial derivative instruments may become ineffective in hedging and may result in losses to the sub-fund.

*Sub-fund Specific Risk Factors*

In addition to the above generic risks as well as those mentioned in Appendix 3 headed “INVESTMENT RISKS” of the Prospectus which are applicable to all sub-fund(s) and the specific risk factors mentioned under the “Risk Profile” in the Prospectus for each sub-fund, investors should note that each sub-fund is also subject to specific risk factors depending on its specific investments as depicted below.

| **Sub-fund(s)** | **Risk Factors** |
|---|---|
| European Multi-Asset Income | • Asset Allocation Risk<br>• Geographical concentration risk<br>• Eurozone Market Risk<br>• Risk in connection with investments in Non-Investment Grade and/or Unrated Debt Securities<br>• Risk in connection with investments via other funds<br>• Risk in connection with investments in Real Estate Investment Trusts<br>• Risk in connection with investments in convertible bonds<br>• Risk in connection with investments in sovereign debt<br>• Downgrading risk for investment grade debt securities<br>• Risk in connection with fixed dividend |

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|---|---|
| | • Risk in connection with investments in real estate securities<br>• Risk relating to repurchase transactions<br>• Risk relating to reverse repurchase transactions |
| Dynamic Portfolio | • Asset Allocation Risk<br>• Geographical concentration risk<br>• Eurozone Market Risk<br>• Risk in connection with investments in Non-Investment Grade and/or Unrated Debt Securities<br>• Risk in connection with investments via other funds<br>• Risk in connection with investments in sovereign debt<br>• Downgrading risk for investment grade debt securities<br>• Risk in connection with investments in real estate securities |

Investors should note that risk factors under "RISKS RELATED TO INVESTMENTS IN THE CHINESE MARKET AND CNH SHARE CATEGORIES" mentioned in Appendix 3 headed "INVESTMENT RISKS" of the Prospectus are not applicable to BNP Paribas A Fund European Multi-Asset Income and BNP Paribas A Fund Dynamic Portfolio.

*Asset Allocation Risk*

The performance of the sub-fund(s) is dependent on the success of the asset allocation strategy employed by the sub-fund(s). There is no assurance that the strategy employed by the sub-fund(s) 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(s). The investments of the sub-fund may be periodically rebalanced and therefore may incur greater transaction costs than a fund with static allocation strategy.

*Geographical Concentration Risk*

Investors should note that with regard to sub-fund(s) that focus on investing in a single geographical area, the sub-fund is highly specialised. Although the sub-fund's investment portfolios may be diversified in terms of the underlying investments, the relevant sub-fund is likely to be more volatile than funds which comprise broad-based global investments. It may be more susceptible to adverse fluctuations in value resulting from adverse conditions in the geographical areas in which the sub-fund(s) invest 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. The responses made by European governments, central banks and other governmental entities to the economic and financial problems, including austerity measures and reforms, may not be efficient or may subsequently result in social unrest, limiting future growth and economic recovery, or other unintentional consequences. In addition, countries may leave the Eurozone and return to a national currency, and as a result may depart from the European Union and cease to use Euro as local currency. The sub-fund invests in securities of issuers located in Europe, or with significant exposure to European issuers or countries may be significantly impacted. 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. Compared with investment grade debt securities, it is more likely that income or capital payments may not be paid when due and therefore subject to higher credit risk/risk of default. If any default occurs, the amount recovered may be smaller or even zero; and the sub-fund may incur additional costs if losses are to be recovered through bankruptcy or other proceedings. The market for non-investment grade and/or unrated debt securities may be less active, making it more difficult to sell the securities. Valuation of non-investment grade and/or unrated debt securities is more difficult and thus the sub-fund's price may be more volatile.

*Risk in connection with investments via other funds*

Where the sub-fund(s) invest in other funds, the sub-fund will be subject to the risks associated with the underlying funds. The sub-fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the NAV of the sub-fund.

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(s). There is also a risk that the underlying funds in which the sub-fund(s) invests may not be able to achieve the investment objective which may adversely affect the sub-fund(s).

For the sub-fund which may invest in ETFs, the ETFs will be subject to trading, regulatory risks as well as tracking errors which may result in substantial loss to the ETFs and adversely affect the sub-fund's value. Synthetic ETFs may be further exposed to valuation, volatility and liquidity risk in connection with its substantial investments in derivatives or access products, as well as the counterparty and default risk of the counterparty and may suffer losses if the counterparty fails to perform its obligation under the financial derivative transaction entered into between the synthetic ETFs and the counterparty. Should the use of derivatives or access products by the synthetic ETFs become ineffective, the synthetic ETFs may suffer a substantial loss and the sub-fund's value may be adversely affected.

While the sub-fund(s) 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(s) 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 Investment Trusts ("REITs")*

The sub-fund(s) may invest in listed 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(s). Moreover, investments in REITs may be subject to certain risks associated with direct ownership of 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.

*Risk in connection with investments in convertible bonds*

The sub-fund(s) may invest in convertibles, 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(s).

*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(s). Downgrading of a particular security may lead to reduced value of the security concerned and may result in losses to the sub-fund(s).

*Risk in connection with investments in sovereign debt*

The sub-fund(s) may invest in sovereign debt. Certain countries are especially large debtors to commercial banks and foreign governments. Investment in such debt obligations, i.e. sovereign debt, issued or guaranteed by such governments or governmental entities 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(s) may be adversely affected. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest on their debt.

*Risk in connection with the use of financial derivative instruments for hedging*

The sub-fund(s) may hold financial derivative instruments for hedging which may involve volatility risk, credit risk, liquidity risk, legal risk, valuation risk and counterparty risk. 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.

In adverse situation, the sub-fund's use of financial derivative instruments may become ineffective in hedging and may result in losses to the sub-fund(s).

*Risk in connection with the use of financial derivative instruments for efficient portfolio management purpose*

The sub-fund may use financial derivative instruments for efficient portfolio management purpose, which may involve 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 may become ineffective in efficient portfolio management and may result in losses to the sub-fund.

*Risk in connection with fixed dividend*

The sub-fund may contain 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.

*Risk in connection with investment in real estate securities*

The sub-fund may invest in real estate securities. Investments in real estate securities may be subject to certain similar risks as direct investment 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.

*Risk relating to repurchase transactions*

In the event of the failure of the counterparty with which collateral has been placed, the sub-fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

*Risk relating to reverse repurchase transactions*

In the event of the failure of the counterparty with which cash has been placed, the sub-fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

## The Shares

*General*

The relevant dealing procedures and minimum thresholds for subscription, conversion and redemption of shares in a relevant sub-fund and determination of net asset value per share of a sub-fund are set out in the Prospectus under the heading "THE SHARES" sub-heading "SUBSCRIPTION, CONVERSION AND REDEMPTION OF SHARES", in Book I of the Prospectus and in the relevant sub-fund supplement in Book II of the Prospectus.

Only the following share classes of the relevant sub-fund(s) (as relevant) are available for subscription in Hong Kong. However, potential investors should check with the Hong Kong Representative or its distribution agents as to whether a particular share class in a sub-fund is open for subscription at a particular time.

The Hong Kong Representative of the Company and the sub-fund(s) is BNP PARIBAS ASSET MANAGEMENT Asia Limited on 17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. Hong Kong investors may contact the Hong Kong Representative by telephone at (852) 2533 0088 or in writing to 17/F, Lincoln House, Taikoo Place, 979 King's

Road, Quarry Bay, Hong Kong if they have any enquires or complaints in respect of the Company.

| Sub-fund(s) | Class of shares available in Hong Kong |
|---|---|
| BNP Paribas A Fund European Multi-Asset Income | Classic – Capitalization<br>Classic MD – Distribution<br>Classic RH AUD – Capitalization<br>Classic RH AUD MD – Distribution<br>Classic RH CAD MD – Distribution<br>Classic RH HKD – Capitalization<br>Classic RH HKD MD – Distribution<br>Classic RH USD – Capitalization<br>Classic RH USD MD – Distribution |
| BNP Paribas A Fund Dynamic Portfolio | Classic – Capitalization<br>Classic HKD – Capitalization |

Investors should note that the Prospectus also contains references to other share classes in the sub-fund(s), which are not currently available to retail Hong Kong investors. Investors should also note that the fee structure of all Classic shares is the same and the fee structure of all Privilege shares is the same. In addition, investors should note that only registered shares will be issued to retail Hong Kong investors.

*Dealing Procedures for Hong Kong Investors*

Save as the Board of Directors may otherwise permit from time to time, applications in Hong Kong for subscription, conversion or redemption of shares in a relevant sub-fund must be submitted via the authorised distributors. A current list of authorised distributors may be obtained from the Hong Kong Representative.

Applications sent directly to the Transfer Agent in Luxembourg (or any other person) may be rejected. Hong Kong investors should also note the dealing procedures and fees involved set out in the Prospectus under the section headed "THE SHARES", sub-heading "SUBSCRIPTION, CONVERSION AND REDEMPTION OF SHARES" in Book I of the Prospectus, the relevant sub-fund supplement in Book II of the Prospectus; and the following:

Investors are reminded that all applications are subject to acceptance by the Transfer Agent in Luxembourg.

**Investors are reminded that no money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activity under Part V of the SFO or a person who does not fall within the statutory or other applicable exemption from the requirement to be licensed or registered to carry on Type 1 (dealing in securities) regulated activity under Part V of the SFO.**

Save as the Board of Directors may otherwise permit from time to time, Hong Kong investors who wish to subscribe for, redeem or convert shares in any sub-fund should complete and submit the application form to the authorised distributors.

Authorised distributors, upon receiving the dealing applications from Hong Kong investors, will forward the relevant dealing applications to a transaction servicing agent (the "Agent") appointed from time to time by BNP PARIBAS ASSET MANAGEMENT Asia Limited. The deadline for the authorised distributors in Hong Kong to forward the dealing applications to the Agent is 6pm (Hong Kong time) on a Hong Kong business day. The Agent will then collate any dealing applications received on each Hong Kong business day and forward them directly to the Transfer Agent in Luxembourg for further processing. For these purposes, a Hong Kong business day is a day on which banks in Hong Kong are open for normal banking business but does not include Saturdays, Sundays or public holidays.

Hong Kong investors should note that in order for a dealing application to be executed at the asset value on a given valuation day, it must be received by the Transfer Agent in Luxembourg before the time and date specified in the detailed conditions for each sub-fund in Book II of the Prospectus. Orders received after this deadline will be processed at the asset value on the next valuation day after the valuation day in question.

Investors should note that different authorised distributors may have different dealing cut-off times which may be earlier than the cut-off times specified in this document and the Prospectus and investors should check with the relevant authorised distributors accordingly.

In order to be accepted by the Company, orders for subscription (or redemption) must include all necessary information relating to the identification of the subscribed shares (or in the case of redemptions, the shares in question) and the identity of the subscriber (or in the case of redemptions, the shareholder) as more particularly set out in the Prospectus.

*Subscription of Shares*

Payment for subscription of shares should be made in one of the valuation currencies of the shares concerned and must be made by telegraphic transfer. Payment made by personal cheque or banker's draft will not be accepted. The Company reserves the right to postpone, and/or cancel the subscription requests if it is not certain that the appropriate payment will reach the designated bank accounts within the required payment time or if the order is incomplete. Applicants should refer to the application form for payment details.

The Board of Directors may at their absolute discretion reject an application for shares in whole or in part or redeem at any time shares in the Company that were unlawfully subscribed or are unlawfully held. The Board does not need to justify any such decision. In addition, the Directors may suspend the issue of shares of any sub-fund during any period when the calculation of such sub-fund's net asset value is suspended.

*Redemption of Shares*

Redemption proceeds will be paid in the valuation currency to the bank account as previously specified by the redeeming shareholder in the subscription application form, normally within 3 Hong Kong business days of the applicable valuation day, but not later than one calendar month from the relevant valuation day unless the market(s) in which a substantial portion of investments of the relevant sub-fund is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of the redemption proceeds within the aforesaid time period not practicable. In such case, the extended time frame for the payment of redemption proceeds shall reflect the additional time needed in light of the specific circumstances in the relevant market(s). Such relevant markets which are more likely to be subject to legal or regulatory requirements are those emerging or developing countries. Currently, no sub-fund is subject to the extended timeframe for the purpose of payment of redemption proceeds. Should there be any sub-fund which requires to have the extended timeframe for the purpose of paying redemption proceeds, at least one month's prior notice will be given to the Hong Kong shareholders of the sub-fund concerned and that this document will be updated accordingly.

If the shares are held by a shareholder who does not or ceases to comply with any holding requirements applicable to such shares specified in the section headed "THE SHARES" in the Prospectus for the "Privilege" categories, the Board of Directors may decide to convert the shares into shares of the authorised category of the same sub-fund.

*Conversion of Shares*

Shareholders may convert some or all of their shares in a sub-fund into shares of another sub-fund and/or category (provided that such other sub-fund and/or category is authorised for sale to the public in Hong Kong and available to Hong Kong investors). All terms concerning subscription and redemption of Shares shall equally apply to conversion of Shares. Shareholders should refer to the Prospectus for details of the conversion process.

Shareholders who wish to convert their shares should notify the relevant authorised distributors indicating the name of the sub-fund into which the shares are to be converted and specifying the category and class of the shares to be converted and the category and class of the shares of the new sub-fund to be issued and whether they are registered or bearer shares. If this information is not given, the shares will be converted into shares of the same class within the same category.

*Determination of the Net Asset Value per Share*

The valuation policy in respect of the assets of the sub-fund is set out under the section headed "NET ASSET VALUE" in Book I of the Prospectus. Board of Directors may adjust the value of any asset if the Board of Directors determines that such adjustment is required to reflect the fair value thereof. In applying the aforesaid fair value adjustment, the Board of Directors shall do so in consultation with the Depositary.

*Dividend Policy*

Dividend policy is set out under the section headed "THE SHARES" in Book I of the Prospectus. Investors should note that 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 the net asset value per share.

For the monthly dividend share classes of BNP Paribas A Fund European Multi-Asset Income, 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 ASSET MANAGEMENT Asia Limited on request and from the website http://www.bnpparibas-am.hk[1].

[1] Investors should note that this website has not been reviewed by the SFC.

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.

Please refer to "Risk in connection with paying dividend out of capital" under the section "General Risk Factors" for further details.

If the Management Company does not intend to retain the flexibility to pay dividend out of capital, the change will be subject to the SFC's prior approval and by giving not less than one month's notice to investors. 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-am.hk.

## Fees and Expenses

The relevant fees and expenses of the Company and the sub-fund(s) are set out in the Prospectus.

Hong Kong investors should note that at least one month's prior notice (or such other period as may be agreed with the SFC) will be given to affected Hong Kong shareholders in the Company if there is any increase in fees and charges from the current to the permitted maximum rate, or any increase beyond its maximum level as prescribed in the Prospectus.

In addition, for so long as the Company and the relevant sub-fund(s) are authorised by the SFC in Hong Kong, the Board of Directors have determined that any expenses arising out of any advertising or promotional activities in connection with the Company and/or the relevant sub-fund(s) will not be paid out of the assets of the Company or the relevant sub-fund(s).

## Establishment Costs of each Sub-fund

The costs relating to the creation of new sub-funds will be borne by the relevant sub-fund(s) and amortised during the year succeeding such new sub-fund(s)' creation or such longer period as the Directors may determine but which may not exceed five years as from the date of such creation. If a sub-fund is closed, any set-up costs which have not been amortised will be charged to the sub-fund being liquidated. No establishment expenses in relation to BNP Paribas A Fund European Multi-Asset Income and BNP Paribas A Fund Dynamic Portfolio will be charged to the sub-fund.

## Publication of Prices

The relevant net asset value per share of each sub-fund shall be published daily on the website at http://www.bnpparibas-am.hk.

## Suspension

The calculation of the net asset value, and the issue, redemption and conversion of the shares of one or more sub-funds may be suspended in the situations set out in the Prospectus headed "SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, CONVERSION AND REDEMPTION OF SHARES".

Any temporary suspension of dealing in shares of any sub-fund shall be notified to the SFC immediately and, where possible, all reasonable steps will be taken to bring any period of temporary suspension to an end as soon as possible. Notice will be given to shareholders or be published on the website at http://www.bnpparibas-am.hk.

## Securities Lending, Borrowing, Repurchase and Reverse Repurchase Transactions

The relevant information relating to securities lending and/or repurchase and reverse repurchase transactions by the Company and/or the sub-fund(s) are set out in Appendix 2 of the Prospectus headed "TECHNIQUES, FINANCIAL INSTRUMENTS, AND INVESTMENT POLICIES" in item 3.

***Securities Lending and Borrowing***

The sub-fund(s) of the Company may enter into securities lending and borrowing transactions of up to 100% of the aggregate market value of the securities in the sub-fund provided the Company complies with the following rules:

(i) The Company may only lend securities within a standardised system organised by a recognised securities clearing institution or by a leading financial institution that is subject to prudential supervision rules that the CSSF deems equivalent to those laid down in EU laws.

(ii) In relation to its lending transactions, the Company shall receive a guarantee of a value which, at the conclusion of the agreement, must be at least equal to the amount of the overall valuation of the securities lent.

Such guarantee is given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD, by its regional authorities or by supranational institutions and organisations with EU, regional or global scope, and is frozen in an account in the name of the Company until the lending contract expires. Acceptable receiving collateral includes:

a) Liquid assets (cash, short term bank deposits, money market instruments, letter of credit);
b) OECD sovereign bonds;
c) Shares or units issued by money market UCIs (daily calculation and S&P AAA rating or equivalent);
d) Shares or units issued by UCITS investing in bonds/shares mentioned below:
e) Bonds issued or guaranteed by first class issuers offering adequate liquidity;
f) Shares listed or dealt on a regulated market of the EU or on a stock exchange of a Member State of the OECD, provided that they are included in a main index and that their issuer is not affiliated to the counterparty;
g) Direct investments in bonds or shares with the characteristics mentioned in (e) and (f )

If the guarantee is given in the form of cash, the Company may reinvest the cash in the manner described in CSSF circular 08/356. Non-cash guarantees must be issued by an entity that is not affiliated with the counterparty.

The Company must ensure that securities lending transactions remain within appropriate levels, or must be able to request the return of the securities on loan so that it can satisfy its redemption obligations at any time and so that these lending transactions do not jeopardise the management of the Company's assets in compliance with its investment policy.

(iii) The Company may not use the securities it has borrowed during the entire term of the loan unless they are hedged by financial instruments allowing the Company to return the borrowed securities when the transaction is settled.

The Company must receive a guarantee, before or at the same time as the securities on loan are transferred, the value of which must remain equal to at least 90% of the aggregate market value of the securities on loan throughout the term of the loan (including all interest, dividends and other rights).

(iv) The Company may only engage in securities borrowing transactions in the following exceptional circumstances: (a) when the Company is engaged in the sale of portfolio securities at a time when said securities are being registered with a government authority and therefore are not available; (b) when securities which have been lent are not returned on time; and (c) in order to avoid default of a promised delivery of securities if the Custodian fails to perform its obligation to deliver the relevant securities.

(v) An operating party may be employed to undertake securities lending transactions. All transactions will be carried out on arms length basis, including where the operating party is an affiliate or other connected person of the Company.

In relation to securities lending transactions, net revenues of any incremental income earned from securities lending will accrue to the relevant sub-fund.

***Repurchase and Reverse Repurchase Transactions***

Each sub-fund may, on an ancillary basis or for the purpose of efficient portfolio management, engage in repurchase and reverse repurchase agreements which consist of purchases and sales of securities with clauses reserving the seller's right to buy the sold securities back from the purchaser at a price and time stipulated between the two parties at the time of entering into the contract. Each sub-fund may engage in repurchase and reverse repurchase agreements either as buyer or seller.

The relevant information (including the counterparties and eligible securities and limit) relating repurchase and reverse repurchase transactions by the Company and/or the sub-fund(s) are set out in Appendix 2 of the Prospectus headed "TECHNIQUES, FINANCIAL INSTRUMENTS, AND INVESTMENT POLICIES" in item 3.

Repurchase and reverse repurchase transactions may be transacted through BNP Paribas group affiliates and other external counterparties. The income generated from repurchase and reverse repurchase transactions will be fully accrued to the relevant sub-fund of the Company.

Repurchase and reverse repurchase transactions represent a low risk for counterparts involve because if the seller (of securities) defaults and is not able to reimburse cash, the buyer is allowed to keep the securities (considered here as a collateral) and sell them to cover its loss. Nevertheless, there can be a credit risk in this situation if the security has lost value since the outset of the transaction; to cover this risk, margining can be put in place at the start date of the operation.

**Reports and Accounts**

The Company's financial year ends on 31st March of each year. Annual audited accounts (in English) will be available within four months after the conclusion of each financial year and unaudited half yearly reports (in English) will be available within two months of the period they cover. Notice will be given to the shareholders as and when the aforementioned reports are available. Electronic versions of these reports will be available on the website at http://www.bnpparibas-am.hk. Hong Kong investors can contact the Hong Kong Representative should they want to obtain a printed copy of the aforementioned reports.

