

## Notice to the shareholders of

### **BNP Paribas Funds**

*SICAV under Luxembourg law – UCITS class*  
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg  
Luxembourg Trade and Companies Register No. B 33.363

### **MERGERS**

#### NOTICE TO THE SHAREHOLDERS OF THE MERGING AND RECEIVING SUB-FUNDS

<i><b>BNP PARIBAS FUNDS MERGING SUB-FUNDS</b></i>	<i><b>BNP PARIBAS FUNDS RECEIVING SUB-FUNDS</b></i>	<i><b>EFFECTIVE DATE OF MERGER*</b></i>	<i><b>LAST ORDER DATE*</b></i>	<i><b>FIRST NAV VALUATION DATE*</b></i>	<i><b>FIRST NAV CALCULATION DATE*</b></i>
<u>EUROPE MULTI-ASSET INCOME</u>	<u>MULTI-ASSET THEMATIC</u>	<u>24-FEB-2022</u>	<u>18-FEB-2022</u>	<u>24-FEB-2022</u>	<u>28-FEB-2022</u>
<u>MULTI-ASSET INCOME</u>	<u>SUSTAINABLE MULTI-ASSET BALANCED</u>	<u>10-MAR-2022</u>	<u>04-MAR-2022</u>	<u>10-MAR-2022</u>	<u>14-MAR-2022</u>

\* Dates:

- Effective Date of Mergers – Date at which the mergers are effective and final.
- Last Order Date – Last date at which subscriptions, redemptions and conversions orders are accepted until cut-off time into the Merging Sub-funds.  
Orders received into the merging sub-funds after this date will be rejected.  
Shareholders of the Merging and Receiving sub-funds who do not accept the merger may instruct redemption of their shares free of charge until this date (see item 7).
- First NAV Valuation Date – Date of valuation of the underlying assets for the calculation of the first NAV post-merger.
- First NAV calculation Date – Date at which the first NAV post-merger (with merged portfolios) will be calculated

Luxembourg, January 18, 2022

Dear Shareholders,

We hereby inform you that the Board of Directors of BNP Paribas Funds (the **Company**), decided to **merge**, on the basis of Article 32 of the Company's Articles of Association, the following share classes (the **Merger**):

<i><b>BNP Paribas Funds Merging Sub-funds</b></i>				<i><b>BNP Paribas Funds Receiving Sub-funds</b></i>			
<i><b>ISIN code</b></i>	<i><b>Sub-fund</b></i>	<i><b>Class</b></i>	<i><b>Cur.</b></i>	<i><b>Sub-fund</b></i>	<i><b>Class</b></i>	<i><b>Cur.</b></i>	<i><b>ISIN code</b></i>
LU1596579067	Europe Multi-Asset Income	Classic-CAP	EUR	Multi-Asset Thematic	Classic-CAP	EUR	LU2308190763
LU1596579224		Classic MD-DIS	EUR		Classic MD-DIS	EUR	LU2355555496
LU1596579497		Classic RH AUD-CAP	AUD		Classic RH AUD-CAP	AUD	LU2357125983
LU1596579570		Classic RH AUD MD-DIS	AUD		Classic RH AUD MD-DIS	AUD	LU2355555579
LU1596579653		Classic RH CAD MD-DIS	CAD		Classic RH CAD MD-DIS	CAD	LU2355555652
LU1596579737		Classic RH CNH MD-DIS	CNH		Classic RH CNH MD-DIS	CNH	LU2355555736
LU1596579901		Classic RH HKD MD-DIS	HKD		Classic RH HKD MD-DIS	HKD	LU2355555819