## Hong Kong Taxation

Under current Hong Kong law and for so long as the Company and the relevant sub-fund maintains its authorisation under Section 104 of the SFO (or any other relevant legislation to be enacted from time to time), the Company and the relevant sub-fund will not pay tax on profits attributable to the Company and/or the relevant sub-fund.

Hong Kong resident shareholders in the Company will not be subject to any Hong Kong tax on distributions paid by the Company or the relevant sub-fund on capital gains realised on the redemption of any shares in the Company or the relevant sub-fund unless such acquisition, redemption or conversion of shares is or forms part of a trade, profession or business carried on in Hong Kong.

Since the Company does not maintain its register of shareholders in Hong Kong, no Hong Kong stamp duty is payable in respect of transactions in the shares of the Company.

**The above information is not exhaustive and shareholders in the Company and/or the relevant sub-fund and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

**As is the case with any investment, there can be no guarantee that the tax position or proposed tax position at the time of an investment in the Company or a sub-fund will endure indefinitely.**

## Rebates, Transactions with Connected Persons and Soft Commissions

The Management Company or any person acting on behalf of the Company or the Management Company may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.

All transactions carried out by or on behalf of the Company must be at arm’s length and executed on the best available terms for transactions of the kind and size concerned. Transactions with connected persons of the Management Company, portfolio managers or directors of the Company may not account for more than 50% of the Company’s transactions in value in any one financial year of the Company.

*Soft commissions*

The Investment Managers or their connected persons may enter into soft commission arrangements with a number of brokers under which real-time pricing information and analysis from independent research groups is made available to the Investment Managers or their connected persons free of charge in consideration of the Investment Managers dealing with such brokers for the account of the sub-fund(s). Soft commission arrangements may also give the Investment Managers or their connected persons access to risk management software.

Neither the Management Company nor any of its connected persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions in the Company’s property to the broker or dealer. Soft commissions in the form of the provision of goods or services by brokers are permitted if such goods or services are of demonstrable benefit to the Company. For the avoidance of doubt, examples of goods and services that are not permitted include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

Details of any such commissions will be disclosed in the annual and semi-annual report and accounts of the Company. The execution of transactions will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates.

**Management and Sub-Delegation**

The Board of Directors have appointed the Management Company. Details of the Management Company are set out below.

| Sub-Fund | Investment Managers |
|---|---|
| BNP Paribas A Fund Dynamic Portfolio | **BNP PARIBAS ASSET MANAGEMENT Asia Ltd.**<br><br>Sub-delegating to:<br>- **BNP PARIBAS ASSET MANAGEMENT UK Ltd.** (for portfolio hedging and cash management)<br><br>And who further appoints:<br>- **FundQuest Advisor** (as advisor for the selection of target funds, is remunerated by the Investment Manager, **BNP PARIBAS ASSET MANAGEMENT Asia Ltd.**) |
| BNP Paribas A Fund European Multi-Asset Income | **BNP PARIBAS ASSET MANAGEMENT France**<br><br>Sub-delegating to:<br>- **BNP PARIBAS ASSET MANAGEMENT UK Limited**<br>- **BNP PARIBAS ASSET MANAGEMENT Nederland N.V.**<br>- **Alfred Berg Kapitalförvaltning AS**<br><br>**BNP PARIBAS ASSET MANAGEMENT UK Limited**<br>(for portfolio hedging only) |

The Management Company has delegated its discretionary investment management functions in respect of BNP Paribas A Fund European Multi-Asset Income to BNP PARIBAS ASSET MANAGEMENT France, which has appointed BNP PARIBAS ASSET MANAGEMENT Nederland N.V., BNP PARIBAS ASSET MANAGEMENT UK Limited and Alfred Berg Kapitalförvaltning AS as the sub-investment managers of this sub-fund. BNP PARIBAS ASSET MANAGEMENT UK Limited is also responsible for portfolio hedging as investment manager.

The Management Company has delegated its discretionary investment management functions in respect of BNP Paribas A Fund Dynamic Portfolio to BNP PARIBAS ASSET MANAGEMENT Asia Limited, which has appointed BNP PARIBAS ASSET MANAGEMENT UK Limited as the sub-investment manager of this sub-fund.

BNP PARIBAS ASSET MANAGEMENT Asia Limited has also appointed FundQuest Advisor as a non-discretionary investment advisor to provide non-binding investment advice in connection with the investment. As a non-discretionary investment advisor, FundQuest Advisor proposes or suggests investment ideas for BNP PARIBAS ASSET MANAGEMENT Asia Limited to consider, but the ultimate decision (whether to accept, reject or otherwise) lies with BNP PARIBAS ASSET MANAGEMENT Asia Limited. The day-to-day investment management activities of the BNP Paribas A Fund Dynamic Portfolio have not been delegated to FundQuest Advisor and BNP PARIBAS ASSET MANAGEMENT Asia Limited has sole overall responsibility for ensuring that the investment objectives, strategies, guidelines and restrictions of the BNP Paribas A Fund Dynamic Portfolio are observed and complied with in all aspects.

Other entities set out in the Prospectus are not responsible for investment management functions of BNP Paribas A Fund European Multi-Asset Income and BNP Paribas A Fund Dynamic Portfolio.

**Conflicts of Interest**

The Management Company, the investment managers and the Custodian may from time to time act as administrative agent, registrar, manager, custodian, investment manager or investment adviser, representative, service provider or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of any sub-funds of the Company. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Company. At all times, the Management Company will ensure that such conflicts are resolved fairly. In any event, the Management Company shall ensure that all investment opportunities will be fairly allocated. Compliance procedures and measures such as segregation of duties and responsibilities together with different reporting lines and “Chinese walls” have been put in place to minimise potential conflicts of interests.

**Risk Management Policies and Procedures**

The risk management function is independently established to assure an independent, centralised and cross-functional supervision of risks and related controls. There is a strict separation between the risk management and investment management functions. According to Article 13 of the CSSF Regulation 10-4, the Management Company is required to establish and maintain a permanent risk management function in order to enable the role a total independency toward fund managers and sales department. The risk management function would not involve in any investment, sales or business development activities.

The supervision of the independent risk management function is carried out through various committees, in particular the Luxembourg “Compliance, Risk & Legal Committee” involving risk management function, permanent control function and senior management of the Management Company. The activity of the risk management function is subject to periodic internal audit inspections and operational risk control.

Investors should refer to the Prospectus and in particular Appendix 2 thereto, section headed “TECHNIQUES, FINANCIAL INSTRUMENTS, AND INVSETMENT POLICIES”, for information related to the techniques and instruments, which may be used in respect of the Company and its sub-funds. A summary of the risk policies and procedures concerning the investments by the sub-funds is set out below.

Pursuant to the CSSF Circular 11/512, the Management Company of the Company employs a Risk Management Procedure ("RMP”) for the Company.

The RMP covers investment risk, investment compliance, market, counterparty, OTC derivative, liquidity and operational risks. The RMP provides assurances of proper application of regulatory rules and internal transversal rules, and regularly informing senior management of the set up and general level or risk exposure. The risk and control framework aims to capitalise on all quantitative risk disciplines and experience throughout the Management Company and encourages best practices with the support of market and credit professionals closely aligned to strategic and regional businesses.

The Management Company of the Company employs a comprehensive risk management process which enables it and the business division to monitor and measure the risk of the positions and their contribution to the overall risk profile of each sub-fund.

Stringent processes are in place to evaluate, approve and monitor counterparties to mitigate the counterparty risk for all counterparties.

Various tools ensure that there are checks and verifications at different stages of the process to ensure legal and contractual obligations are not breached. Risk is monitored and controlled with various methods and tools including in-house and external software database and tools. All instruments and investment techniques must be in line with the investment objectives and restrictions of each sub-fund. Robust escalation procedures are in place to ensure any identified irregularities are escalated and resolved in a timely fashion.

Market risks of the sub-funds are monitored daily with an internal dedicated software CRGE. Value at Risk based approaches (historical simulation and Monte Carlo methodology, probability of 99%, time horizon of 1-month) are used for sub-funds engage in complex investment strategies or have more than a negligible exposure to exotic derivatives. VaR calculation are proceeded on a daily basis, stress test and back test are monthly. Under the VaR-based approaches, the VaR of absolute return sub-fund shall not exceed 20% of the net asset value of the sub-fund(absolute approach) as the relative VaR shall not exceed two times the VaR of a reference portfolio (relative approach). A maximum level of leverage is defined internally for risk monitoring purpose but is not statutory. In addition, monthly stress tests are designed to estimate potential losses in abnormal markets. For other sub-funds, commitment approach is performed through CRGE to control the exposure on a daily basis.

The Management Company has developed a process for manage liquidity risk and a common approach to analyse liquidity risk, which incorporates a sub-fund’s liabilities and assets.

The modelling of liquidity risk measures would be evaluated taking into account of events and variables that can be influential to the sub-funds:

- on the macro-economic level, reduction of the market liquidity following to factors such as geopolitical events; or

- on the micro-economic level, rumours or default of external leading market participants, but also failures of the Management Company itself which can generate an adverse effect on reputation.

In this context, any sub-fund is potentially subject to both external and internal events and consequently can have an impact on the value of its assets and on the behaviour of its investors.

Based on identified events, the Management Company simulates generic impacts on sub-funds within normal liquidity conditions and facilitates decisions making for the Board of Directors of the Company.

The Management Company has also developed liquidity measures applicable to UCITS:

The first measure assigns to each UCITS an intrinsic liquidity level, through a qualitative scoring method with the structure of its assets and the liabilities distribution / concentration.

The second measure analyses in an quantitative and dynamic way regarding the sensitivity of portfolios variables to liquidity (such as processed quantities, instruments quoted price, credit rating, country of the issuer, investors' concentration) and to simulate possible deformations and to compute an amount of losses in normal liquidity conditions.

The Management Company has put in place a classification of sub-fund based on the liquidity risk level of each sub-fund. This classification is divided into 5 different levels in relation to the potential risk of sub-funds. Each level depends on the liquidity risk level calculation.

The categorisation of the financial instruments will be updated regularly to account for market evolution. The liquidity measure will be calculated and controlled by the relevant risk manager on a monthly basis. Each time a sub-fund has a category change, it will be analysed further by the risk manager and will consequently involve a discussion with the fund manager.

In a case of significant degradation of liquidity or an inability to resolve an issue, the matter can be raised to the senior management. If the issue persists or is deemed a material problem, then it can be raised to the Board of Directors of the Company to seek an appropriate solution.

The process, the calculations and the regular reportings have been integrated and performed by the internal dedicated software CRGE.

Where appropriate, the Management Company will conduct periodic stress tests which enable assessment of potential risks to each sub-fund.

Hong Kong investors may contact the Hong Kong Representative for further information regarding the RMP employed by the Management Company of the Company.

**Key Investor Information Document(s) (the "KIID")**

Investors should note that the 'KIID' mentioned in the Prospectus is available on request directly from the registered office of the Company which will be sent to the requesting Hong Kong investor under a personalised cover. Such 'KIID' must be read together with this Hong Kong Covering Document and Information for Hong Kong Investors and the Prospectus.

The 'KIID' are **not** authorised by the SFC in Hong Kong, are not intended to be, and shall not in any event be interpreted as, constituting or forming part of the offering document of the Company in Hong Kong and accordingly should not be relied upon by Hong Kong investors.

Hong Kong investors should read this document together with the Prospectus before making any investment decision. Investors are reminded that investment involves risks.

**Reference to website(s) in the Prospectus**

Hong Kong investors and shareholders should note that any website(s) mentioned in the Prospectus has not been reviewed or approved by the SFC and may contain information of sub-funds that are **not** authorised by the SFC and may not be offered to the retail public in Hong Kong. You should exercise caution accordingly.

**Hong Kong Representative**

The Hong Kong Representative of the Company is BNP PARIBAS ASSET MANAGEMENT Asia Limited and its business address is at 17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. The Hong Kong Representative has been appointed by the Company, pursuant to a Hong Kong Representative Agreement (the "**Hong Kong Representative Agreement**"), to represent the Company in Hong Kong.

**Documents available for inspection**

For as long as the Company and the relevant sub-fund maintains its authorisation with the SFC, under Section 104 of the SFO, copies of the following documents in relation to the Company will be available for inspection free of charge (and copies obtained upon request upon payment of a reasonable fee) at the offices of the Hong Kong Representative at the address given above, during normal business hours on any Hong Kong business day:

1) The Articles of Association of the Company;
2) The latest annual report and the latest semi-annual report if more recent than the former;
3) The Management Company Agreement and its Amendment entered into between the Company and BNP PARIBAS ASSET MANAGEMENT Luxembourg;
4) The Custody Agreement entered into between the Company and the Custodian Bank;
5) Investment Management Agreements concluded between the Management Company and the investment managers;
6) Sub Investment Management Agreements concluded between the investment manager(s) and the sub investment managers;
7) The Hong Kong Representative Agreement;
8) Compositions of the latest dividends of the sub-fund(s); and
9) 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 dates for BNP Paribas A Fund European Multi-Asset Income’s monthly dividend share classes.

This document is dated June 2020

# BNP PARIBAS A FUND

*An open-ended investment company*
*incorporated under Luxembourg Law*

## Prospectus

**JUNE 2020**

**INFORMATION REQUESTS**

BNP PARIBAS A FUND

10 rue Edward Steichen

L-2540 Luxembourg

Grand Duchy of Luxembourg

**NOTICE**

This Prospectus may not be used for the purpose of an offer or solicitation to sell in any country or any circumstance in which such an offer or entreaty is not authorised.

The Company is approved as an Undertaking for Collective Investment in Transferable Securities (UCITS) in Luxembourg. It is specifically authorised to market its shares in Luxembourg, Austria, France, Germany, Hong Kong, Italy, Korea, Singapore, Spain, Switzerland, Taiwan and the United Kingdom. Not all the sub-funds, categories or classes of shares are necessarily registered in these countries. It is vital that before subscribing, potential investors ensure that they are informed about the sub-funds, categories, or classes of shares that are authorised to be marketed in their country of residence and the constraints applicable in each of these countries.

In particular, the Company's shares have not been registered in accordance with any legal or regulatory provisions in the United States of America. Consequently, this document may not be introduced, transmitted or distributed in that country, or its territories or possessions, or sent to its residents, nationals, or any other companies, associations, employee benefit plans or entities whose assets constitute employee benefit plan assets whether or not subject to the United States Employee Retirement Income Securities Act of 1974, as amended (collectively, "Benefit Plans"), or entities incorporated in or governed by the laws of that country. Furthermore, the Company's shares may not be offered or sold to such persons.

In addition, no one may issue any information other than that presented in the Prospectus or the documents mentioned in it, which may be consulted by the public. The Company's Board of Directors vouches for the accuracy of the information contained in the Prospectus on the date of publication.

Lastly, the Prospectus may be updated to take account of additional or closed sub-funds or any significant changes to the Company's structure and operating methods. Therefore, subscribers are recommended to request any more recent documents as mentioned below under "Information for Shareholders". Subscribers are also recommended to seek advice on the laws and regulations (such as those relating to taxation and exchange control) applicable to the subscription, purchase, holding and redemption of shares in their country of origin, residence or domicile.

The Prospectus is only valid if accompanied by the latest audited annual report as well as the latest interim report if the latter is more recent than the annual report.

# CONTENTS

### BOOK I OF THE PROSPECTUS



### BOOK II OF THE PROSPECTUS



An information section is available relating to each particular sub-fund. It specifies each sub-fund's investment policy and objective, the features of the shares, their Accounting Currency, valuation day, methods of subscription, redemption and/or conversion, applicable fees and, if applicable, the history and other specific characteristics of the sub-fund in question. Investors are reminded that, unless otherwise stated in Book II, the general regulations stipulated in Book I will apply to each sub-fund.

# BOOK I

**REGISTERED OFFICE**

BNP PARIBAS A FUND
10, rue Edward Steichen
L-2540 Luxembourg
Grand Duchy of Luxembourg

**THE COMPANY'S BOARD OF DIRECTORS**

**Chairman**

Mr Samir CHERFAOUI, Head of Product Development, Products and Strategic Marketing, BNP PARIBAS ASSET MANAGEMENT France, Paris

**Members**

Mrs Claire COLLET-LAMBERT, Head of Legal, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg
Mrs Sofia NEVROKOPLIS-MAROIS, Investment Director – Global Loans Group, BNP PARIBAS ASSET MANAGEMENT France, Paris

**MANAGEMENT COMPANY**

BNP PARIBAS ASSET MANAGEMENT Luxembourg
10 rue Edward Steichen
L-2540 Luxembourg
Grand Duchy of Luxembourg

BNP PARIBAS ASSET MANAGEMENT Luxembourg is a Management Company as defined by Chapter 15 of the Luxembourg Law of December 17, 2010 concerning undertakings for collective investment.

The Management Company performs the administration, portfolio management and marketing duties.

**THE MANAGEMENT COMPANY'S BOARD OF DIRECTORS**

**Members**

Mrs Isabelle BOURCIER, Head of Quantitative and Index - MAQS (Multi Asset, Quantitative and Solutions), BNP PARIBAS ASSET MANAGEMENT France, Paris
Mr. Stéphane BRUNET, Chief Executive Officer, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg
Mr. Georges ENGEL, Independent Director, Vincennes, France
Mr. Pierre MOULIN, Global Head of Products and Strategic Marketing, BNP PARIBAS ASSET MANAGEMENT France, Paris

**NAV CALCULATION**

BNP Paribas Securities Services - Luxembourg Branch
60 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

**TRANSFER AND REGISTRAR AGENT**

BNP Paribas Securities Services - Luxembourg Branch
60 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

**DEPOSITARY**

BNP Paribas Securities Services - Luxembourg Branch
60 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

**INVESTMENT MANAGERS**

BNP PARIBAS Group management entities

- **BNP PARIBAS ASSET MANAGEMENT Asia Ltd.**
  17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong-Kong
  A Hong Kong company incorporated on October 29, 1991
- **BNP PARIBAS ASSET MANAGEMENT UK Ltd.**
  5 Aldermanbury Square, London EC2V 7BP, United Kingdom
  A UK company incorporated on February 27, 1990

- **Alfred Berg Kapitalforvaltning AS**
  Olav V gate 5, NO-0161 Oslo, Norway
  A Norwegian Company, incorporated on 19 November 1989
- **BNP PARIBAS ASSET MANAGEMENT France**
  1 boulevard Haussmann, F-75009 Paris, France
  A French company, incorporated on July 28, 1980
- **BNP PARIBAS ASSET MANAGEMENT Nederland N.V.**
  Herengracht 595, PO box 71770, NL-1008 DG Amsterdam, The Netherlands
  A Dutch company, incorporated on December 30, 1966

**ADVISOR**

Investment advice may also be sought from:

- **FUNDQUEST ADVISOR**
  1 boulevard Haussmann, F-75009 Paris, France
  A French company, incorporated on October 21, 1994
  Advisor for the selection of target funds in the "Dynamic Portfolio" and "Capital Builder" sub-funds

**AUDITOR**

PricewaterhouseCoopers, Société coopérative
2 rue Gerhard Mercator
B.P. 1443
L-1014 Luxembourg
Grand Duchy of Luxembourg

**ARTICLES OF ASSOCIATION**

The Company was incorporated on March 31, 2009 and a notice was published in the *Mémorial, Recueil Spécial des Sociétés et Associations* (the *Mémorial*).

The Articles of Association have been modified at various times, most recently at the Extraordinary General Meeting held on April 25, 2016, published in the Mémorial on July 8, 2016 under number 1998.

The latest version of the Articles of Association has been filed with the Trade and Companies Registrar of Luxembourg, where any interested party may consult it and obtain a copy (website www.lbr.lu).

## TERMINOLOGY

For purposes of this document, the following terms shall have the following meanings. The below terminology is a generic list of terms. Some of them may therefore not be used in the present document.

| | |
|---|---|
| **Accounting Currency:** | Currency in which the assets of a sub-fund are stated for accounting purposes, which may be different of the share category valuation currency |
| **Active Trading:** | Subscription, conversion, or redemption in the same sub-fund over a short period of time and involving substantial amounts, usually with the aim of making a quick profit. This activity is prejudicial to other shareholders as it affects the sub-fund's performance and disrupts management of the assets. |
| **ADR / GDR:** | ADR / GDR refer to all categories of American Depositary Receipts and Global Depositary Receipts, mirror substitutes for shares which cannot be bought locally for legal reasons. ADRs and GDRs are not listed locally but on such markets as New York or London and are issued by major banks and/or financial institutions in industrialised countries in return for deposit of the securities mentioned in the sub-fund's investment policy. |
| **Alternative Investments:** | Investments outside of the traditional asset classes of equities, debt securities and cash: they include UCITS/UCIs with alternative strategies in so far as they fulfil the requirements of the section "Units or Shares of UCITS or other UCIs" of the Appendix 1 of the Book I of the Prospectus, Managed Futures, Real Estate Investments (indirectly), Commodities Investments (indirectly), Inflation-linked Products and Derivatives Contracts. Alternative investments strategies may pursue the following strategies: Equity Long / Short, Equity Market Neutral, Convertible Arbitrage, Fixed Income Arbitrage (yield curve arbitrage or corporate spread arbitrage), Global Macro, Distressed Securities, Multi-strategy, Managed Futures, Take-over / merger arbitrage, Volatility arbitrage, Total Return. |
| **Authorised Investors:** | Investors specially approved by the Board of Directors of the Company |
| **Benchmark Register:** | The Benchmark Administrators Register held by ESMA, in accordance with Article 36 of the Benchmark Regulation 2016/1011 |
| **CDS:** | **Credit Default Swap**: When buying or selling a CDS the Company hedges against the risk of an issuer's default by paying a quarterly premium. In the event of payment default, settlement may be made either in cash, in which case the buyer of the protection receives the difference between the face value and the recoverable value, or in the form of an in-kind settlement, in which case the buyer of the protection sells the defaulting security, or another security chosen from a basket of deliverable securities agreed in the CDS contract, to the seller of the protection and recovers the face value. The events that constitute default are defined in the CDS contract, along with the procedures for delivery of the bonds and debt certificates |
| **CFD:** | **Contract for Difference:** Contract between two parties whereby they agree on a cash payment between them in the amount of the difference between two valuations of the underlying asset, at least one of which is unknown when they enter into the contract. By entering into a CFD, the Company undertakes to pay (or receive) the difference between the valuation of the underlying asset at the time of entering into the contract and the valuation of the underlying asset at a particular moment in the future |
| **Circular 08/356:** | Circular issued by the CSSF on June 4, 2008 concerning the rules applicable to undertakings for collective investment when they utilise certain techniques and instruments based on transferable securities and money market instruments. This document is available on the CSSF website (www.cssf.lu) |
| **Circular 11/512:** | Circular issued by the CSSF on May 30, 2011 concerning: a) The presentation of the main regulatory changes in risk management following the publication of the CSSF Regulation 10-4 and ESMA clarifications; b) Further clarification from the CSSF on risk management rules; c) Definition of the content and format of the risk management process to be communicated to the CSSF. This document is available on the CSSF website (www.cssf.lu). |
| **Circular 14/592:** | Circular issued by the CSSF on September 30, 2014 concerning ESMA guidelines on ETF and other UCITS issues. This document is available on the CSSF website (www.cssf.lu). |
| **Closed-ended REIT:** | Real Estate Investment Trust which complies with the provisions of article 2 of the Grand Ducal Regulation dated February 8, 2008, the units of which are listed on a Regulated Market is classified as a transferable security listed on a Regulated Market, investments in closed-ended REITs which are not listed on a Regulated Market, are currently limited to 10% of the net assets of a sub-fund. |
| **Commodities Investments:** | Investments in instruments based on commodities |
| **Company Name:** | BNP PARIBAS A FUND |
| **CSSF:** | *Commission de Surveillance du Secteur Financier*, the regulatory authority for UCI in the Grand Duchy of Luxembourg |

**Currencies:**

- **AUD:** Australian Dollar
- **CAD:** Canadian Dollar
- **CHF:** Swiss Franc
- **CNH:** Chinese Yuan Renminbi Offshore (outside of China)
- **CNY:** Chinese Yuan Renminbi Onshore
- **CZK:** Czech Koruna
- **EUR:** Euro
- **GBP:** British Pound
- **HKD:** Hong Kong Dollar
- **RMB:** Chinese Renminbi, unless otherwise stipulated refers either to CNY traded onshore or CNH traded offshore. Both may have a value significantly different to each other since currency flows in/out of mainland China are restricted.
- **SGD:** Singapore Dollar
- **USD:** United States Dollar

**Directive 78/660:** European Council Directive 78/660/EEC of July 25, 1978 concerning the annual accounts of certain forms of companies, as amended

**Directive 83/349:** European Council Directive 83/349/EEC of June 13, 1983 concerning consolidated accounts, as amended

**Directive 2004/39:** **MiFID:** European Council Directive 2004/39/EC of April 21, 2004 on markets in financial instruments, as amended

**Directive 2009/65:** European Council Directive 2009/65/EC of July 13, 2009 regarding the coordination of legislative, regulatory and administrative provisions concerning undertakings for collective investment in transferable securities (UCITS IV), as amended by the Directive 2014/91.

**Directive 2011/16:** European Council Directive 2011/16/EU of February 15, 2011 on administrative cooperation in the field of taxation as amended by the Directive 2014/107.

**Directive 2014/91:** European Parliament and of the Council Directive 2014/91/EU on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions (UCITS V) amending the Directive 2009/65

**Directive 2014/107:** European Council Directive 2014/107/EU of December 9, 2014 amending Directive 2011/16 as regards mandatory automatic exchange of information (AEOI) in the field of taxation.

**Distressed (default) securities:** Financial instruments of companies or government entities or central bank that is near or is currently going through default and or bankruptcy (inability to meet financial obligations; reorganisation, restructuring). As a result, this financial instrument suffers a substantial reduction in value (when yield to maturity is greater than 8% to 10% above the risk free rate of return and or when rated CCC or below). Distressed securities include corporate bonds, common and preferred shares, bank debt, trade claims (goods owed), warrants, convertible bonds

**Distribution Fee:** Fee calculated and deducted monthly from the average net assets of a sub-fund, share category, or share class, paid to the Management Company and serving to cover remuneration of the distributors, supplemental to the share of the management fee that they receive

**EDS:** **Equity Default Swap:** When buying equity default swap the Company hedges against the risk of a sharp fall (the current market norm is 70%) in the value of the underlying security on the stock markets, regardless of the cause for the fall, by paying a quarterly premium. When the risk is realised, i.e. when the closing price on the stock market reaches or exceeds the threshold (of – 70%), the payment is made in cash: the buyer of the protection receives a pre-determined percentage (the current European market norm is 50%) of the notional amount initially assured

**EEA:** European Economic Area

**ELN:** Equity Linked Notes : Equity financial derivative instrument structured by combining a long call option on equity (basket of equities or equity index) with a long discount bond position; it provides investors fixed income principal protection along with equity market upside exposure. The coupon or final payment at maturity is determined by the appreciation of the underlying equity.

**Emerging markets:** non OECD countries prior to January 1, 1994 together with Turkey and Greece.

In the Emerging markets, 2 different categories may be identified by the main providers of indices:

- Frontier markets: a sub-category of emerging markets designating growing economies with widely varying characteristics in terms of development, growth, human capital, demographics and political openness.
- Advanced emerging markets: a sub-category of countries in the group of emerging markets gathering the best ranked countries in terms of market efficiency, regulatory environment, custody and settlement procedures and dealing tools available.

**Equity:** A stock or any other security representing an ownership interest.

**Equity equivalent security:** ADR, GDR and investment certificates

**ESMA:** European Securities and Markets Authority

**ESMA/2011/112:** Guidelines to competent authorities and UCITS management companies on risk measurement and the calculation of global exposure for certain types of structured UCITS issued by the ESMA on April 14, 2011. This document is available on the ESMA website (www.esma.europa.eu)

**Extraordinary Expenses:** Expenses other than management, performance, distribution and other fees described below borne by each sub-fund. These expenses include but are not limited to director fees, legal fees, taxes, assessments or miscellaneous fees levied on sub-funds and not considered as ordinary expenses.

**High Yield Bonds:** These bond investments correspond to the ratings assigned by the rating agencies for borrowers rated below BBB- on the Standard & Poor's or Fitch rating scale and below Baa3 on the Moody's rating scale. Such high-yield bond issues are loans that generally take the form of bonds with a 5-, 7- or 10-year maturity. The bonds are issued by companies with a weak financial base. The return on the securities, and their level of risk, is significant, making them highly speculative. In the case, of securities rated by two or more agencies, the worst rate available will be considered.

**Indirect Fee:** Ongoing charges incurred in underlying UCITS and/or UCIs the Company is invested in and included in the Ongoing Charges mentioned in the KIID.

**Institutional Investors:** Legal entities, considered as professionals for the purpose of Annex II to Directive 2004/39 (MiFID), or may, on request, be treated as professionals according to applicable local legislation ("Professionals"), who hold their own account, UCI, and insurance companies or pension funds subscribing within the scope of a group savings scheme or an equivalent scheme. Portfolio managers subscribing within the scope of discretionary portfolios management mandates for other than Institutional Investors qualified as Professionals are not included in this category.

**Investment Grade Bonds:** These bond investments correspond to the ratings assigned by the rating agencies for borrowers rated between AAA and BBB- on the Standard & Poor's or Fitch rating scale and Aaa and Baa3 on the Moody's rating scale. In the case of securities rated by two agencies, the best rating among the two available will be taken. In the case of securities rated by three agencies, the two best ratings among the three available will be taken.

**IRS:** **Interest Rate Swap:** OTC agreement between two parties to exchange one stream of interest payments for another, over a set period of time without exchange of notionals. IRS allow portfolio managers to adjust interest rate exposure and offset the risks posed by interest rate volatility. By increasing or decreasing interest rate exposure in various parts of the yield curve using swaps, managers can either increase or neutralize their exposure to changes in the shape of the curve. Within Money Market sub-funds of the Company IRS are only negotiated for hedging purpose (i.e. IRS with a fixed rate paying leg and a variable rate receiving leg (e.g. Eonia, Sonia, Fed Funds Effective Rate).

**KIID:** Key Investor Information Document

**Law:** Luxembourg law of December 17, 2010 concerning undertakings for collective investment. This law implements Directive 2009/65/EC (UCITS IV) of July 13, 2009 into Luxembourg law.

**Law of August 10, 1915:** Luxembourg law of August 10, 1915 on commercial companies, as amended.

**Management Fee:** Fee calculated and deducted monthly from the average net assets of a sub-fund, share category, or share class, paid to the Management Company and serving to cover remuneration of the Investment Managers (together with their delegated management entities) and also distributors in connection with the marketing of the Company's stock.

The appointment of new asset managers (or delegated management entities) will not incur supplementary fees for the concerned sub-funds, as the management fee is shared by investment managers, sub-managers and sub-sub-managers.

**Managers:** Portfolio managers subscribing within the scope of discretionary individual portfolios management mandates.

**Market Timing:** Arbitrage technique whereby an investor systematically subscribes and redeems or converts units or shares in a single UCITS within a short space of time by taking advantage of time differences and/or imperfections or deficiencies in the system of determining the NAV of the UCITS. This technique is not authorised by the Company.

**Member State:** Member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this agreement and related acts are considered as equivalent to Member States of the European Union.

**Money Market Fund:** Money market funds compliant with Regulation 2017/1131

**Money Market Instruments:** Instruments normally dealt on the money market that are liquid and whose value can be accurately determined at any time.

**NAV:** Net Asset Value

**OECD:** Organisation for Economic Co-operation and Development

**OTC:** Over The Counter

**Other Fees:** Fees calculated and deducted monthly from the average net assets of a sub-fund, share category, or share class and serving to cover general custody assets expenses (remuneration of the Depositary) and daily administration expenses (NAV calculation, record and book keeping, notices to the shareholders, providing and printing the documents legally required for the shareholders, domiciliation, auditors cost and fees...), except for brokerage fees, commissions for transactions not related to the deposit, director fees, interest and bank fees, extraordinary expenses, reporting cost in relation with regulation requirements including the European Market Infrastructure Regulation (EMIR),and the *taxe d'abonnement* in force in Luxembourg, as well as any other specific foreign tax and other regulators levy.

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| **Performance Fee:** | The positive difference between the annual performance of the sub-fund/category/class (i.e. over the accounting year) and the hurdle rate (this can be a reference index performance, a fixed rate or another reference). This fee is payable to the Management Company. The performance fee will be calculated daily and provision will be adjusted on each Valuation Day during the financial year with the application of the "high water mark with hurdle rate" method. Hurdle rate means the performance of a reference index (or other references) as specified at the level of the sub-fund/category/class whereas high water mark means the highest NAV of the sub-fund/category/class as at the end of any previous financial year on which performance fees becomes payable to the Management Company, after deducting any performance fee. Performance fee will be accrued if the performance of the sub-fund/category/class exceeds the hurdle rate and the high water mark. Furthermore, if shares are redeemed during the financial year, the fraction of the provisioned performance fee that corresponds to the total amount redeemed shall be granted definitively to the Management Company. |
| **Prospectus:** | The present document |
| **Real Estate Investments:** | Investments in Real Estate certificates, shares of companies linked to Real Estate, closed-ended REITs |
| **Reference Currency:** | Main currency when several valuation currencies are available for a same share. |
| **Regulation 2015/2365:** | Regulation (EU) 2015/2365 of the European Parliament and of the Council of November 25, 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/2012 (SFTR). |
| **Regulation 2016/679:** | Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation – "GDPR") |
| **Regulation 2016/1011:** | Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds |
| **Regulation 2017/1131:** | Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds. |
| **Repurchase / Reverse Repurchase transaction:** | A transaction governed by an agreement by which a counterparty transfers securities, or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them. |
| **RESA:** | Recueil Electronique des Sociétés et Associations |
| **SFT:** | Securities Financing Transactions which means:<br>- a repurchase or reverse repurchase transaction;<br>- securities lending and securities borrowing;<br>- a buy-sell back transaction or sell-buy back transaction<br>- a margin lending transaction |
| **STP:** | Straight-Through Processing, process transactions to be conducted electronically without the need for re-keying or manual intervention. |
| **TBA:** | To Be Announced: A TBA transaction is a contract for the purchase or sale of a Mortgage-Backed Security for future settlement at an agreed upon date but does not include a specified mortgage pool number, number of mortgage pools, or precise amount to be delivered. |
| **Third Country:** | A country part of the OECD, Brazil, People's Republic of China, India, Russia, Singapore, South Africa and any other country member of the G20 organisation |
| **Transferable Securities:** | Those classes of securities which are negotiable on the capital market (with the exception of instruments of payment) such as:<br>- Equity and Equity equivalent securities, partnerships or other entities, and depositary receipts in respect of Equity;<br>- Bonds or other forms of securitised debt, including depositary receipts in respect of such securities;<br>- Any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures |
| **TRS:** | **Total Return Swap** : Derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference asset (equity, equity index, bond, bank loan) to another counterparty.<br>TRS are in principle unfunded ("**Unfunded TRS**"): the total return receiver pays no upfront amount in return for the total return of the reference asset; then it allows both parties to gain exposure to a specific asset in cost-effective manner (the asset can be held without having to pay additional costs).<br>TRS may also be funded ("**Funded TRS**") when it involves an upfront payment (often based on the market value of the asset) at inception in return for the total return of the reference asset. |
| **UCI:** | Undertaking for Collective Investment |
| **UCITS:** | Undertaking for Collective Investment in Transferable Securities |

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| **Valuation Currency(ies):** | Currency in which the net asset values of a sub-fund, share category, or share class are calculated. There may be several valuation currencies for the same sub-fund, share category, or share class (so called "Multi-Currency" facility). When the currency available in the share category or share class is different from the Accounting Currency, subscription /conversion/redemption orders may be taken into account without suffering exchange rate charges. |
| **Valuation Day:** | Each open bank day in Luxembourg and subject to exceptions available in the Book II:<br>It corresponds also to:<br>• Date attached to the NAV when it is published<br>• Trade date attached to orders<br>• With regards to exceptions in the valuation rules, closing date prices used for the valuation of the underlying assets in the sub-funds' portfolios |
| **VaR:** | **Value at risk:** It is a statistical methodology used to assess an amount of potential loss according to a probability of occurrence and a time frame (see Appendix 2) |
| **Warrant:** | Financial Derivative Instrument that give the right, but not the obligation, to buy (call warrant) or sell (put warrant) a security—commonly an equity—at a certain price (strike price) before the expiration date (American warrant) or at the expiration date (European warrant). The vast majority of warrants are "attached" to newly issued bonds or preferred stock permitting the holder to purchase common stock of the issuer. Warrant are often detachable which means that if an investor holds a bond with attached warrants, he can sell the warrants and keep the bond. |

# GENERAL PROVISIONS

BNP PARIBAS A FUND is an open-ended investment company (*société d'investissement à capital variable – abbreviated to SICAV)*, incorporated under Luxembourg law on March 31, 2009 for an indefinite period under the name "Alfred Berg".

It was renamed BNP PARIBAS A FUND on September 25, 2013.

The Company is currently governed by the provisions of Part I of the Law of December 17, 2010 governing undertakings for collective investment as well as by Directive 2009/65.

The Company's capital is expressed in euros ("EUR") and is at all times equal to the total net assets of the various sub-funds. It is represented by fully paid-up shares issued without a designated par value, described below under "The Shares". The capital varies automatically without the notification and specific recording measures required for increases and decreases in the capital of limited companies. Its minimum capital is defined by the Law.

The Company is registered in the Luxembourg Trade and Companies Register under the number B 145 536.

The Company is an umbrella fund, which comprises multiple sub-funds, each with distinct assets and liabilities of the Company. Each sub-fund shall have an investment policy and an Accounting Currency that shall be specific to it as determined by the Board of Directors.

The Company is a single legal entity.

In accordance with Article 181 of the Law:

- the rights of shareholders and creditors in relation to a sub-fund or arising from the constitution, operation or liquidation of a sub-fund are limited to the assets of that sub-fund;
- the assets of a sub-fund are the exclusive property of shareholders in that sub-fund and of creditors where the credit arises from the constitution, operation or liquidation of the sub-fund;
- in relations between shareholders, each sub-fund is treated as a separate entity.

**The Board of Directors may at any time create new sub-funds, investment policy and offering methods of which will be communicated at the appropriate time by an update to the Prospectus. Shareholders may also be informed via press publications if required by regulations or if deemed appropriate by the Board of Directors. Similarly, the Board of Directors may close sub-funds, in accordance with the provisions of Appendix 4.**

All the Benchmark Indexes mentioned in this Prospectus, which are used either for tracking or asset allocation purposes are published by Benchmark index's administrators registered in the Benchmark Register, as indicated in Book II. The Prospectus will be updated with newly registered Benchmark index's administrators in a timely manner.

The Management Company has produced and maintains robust written plans setting out the actions that it will take if a Benchmark Index materially changes or ceases to be provided, or if the Benchmark Index's administrator loses its registration with ESMA. These plans may be obtained free of charge and upon request from the Management Company.

## ADMINISTRATION AND MANAGEMENT

The Company is directed and represented by the Board of Directors acting under the authority of the General Shareholders' Meeting. The Company outsources management, audit and asset custody services. The roles and responsibilities associated with these functions are described below. The composition of the Board of Directors and the names, addresses and detailed information about the service providers are listed above in "General Information".

The Management Company, the Investment Managers, the Depositary, the Administrative agent, Distributors and other service providers and their respective affiliates, directors, officers and shareholders are or may be involved in other financial, investment and professional activities that may create conflicts of interest with the management and administration of the Company. These include the management of other funds, purchases and sales of securities, brokerage services, depositary and safekeeping services and serving as directors, officers, advisors or agents for other funds or other companies, including companies in which a sub-fund may invest. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such other involvement that they might have. In the event that a conflict of interest does arise, the Directors and the relevant Parties involved shall endeavour to resolve it fairly within reasonable time and in the interest of the Company.

**Board of Directors**

The Board of Directors assumes ultimate responsibility for the management of the Company and is therefore responsible for the Company's investment policy definition and implementation.

**Management Company**

BNP PARIBAS ASSET MANAGEMENT Luxembourg was incorporated as a limited company (*société anonyme*) in Luxembourg on February 19, 1988. Its Articles of Association have been modified at various times, most recently at the Extraordinary General Meeting held on May 17, 2017 with effect on June 1, 2017, with publication in the RESA on June 2, 2017. Its share capital is EUR 3 million fully paid up.

The Management Company performs administration, portfolio management and marketing tasks on behalf of the Company.

Under its own responsibility and at its own expense, the Management Company is authorised to delegate some or all of these tasks to third parties of its choice

It has used this authority to delegate:

- the functions of NAV calculation, Registrar (both for registered and bearer shares) and Transfer Agent, to BNP Paribas Securities Services - Luxembourg branch
- the management of the Company's holdings and the observance of its investment policy and restrictions, to the investment managers listed above in "General Information". A list of the investment managers effectively in charge of management and details of the portfolios managed is appended to the Company's periodic reports. Investors may request an up-to-date list of investment managers specifying the portfolios managed by each.

Investment advice is also sought from the Advisor mentioned above in "General Information".