LU1596580073		Classic RH SGD-CAP	SGD		Classic RH SGD-CAP	SGD	LU2355555900
LU1596580156		Classic RH SGD MD-DIS	SGD		Classic RH SGD MD-DIS	SGD	LU2355556031
LU1596580230		Classic RH USD-CAP	USD		Classic RH USD-CAP	USD	LU2355553954
LU1596580313		Classic RH USD MD-DIS	USD		Classic RH USD MD-DIS	USD	LU2355555066
LU1596580586		Privilege-CAP	EUR		Privilege-CAP	EUR	LU2308190417
LU1596580669		Privilege MD-DIS	EUR		Privilege MD-DIS	EUR	LU2355553871
LU1596580826		Privilege RH USD-CAP	USD		Privilege RH USD-CAP	USD	LU2355552121
LU1596581048		Privilege RH USD MD-DIS	USD		Privilege RH USD MD-DIS	USD	LU2355551156
LU1596581121		I-CAP	EUR		I-CAP	EUR	LU2308190250
LU1596135245		I RH USD MD-DIS	USD		I RH USD MD-DIS	USD	LU2355551230
LU1956157132		Classic-CAP	EUR		Classic-CAP	EUR	LU1956154386
LU1956157132		Classic-CAP <sup>(1)</sup>	EUR		Classic Solidarity BE-CAP	EUR	LU1956154972
LU1956157215		Classic-DIS	EUR		Classic-DIS	EUR	LU1956154469
LU1956157215		Classic-DIS <sup>(1)</sup>	EUR		Classic Solidarity BE-DIS	EUR	LU1956155193
LU1956157306		Classic MD-DIS	EUR		Classic MD-DIS	EUR	LU2355553285
LU1956158536	Multi-Asset Income	Classic RH USD MD-DIS	USD	Sustainable Multi-Asset Balanced	Classic RH USD MD-DIS	USD	LU2192435969
LU1956158619		N-CAP	EUR		N-CAP	EUR	LU1956155276
LU1956158700		Privilege-CAP	EUR		Privilege-CAP	EUR	LU1956155359
LU1956158882		Privilege-DIS	EUR		Privilege-DIS	EUR	LU1956155433
LU1956159005		I-CAP	EUR		I-CAP	EUR	LU1956155789
LU2200550866		K-CAP	EUR		K-CAP	EUR	LU2200551591

<sup>(1)</sup> For shareholders registered as clients of BNP Paribas Fortis in the registrars of the Sub-fund.

Part of the Management Fee (0.05%) paid by the Receiving Shares and part (0.05%) of the Entry Costs in the Receiving Shares are paid to the Charities.

Charities are Belgian Red Cross, and the Belgian association Natagora/Natuurpunt

# 1) Background to and rationale for the Merger

## ✓ **Europe Multi-Asset Income**

Performances of the Merging Sub-fund do not meet expectation.

BNP PARIBAS ASSET MANAGEMENT proposes to offer a strong and innovative alternative solution to the shareholders.

The Merger aims to offer to the Merging Shareholders a strong and innovative alternative solution through a merger into the Receiving sub-fund which:

- Has a broader investment universe: The Receiving Sub-fund is a global fund. It means that investors will have a better geographical diversification which is always better from an asset allocation point of view;
- Has the same Risk profile (SRR1): 4;
- Offer an opportunity to benefit from trend/thematic approach which is clearly part of our strategic development plan;

## ✓ **Multi-Asset Income**

In recent years, the Merging Sub-fund has seen limited interest from investors due to disappointing performances. Consequently, its assets under management ("AUM") fall from over EUR 1,842 million back in 2014 to its current AUM of less than EUR 400 million.

The Merger aims to offer to the Merging Shareholders better returns prospects in the Receiving Sub-fund with a similar profile (50% equity, 50% bonds) and stronger ESG policy.

**Warning:**

- ✓ **Past results are not an indicator or guarantee of future results.**
- ✓ **There is no guarantee that this objective will be achieved.**

**2) Impact of the Merges on the Merging Shareholders**

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

- ✓ The shareholders of the Merging Sub-funds, who do not make use of their shares redemption right explained below on point 7), will become shareholders of the Receiving Sub-funds.
- ✓ The Merging Sub-funds will be dissolved without liquidation by transferring all of their assets and liabilities into the Receiving Sub-funds.  
The Merging Sub-funds will cease to exist at the effective date of the mergers.
- ✓ Considering the fact that the Receiving Sub-funds are currently managed as Funds of Funds (FoF), which is not the case for the Merging Sub-funds, all the Merging portfolios will be sold and aligned with those of the Receiving Sub-funds in the five days preceding the Merger Date. This means that during this period, the investment policies of the Merging Sub-funds, which specify that they cannot invest more than 10% in other UCIs, will no longer be respected. The transaction costs associated with this rebalancing will be borne by the Management Company.
- ✓ As in any merger, the operation might involve a risk of performance dilution for the Merging shareholders, especially as consequence of the differences of targeted assets (explained below under point 5) and of the portfolio rebalancing (as explained above).

**3) Impact of the Merger on Receiving Shareholders**

Please note the following points:

- ✓ The Mergers will have no impact for the shareholders of the Receiving Sub-funds.

**4) Organisation of the exchange of shares**

- ✓ If you are shareholder of the **Merging Sub-funds**, you will receive, in the Receiving Sub-fund, a **number of new shares** calculated by multiplying the number of shares they held in the Merging Sub-funds by the **exchange ratio**.
- ✓ The exchange ratios for the **“Europe Multi-Asset Income”** Merging Sub-fund will be calculated on Friday February 25, 2022 by dividing the net asset value (NAV) per share of the Merging classes by the NAV per share of the corresponding Receiving classes, based on the valuation of the underlying assets set on Wednesday February 23, 2022.  
The exchange ratios for the **“Multi-Asset Income”** Merging Sub-fund will be calculated on Friday March 11, 2022 by dividing the net asset value (NAV) per share of the Merging classes by the NAV per share of the corresponding Receiving classes, based on the valuation of the underlying assets set on Wednesday March 9, 2022.  
For the calculation of the exchange ratio, the NAV of not yet active share classes of the Receiving Sub-Funds will be set at 100.00 in the Reference Currency (1000 for CNH) of such shares.
- ✓ The criteria adopted for valuation of the assets and, where applicable, the liabilities on the date for calculating the exchange ratio will be the same as those used for the NAV calculation as described in the chapter “Net Asset Value” of the Book I of the prospectus of the Company.
- ✓ **Registered shareholders** will receive registered shares.  
**Bearer shareholders** will receive bearer shares.
- ✓ No balancing cash adjustment will be paid for the fraction of the Receiving share attributed beyond the third decimal.

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

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

<b>features</b>	<b>“Europe Multi-Asset Income” Merging sub-fund</b>	<b>“Multi-Asset Thematic” Receiving sub-fund</b>
Type of Management	<b>Direct investments in targeted assets</b> Managed by BNP PARIBAS ASSET MANAGEMENT France sub delegating to BNPP AM UK (inclusive FX and Exposure management), and Alfred Berg	<b>Managed as fund of Funds by</b> BNP PARIBAS ASSET MANAGEMENT France sub delegating to BNPP AM UK (for FX and cash management)