In executing securities transactions and in selecting any broker, dealer or other counterparty, the Management Company and any Investment Managers will use due diligence in seeking the best overall terms available. For any transaction, this will involve consideration of all factors deemed relevant, such as market breadth, security price and the financial condition and execution capability of the counterparty. An investment manager may select counterparties from within BNP PARIBAS so long as they appear to offer the best overall terms available.

In addition, the Management Company may decide to appoint Distributors/Nominees to assist in the distribution of the Company's shares in the countries where they are marketed.

Distribution and Nominee contracts will be concluded between the Management Company and the various Distributors/Nominees.

In accordance with the Distribution and Nominee Contract, the Nominee will be recorded in the register of shareholders in place of the end shareholders.

Shareholders who have invested in the Company through a Nominee can at any time request the transfer to their own name of the shares subscribed via the Nominee. In this case, the shareholders will be recorded in the register of shareholders in their own name as soon as the transfer instruction is received from the Nominee.

Investors may subscribe to the Company directly without necessarily subscribing via a Distributor/Nominee.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, (notably the right to participate in general shareholders' meetings) if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

**Remuneration policy:**

The Management Company applies a sound, effective and sustainable Remuneration Policy in line with the strategy, risk tolerance, goals and values of the Company.

The Remuneration Policy is in line with and contributes to sound and effective risk management and doesn't encourage taking more risk than appropriate within the investment policy and terms and conditions of the Company.

The key principles of the remuneration policy are:

- Deliver a market-competitive remuneration policy and practice to attract, motivate and retain best performing employees;
- Avoid conflicts of interest;
- Achieve sound and effective remuneration policy & practice, avoiding excessive risk-taking;
- Ensure long-term risk alignment, and reward of long-term goals;
- Design and implement a sustainable and responsible remuneration strategy, with pay levels and structure which make economic sense for the business.

The details of the up-to-date Remuneration Policy can be found on the website under http://www.bnpparibas-am.com/en/remuneration-disclosure/, and will also be made available free of charge by the Management Company upon request.

**Depositary**

The Depositary performs three types of functions, namely

(i) the oversight duties (as defined in Article 22.3 of the Directive 2009/65 as amended),

(ii) the monitoring of the cash flows of the Company (as set out in Article 22.4 of the Directive 2009/65 as amended) and

(iii) the safekeeping of the Company's assets (as set out in Article 22.5 of the Directive 2009/65 as amended In accordance with standard banking practices and current regulations, the depositary may, under its responsibility, entrust some or all of the assets in its safekeeping to other banking establishments or financial intermediaries.

Under its oversight duties, the depositary must also ensure that:

(a) Ensure that the sale, issue, redemption and cancellation of the Shares are conducted in accordance with the Law and the Articles of Association.

(b) Ensure that the value of the Shares is calculated in accordance with the Law and the Articles of Association.

(c) Carry out the instructions of the Management Company, unless they conflict with the Law or the Articles of Association.

(d) Ensure that in transactions involving the Fund's assets, any consideration is remitted to it within the usual time limits.

(e) Ensure that the Fund's income is applied in accordance with the Articles of Association.

The Depositary shall not carry out activities with regard to the Company or the Management Company on behalf of the Company that may create conflicts of interest between the Company, its investors, the Management Company and itself, unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks.

<u>Conflicts of interest</u>

The overriding objective of the Depositary is to protect the interests of the Shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with BNP Paribas Securities Services, Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary. For example, in the case where BNP Paribas Securities Services, Luxembourg Branch would provide the Company and the Management Company with fund administration services, including the net asset value calculation.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
- Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members; or
- Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.
- Implementing a deontological policy;
- Recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
- Setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

<u>Sub-delegation by the Depositary:</u>

In order to provide custody services in a large number of countries allowing the Company to meet their investment objectives, the Depositary has appointed entities as delegates for sub-custody functions. A list of these delegates is available on the website http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits_delegates_EN.pdf, and will also be made available free of charge by the Depositary upon request.

Such list may be updated from time to time. A complete list of all delegates may be obtained, free of charge and upon request, from the Depositary.

The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment in accordance with the principles set out in the previous paragraph.

There is currently no conflict of interest arising from any delegation of the functions of safekeeping of the assets of the Company described in article 34(3) of the Law as amended. However in the event that conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the shareholders are fairly treated.

<u>Independence requirement</u>

The selection of the Depositary by the Management Company is based on robust, objective and pre-defined criteria and warrants the sole interest of the Company and its investors, Details about this selection process can be provided to investors upon request by the Management Company.

**Auditor**

All the Company's accounts and transactions are subject to an annual audit by the Auditor.

## INVESTMENT POLICY, OBJECTIVES, RESTRICTIONS AND TECHNIQUES

The Company's general objective is to provide its investors with the highest possible appreciation of capital invested while offering them a broad distribution of risks. To this end, the Company will principally invest its assets in a range of transferable securities, money market instruments, units or shares in UCIs, credit institution deposits, and financial derivative instruments, denominated in various currencies and issued in different countries.

The Company's investment policy is determined by the Board of Directors in light of current political, economic, financial and monetary circumstances. The policy will vary for different sub-funds, within the limits of, and in accordance with, the specific features and objective of each as stipulated in Book II.

The investment policy will be conducted with strict adherence to the principle of diversification and spread of risks. To this end, without prejudice to anything that may be specified for one or more individual sub-funds, the Company will be subject to a series of investment restrictions as stipulated in Appendix 1. In this respect, the attention of investors is drawn to the investment risks described in Appendix 3.

Furthermore, the Company is authorised to utilise techniques and instruments on transferable securities and money market instruments under the conditions and limits defined in Appendix 2, provided that these techniques and financial derivative instruments are employed for the purposes of efficient portfolio management. When these operations involve the use of financial derivative instruments, these conditions and limits must comply with the provisions of the Law. Under no circumstances can these operations cause the Company and its sub-funds to deviate from the investment objectives as described in the Prospectus.

Unless otherwise specified in each sub-fund's investment policy on Book II, no guarantee can be given on the realisation of the investment objectives of the sub-funds, and past performance is not an indicator of future performance.

**Class Action Policy**

The Management Company has defined a class action policy applicable to Undertakings for Collective Investments (UCI) that it manages. A class action can typically be described as a collective legal procedure, seeking compensation for multiple persons having been harmed by the same (illegal) activity.

As a matter of policy, the Management Company:

- Does, in principle, not participate in active class actions (i.e., the Management Company does not initiate, act as a plaintiff, or otherwise take an active role in a class action against an issuer);
- May participate in passive class actions in jurisdictions where the Management Company considers, at its sole discretion, that (i) the class action process is sufficiently effective (e.g. where the anticipated revenue exceeds the predictable cost of the process), (ii) the class action process is sufficiently predictable and (iii) the relevant data required for the assessment of eligibility to the class action process are reasonably available and can be efficiently and robustly managed;
- Transfers any monies which are paid to the Management Company in the context of a class action, net of external costs, to the funds which are involved in the relevant class action.

The Management Company may at any time amend its class actions policy and may deviate from the principles set out therein in specific circumstances.

The applicable principles of the class actions policy are available on the website of the Management Company https://www.bnpparibas-am.com/en/footer/class-actions-policy/.

## SHARE CATEGORIES, SUB-CATEGORIES AND CLASSES:

### A. CATEGORIES

Within each sub-fund, the Board of Directors will be able to create and issue the share categories listed below and add new valuation currencies to existing shares

<table>
<tr><th rowspan="2">Category</th><th rowspan="2">Investors</th><th rowspan="2">Initial subscription Price per share (1)</th><th rowspan="2">Minimum holding (2)<br>(in EUR or its equivalent in any other Valuation Currency)</th><th colspan="3">Maximum Fees payable by the investors (5)</th></tr>
<tr><th>Entry</th><th>Conversion (3)</th><th>Exit</th></tr>
<tr><td>Classic</td><td>All</td><td rowspan="4">100,-<br>in the Reference Currencies<br>except:<br>CNH and CZK: 1,000.-</td><td>None</td><td>3%</td><td>1.50%</td><td>None</td></tr>
<tr><td>Privilege</td><td>Distributors (4),<br>Managers,<br>All</td><td>- Distributors (4): none,<br>- Managers: none<br>- Others: 3 million per sub-fund,</td><td>3%</td><td>1.50%</td><td>None</td></tr>
<tr><td>I</td><td>Institutional Investors,<br>UCIs</td><td>Institutional Investors:<br>3 million per sub-fund<br>or<br>10 million in the Company<br>UCIs: none</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>X</td><td>Authorised Investors</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
</table>

*(1) Entry Fees excluded, if any,*
*(2) At the discretion of the Board of Directors.*
*(3) In the event of conversion to a sub-fund with a higher Entry Fees, the difference may be payable.*
*(4) Distributors which provide only fee-based independent advisory services as defined by MiFID, with respect to distributors that are incorporated in the EEA*
*(5) Specific condition for "Global Fixed Rate Portfolio" sub-funds described on Book II*

### B. SUB-CATEGORIES

In some sub-funds, following sub-categories may be created:

**a) MD / QD**

These sub-categories pay dividend on a monthly (MD) or quarterly (QD) basis

**b) Hedged (H)**

These sub-categories aim at hedging the Currency Exchange risk of the portfolio of the sub-fund against their Reference Currency. In the event of changes in the net asset value of the portfolio and/or of subscriptions and/or redemptions, hedging will be operated to the extent possible within specific bandwidths (should those limits not be respected from time to time, hedging readjustment will be operated). As a consequence, we cannot guarantee the currency exchange risk will be completely neutralised.

The currency of these sub-categories appears in their denomination (for example, "Classic H EUR" for a sub-category hedged in EUR when the currency exposure of the portfolio of the sub-fund is USD).

**c) Return Hedged (RH)**

These sub-categories aim at hedging the portfolio return from Accounting Currency of the sub-fund (and not the underlying currency exposures) to the currency denomination of the sub-category. In the event of changes in the net asset value of the portfolio and/or of subscriptions and/or redemptions, hedging will be operated to the extent possible within specific bandwidths (should those limits not be respected from time to time, hedging readjustment will be operated).

The currency of these sub-categories appears in their denomination (for example, "Classic RH EUR" for a sub-category hedged in EUR and the Accounting Currency of the sub-fund is USD).

**d) Mono-Currency**

These sub-categories are valued and issued solely in the Reference Currency, indicated by the denomination of the sub-category, which is different from the Accounting Currency of the sub-fund (for example "Classic USD" for a category issued and valued only in USD when the Accounting Currency of the sub-fund is EUR).

Other characteristics of these sub-categories as well as the fee structure are the same as those of their mother-category in the same sub-fund.

### C. CAPITALISATION / DISTRIBUTIONS CLASSES

Any of the above share categories / sub-categories are issued in Capitalisation ("CAP") and/or Distribution ("DIS") classes as defined below.

**a) CAP**

CAP shares retain their income to reinvest it.

**b) DIS**

DIS shares may pay dividend to shareholders on an annual, monthly or quarterly basis.

The general meeting of shareholders holding DIS shares for each sub-fund concerned decides each year on the Board of Directors' proposal to pay a dividend, which is calculated in accordance with the limitations defined by law and the Articles of Association. In this respect, the general meeting reserves the right to distribute the net assets of each of the Company's sub-funds up to the limit of the legal minimum capital. Distributions may be paid out of net investment income or capital.

If, given market conditions, it is in the shareholders' interest not to distribute a dividend, then no such distribution will be carried out.

If it deems it advisable, the Board of Directors may decide to distribute interim dividends.

The Board of Directors determines the payment methods for the dividends and interim dividends that have been decided upon. Dividends will, in principle, be paid in the Reference Currency of the class (exchange costs incurred for payments in different currencies will be borne by the investor).

Declared dividends and interim dividends not collected by shareholders within a period of five years from the payment date will lapse and revert to the sub-fund concerned.

Interest will not be paid on declared and unclaimed dividends or interim dividends, which will be held by the Company on behalf of the shareholders of the sub-fund for the duration of the legal limitation period.

### D. SHARE LEGAL FORMS

All the shares are issued in registered form.

"Classic", "Privilege" and "I" shares may also be issued in bearer form.

The shares are all listed into specific registers kept in Luxembourg by the Registrar Agent indicated in the section "General Information". Unless otherwise specified, shareholders will not receive a certificate representing their shares. Instead, they will receive a confirmation of their entry into the register.

Further to the Luxembourg law of July 28, 2014, all physical bearer shares have been cancelled. The cash equivalent of such cancelled shares has been deposited with the Luxembourg *Caisse de Consignation*.

### E. GENERAL PROVISION AVAILABLE FOR ALL SHARES

The Board of Directors has the option of adding new valuation currencies to existing categories or classes and, with the previous approval of the CSSF, of adding new share categories, sub-categories and classes to existing sub-funds with the same specification as those described above on points A, B and C. Such a decision will not be published but the website www.bnpparibas-am.com and the next version of the Prospectus will be updated accordingly.

The Board of Directors may depart from the initial subscription price per share. However, the equal treatment of shareholders shall be preserved at all time.

The Board of Directors may decide at any time to split or consolidate the shares issued within one same sub-fund, category, or class into a number of shares determined by the Board itself. The total net asset value of such shares must be equal to the net asset value of the subdivided/consolidated shares existing at the time of the splitting/consolidation event.

If the assets of a category/class fall below EUR 1,000,000.00 or equivalent, the Board of Directors reserves the right to liquidate or merge it with another category/class if it decides it is in the best interest of shareholders.

If it transpires that shares are held by persons other than those authorised, they will be converted to the appropriate category, class or currency.

The shares must be fully paid-up and are issued without a par value. Unless otherwise indicated, there is no limitation on their number. The rights attached to the shares are those described in the law of 10 August 1915, unless exempted by the Law.

Fractions of shares may be issued up to one-thousandth of a share.

All the Company's whole shares, whatever their value, have equal voting rights. The shares of each sub-fund, category, or class have an equal right to the liquidation proceeds of the sub-fund, category, or class.

If no specific information is given by the investor, orders received will be processed in the Reference Currency of the category.

## SUBSCRIPTION, CONVERSION AND REDEMPTION OF SHARES

The shares of the Company may be locally offered for subscription via regular savings plans, redemption and conversion programs, specific to this local supply, and may be subject to additional charges.

In the event that a regular savings plan is terminated prior to the agreed final date, the sum of entry fees payable by the shareholders concerned may be greater than would have been the case for standard subscriptions.

Investors may be required to appoint a paying agent as nominee (the "Nominee") for all actions connected with their shareholding in the Company.

On the basis of this mandate, the Nominee is specifically required to:

- send requests for subscription, conversion, and redemption, grouped by share category, share class, sub-fund and distributor to the Company;
- be listed on the Company's register in its name "on behalf of a third party"; and
- exercise the investor's voting right (if any), according to the investor's instructions.

The Nominee must make every effort to keep an up-to-date electronic list of investors' names and addresses and the number of shares held; the status of shareholder can be verified via the confirmation letter sent to the investor by the Nominee.

Investors are informed that they may be required to pay additional fees for the activity of the above Nominee.

For further details, investors are invited to read the subscription documents available from their usual distributor.

### ***Preliminary Information***

Subscriptions, conversions and redemptions of shares are made with reference to their unknown net asset value (NAV). They may concern a number of shares or an amount.

The Board of Directors reserves the right to:

(a) refuse a subscription or conversion request for any reason whatsoever in whole or in part;

(b) redeem, at any time, shares held by persons who are not authorised to buy or hold the Company's shares;

(c) reject subscription, conversion or redemption requests from any investor who it suspects of using practices associated with Market Timing and Active Trading, and, where applicable, take necessary measures to protect the other investors in the Company, notably by charging an additional exit fees up to 2% of the order amount, to be retained by the sub-fund.

The Board of Directors is authorised to set minimum amounts for subscription, conversion, redemption and holding.

Subscriptions from entities which submit subscription applications and whose names show that they belong to one and the same group, or which have one central decision-making body, will be grouped together to calculate these minimum subscription amounts.

Should a share redemption or conversion request, a merger/splitting procedure, or any other event, have the effect of reducing the number or the total net book value of the shares held by a shareholder to below the number or value decided upon by the Board of Directors, the Company may redeem all the shares.

In certain cases stipulated in the section on suspension of the calculation of the NAV, the Board of Directors is authorised to temporarily suspend the issue, conversion and redemption of shares and the calculation of their net asset value.

The Board of Directors may decide, in the interest of the shareholders, to close a sub-fund, category and/or class for subscription or conversion in, under certain conditions and for the time it defines. Such a decision will not be published but the website www.bnpparibas-am.com will be updated accordingly.

**In connection with anti-money laundering procedures, the subscription form must be accompanied, in the case of an individual, by the identity card or passport of the subscriber, authenticated by a competent authority (for example, an embassy, consulate, notary, police superintendent) or by a financial institution subject to equivalent identification standards to those applicable in Luxembourg or the Articles of Association, and by an extract from the trade and companies register for a legal entity, in the following cases:**

1. **direct subscription to the Company;**
2. **subscription through a professional financial sector intermediary resident in a country that is not subject to an obligation for identification equivalent to Luxembourg standards as regards preventing the use of the financial system for the purposes of money laundering;**
3. **subscription through a subsidiary or branch office, the parent company of which would be subject to an obligation for identification equivalent to that required under Luxembourg law, if the law applicable to the parent company does not oblige it to ensure that its subsidiaries or branch offices adhere to these provisions.**

**The Company is also bound to identify the source of funds if they come from financial institutions that are not subject to an obligation for identification equivalent to those required under Luxembourg law. Subscriptions may be temporarily frozen pending identification of the source of the funds.**

**It is generally accepted that finance sector professionals resident in countries that have signed up to the conclusions of the FATF (Financial Action Task Force) on money laundering are deemed to have an obligation for identification equivalent to that required under Luxembourg law.**

### ***Processing of Personal Data***

In accordance with GDPR, when submitting a subscription request, personal data of the investor ("Personal Data") may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company and the Management Company (as data controllers) with a view to managing its account and business relationship (such as to maintain the register of shareholder, process requests, provide shareholder services, guard against unauthorised account access, conduct statistical analyses, provide information on other products and services and/or comply with various laws and regulations). To the extent that this usage so requires, the investor further authorises the sharing of this information with different service providers of the Company, including some of which that may be established outside of the European Union, who may need to process these Personal Data for carrying out their services and complying with their own legal obligations, but which may not have data protection requirements deemed equivalent to those prevailing in the European Union. The Personal Data may notably be processed for purposes of filing, order processing, responding to shareholder's requests, and providing them with information on other products and services. Neither the Company nor its Management Company will disclose such Personal Data on shareholder unless required to do so by specific regulations or where necessary for legitimate business interests.

Further detailed information in relation to the processing of Personal Data can be found in the Management Company's "Data Protection Notice" as well as on the "Personal Data Privacy Charter", which are accessible via the following link https://www.bnpparibas-am.com/en/footer/data-protection/

Each shareholder whose Personal Data has been processed has a right of access to his/her/its Personal Data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

***Subscriptions***

The shares will be issued at a price corresponding to the net asset value per share plus the entry fees as described in the above table.

For an order to be executed at the net asset value on a given valuation day, it must be received by the Company before the time and date specified in the detailed conditions for each sub-fund in Book II. Orders received after this deadline will be processed at the net asset value on the next valuation day.

In order to be accepted by the Company, the order must include all necessary information relating to the identification of the subscribed shares and the identity of the subscriber as described above.

Unless otherwise specified for a particular sub-fund, the subscription price of each share is payable in one of the valuation currencies of the shares concerned within the time period defined in Book II, increased, where necessary, by the applicable entry fees. At the shareholder's request, the payment may be made in a currency other than one of the valuation currencies. The exchange expenses will then be borne by the shareholder.

The Company reserves the right to postpone and/or cancel subscription requests if it is not certain that the appropriate payment will reach the Depositary within the required payment time or if the order is incomplete. The Board of Directors or its agent may process the request by applying an additional charge to reflect interest owed at the customary market rates; or cancelling the share allotment, as applicable accompanied by a request for compensation for any loss owing to failure to make payment before the stipulated time limit. The shares will not be assigned until the duly completed subscription request has been received accompanied by the payment or a document irrevocably guaranteeing that the payment will be made before the deadline. The Company cannot be held responsible for the delayed processing of incomplete orders.

Any outstanding balance remaining after subscription will be reimbursed to the shareholder, unless the amount is less than EUR 15 or its currency equivalent, as the case may be. Amounts thus not reimbursed will be retained by the relevant sub-fund.

The Board of Directors may accept the issue of shares in exchange for the contribution in kind of transferable securities, in accordance with the conditions defined by Luxembourg Law, in particular with respect to the obligation for the submission of a valuation report by the Auditor mentioned under “General Information” above, and provided that these transferable securities meet the Company’s investment policy and restrictions for the sub-fund concerned as described in Book II. Unless otherwise specified, the costs of such a transaction will be borne by the applicant.

***Conversions***

Without prejudice to the specific provisions of a sub-fund, category, or class, shareholders may request the conversion of some or all of their shares into shares of another sub-fund, category or class. The number of newly issued shares and the costs arising from the transaction are calculated in accordance with the formula described below.

Conversions are only permitted between the following categories:

| To<br>from | Classic | Privilege | I | X |
|---|---|---|---|---|
| Classic | Yes | Yes | Yes | No |
| Privilege | Yes | Yes | Yes | No |
| I | Yes | Yes | Yes | No |
| X | Yes | Yes | Yes | Yes |

Conversion principles of the sub-categories are the same as those of their mother-category.

For a conversion order to be executed at the net asset value on a given valuation day, it must be received by the Company before the time and date specified for each sub-fund in Book II. Orders received after this deadline will be processed at the net asset value on the next valuation day.

**Conversion Formula**

The number of shares allocated to a new sub-fund, category or class will be established according to the following formula:

$$A = \frac{B \times C \times E}{D}$$

*A* *being the number of shares to be allocated in the new sub-fund;*

*B* *being the number of shares of the original sub-fund to be converted;*

*C* *being the prevailing net asset value per share of the original sub-fund on the relevant Valuation Day;*

*D* *being the prevailing net asset value per share of the new sub-fund on the relevant Valuation Day; and*

*E* *being the exchange rate applicable at the time of the transaction between the currencies of the two concerned sub-funds*

Investors will be charged for any foreign exchange transactions carried out at their request.

In the case of shares held in account (with or without attribution of fractions of shares), any outstanding balance remaining after conversion will be reimbursed to the shareholder, unless the amount is less than EUR 15 or its currency equivalent, as the case may be. Amounts thus not reimbursed will be deemed belonging to the relevant sub-fund.

***Redemptions***

Subject to the exceptions and limitations prescribed in the Prospectus, all shareholders are entitled, at any time, to have their shares redeemed by the Company.

For an order to be executed at the net asset value on a given valuation day, it must be received by the Company before the time and date specified in the conditions for each sub-fund in Book II. Orders received after this deadline will be processed at the net asset value on the next valuation day.

In order to be accepted by the Company, the order must include all necessary information relating to the identification of the shares in question and the identity of the shareholder as described above.

Unless otherwise specified for a particular sub-fund, the redemption amount for each share will be reimbursed in the subscription currency, less, where necessary, the applicable exit fees.

At the shareholder's request, the payment may be made in a currency other than the subscription currency of the redeemed shares, in which case the exchange costs will be borne by the shareholder and charged against the redemption price. The redemption price of shares may be higher or lower than the price paid at the time of subscription (or conversion), depending on whether the net asset value has appreciated or depreciated in the interval.

The Company reserves the right to postpone redemption requests if the order is incomplete. The Company cannot be held responsible for the delayed processing of incomplete orders.

Redemptions in kind are possible upon specific approval of the Board of Directors, provided that the remaining shareholders are not prejudiced and that a valuation report is produced by the Company's Auditor. The type and kind of assets that may be transferred in such cases will be determined by the manager, taking into account the investment policy and restrictions of the sub-fund in question. The costs of such transfers may be borne by the applicant.

In the event that the total net redemption/conversion applications received for a given sub-fund on a Valuation Day equals or exceeds 10% of the net assets of the sub-fund in question, the Board of Directors may decide to split and/or defer the redemption/conversion applications on a pro-rata basis so as to reduce the number of shares redeemed/converted to date to 10% of the net assets of the sub-fund concerned. Any redemption/conversion applications deferred shall be given in priority in relation to redemption/conversion applications received on the next Valuation Day, again subject to the limit of 10% of net assets.

In the case of shares held in account (with or without attribution of fractions of shares), any outstanding balance remaining after redemption will be reimbursed to the shareholder, unless the amount is less than EUR 15 or its currency equivalent, as the case may be. Amounts thus not reimbursed will be deemed belonging to the relevant sub-fund.

***Stock exchange listing***

By decision of the Board of Directors, the shares may be admitted to official listing on the Luxembourg Stock Exchange and/or as applicable on another securities exchange.

At the date of this Prospectus, there are no shares listed on any stock exchange.

# NET ASSET VALUE

## CALCULATION OF THE NET ASSET VALUE PER SHARE

Each net asset value calculation will be made as follows under the responsibility of the Board of Directors:

(1) The net asset value will be calculated as specified in Book II.

(2) The net asset value per share will be calculated with reference to the total net assets of the corresponding sub-fund, category, or class. The total net assets of each sub-fund, category or class will be calculated by adding all the asset items held by each (including the entitlements or percentages held in certain internal sub-portfolios as more fully described in point 4, below) from which any related liabilities and commitments will be subtracted, all in accordance with the description in point 4, paragraph 4, below.

(3) The net asset value per share of each sub-fund, category or class will be calculated by dividing its respective total net assets by the number of shares in issue up to two decimal places, except for those currencies for which decimals are not used.

(4) Internally, in order to ensure the overall financial and administrative management of the set of assets belonging to one or more sub-funds, categories or classes, the Board of Directors may create as many internal sub-portfolios as there are sets of assets to be managed (the "internal sub-portfolios").

Accordingly, one or more sub-funds, categories or classes that have entirely or partially the same investment policy may combine the assets acquired by each of them in order to implement this investment policy in an internal sub-portfolio created for this purpose. The portion held by each sub-fund, category or class within each of these internal sub-portfolios may be expressed either in terms of percentages or in terms of entitlements, as specified in the following two paragraphs. The creation of an internal sub-portfolio will have the sole objective of facilitating the Company's financial and administrative management.

The holding percentages will be established solely on the basis of the contribution ratio of the assets of a given internal sub-portfolio. These holding percentages will be recalculated on each valuation day to take account of any redemptions, issues, conversions, distributions or any other events generally of any kind affecting any of the sub-funds, categories or classes concerned that would increase or decrease their participation in the internal sub-portfolio concerned.

The entitlements issued by a given internal sub-portfolio will be valued as regularly and according to identical methods as those mentioned in points 1, 2 and 3, above. The total number of entitlements issued will vary according to the distributions, redemptions, issues, conversions, or any other events generally of any kind affecting any of the sub-funds, categories or classes concerned that would increase or decrease their participation in the internal sub-portfolio concerned.

(5) Whatever the number of categories or classes created within a particular sub-fund, the total net assets of the sub-fund will be calculated at the intervals defined by Luxembourg Law, the Articles of Association or the Prospectus. The total net assets of each sub-fund will be calculated by adding together the total net assets of each category or class created within the sub-fund;

(6) Without prejudice to the information in point 4, above, concerning entitlements and holding percentages, and without prejudice to the particular rules that may be defined for one or more particular sub-funds, the net assets of the various sub-funds will be valued in accordance with the rules stipulated below.

## COMPOSITION OF ASSETS

The Company's assets primarily include:

(1) cash in hand and cash deposit including interest accrued but not yet received and interest accrued on these deposits until the payment date;

(2) all notes and bills payable on demand and accounts receivable (including the results of sales of securities before the proceeds have been received);

(3) all securities, units, shares, bonds, options or subscription rights and other investments and securities which are the property of the Company;

(4) all dividends and distributions to be received by the Company in cash or securities that the Company is aware of;

(5) all interest accrued but not yet received and all interest generated up to the payment date by securities which are the property of the Company, unless such interest is included in the principal of these securities;

(6) the Company's formation expenses, insofar as these have not been written down;

(7) all other assets, whatever their nature, including prepaid expenses.

## VALUATION RULES

The assets of each sub-fund shall be valued as follows:

(1) The value of cash in hand and cash deposit, prepaid expenses, and dividends and interest due but not yet received, shall comprise the nominal value of these assets, unless it is unlikely that this value could be received; in that event, the value will be determined by deducting an amount which the Company deems adequate to reflect the actual value of these assets;

(2) The value of shares or units in undertakings for collective investment shall be determined on the basis of the last net asset value available on the Valuation Day**.** If this price is not a true reflection, the valuation shall be based on the probable sale price estimated by the Board of Directors in a prudent and bona fide manner

(3) The valuation of all securities listed on a stock exchange or any other regulated market, which functions regularly, is recognised and accessible to the public, is based on the last known closing price on the Valuation Day, and, if the securities concerned are traded on several markets, on the basis of the last known closing price on the major market on which they are traded.

If the last known closing price is not a true reflection, the valuation shall be based on the probable sale price estimated by the Board of Directors in a prudent and bona fide manner.

The Board of Directors uses this possibility for the valuation of the securities listed on East Asia, South Asia, Southeast Asia, and Oceania markets. In these cases, the aforesaid last known closing price is adjusted by using a method reviewed by the auditors of the Company and monitored by the Management Company to reflect a fair value price of the concerned assets;

(4) Unlisted securities or securities not traded on a stock exchange or another regulated market which functions in a regular manner, is recognised and accessible to the public, shall be valued on the basis of the probable sale price estimated in a prudent and bona fide manner by a qualified professional appointed for this purpose by the Board of Directors;

(5) Securities denominated in a currency other than the currency in which the sub-fund concerned is denominated shall be converted at the exchange rate prevailing on the Valuation Day;

(6) If permitted by market practice, liquid assets, money market instruments and all other instruments may be valued at their nominal value plus accrued interest or according to the linear amortisation method. Any decision to value the assets in the portfolio using the linear amortisation method must be approved by the Board of Directors, which will record the reasons for such a decision. The Board of Directors will put in place appropriate checks and controls concerning the valuation of the instruments;

(7) The Board of Directors is authorised to draw up or amend the rules in respect of the relevant valuation principles after concertation with the different parties;

(8) IRS shall be valued on the basis of the difference between the value of all future interest payable by the Company to its counterparty on the valuation date at the zero coupon swap rate corresponding to the maturity of these payments and the value of all future interest payable by the counterparty to the Company on the valuation date at the zero coupon swap rate corresponding to the maturity of these payments;
(9) The internal valuation model for CDS utilises as inputs the CDS rate curve, the recovery rate and a discount rate (LIBOR or market swap rate) to calculate the mark-to-market. This internal model also produces the rate curve for default probabilities. To establish the CDS rate curve, data from a certain number of counterparties active in the CDS market are used. The manager uses the valuation of the counterparties' CDS to compare them with the values obtained from the internal model. The starting point for the construction of the internal model is parity between the variable portion and fixed portion of the CDS on signing the CDS.
(10) Since EDS are triggered by an event affecting a share, their valuation depends mainly on the volatility of the share and its asymmetrical position. The higher the volatility, the greater the risk that the share will reach the 70% threshold and therefore the greater the EDS spread. The spread of a company's CDS also reflects its volatility, since high volatility of the share indicates high volatility of the assets of the company in question and therefore a high probability of a credit event. Given that the spreads of both EDS and CDS are correlated with the implicit volatility of the shares, and that these relations have a tendency to remain stable over time, an EDS can be considered as a proxy for a CDS. The key point in the valuation of an EDS is to calculate the implicit probability of a share event. Two methods are generally accepted: the first consists of using the market spread of the CDS as input in a model to evaluate the EDS; the second uses historical data for the share in question to estimate the probability. Although historical data are not necessarily a proper guide as to what may happen in the future, such data can reflect the general behaviour of a share in crisis situation. In comparing the two approaches, it is very rare to see historic probabilities higher than the shares' implicit probabilities;
(11) The valuation of a CFD and TRS shall at any given time reflect the difference between the latest known price of the underlying stock and the valuation that was taken into account when the transaction was signed.

**COMPOSITION OF LIABILITIES**

The Company's liabilities primarily include:
(1) all loans, matured bills and accounts payable;
(2) all known liabilities, whether or not due, including all contractual obligations due and relating to payment in cash or kind, including the amount of dividends announced by the Company but yet to be paid;
(3) all reserves, authorised or approved by the Board of Directors, including reserves set up in order to cover a potential capital loss on certain of the Company's investments;
(4) any other undertakings given by the Company, except for those represented by the Company's equity. For the valuation of the amount of these liabilities, the Company shall take account of all the charges for which it is liable, including, without restriction, the costs of amendments to the Articles of Association, the Prospectus and any other document relating to the Company, management, advisory, performance and other fees and extraordinary expenses, any taxes and duties payable to government departments and stock exchanges, the costs of financial charges, bank charges or brokerage incurred upon the purchase and sale of assets or otherwise. When assessing the amount of these liabilities, the Company shall take account of regular and periodic administrative and other expenses on a prorata temporis basis.

The assets, liabilities, expenses and fees not allocated to a sub-fund, category, or class shall be apportioned to the various sub-funds, categories, or classes in equal parts or, subject to the amounts involved justifying this, proportionally to their respective net assets. Each of the Company's shares which is in the process of being redeemed shall be considered as a share issued and existing until closure on the Valuation Day relating to the redemption of such share and its price shall be considered as a liability of the Company as from closing on the date in question until such time as the price has been duly paid. Each share to be issued by the Company in accordance with subscription applications received shall be considered as being an amount due to the Company until such time as it has been duly received by the Company. As far as possible, account shall be taken of any investment or divestment decided by the Company until the Valuation Day.

**SUSPENSION OF THE CALCULATION OF NET ASSET VALUE AND THE ISSUE, CONVERSION AND REDEMPTION OF SHARES**

Without prejudice to legal causes for suspension, the Board of Directors may at any time temporarily suspend the calculation of the net asset value of shares of one or more sub-funds, as well as the issue, conversion and redemption in the following cases:
(a) during any period when one or more currency markets or a stock exchange, which are the main markets or exchanges where a substantial portion of a sub-fund's investments at a given time are listed, is/are closed, except for normal closing days, or during which trading is subject to major restrictions or is suspended;
(b) when the political, economic, military, currency, social situation or any event of force majeure beyond the responsibility or power of the Company makes it impossible to dispose of one assets by reasonable and normal means, without seriously harming the shareholders' interests;
(c) during any failure in the means of communication normally used to determine the price of any of the Company's investments or the going prices on a particular market or exchange;
(d) when restrictions on foreign exchange or transfer of capital prevents transactions from being carried out on behalf of the Company or when purchases or sales of the Company's assets cannot be carried out at normal exchange rates;
(e) as soon as a decision has been taken to either liquidate the Company or one or more sub-funds, categories or classes;
(f) to determine an exchange parity under a merger, partial business transfer, splitting or any restructuring operation within, by or in one or more sub-funds, categories or classes;
(g) for a "Feeder" sub-fund, when the net asset value, issue, conversion, or redemption of units, or shares of the "Master" sub-fund are suspended;
(h) any other cases when the Board of Directors estimates by a justified decision that such a suspension is necessary to safeguard the general interests of the shareholders concerned.

In the event the calculation of the net asset value is suspended, the Company shall immediately and in an appropriate manner inform the shareholders who requested the subscription, conversion or redemption of the shares of the sub-fund(s) in question.

In exceptional circumstances which could have a negative impact on shareholders' interests, or in the event of subscription, redemption or conversion applications exceeding 10% of a sub-funds' net assets, the Board of Directors reserves the right not to determine the value of a share until such time as the required purchases and sales of securities have been made on behalf of the sub-fund. In that event, subscription, redemption and conversion applications in the pipeline will be processed simultaneously on the basis of the net asset value so calculated.

Pending subscription, conversion and redemption applications may be withdrawn by written notification provided that such notification is received by the company prior to lifting of the suspension. Pending applications will be taken into account on the first calculation date following lifting of the suspension. If all pending applications cannot be processed on the same calculation date, the earliest applications shall take precedence over more recent applications.

**SWING PRICING**

**In certain market conditions, taking account of the volume of purchase and sale transactions in a given sub-fund, and the size of these transactions, the Board of Directors may consider that it is in the interest of shareholders to calculate the NAV per share based on the purchase and sale prices of the assets and/or by applying an estimate of the difference between the buy and sell prices applicable on the markets on which the assets are traded. The Board of Directors may further adjust the NAV for transaction fees and sales commissions at a level which normally does not exceed 1% of the NAV of the sub-fund at that time, provided however, that such limit could be raised beyond this maximum level when necessary and on a temporary basis to protect the interests of shareholders.**

## TAX PROVISIONS

### TAXATION OF THE COMPANY

At the date of the Prospectus, the Company is not liable to any Luxembourg income tax or capital gains tax.

The Company is liable to an annual *taxe d'abonnement* in Luxembourg representing 0.05% of the net asset value. This rate is reduced to 0.01% for:

a) sub-funds with the exclusive objective of collective investments in money market instruments and deposits with credit institutions;
b) sub-funds with the exclusive objective of collective investments with credit institutions;
c) sub-funds, categories or classes reserved for Institutional Investors, Managers, and UCIs.

The following are exempt from this *taxe d'abonnement*

a) the value of assets represented by units, or shares in other UCIs, provided that these units or shares have already been subject to the *taxe d'abonnement*;
b) sub-funds, categories, and/or classes:
   (i) whose securities are reserved to Institutional Investors, Managers or UCIs and
   (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and
   (iii) whose weighted residual portfolio maturity does not exceed 90 days, and
   (iv) that have obtained the highest possible rating from a recognised rating agency;
c) sub-funds, categories and/or classes reserved to:
   (i) institutions for occupational retirement pension or similar investment vehicles, set up at the initiative of one or more employers for the benefit of their employees, and
   (ii) companies having one or more employers investing funds to provide pension benefits to their employees;
d) sub-funds whose main objective is investment in microfinance institutions;
e) sub-funds, categories and/or classes:
   (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly that is recognized and open to the public, and
   (ii) whose exclusive object is to replicate the performance of one or several indices.

When due, the *taxe d'abonnement* is payable quarterly based on the relevant net assets and calculated at the end of the quarter for which it is applicable.

In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.

### TAXATION OF THE COMPANY'S INVESTMENTS

Some of the Company's portfolio income, especially income in dividends and interest, as well as certain capital gains, may be subject to tax at various rates and of different types in the countries in which they are generated. This income and capital gains may also be subject to withholding tax. Under certain circumstances, the Company may not be eligible for the international agreements preventing double taxation that exist between the Grand Duchy of Luxembourg and other countries. Some countries will only consider that persons taxable in Luxembourg qualify under these agreements.

### TAXATION OF SHAREHOLDERS

a) <u>Residents of the Grand Duchy of Luxembourg</u>

On the date of the Prospectus, the dividends earned and capital gains made on the sale of shares by residents of the Grand Duchy of Luxembourg are not subject to withholding tax.

Dividends are subject to income tax at the personal tax rate.

Capital gains made on the sale of shares are not subject to income tax if the shares are held for a period of over six months, except in the case of resident shareholders holding over 10% of the shares of the Company.

b) <u>Non-residents</u>

In principle, according to current law:

- the dividends earned and the capital gains made on the sale of shares by non-residents are not subject to Luxembourg withholding tax;
- the capital gains made by non-residents on the sale of shares are not subject to Luxembourg income tax.

Nevertheless, if there is a dual tax convention between the Grand Duchy and the shareholder's country of residence, the capital gains made on the sale of shares are tax-exempt in principle in Luxembourg, with the taxation authority being attributed to the shareholder's country of residence.

### EXCHANGE OF INFORMATION

a) <u>Residents of another member state of the European Union, including the French overseas departments, the Azores, Madeira, the Canary Islands, the Åland Islands and Gibraltar.</u>

Any individual who receives dividends from the Company or the proceeds from the sale of shares in the Company through a paying agent based in a state other than the one in which he resides is advised to seek information on the legal and regulatory provisions applicable to him.

In most countries covered by Directive 2011/16 and 2014/107, the total gross amount distributed by the Company and/or the total gross proceeds from the sale, refunding or redemption of shares in the Company will be reported to the tax authorities in the state of residence of the beneficial owner of the income.

b) <u>Residents of third countries or territories</u>

No withholding tax is levied on interest paid to residents of third countries or territories.

Nevertheless, in the framework of Automatic Exchange of Information package (AEOI) covering fiscal matters elaborated by OECD.

The Management Company may need to collect and disclose information about the Company's shareholders to third parties, including the tax authorities of the participating country in which the beneficiary is tax resident, for the purpose of onward transmission to the relevant jurisdictions. The data of financial and personal information as defined by this regulation which will be disclosed may include (but is not limited to) the identity of the Company's shareholders and their direct or indirect beneficiaries, beneficial owners and controlling persons. A shareholder will therefore be required to comply with any reasonable request from the Management Company for such information, to allow the Management Company to comply with its reporting requirements. The list of AEOI participating countries is available on the website http://www.oecd.org/tax/automatic-exchange/

c) US Tax

Under the Foreign Account Tax Compliance Act ("FATCA") provisions which entered into force as from July 1, 2014, in the case the Company invests directly or indirectly in US assets, income received from such US investments might be subject to a 30% US withholding tax.