	AS, Norway																																					
Investment objective	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.	Increase the value of its assets over the medium term by investing primarily in thematic investments vehicles across multiple asset classes.																																				
Investment policy	<p>The sub-fund is actively managed through exposure on different asset classes including European equities, European real estate securities <sup>(1)</sup>, European corporate bonds, European high-yield bonds, European government bonds, European convertible bonds and Money Market 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 or UCIs of up to 10% of its net asset value. The following table shows the allowable bandwidths across the different asset classes:</p> <table border="1"> <thead> <tr> <th>Assets</th><th>Min.</th><th>Max.</th></tr> </thead> <tbody> <tr> <td>1. Debt securities</td><td>0%</td><td>100%</td></tr> <tr> <td>a) Government Bonds</td><td>0%</td><td>100%</td></tr> <tr> <td>b) High Yield Bonds</td><td>0%</td><td>40%</td></tr> <tr> <td>c) Corporate Investment Grade Bonds</td><td>0%</td><td>40%</td></tr> <tr> <td>d) Convertible Bonds</td><td>0%</td><td>20%</td></tr> <tr> <td>e) Structured Debt Securities (ABS, MBS, CLO, ETN)</td><td>0%</td><td>10%</td></tr> <tr> <td>2. Money Market Instruments</td><td>0%</td><td>100%</td></tr> <tr> <td>3. Equity securities</td><td>0%</td><td>60%</td></tr> <tr> <td>a) Large Cap</td><td>0%</td><td>60%</td></tr> <tr> <td>b) Mid/Small Cap</td><td>0%</td><td>20%</td></tr> <tr> <td>4. Real Estate Securities <sup>(1)</sup></td><td>0%</td><td>40%</td></tr> </tbody> </table> <p><sup>(1)</sup> The sub-fund does not invest in real estate directly. Investments in Real Estate ETF, shares of companies linked to Real Estate, closed-ended REITs</p> <p>In the event the portfolio ends up with any distressed securities as a result of a restructuring event or any event beyond the control of the company, the Investment 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 assets.</p> <p>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.</p>	Assets	Min.	Max.	1. Debt securities	0%	100%	a) Government Bonds	0%	100%	b) High Yield Bonds	0%	40%	c) Corporate Investment Grade Bonds	0%	40%	d) Convertible Bonds	0%	20%	e) Structured Debt Securities (ABS, MBS, CLO, ETN)	0%	10%	2. Money Market Instruments	0%	100%	3. Equity securities	0%	60%	a) Large Cap	0%	60%	b) Mid/Small Cap	0%	20%	4. Real Estate Securities <sup>(1)</sup>	0%	40%	<p>This sub-fund aim at focusing on trends resulting from structural shifts in social and economic factors such as demography, environment, regulation or technology in order to express thematic investment views. Identification of securities with significant exposure to thematic investments are at the center of the investment process. The weighting to the individual thematic investments in the portfolio may vary over time according to the evolution of market conditions and to reflect the anticipations of the Investment Manager. Thematic investments are at the crossroad of asset allocation and security selection. As the Investment Manager digs into themes to identify the determinants of trends, he looks at internal risk factors (valuation, style) &amp; external risk factors (market environment, short-term catalysts, economic and political developments). The Investment Manager meets at least weekly to discuss the portfolio allocation and is supported by a Macro Research &amp; Strategy thematic committee that discusses the themes dynamics on a quarterly basis. The objective of the quarterly meeting is to foster continuous interactions between BNP Paribas Asset Management teams who manage thematic funds, optimize information flow, and assess the potential of each thematic in the current market situation.</p> <p>In order to achieve the investment objective, the sub-fund will invest primarily in UCITs, UCIs, and/or ETFs to get exposures. When there is no eligible UCITS/UCI and/or ETF available to express a thematic view in a compelling way, the sub-fund may also use Total Return Swaps to gain exposure to specific thematic indices or stocks selections provided by third parties, or may directly invest in targeted assets.</p> <p>The Investment Manager implements, on a discretionary manner, a diversified allocation strategy for the following asset classes:</p> <ul style="list-style-type: none"> <li>• equities of all types, in all sectors and geographic areas,</li> <li>• government bonds, including debts of emerging countries,</li> <li>• corporate bonds, including bonds of companies located in emerging countries,</li> <li>• commodities<sup>(1)</sup> (not directly but buying ETN on commodities or a commodities ETF or by buying a commodities futures index or TRS* providing that ETN will never represent more than 20% of the assets),</li> <li>• listed real estate assets<sup>(2)</sup>,</li> <li>• money market instruments.</li> </ul> <p><sup>(1)</sup> The sub-fund does not hold commodities directly.</p> <p><sup>(2)</sup> Investments in eligible Real Estate ETF, shares of companies linked to Real Estate, eligible closed-ended REITs. The sub-fund does not invest in real estate directly.</p> <p>The sub-fund may be exposed for maximum 50% of its assets on emerging markets. Debt Securities will mainly have an Investment Grade rating and for maximum 20% of the assets a High Yield rating.</p>