To avoid such withholding tax, the Grand Duchy of Luxembourg has entered, on March 28, 2014, into an intergovernmental agreement (the "IGA") with the United States under which the Luxembourg financial institutions have to undertake due diligence to report certain information on their direct or indirect U.S. investors to the Luxembourg Tax authorities. Such information will be onward reported by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

**The foregoing provisions are based on the Law and practices currently in force, and might be subject to change. Potential investors are advised to seek information in their country of origin, place of tax residence or domicile on the possible tax consequences associated with their investment. The attention of investors is also drawn to certain tax provisions specific to several countries in which the Company publicly trades its shares.**

## GENERAL MEETINGS AND INFORMATION FOR SHAREHOLDERS

### GENERAL SHAREHOLDERS' MEETINGS

The Annual General Shareholders' Meeting is held at 2.00pm on the third Friday of July at the Company's registered office or any other location in the Grand Duchy of Luxembourg specified in the notice to attend the meeting. If that day is not a bank business day in Luxembourg, the Annual General Meeting will be held on the following bank business day. Other General Meetings may be convened in accordance with the prescriptions of Luxembourg law and the Company's Articles of Association.

Notices inviting shareholders to attend General Meetings will be published according to the forms and times prescribed in Luxembourg law and the Company's Articles of Association, and at least with a 14 days prior notice.

Similarly, General Meetings will be conducted as prescribed by Luxembourg law and the Company's Articles of Association.

Every share, irrespective of its unit value, entitles its holder to one vote. All shares have equal weight in decisions taken at the General Meeting when decisions concern the Company as a whole. When decisions concern the specific rights of shareholders of one sub-fund, category or class, only the holders of shares of that sub-fund, category or class may vote.

### INFORMATION FOR SHAREHOLDERS

***Net Asset Values and Dividends***

The Company publishes the legally required information in the Grand Duchy of Luxembourg and in all other countries where the shares are publicly offered.

This information is also available on the website www.bnpparibas-am.com.

***Financial Year***

The Company's financial year starts on 1st April and ends on 31st March.

***Financial Reports***

The Company publishes an annual report closed on the last day of the financial year, certified by the auditors, as well as a non-certified, semi-annual interim report closed on the last day of the sixth month of the financial year. The Company is authorised to publish a simplified version of the financial report when required.

The financial reports of each sub-fund are published in the Accounting Currency of the sub-fund, although the consolidated accounts of the Company are expressed in euro.

The annual report is made public within four months of the end of the financial year and the interim report within two months of the end of the half-year.

***Documents for Consultation***

The Articles of Association, the Prospectus, the KIID, and periodic reports may be consulted at the Company's registered office and at the establishments responsible for the Company's financial service. Copies of the Articles of Association and the annual and interim reports are available upon request.

Except for the newspaper publications required by Law, the official media to obtain any notice to shareholders from the Company will be the website www.bnpparibas-am.com.

Documents and information are also available on the website www.bnpparibas-am.com.

# APPENDIX 1 – INVESTMENT RESTRICTIONS

## I. GENERAL RULES

### ELIGIBLE ASSETS

**1. Transferable securities**

Transferable securities must be listed or traded on an official stock exchange or on a regulated market (a market that operated regularly, is recognised and is open to the public) in an eligible state (i.e. a Member State or a Third Country).

Recently issued transferable securities must include in their terms of issue an undertaking that an application will be made for admission to official listing on a regulated market and such admission must be secured within a year of issue.

**2. Money market instruments**

A money market instrument shall fall within one of the categories below:

a) it is listed or traded on an official stock exchange, or on a regulated market (a market that operated regularly, is recognised and is open to the public) in an eligible state (i.e. a Member State or a Third Country);

b) it does not meet the requirements of point (a) but it is subject (at the securities or issuer level) to regulation aimed at protecting investors and savings, provided that it is:

   i. issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or a member of a federation; or

   ii. issued by an undertaking any securities of which are dealt in on regulated markets referred to in point (a);or

   iii. issued or guaranteed by an establishment subject to, and which complies with European Union prudential supervision rules or others rules at least considered to be stringent; or

   iv. issued by other bodies belonging to the categories approved by the CSSF provided that the investments in such instruments are subject to investor protection equivalent to that laid down in points (i), (ii) or (iii) above, and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 000 000 and which presents and publishes its annual accounts in accordance with the Directive 78/660, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**3. Units or Shares of UCITS or other UCIs**

A sub-fund may invest in units or shares of UCITS and/or other UCIs, whether or not established in a Member State, provided that:

a) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU legislation, and that cooperation between authorities is sufficiently ensured;

b) the level of protection to unitholders or shareholders in these other UCIs is equivalent to that provided for unitholders or shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65;

c) the business of these other UCIs is reported in semi-annual interim and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; and

d) no more than 10% of the assets of the UCITS or of the other UCIs whose acquisition is contemplated can, according to their management regulations or articles of association, be invested in aggregate in units or shares of other UCITS or other UCIs.

**4. Shares of other sub-funds of the Company**

A sub-fund may acquire shares of one or more other sub-funds of the Company (the target sub-fund), provided that:

- the target sub-fund does not, in turn, invest in the sub-fund;
- the proportion of assets that each target sub-fund invests in other target sub-funds of the Company does not exceed 10%;
- any voting rights attached to the shares of the target sub-funds are suspended for as long as they are held by the sub-fund and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any events, for as long as these target sub-fund shares are held by the Company, their value shall not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of net assets required by the law.

**5. Deposits with credit institutions**

A deposit with a credit institution is eligible for investment by a sub-fund provided that all of the following conditions are fulfilled:

a) The deposit is repayable on demand or is able to be withdrawn at any time;

b) The deposit matures in no more than 12 months;

c) The credit institution has its registered office in a Member State or, where the credit institution has its registered office in a Third Country, it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU legislation.

**6. Financial derivatives instruments**

Financial derivative instruments, including equivalent cash-settled instruments, must be dealt in on a regulated market referred to in point 1 above or financial derivative instruments dealt in over-the-counter (OTC) derivatives, provided that:

a) The underlying of the derivative consists of instruments covered by points 1, 2, 3 and 6 above, financial indices, interest rates, foreign exchange rates or currencies, in which the corresponding sub-fund may invest according to its investment objectives as stated in the Company's Articles of Association;

b) The counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF, and

c) The OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

**7. Cash and cash equivalents**

The Company may hold ancillary liquid assets.

**8. Movable and immovable properties**

The Company may acquire movable or immovable property which is essential for the direct pursuit of its business.

**9. Borrowing**

A sub-fund may acquire currencies by means of "back-to-back" loans.

A sub-fund may borrow provided that such borrowing:

a) is made on a temporary basis and represents no more than 10% of its assets;
b) allows the acquisition of immovable property essential for the direct pursuit of its business and represents no more than 10% of its assets.

Such borrowing shall not exceed 15% of its assets in total.

**PROHIBITED ACTIVITIES**

A sub-fund shall not:

a) Acquire either precious metals or certificates representing them;
b) Grant loans or act as a guarantor on behalf of third parties; this shall not prevent a sub-fund from acquiring transferable securities, money market instruments or other financial instruments referred to as Eligible Assets which are not fully paid;
c) Carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to as Eligible Assets.

**DIVERSIFICATION RULES**

The sub-funds are not required to comply with the limits laid down in this Appendix when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

While ensuring observance of the principle of risk spreading, recently authorised sub-funds are allowed to derogate from Diversification Rules below for six months following the date of their authorisation.

If these limits are exceeded for reasons beyond the control of the sub-fund or as a result of the exercise of subscription rights, the sub-fund shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

A sub-fund may, in compliance with the applicable limits laid down in this Appendix and in the best interest of the shareholders, temporarily adopt a more defensive attitude by holding more liquid assets in the portfolio. This could be as a result of the prevailing market conditions or on account of liquidation or merger events or when the Sub-Fund approached maturity. In such circumstances, the Sub-Fund concerned may prove to be incapable in the interest the shareholders of pursuing its investment objective as a temporary measure, which may affect its performance.

1. A sub-fund shall not invest more than 10% of its assets in transferable securities, or money market instruments other than those referred to as Eligible Assets.
2.
    a) A sub-fund shall invest no more than:
        i. 10% of its assets in transferable securities or money market instruments issued by the same body; or
        ii. 20% of its assets in deposits made with the same body.

        The risk exposure to a counterparty of a sub-fund in an OTC derivative transaction shall not exceed either:
        i. 10% of its assets when the counterparty is a credit institution referred to in point 5 of Eligible Assets; or
        ii. 5% of its assets, in other cases.
    b) The total value of the transferable securities and the money market instruments held by a sub-fund in the issuing bodies in each of which it invests more than 5% of its assets shall not exceed 40% of the value of its assets. That limitation shall not apply to deposits or OTC derivative transactions made with financial institutions subject to prudential supervision.

        Notwithstanding the individual limits laid down in paragraph a), a sub-fund shall not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:
        i. investments in transferable securities or money market instruments issued by that body;
        ii. deposits made with that body; or
        iii. exposure arising from OTC derivative transactions undertaken with that body.
    c) The 10% limit laid down in paragraph a) point (i) may be raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a Third Country or by public international body to which one or more Member States belong.
    d) The 10% limit laid down in the paragraph a) point (i) may be raised to a maximum of 25% where bonds are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

        Where a sub-fund invests more than 5% of its assets in the bonds referred to in this paragraph d) which are issued by a single issuer, the total value of these investments shall not exceed 80% of the value of the assets of the sub-fund.
    e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph b).

        The limits provided for in paragraph a), b), c) and d) shall not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with paragraph a), b), c) and d) shall not exceed in total 35% of the assets of the sub-fund.

        Companies which are included in the same group for the purposes of consolidated accounts, as defined in Directive 83/349 or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in this section.

        A sub-fund may cumulatively invest in transferable securities and money market instruments within the same group up to 20% of its assets.
3. Without prejudice to the Limits to Prevent Concentration of Ownership below., the limits laid down in point 2. are raised to a maximum of 20% for investments in shares or debt securities issued by the same body, when the aim of the sub-fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
    i. its composition is sufficiently diversified;
    ii. the index represents an adequate benchmark for the market to which it refers; and
    iii. it is published in an appropriate manner.

This limit of 20% shall be raised to a maximum of 35% where that proves to be justified by exceptional market conditions (such as, but not limited to, disruptive market conditions or extremely volatile markets) in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to that limit shall be permitted only for a single issuer.

**4. As an exception to point 2., in accordance with the principle of risk-spreading, a sub-fund shall invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a Third Country part of the OECD, Brazil, People's Republic of China, India, Russia, Singapore and South Africa, or a public international body to which one or more Member States belong.**
**Such a sub-fund shall hold securities from at least six different issues, but securities from any single issue shall not account for more than 30% of its total assets.**

5.

a) A sub-fund may acquire the units or shares of UCITS or other UCIs referred to as Eligible Assets, provided that no more than 20% of its assets are invested in units or shares of a single UCITS or other UCI. For the purposes of the application of this investment limit, each sub-fund in a multi-sub-fund UCI, is considered as a separate issuer, provided that the principle of segregation of the commitments of the different sub-funds with regard to third parties is assured.

b) Investments made in units or shares of UCIs other than UCITS shall not exceed, in aggregate, 30% of the assets of a sub-fund. Where a sub-fund has acquired units or shares of another UCITS or UCIs, the assets of the respective UCITS or other UCIs are not combined for the purposes of the limits laid down in point 2.

c) Due to the fact that the Company may invest in UCI units, or shares, the investor is exposed to a risk of fees doubling (for example, the management fees of the UCI in which the Company is invested).

A sub-fund may not invest in a UCITS, or other UCI (underlying), with a management fee exceeding 3% per annum.

Where a sub-fund invests in the units or shares of other UCITS or UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, the sub-fund will not incur any entry or exit costs for the units or shares of these underlying assets.

The maximum annual management fee payable directly by the sub-fund is defined in Book II.

**LIMIT TO PREVENT CONCENTRATION OF OWNERSHIP**

1. The Company shall not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
2. A sub-fund may acquire no more than:
   i. 10% of the non-voting shares of a single issuing body;
   ii. 10% of debt securities of a single issuing body;
   iii. 25% of the units or shares of a single sub-fund of UCITS or other UCI; or
   iv. 10% of the money market instruments of a single issuing body.

   The limits laid down in points ii., iii. and iv. may be disregarded at the time of acquisition if, at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue, cannot be calculated.
3. Points 1. and 2. above do not apply with regard to:
   i. transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
   ii. transferable securities and money market instruments issued or guaranteed by a country which is not a European Union Member State ;
   iii. transferable securities and money market instruments issued by a public international body to which one or more European Union Member States belong;
   iv. shares held by the Company in the capital of a company incorporated in a Third Country investing its assets mainly in the securities of issuing bodies having their registered offices in that country, where under the legislation of that country, such a holding represents the only way in which the Company can invest in the securities of issuing of that country. This derogation shall apply only if in its investment policy the company from the Third Country complies with the limits laid down in Diversification Rules (points 2 and 5) and Limits To Prevent Concentration of Ownership (points 1 and 2).

**MASTER- FEEDER STRUCTURE**

By way of derogation to Diversification Rules above, a sub-fund designed as "the Feeder" may invest:

a) at least 85% of its assets in units, or shares of another UCITS or another sub-fund of UCITS (the "Master");

b) up to 15% of its assets in one or more of the following:
   - ancillary liquid assets,
   - financial derivative instruments, which may be used only for hedging purpose in accordance with Appendix 2;
   - movable and immovable property which is essential for the direct pursuit of its business.

**ADDITIONAL RESTRICTIONS IMPOSED BY SPECIFIC JURISDICTIONS**

Any sub-fund registered in multiple jurisdictions will comply with the restrictions for all jurisdictions where it is registered.

**1. Hong Kong**

As an exception, the following sub-funds registered in Hong Kong may not invest more than 10% of their assets in transferable 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 (the "non-investment grade securities of a single sovereign issuer"):

"Dynamic Portfolio", "European Multi-Asset Income"

**2. Korea**

Notwithstanding the foregoing statement, the following sub-funds registered in Korea shall not invest more than 35% of their assets in transferable securities and money market instruments issued by or guaranteed by a government which is not a member state of either the EU or OECD or its local authority:

"European Multi-Asset Income"

# APPENDIX 2 – TECHNIQUES, FINANCIAL INSTRUMENTS, AND INVESTMENT POLICIES

## FINANCIAL DERIVATIVE INSTRUMENTS

### 1. General Information

Without prejudice to any stipulations for one or more particular sub-funds, the Company is authorised, for each sub-fund and in conformity with the conditions set out below, to use financial derivative instruments for hedging, efficient portfolio management or trading (investment) purposes, in accordance with point 6 of Eligible Assets in Section 1 of the Appendix 1 of the Prospectus (the "Appendix 1").

Each sub-fund may, in the context of its investment policy and within the limits defined in Section 1 of the Appendix 1, invest in financial derivative instruments provided that the total risk to which the underlying assets are exposed does not exceed the investment limits stipulated in Diversification Rules of Appendix 1. When a sub-fund invests in financial derivative instruments based on an **index**, these investments are not necessarily combined with the Diversification Rules.

When a transferable security or a money market instrument comprises a derivative instrument, the derivative instrument must be taken into account for the application of the present provisions.

**Calculation of counterparty risk linked to OTC derivative instruments**

In conformity with the Diversification Rules, the counterparty risk linked to OTC derivatives and efficient portfolio management techniques concluded by a sub-fund may not exceed 10% of its assets when the counterparty is a credit institution cited in point 5 of Eligible Assets in Appendix 1, or 5% of its assets in other cases.

The counterparty risk linked to OTC financial derivatives shall be based, as the positive mark to market value of the contract.

**Valuation of OTC derivatives**

The Management Company will establish, document, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of OTC derivatives.

**Efficient Portfolio Management techniques**

A sub-fund can use financial derivative instruments and Securities Financing Transactions for efficient portfolio management purpose provided that:

(a) They are economically appropriate in that they are realised in a cost-effective way;

(b) They are entered into for one or more of the following specific aims:

- (i) reduction of risk;
- (ii) reduction of cost;
- (iii) generation of additional capital or income for a sub-fund with a level of risk which is consistent with the risk profile of the sub-fund and the Diversification Rules;

(c) Their risks are adequately captured by the risk management process of the sub-fund.

Efficient portfolio management shall not :

a) result in a change of the investment objective of the concerned sub-fund; or

b) add substantial additional risks in comparison to the original risk policy of the sub-fund.

Direct and indirect operational costs/fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to the concerned sub-funds. These costs and fees will not include hidden revenues.

The following information is disclosed in the annual report of the Company:

a) the exposure of each sub-fund obtained through efficient portfolio management techniques;

b) the identity of the counterparty(ies) to these efficient portfolio management techniques;

c) the type and amount of collateral received by the sub-funds to reduce counterparty exposure; and

d) the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

### 2. Types of Financial Derivative Instruments

In compliance with its investment policy as detailed in Book II, a sub-fund may use a range of core derivatives and/or additional derivatives as described below.

#### 2.1. Core Derivatives

A sub-fund may use a range of core derivatives such as:

- (i) Foreign exchange swaps;
- (ii) Forwards, such as foreign exchange contracts;
- (iii) Interest Rate Swaps – IRS;
- (iv) Financial Futures (on equities, interest rates, indices, bonds, currencies, commodity indices, or volatility indices);
- (v) Options (on equities, interest rates, indices, bonds, currencies, or commodity indices).

#### 2.2. Additional Derivatives

A sub-fund may use a range of additional derivatives such as:

- (i) Credit Default Swap - CDS (on Bonds, indices..), in order to express views on changes in perceived or actual creditworthiness of borrowers including companies, agencies, and governments, and the hedging of those risks;
- (ii) Total Return Swaps - TRS (as defined in point 5 below);
- (iii) All other Swaps: Equity Basket Swaps, Commodity Index Swaps, variance and volatility swaps, inflation swaps;
- (iv) Equity Linked Notes – ELN;
- (v) Contract For Difference – CFD;
- (vi) Warrants;
- (vii) Swaptions;
- (viii) structured financial derivatives, such as credit-linked and equity-linked securities;

(ix) To-be-announced (TBA).

### 3. Usage of Financial Derivative Instruments

A sub-fund may have recourse to derivatives as described below:

#### 3.1. Hedging

Hedging aims at reducing such as but not limited to the credit risks, currency risks, market risks, interest rate (duration) risks, Inflation risks.

Hedging occurs at a portfolio level or, in respect of currency, at share class level.

#### 3.2. Efficient Portfolio Management (EPM)

Efficient portfolio management aims at using derivatives instead of a direct investment when derivatives are a cost effective way, the quickest way or the only authorized way to get exposure to particular market a particular security or an acceptable proxy to perform any ex-post exposure adjustement to a particular markets, sectors or currencies, managing duration, yield curve exposure or credit spread volatility in order to reach the investment objective of the sub-fund.

#### 3.3. Investment

Investment purpose aims at using derivatives such as but not limited to enhance returns for the sub-fund, gaining on a particular markets, sectors or currencies and/or implementing investment strategies that can only be achieved through derivatives, such as a “long-short” strategy.

The table below sets out the main types of derivatives used for each sub-fund and what they are used for:

| *Sub-funds* | *Structural use of derivative* | VaR | Core | Additional Derivatives | | | | | | | Purpose of derivatives | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | TRS | CDS | Other Swaps | Swaption | Warrant | CFD | others | hedging | EPM | investment |
| Capital Builder | No | No | X | X | X | | | | | | X | X | |
| Dynamic Portfolio | No | No | X | | | | | | | | X | X | |
| European Multi-Asset Income | No | No | X | X | X | X | | X | | | X | X | |
| Global Bond Portfolio 2024 | No | No | X | | | | | | | | X | X | |
| Global Fixed Rate Portfolio 2024 | No | No | X | | | | | | | | X | X | |

### 4. <u>Global Exposure</u>

*Determination of the global exposure*

According to the Circular 11/512, the Management Company must calculate the sub-fund’s global exposure at least **once a day**. The limits on global exposure must be complied with on an ongoing basis.

It is the responsibility of the Management Company to select an appropriate methodology to calculate the global exposure. More specifically, the selection should be based on the self-assessment by the Management Company of the sub-fund’s risk profile resulting from its investment policy (including its use of financial derivative instruments).

*Risk measurement methodology according to the sub-fund’s risk profile*

The sub-funds are classified after a self-assessment of their risk profile resulting from their investments policy including their inherent derivative investment strategy that determines two risk measurements methodologies:

- The advanced risk measurement methodology such as the Value-at-Risk (VaR) approach to calculate global exposure where:
  (a) The sub-fund engages in complex investment strategies which represent more than a negligible part of the sub-funds’ investment policy;
  (b) The sub-fund has more than a negligible exposure to exotic financial derivative instruments; or
  (c) The commitment approach doesn’t adequately capture the market risk of the portfolio.
- The commitment approach methodology to calculate the global exposure should be used in every other case.

**There is currently no sub-fund under VaR. All the existing sub-funds use the commitment approach methodology.**

#### 4.1. Commitment approach methodology

- The commitment conversion methodology for **standard derivatives** is always the market value of the equivalent position in the underlying asset. This may be replaced by the notional value or the price of the futures contract where this is more conservative.
- For **non-standard derivatives**, an alternative approach may be used provided that the total amount of the financial derivative instruments represents a negligible portion of the sub-fund’s portfolio;
- For **structured sub-funds**, the calculation method is described in the ESMA/2011/112 guidelines.

A financial derivative instrument is not taken into account when calculating the commitment if it meets both of the following conditions:

(a) The combined holding by the sub-fund of a financial derivative instrument relating to a financial asset and cash which is invested in risk free assets is equivalent to holding a cash position in the given financial asset.

(b) The financial derivative instrument is not considered to generate any incremental exposure and leverage or market risk.

The sub-fund’s total commitment to financial derivative instruments, limited to 100 % of the portfolio’s total net value, is quantified as the sum, as an absolute value, of the individual commitments, after possible netting and hedging arrangements.

#### 4.2. VaR (Value at Risk) methodology

The global exposure is determined on a daily basis by calculating, the maximum potential loss at a given confidence level over a specific time period under normal market conditions.

Given the sub-fund’s risk profile and investment strategy, the **relative VaR approach** or the **absolute VaR approach** can be used:

- In the **relative VaR approach**, a leverage free reference portfolio reflecting the investment strategy is defined and the sub-fund’s VaR cannot be greater than twice the reference portfolio VaR.
- The **absolute VaR approach** concerns sub-funds investing in multi-asset classes and that do not define any investment target in relation to a benchmark but rather as an absolute return target; the level of the absolute VaR is strictly limited to 20%.

The **VaR limits** should always be set according to the defined risk profile.

To calculate VaR, the following parameters must be used: a 99% degree of confidence, a holding period of one month (20 days), an actual (historical) observation period for risk factors of at least 1 year (250 days)

The Management Company carries out a monthly **back testing** program and reports on a quarterly basis the excessive number of outlier to the senior management.

The Management Company calculates **stress tests** on a monthly basis in order to facilitate the management of risks associated with possible abnormal movements of the market.

**4.3. Global Exposure for Feeder sub-funds**

The global exposure of a Feeder sub-fund will be calculated by combining its own exposure through financial derivative instruments, with either:

a) the Master actual exposure through financial derivative instruments in proportion to the Feeder investment into the Master; or

b) the Master potential maximal global exposure related to financial derivative instruments as defined by the Master' management rules, or Articles of Association in proportion to the Feeder investment into the Master.

## 5. TRS

TRS can be used for both hedging and/or investment purposes.

When a sub-fund enters into a TRS or invests in other financial derivative instruments with similar characteristics, its assets will also comply with the provisions of Appendix 1. The underlying exposures of the TRS or other financial derivative instruments with similar characteristics shall be taken into accounts to calculate the Diversification Rules laid down in Appendix 1.

When a sub-fund enters into TRS or invests in financial derivative instruments with similar characteristics, the underlying strategy and composition of the investment portfolio or index are described in Book II, and the following information will be disclosed in the annual report of the Company:

a) The identification of the counterparty(ies) of the transactions;

b) The underlying exposure obtained through financial derivative instruments;

c) The type and amount of collateral received by the sub-funds to reduce counterparty exposure.

The counterparty does not assume any discretion over the composition or management of the sub-funds' investment portfolio or over the underlying of the financial derivative instruments, and its approval is not required in relation to any sub-fund investment portfolio transaction.

*Policy on sharing of return generated by TRS*

The return of the swap transaction, being the spread between the two legs of the transaction, is completely allocated to the sub-fund when positive, or completely charged to the sub-fund when negative. There are neither costs nor fees specific to the swap transaction charged to the sub-fund that would constitute revenue for the Management Company or another party.

*List of sub-funds using TRS*

The sub-funds using TRS, the maximum proportion of assets that can be subject to them and the expected proportion of assets that will be subject to each of them are listed below:

| Sub-fund | TRS/ NAV | | |
|---|---|---|---|
| | Expected | Maximum | Type of TRS |
| Capital Builder | 50% | 100% | unfunded |
| European Multi-Asset Income | 50% | 100% | unfunded and funded |

The expected proportion mentioned in the above table is defined as the sum of the absolute values of TRS nominals (with neither netting nor hedging arrangement) divided by the NAV. It is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions. A higher level reflected by the maximum could be reached during the life of the sub-fund and the Prospectus will be modified accordingly.

**SECURITIES FINANCING TRANSACTIONS ("SFT")**

In accordance with the Regulation 2015/2365 and Circulars 08/356 and 14/592, the Company may enter in securities financing transaction for the purpose of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund.

*List of sub-funds using SFT*

The sub-funds using SFT, the maximum proportion of assets that can be subject to them and the expected proportion of assets that will be subject to each of them are listed below provided that the expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions:

| Sub-fund | Repurchase transactions / NAV | | Reverse Repurchase transactions / NAV | |
|---|---|---|---|---|
| | Expected | Maximum | Expected | Maximum |
| European Multi-Asset Income | 50% | 100% | 50% | 100% |

*Policy on sharing of return generated by SFT*

The return of SFT, being the difference of market values between the two legs of the transactions, is completely allocated to the sub-fund when positive, or completely charged to the sub-fund when negative. There are neither costs nor fees specific to SFT charged to the sub-fund that would constitute an income for the Management Company or another party.

**Repurchase transactions / Reverse Repurchase transactions**

A Repurchase transaction consists of a forward transaction at the maturity of which the sub-fund has the obligation to repurchase the asset sold and the buyer (the counterparty) the obligation to return the asset received under the transaction.

A Reverse Repurchase transaction consists of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the asset sold and the sub-fund the obligation to return the asset received under the transaction.

However, the involvement of a sub-fund in such agreements is subject to the following rules:

a) Each sub-fund may buy or sell securities with repurchase options only if the counterparties in these agreements are first-rank financial institutions specialising in this type of transaction; and

b) During the lifetime of a reverse repurchase agreement, a sub-fund may not sell the securities forming the subject of the contract until the counterparty's repurchase option has been exercised or the reverse repurchase term has expired.

In addition, each sub-fund must ensure that the value of the reverse repurchase transaction is at a level that the sub-fund is capable at all times to meet its redemption obligation towards shareholders.

*Eligible securities for reverse repurchase transaction:*

a) Short-term bank certificates;

b) Money market instruments;

c) Bonds issued or guaranteed by a member of state of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature;

d) Money market UCIs (daily calculation and S&P AAA rated or equivalent);

e) Bonds issued by non-governmental issuers offering an adequate liquidity;

f) Shares listed or dealt on a regulated market of the EU or on a stock exchange of a member state of the OECD, provided that they are included in a main index.

*Limits for reverse repurchase transactions*

The securities which are the subject of reverse repurchase transactions must be compliant with the investment policy of the Company and must together with the other securities which the Company holds in its portfolio, globally comply with the investment restrictions of the Company.

A sub-fund that enters into a reverse repurchase agreement will ensure that:

- At any time the sub-fund may recall the full amount of cash or terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the sub-fund.
- At any time the sub-fund may recall any securities subject to the repurchase agreement or terminate the repurchase agreement into which it has entered.
- Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the sub-fund.

*Limits for repurchase transactions*

The assets received must be considered as collateral.

**MANAGEMENT OF COLLATERAL IN RESPECT OF OTC DERIVATIVES AND SFT**

Assets received from counterparties in respect of Financial Derivative Instruments and Securities Financial Transactions other than currency forwards constitute collateral in accordance with the Regulation 2015/2365 and Circular 14/592.

All collateral used to reduce counterparty risk exposure will comply with the following criteria at all times:

*Liquidity*

Any collateral received other than cash will be highly liquid and dealt in on a regulated market or multilateral trading facility with transparent pricing in order to be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the Limit To Prevent Concentration of Ownership of Appendix 1.

*Valuation*

Collateral received will be valued on at least a daily basis , according to mark-to-market, and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place, dependant on the issuer's credit quality and the maturity of the received securities.

*Risks*

Risk linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated by the risk management process.

*Safe-keeping (also for securities subject to TRS and SFT)*

Where there is a title transfer, the collateral received will be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

*Enforcement*

Collateral received will be capable of being fully enforced at any time without reference to or approval from the counterparty. The Company must ensure that it is able to claim its right on the collateral in case of the occurrence of any event requiring the execution thereof. Therefore the collateral must be available at all time either directly or through the intermediary of the counterparty, in such a manner that the Company is able to appropriate or realise the securities given as collateral without delay if the counterparty fails to comply with its obligation to return the securities.

*Collateral diversification (asset concentration)*

Collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the sub-fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a sub-fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any European Union Member State, one or more of its local authorities, a third country part of the OECD, Brazil, People's Republic of China, India, Russia, Singapore and South Africa, or a public international body to which one or more European Union Member States belong. Such a sub-fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the sub-fund' net asset value.

The collateral received by a sub-fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

*Stress testing*

For all the sub-funds receiving collateral for at least 30% of their assets, the Management Company will set up, in accordance with the Circular 14/592, an appropriate stress testing policy to ensure regular stress tests under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral.

*Haircut policy*

The Management Company will set up, in accordance with the Circular 14/592, a clear haircut policy adapted for each class of assets received as collateral.

*Acceptable Collateral* - Public regulatory grid

| Asset Class | Minimum Rating accepted | Margin required / NAV | Cap by asset class / NAV | Cap by Issuer / NAV |
|---|---|---|---|---|
| Cash (EUR, USD, GBP or other Valuation Currency) | | [100 - 110%] | 100% | |
| Fixed Income | | | | |
| *Eligible OECD Government Bonds* | BBB | [100 - 115%] | 100% | 20% |
| *Eligible Supra & Agencies* | AA- | [100 - 110%] | 100% | 20% |
| *Other Eligible Countries Government Bonds* | BBB | [100 - 115%] | 100% | 20% |
| *Eligible OECD Corporate Bonds* | A | [100 - 117%] | 100% | 20% |
| *Eligible OECD Corporate Bonds* | BBB | [100 - 140%] | [10% - 30%] | 20% |
| *Eligible OECD Convertible Bonds* | A | [100 - 117%] | [10% - 30%] | 20% |
| *Eligible OECD Convertible Bonds* | BBB | [100 - 140%] | [10% - 30%] | 20% |
| *Money Market Units (1)* | UCITS IV | [100 - 110%] | 100% | 20% |
| *CD's (eligible OECD and other eligible countries)* | A | [100 - 107%] | [10% - 30%] | 20% |
| *Eligible indices & Single equities linked* | | [100% - 140%] | 100% | 20% |
| *Securitization (2)* | | [100% - 132%] | 100% | 20% |

*(1) Only Money Markets funds managed by BNPP AM. Any other UCITS eligible only upon ad-hoc approval by BNPP AM Risk*

*(2) Subject to conditions and ad-hoc approval by BNPP AM Risk*

*Applicable limits*

(i) Limits applicable to non-cash collateral

In accordance with ESMA guidelines, non-cash collateral received by the Company should not be sold, re-invested or pledged.

Given the high quality of the acceptable collateral and the high quality nature of the selected counterparties, there is no maturity constraints applicable to the collateral received.

(ii) Limits applicable to cash collateral

Cash collateral received should only be:

- placed on deposit with entities prescribed in Eligible Assets;
- invested in high-quality government bonds;
- used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the sub-fund is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European money market Funds.

(iii) Reuse of cash collateral

The Company may re-invest the cash it has received as collateral in the following eligible instruments:

- Money market UCIs (daily calculation and S&P AAA rating or equivalent);
- Short-term bank deposits;
- Money market instruments;
- Short-term bonds issued or guaranteed by a Member State of the European Union, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- Bonds issued or guaranteed by first class issuers offering adequate liquidity, and

The financial assets other than bank deposit and units of UCIs that the Company has acquired by reinvesting the cash collateral must not be issued by an entity affiliated to the counterparty;

The financial assets acquired via the reinvestment of the cash collateral must not be kept with the counterparty, except if it is legally segregated from the counterparty’s assets;

The financial assets acquired via the reinvestment of the cash collateral may not be pledged unless the Company has sufficient liquidities to be able to return the received collateral in the form of cash.

Reinvested cash collateral limits applicable may lead to several risks such as currency exchange risk, counterparty risk, issuer risk, valuation and settlement risk, which can have an impact on the performance of the sub-fund concerned

Exposures arising from the reinvestment of collateral received by the Company shall be taken into account within the diversification limits applicable under the Appendix 1.

*Criteria used to select Counterparties*

The Company will enter into transactions with counterparties which the Management Company believes to be creditworthy. They may be related companies at BNP PARIBAS Group.

Counterparties will be selected by the Management Company with respect for the following criteria:

- leading financial institutions;
- sound financial situation;
- ability to offer a range of products and services corresponding to the requirements of the Management Company;
- ability to offer reactivity for operational and legal points;
- ability to offer competitive price; and
- quality of the execution.

Approved counterparties are required to have a minimum rating of investment grade for OTC derivative counterparties provided however that credit quality assessment of counterparties does not rely only on external credit ratings. Alternative quality parameters are considered such as internal credit analysis assessment and liquidity and maturity of collateral selected. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. Furthermore counterparties should comply with prudential rules considered by the CSSF as equivalent to EU prudential rules. The selected counterparties do not assume any discretion over the composition or management of the sub-funds' investment portfolios or over the underlying of the financial derivative instruments, and their approval is not be required in relation to any sub-fund investment portfolio transaction.

The Company' annual report contains details regarding:

a) the list of appointed counterparties to efficient portfolio management techniques and OTC derivatives;

b) the identity of the issuer where collateral received has exceeded 20% of the assets of a sub-fund;

c) whether a sub-fund has been fully collateralised.

# APPENDIX 3 – INVESTMENT RISKS

Potential investors are asked to read the Prospectus carefully in its entirety before making an investment. Any investments may also be affected by changes relating to rules governing exchange rate controls, taxation and deductions at source, as well as those relating to economic and monetary policies.

Investors are also warned that sub-fund performance may not be in line with stated aims and that the capital they invest (after subscription commissions have been deducted) may not be returned to them in full.

Sub-funds are exposed to various risks that differ according to their investment policies. The main risks that sub-funds are likely to be exposed to are listed below.

Some sub-funds may be particularly sensitive to one or several specific risks which are increasing their risk profiles compared to sub-funds sensitive only to generic risk; in such case those risks are specifically mentioned in the Book II.

## I. SPECIFIC MARKET RISKS

### I.A. Specific Risks mentioned in the KIIDs

#### Counterparty Risk

This risk relates to the quality or the default of the counterparty with which the Management Company negotiates, in particular involving payment for/delivery of financial instruments and the signing of agreements involving forward financial instruments. This risk is associated with the ability of the counterparty to fulfil its commitments (for example: payment, delivery and reimbursement) This risk also relates to efficient portfolio management techniques and instruments. If counterparty does not live up to its contractual obligations, it may affect investor returns.

#### Credit Risk

*This risk is present in each sub-fund having debt securities in its investment universe.*

This is the risk that may derive from the rating downgrade or the default of a bond issuer to which the sub-funds are exposed, which may therefore cause the value of the investments to go down. Such risks relate to the ability of an issuer to honour its debts.

Downgrades of an issue or issuer rating may lead to a drop in the value of bonds in which the sub-fund has invested.

Some strategies utilised may be based on bonds issued by issuers with a high credit risk (junk bonds).

Sub-funds investing in high-yield bonds present a higher than average risk due to the greater fluctuation of their currency or the quality of the issuer.

#### Derivatives Risk

In order to hedge (hedging derivative investments strategy), and/or to leverage the yield of the sub-fund (trading derivative investment strategy), the sub-fund is allowed to use derivative investments' techniques and instruments (including TRS) under the circumstances set forth in Appendices 1 and 2 of the Prospectus (in particular, warrants on securities, agreements regarding the exchange of securities, rates, currencies, inflation, volatility and other financial derivative instruments, contracts for difference [CFDs], credit default swaps [CDSs], futures and options on securities, rates or futures).

The investor's attention is drawn to the fact that these financial derivative instruments may include leveraging. Because of this, the volatility of these sub-funds may be increased.

#### Liquidity Risk

*This risk may concern all financial instruments and impact one or several sub-funds.*

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 their "rating" declines or if the economic situation deteriorates; consequently, it may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in these sub-funds. Moreover, it may not be possible to sell or buy these investments.

#### Operational & Custody Risk

Some markets (emerging markets) are less regulated than most of the developed countries regulated markets; hence, the services related to custody and liquidation for the funds on such markets could be more risky. Operational risk is the risk of contract on financial markets, the risk of back office operations, custody of securities, as well as administrative problems that could cause a loss to the sub funds. This risk could also result from omissions and inefficient securities processing procedures, computer systems or human errors.

### I.B. Generic Risks present in all sub-funds

#### Concentration Risk

Some sub-funds may have an investment policy which invests a large portion of its assets in a limited number of issuers, industries, sectors or a limited geographical area. By being less diversified such sub-funds may be more volatile than broadly sub-funds and carry a greater risk of loss.

#### Currency Exchange Risk

*This risk is present in each sub-fund having positions denominated in currencies that differ from its Accounting Currency.*

A sub-fund may hold assets denominated in currencies that differ from its Accounting Currency, and may be affected by exchange rate fluctuations between the Accounting Currency and the other currencies and by changes in exchange rate controls. If the currency in which a security is denominated appreciates in relation to the Accounting Currency of the sub-fund, the exchange value of the security in the Accounting Currency will appreciate; conversely, a depreciation of the denomination currency will lead to a depreciation in the exchange value of the security.

When the manager is willing to hedge the currency exchange risk of a transaction, there is no guarantee that such operation will be completely effective.

#### Equity Markets Risk

*This risk is present in each sub-fund having equities in its investment universe.*

The risks associated with investments in equity (and similar instruments) include significant fluctuations in prices, negative information about the issuer or market and the subordination of a company's shares to its bonds. Moreover, these fluctuations are often amplified in the short term.

The risk that one or more companies suffer a downturn or fail to grow can 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 and the income they generate may go down as well as up and it is possible that investors will not recover their initial investment.

There is no guarantee that the investment objective will actually be achieved.

Some sub-funds may invest in initial public offerings ("IPOs"). In this case, there is a risk that the price of the newly floated share may see greater volatility as a result of factors such as the absence of an existing public market, non-seasonal transactions, the limited number of securities that can be traded and a lack of information about the issuer. A sub-fund may hold such securities for only a very short time, which tends to increase the costs.

Sub-funds investing in growth stocks may be more volatile than the market in general and may react differently to economic, political and market developments and to specific information about the issuer. Growth stocks traditionally show higher volatility than other stocks, especially over short periods. These stocks may also be more expensive in relation to their profits than the market in general. Consequently, growth stocks may react with more volatility to variations in profit growth.

Some sub-funds may base their objective on simple equity market growth, which produces higher than average volatility.

Managers may temporarily adopt a more defensive attitude if they consider that the equity market or economy of the countries in which the sub-fund invests is experiencing excessive volatility, a persistent general decline, or other unfavourable conditions. In such circumstances, the sub-fund may be unable to pursue its investment objective.

**Risk linked to FDI transferred to central counterparty clearing house**

The sub-fund may also enter into financial derivatives instruments that could be cleared to a central counterparty clearing house but concluded with a clearing member. The relationship with the clearing member may lead the sub-fund to grant indemnity under specific circumstances such as in case of default of central counterparty clearing houses. Clearing members of a sub-fund and their directors, managers, officers and employees may benefit from an indemnification under the relevant clearing agreement and could therefore, in certain circumstances, be indemnified out of the relevant sub-fund's assets against liabilities, costs, expenses (including, e.g., legal expenses).

**Inflation Risk**

Over time, yields of investments may not keep pace with inflation, leading to a reduction of investor’s purchasing power.

**Interest Rate Risk**

*This risk is present in each sub-fund having debt securities in its investment universe.*

The value of an investment 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.

The investor's attention is drawn to the fact that an increase in interest rates results in a decrease in the value of investments in bonds and debt instruments.

**Low Interest Rate Consequence**

*This risk is present in each sub-fund having debt securities in its investment universe.*

A very low level of interest rates may affect the return on short term assets held by monetary funds which may not be sufficient to cover management and operating costs leading to a structural decrease of the net asset value of the sub-fund.

**Market Risk**

This is a general risk which affects all investments. Price for financial instruments are mainly determined by the financial markets and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each relevant country.

**Taxation Risk**

The value of an investment may be affected by the application of tax laws in various countries, including withholding tax, changes in government, economic or monetary policy in the countries concerned. As such, no guarantee can be given that the financial objectives will actually be achieved.

## I.C. Additional Risks linked to OTC Derivatives (including TRS), SFT and collateral management

**Efficient Portfolio Management Techniques Risk**

*This risk is present in each sub-fund using efficient portfolio management techniques.*

Efficient portfolio management techniques, such as repurchase and reverse repurchase transactions, and particularly with respect to the quality of the collateral received / reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the sub-fund concerned.

**Repurchase Transactions Risks:**

Repos transaction involves a risk that the repurchasing securities party will have to rebuy the shares at a higher price than it sold them for. Repos remain also subject to counterparty risk: If a counterparty defaults, a loss may be realized on the sale of the underlying security to the extent that the proceeds from the sale and accrued interest of the security are less than the resale price, including interest, provided in the repurchase agreement.

**Reverse Repurchase Transactions Risks:**

If the cash receiver to the reverse repurchase agreement should default, the sub-fund might suffer a loss since the value of the collateral received may be less than the value of the cash; this could be due to erroneous collateral pricing, credit rating deterioration of the collateral issuer, adverse market movements in the value of the collateral, and finally market illiquidity where the collateral is traded.

Some events may restrict the ability of the sub-fund to meet redemption requests or security purchases: delays in recovering cash placed out, locking cash in transactions of significant size or duration or difficulty in realising collateral. As any cash collateral received from sellers may be reinvested, there is a risk that the value on return of the reinvested cash collateral may decline below the amount owed to those sellers.

For Money Market sub-funds, the assets received as part of a reverse repurchase agreement shall fulfil the requirements set out in point 5 of Eligible Assets in Appendix 1.

**Collateral Management Risk**

Collateral may be engaged to mitigate the counterparty default risk, despite this there is a risk that the collateral taken, especially where it is in the form of securities, when realised does not raise sufficient cash to settle the counterparty’s liability. This may be due to factors including inaccurate collateral pricing, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Please also refer to "Liquidity Risk" above in respect of liquidity risk which may be particularly relevant where collateral takes the form of securities.

Where a sub-fund is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral placed with the counterparty is higher than the cash or investments received by the sub-fund.

In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the sub-funds may face difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

As collateral will take the form of cash or certain financial instruments, the market risk is relevant. Collateral received by a sub-fund may be held either by the Depositary or by a third party depositary. In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of a depositary or sub-depositary.

**Reuse of Cash Collateral Risk**

As a sub-fund may reinvest cash collateral it receives under collateral arrangement, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance the sub-fund would be required to cover the shortfall.

**Legal Risk**

There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, illegality, change in tax or accounting laws. In such circumstances, a sub-fund may be required to cover any losses incurred. Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject to a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions. The use of derivatives may also expose a sub-fund to the risk of loss resulting from changing laws or from the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

**Operational Risk**

Investing in derivatives may include a counterparty breaching its obligations to provide collateral, or may include operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where a sub-fund's credit exposure to its counterparty under a derivative contract is not fully collateralised but each sub-fund will continue to observe the limits set out in Appendix I.

**Hedge Share Class Contagion Risk**

Where a Hedged or Return Hedged share class is available in a sub-fund, the use of derivatives that are specific to this share class could have a potentially adverse impact on other share classes of the same sub-fund.

The application of a derivative overlay in a currency risk hedged share class introduces potential counterparty and operational risk for all investors in the fund. This could lead to a risk of contagion to other share classes, some of which might not have any derivative overlays in place. The Management Company would make sure that this risk is mitigated and monitored appropriately.

## I.D. Specific Risks impacting only some sub-funds (please refer to Book II)

**Alternative Investment Strategies Risks**

Alternative investment strategies involve risks that depend on the type of investment strategy: investment risk (specific risk), model risk, portfolio construction risk, valuation risk (when OTC derivative), counterparty risk, credit risk, liquidity risk, leverage risk (risk that losses exceed the initial investment), financial derivative instruments short selling risk (cf. risks due to short selling via financial derivative instruments).

**Emerging Markets Risk**

*This risk is present in each sub-fund having emerging markets investments in its investment universe.*

Sub-funds investing in emerging markets are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions (social, political and economic conditions). In addition, some emerging markets offer less security than the majority of international developed markets and certain markets are not currently considered to be regulated markets. For this reason, services for portfolio transactions, liquidation and conservation on behalf of funds invested in emerging markets may carry greater risk.

The Company and investors agree to bear these risks.

**High Yield Bond Risk**

When investing in fixed income securities rated below investment grade, there is a higher risk that such the issuer is unable or unwilling to meet its obligations, therefore exposing the sub-fund to a loss corresponding to the amount invested in such security.

**Real Estate Investment Risks**

Sub-funds may invest (indirectly only) in real estate sector via transferable securities (bonds, equities) and/or real estate funds. These investments face several risks inherent to this sector:

- Market risk: the real estate sector is sensible to up and down market cycles; good markets are characterized by strong occupancies and steady rent growth while downturns often result in lower occupancies and flat or even discounted rents; there is a risk of imbalance in the supply and demand for space (a surge in new development or a dip in demand from a slowing economy).
- Interest rate risk: real estate investors fear that rising interest rates will cause property values to fall and total returns to weaken
- Liquidity risk: the sale of appreciated properties depends upon market demand.
- Cost overrun risk: there is a potential that unexpected costs may arise due to the condition of the property itself.
- Construction risk: any time there are risks that the construction project may incur cost overruns, take longer than anticipated to complete.
- Geographic risk: properties are heavily influenced by their location; (countries, regions, cities or even a specific neighborhood).

**Risks related to investments in some countries**

Investments in some countries (e.g. China, Greece, India, Indonesia, Japan, Saudi Arabia and Thailand) involve risks linked to restrictions imposed on foreign investors and counterparties, higher market volatility and the risk of lack of liquidity for some lines of the portfolio. Consequently, some shares may not be available to the sub-fund due to the number of foreign shareholders authorised or if the total investments permitted for foreign shareholders have been reached. In addition, the repatriation by foreign investors of their share of net profits, capital and dividends may be restricted or require the approval of the government. The Company will only invest if it considers that the restrictions are acceptable. However, no guarantee can be given that additional restrictions will not be imposed in future.

**Small Cap, Specialised or Restricted Sectors Risk**

*This risk is present in each sub-fund having small caps, specialised or restricted sectors investments in its investment universe.*

Sub-funds investing in small caps or specialised or restricted sectors are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions.

Smaller companies may find themselves unable to generate new funds to support their growth and development, they may lack vision in management, or they may develop products for new, uncertain markets.

The Company and investors agree to bear these risks.

## II. RISKS RELATED TO INVESTMENTS IN CNH SHARE CATEGORIES

China Market Risk

Investing in the offshore RMB market (CNH) is subject to the risks of investing in emerging markets generally. Since 1978, the Chinese government has implemented economic reform measures which emphasize decentralisation and the utilisation of market forces in the development of the Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification.

Any significant change in China's political, social or economic policies may have a negative impact on investments in the China market. The regulatory and legal framework for capital markets and joint stock companies in mainland China may deviate from those of developed countries. Chinese accounting standards and practices may deviate from international accounting standards. The Chinese governments managed process of currency conversion and movements in the RMB exchange rates may adversely affect the operations and financial results of companies in mainland China.

RMB Currency Risk

Since 2005, the RMB exchange rate is no longer pegged to the US dollar. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other main currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Bank of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions pursued by the Chinese government from time-to-time as well as other external market forces.

Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point. Any devaluation of RMB could adversely affect the value of investors' investments in the Portfolio.

**The hedged share class participates in the CNH market, which allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The Portfolio will have no requirement to remit CNH to CNY.**

## APPENDIX 4 – LIQUIDATION, MERGER, TRANSFER AND SPLITTING PROCEDURES

***Liquidation, Merger, Transfer, and Splitting of Sub-funds***

The Board of Directors shall have sole authority to decide on the effectiveness and terms of the following, under the limitations and conditions prescribed by the Law:

1) either the pure and simple liquidation of a sub-fund;
2) or the closure of a sub-fund (merging sub-fund) by transfer to another sub-fund of the Company;
3) or the closure of a sub-fund (merging sub-fund) by transfer to another UCI, whether incorporated under Luxembourg law or established in another member state of the European Union;
4) or the transfer to a sub-fund (receiving sub-fund) a) of another sub-fund of the Company, and/or b) of a sub-fund of another collective investment undertaking, whether incorporated under Luxembourg law or established in another member state of the European Union, and/or c) of another collective investment undertaking, whether incorporated under Luxembourg law or established in another member state of the European Union;
5) or the splitting of a sub-fund.

The splitting techniques will be the same as the merger one foreseen by the Law.

As an exception to the foregoing, if the Company should cease to exist as a result of such a merger, the effectiveness of this merger must be decided by a General Meeting of Shareholders of the Company resolving validly whatever the portion of the capital represented. The resolutions are taken by a simple majority of the votes expressed. The expressed votes do not include those attached to the shares for which the shareholder did not take part in the vote, abstained or voted white or no.

To avoid any investment breach due to the merger, and in the interest of the shareholders, the investment manager might need to rebalance the portfolio of the Merging sub-fund before the merger. Such rebalancing shall be compliant with the investment policy of the Receiving sub-fund.

In the event of the pure and simple liquidation of a sub-fund, the net assets shall be distributed between the eligible parties in proportion to the assets they own in said sub-fund. The assets not distributed at the time of the closure of the liquidation and at the latest within nine months of the date of the decision to liquidate shall be deposited with the Luxembourg *Caisse de Consignation* until the end of the legally specified limitation period.

Pursuant to this matter, the decision adopted at the level of a sub-fund may be adopted similarly at the level of a category or a class.

***Liquidation of a Feeder Sub-fund***

A Feeder sub-fund will be liquidated:

- when the Master is liquidated, unless the CSSF grants approval to the feeder to:
    - invest at least 85% of the assets in units, or shares of another Master; or
    - amend its investment policy in order to convert into a non-Feeder.
- when the Master merges with another UCITS, or sub-fund or is divided into two or more UCITS, or sub-fund unless the CSSF grants approval to the feeder to:
    - continue to be a Feeder of the same Master or the Master resulting from the merger or division of the Master;
    - invest at least 85% of its assets in units, or shares of another Master; or
    - amend its investment policy in order to convert into a non-Feeder.

***Dissolution and Liquidation of the Company***

The Board of Directors may, at any time and for any reason whatsoever, propose to the General Meeting the dissolution and liquidation of the Company. The General Meeting will give its ruling in accordance with the same procedure as for amendments to the Articles of Association.

If the Company's capital falls below two-thirds of the minimum legal capital the Board of Directors may submit the question of the Company's dissolution to the General Meeting. The General Meeting, for which no quorum is applicable, will decide based on a simple majority of the votes of shareholders present or represented, account shall not be taken of abstentions.

If the Company's capital falls below one-quarter of the minimum legal capital, the Board of Directors shall submit the question of the Company's dissolution to the General Meeting. The General Meeting, for which no quorum is applicable, will decide based on a part of one-quarter of the votes of shareholders present or represented, account shall not be taken of abstentions.

In the event of the Company's dissolution, the liquidation will be conducted by one or more liquidators that may be individuals or legal entities. They will be appointed by the General Shareholders' Meeting, which will determine their powers and remuneration, without prejudice to the application of the Law.

The net proceeds of the liquidation of each sub-fund, category or class will be distributed by the liquidators to the shareholders of each sub-fund, category or class in proportion to the number of shares they hold in the sub-fund, category or class.

In the case of straightforward liquidation of the Company, the net assets will be distributed to the eligible parties in proportion to the shares held in the Company. Net assets not distributed at the time of the closure of the liquidation and at the latest within a maximum period of nine months effective from the date of the liquidation will be deposited at the Luxembourg *Caisse de Consignation* until the end of the legally specified limitation period.

The calculation of the net asset value, and all subscriptions, conversions and redemptions of shares in these sub-funds, categories or classes will also be suspended throughout the liquidation period.

The General Meeting must be held within forty days of the date on which it is ascertained that the Company's net assets have fallen below the minimum legal threshold of two-thirds or one-quarter, as applicable.

# BOOK II

# BNP PARIBAS A FUND Dynamic Portfolio

***Investment objective***

The objective of the sub-fund is to increase the value of its assets over the medium to long term.

***Investment policy***

The sub-fund invests *at least 2/3* of its total assets in UCITS and/or UCI that provides exposure to equities, bonds, Real Estate Investments[(1)], Alternative Investments[(2)], and money market instruments.

The remaining portion, namely a maximum of 1/3 of its assets, may be invested directly in equities, debt securities, Money Market Instruments, or cash.

An essential feature of the investment policy is that the proportions between and within the different asset classes in the sub-fund are variable. The asset class mix will change based on the investment team's medium term and short terms views on the economic cycle.

The following table shows the allowable bandwidths across the different asset classes:

| Assets | Minimum | Maximum |
|---|---|---|
| 1. Debt securities | 0% | 100% |
| a) Government Bonds | 0% | 100% |
| b) High Yield Bonds | 0% | 50% |
| c) Corporate Investment Grade Bonds | 0% | 80% |
| d) Convertible Bonds | 0% | 25% |
| 2. Cash instruments and money market | 0% | 49% |
| a) Money Market Instruments | 0% | 45% |
| b) Cash | 0% | 30% |
| 3. Equity securities | 0% | 80% |
| a) Large Cap | 0% | 80% |
| b) Mid/Small Cap | 0% | 30% |
| 4. Real Estate Securities [(1)] | 0% | 25% |
| 5. Alternative investments [(2)] | 0% | 30% |

[(1)] Real Estate Investments made under the Real Estate Securities asset class will be composed of Close-ended REITS only

[(2)] Alternative investments will mainly focus on Absolute Return Funds while not being limited solely to this type of Funds.

The sub-fund does not hold real estate directly.

An essential feature of the investment policy is that the proportions between and within the different asset classes in the sub-fund are variable. The asset class mix will change based on the Investment Manager's medium term and short terms views on the economic cycle. The Investment Manager will also take into account the sustainability of the dividends in driving the asset class mix.

***Derivatives and Securities Financing Transactions***

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

# BNP PARIBAS A FUND Dynamic Portfolio

***Risk profile***

Specific market risks:

- Alternative Investment Strategies Risks
- Real Estate Investment Risk
- Equity Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus

***Investor type profile***

This sub-fund is suitable for investors who:

- ✓ Are looking for a diversification of their investments trough exposure to a range of asset classes, globally;;
- ✓ Are willing to accept higher market risks in order to potentially generate higher long-term returns;
- ✓ Can accept significant temporary losses;
- ✓ Can tolerate medium to high volatility.

***Accounting Currency***

USD

***Shares Categories***

| Category | Class | ISIN code | Dividend | Reference Currency | Other Valuation Currencies |
|---|---|---|---|---|---|
| Classic | CAP | LU1558490881 | No | USD | |
| Classic HKD | | LU1558490964 | | HKD | |

All these share classes are not necessarily active.

***Fees payable by the sub-fund***

| Category | Management (max) | Performance (max) | Distribution (max) | Other (max) | TAB (1) |
|---|---|---|---|---|---|
| Classic | 1.20% | No | none | 0.20% | 0.05% |

*(1) Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

**Indirect fee:** 3.00% maximum

The complete list of shares offered is available on the website www.bnpparibas-am.com

For each active share, a KIID is available which mentions, among others, the launch date, the Reference Currency and the historical performance. The KIIDs are available on the website www.bnpparibas-am.com

***Additional information***

***Valuation Day***

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day unless 50% or more of the underlying assets cannot be valued.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the web site www.bnpparibas-am.com.

***Terms of subscription / conversion / redemption:***

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

| Centralisation of orders | Orders Trade Date | NAV calculation and publication date | Orders Settlement Date |
|---|---|---|---|
| 12:00 CET for STP and non STP orders on the Valuation Day (D) | Valuation Day (D) | The day after the Valuation Day (D+1) | Maximum four bank business days after the Valuation Day (D+4) (1) |

*(1) If the settlement day is a currency holiday, the settlement will occur the following business day.*

***Historical information:***

Sub-fund launched on September 22, 2017

***Taxation:***

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS A FUND European Multi-Asset Income

***Investment objective***

The sub-fund seeks primarily 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.

***Investment policy***

The sub-fund invests in different asset classes including European equities (including emerging, high income, and small cap equities), European real estate securities, European corporate bonds, European high-yield bonds, European government bonds, European convertible bonds and cash instruments so far as they fulfil the requirements of Appendix 1 of the Book I of the Prospectus. The sub-fund aims to invest directly in these different asset classes, but may also invest indirectly in these asset classes through investment in other UCITS and/or UCI of up to 10% of its net asset value.

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.

***Derivatives and Securities Financing Transactions***

Core financial derivative instruments, CDS, TBA, TRS*, warrants, and other swaps, may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

Repurchase transactions and Reverse Repurchase transactions are used for efficient portfolio management with the aim of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund as long as the conditions set out in Appendix 2 of Book I are met.

* *One of the strategy index (The "Strategy Index") that might be used to get exposure to the sub-fund universe is iBoxx EUR Corporates Overall Total Return Index. Its investment universe is composed of investment grade fixed-income bonds issued by private corporations in the Eurozone. This index is rebalanced monthly after close of business on the last business day of the month, but this rebalancing does not involve any cost for the sub-fund. Additional details regarding the index is available on the website https://ihsmarkit.com/products/iboxx.html#factsheets*

***Risk profile***

Specific market risks:

- Emerging Markets Risk
- High Yield Bond Risk
- Real Estate Investment Risk
- Risks related to investments in some countries
- Small Cap, Specialised or Restricted Sectors Risk
- Risks related to investments in CNH share categories:

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus

***Investor type profile***

This sub-fund is suitable for investors who:

✓ Are looking for a diversification of their investments through exposure to a range of asset classes, globally;
✓ Are willing to accept higher market risks in order to potentially generate higher long-term returns;
✓ Can accept significant temporary losses;
✓ Can tolerate medium to high volatility.

***Accounting Currency***

EUR

***Shares Categories***

| Category | Class | ISIN code | Dividend | Reference Currency | Other Valuation Currencies |
|---|---|---|---|---|---|
| Classic | CAP | LU1078737910 | No | EUR | |
| Classic | DIS | LU1397877223 | Annual | EUR | |
| Classic MD | DIS | LU1078738058 | Monthly | EUR | |
| Classic RH AUD | CAP | LU1078738215 | No | AUD | |
| Classic RH AUD MD | DIS | LU1078738306 | Monthly | AUD | |
| Classic RH CAD MD | DIS | LU1078738488 | Monthly | CAD | |
| Classic RH CNH MD | DIS | LU1192613500 | Monthly | CNH | |
| Classic RH HKD | CAP | LU1078738561 | No | HKD | |
| Classic RH HKD MD | DIS | LU1078738645 | Monthly | HKD | |
| Classic RH SGD | CAP | LU1078738728 | No | SGD | |
| Classic RH SGD MD | DIS | LU1078739023 | Monthly | SGD | |
| Classic RH USD | CAP | LU1078739296 | No | USD | |
| Classic RH USD MD | DIS | LU1078739379 | Monthly | USD | |
| Privilege | CAP | LU1078739452 | No | EUR | |
| Privilege MD | DIS | LU1078739536 | Monthly | EUR | |
| Privilege RH USD | CAP | LU1078739700 | No | USD | |
| Privilege RH USD MD | DIS | LU1078739882 | Monthly | USD | |
| I | CAP | LU1078739965 | No | EUR | |
| I RH USD | CAP | LU1078740039 | No | USD | |
| I RH USD MD | DIS | LU1577412171 | Monthly | USD | |
| X | CAP | LU1078740112 | No | EUR | |

All these share classes are not necessarily active.

# BNP PARIBAS A FUND European Multi-Asset Income

***Fees payable by the sub-fund***

| Category | Management (max) | Performance (max) | Distribution (max) | Other (max) | TAB (1) |
|---|---|---|---|---|---|
| Classic | 1.25% | No | none | 0.35% | 0.05% |
| Privilege | 0.65% | No | none | 0.25% | 0.05% |
| I | 0.60% | No | none | 0.20% | 0.01% |
| X | none | No | none | 0.30% | 0.01% |

*(1) Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website www.bnpparibas-am.com

For each active share, a KIID is available which mentions, among others, the launch date, the Reference Currency and the historical performance. The KIIDs are available on the website www.bnpparibas-am.com

***Additional information***

***Valuation Day***

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the web site www.bnpparibas-am.com.

***Terms of subscription / conversion / redemption:***

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

| Centralisation of orders (2) | Orders Trade Date | NAV calculation and publication date | Orders Settlement Date |
|---|---|---|---|
| 16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D) | Valuation Day (D) | Day after the Valuation Day (D+1) | Maximum three bank business days after the Valuation Day (D+3) (1) |

*(1) If the settlement day is a currency holiday, the settlement will occur the following business day.*

*(2) Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

***Historical information:***

Sub-fund launched on August 5, 2014

***Taxation:***

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.