Assets	Min.	Max.																																				
1. Debt securities	0%	100%																																				
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Sustainable Investment Policy	<p>“Sustainable” sub-fund, SFDR article 8</p> <p>The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT’s Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, falling under the Sustainable category, as set out in Book I.</p> <p>The sub-fund respects the Minimum Extra-Financial Analysis coverage rate, as set out in Book I.</p> <p>The average portfolio ESG score of the sub-fund is higher than the one of its investment universe, being all the European issuers.</p>	<p>“Sustainable” sub-fund, SFDR article 8</p> <p>The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT’s Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, falling under the Sustainable category, as set out in Book I.</p> <p>The sub-fund is not classified as a Sustainable Plus/Thematic category as set out in section “Sustainable Investment Policy” of Book1.</p> <p>The sub-fund invests at least 90% of its portfolio in assets that have an ESG score.</p> <p>The average portfolio ESG score of the sub-fund is higher than the one of its investment universe, being all the worldwide issuers.</p>
Derivatives and Securities Financing Transactions	<p>Core financial derivative instruments, CDS, TBA, funded and unfunded 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.</p> <p>* 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 <a href="https://ihsmarkit.com/products/iboxx.html#factsheets">https://ihsmarkit.com/products/iboxx.html#factsheets</a></p> <p>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</p>	<p>Core financial derivative instruments, CDS and TRS* may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I. <b>TRS May also be used for investment purposes.</b></p> <p>The Investment Manager is allowed to use financial derivative instruments and TRS* as described in Appendix 2 of Book I, and Exchange Traded Notes. The purpose of such investments is to provide exposure to different asset classes via futures or TRS*.</p> <p>* One of the strategy index (The “Strategy Index”) that might be used to get exposure to the sub-fund universe is MSCI ACWI IMI Disruptive Technologies Index. The Index seeks to capture the performance of companies that develop new technologies that potentially will impact many sectors. We focus in the index objective on nine technologies that are, or could become disruptive: 3D printing, internet of things, cloud computing, fintech, digital payments, healthcare innovation, robotics, cybersecurity, clean energy and smart grids. The index aims to represent the performance of companies that are expected to derive significant revenues from the rapid transformation of our world based on these technologies. Additional details regarding the index is available on the website <a href="https://www.msci.com/eqb/methodology/meth_docs/MSCI_ACWI_IMI_Disruptive_Technology_Index.pdf">https://www.msci.com/eqb/methodology/meth_docs/MSCI_ACWI_IMI_Disruptive_Technology_Index.pdf</a></p> <p>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.</p>
Investor Type Profile	<p>This sub-fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>✓ Are looking for a diversification of their investments through exposure to a range of asset classes, globally;</li> <li>✓ Are willing to accept higher market risks in order to potentially generate higher long-term returns;</li> <li>✓ Can accept significant temporary losses;</li> <li>✓ Can tolerate medium to high volatility</li> </ul>	<p>This sub-fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>✓ Are looking for a diversification of their investments through exposure to a range of asset classes, globally;</li> <li>✓ Can accept medium market risks.</li> </ul>
Specific Market Risks	<p>Specific market risks:</p> <ul style="list-style-type: none"> <li>• Distressed Securities Risk</li> <li>• Credit risk</li> <li>• Efficient Portfolio Management Techniques Risk</li> <li>• Environmental, Social and Governance (ESG) Investment Risk</li> <li>• High Yield Bond Risk</li> <li>• Real Estate Related Exposure Risks</li> </ul>	<p>Specific market risks:</p> <ul style="list-style-type: none"> <li>• Commodity Related Exposure Risk</li> <li>• Credit Risk</li> <li>• Efficient Portfolio Management Techniques Risk</li> <li>• Emerging Markets Risk</li> <li>• Environmental, Social and Governance (ESG) Investment Risk</li> <li>• Equity Risk</li> </ul>

	<ul style="list-style-type: none"> <li>• Small Cap, Specialised or Restricted Sectors Risk</li> <li>• Securitised Products Risk</li> </ul> Risks related to investments in CNH share categories	<ul style="list-style-type: none"> <li>• High Yield Bond Risk</li> <li>• Real Estate Related Exposure Risk</li> </ul> Risks related to investments in CNH share categories
Summary of differences for: <ul style="list-style-type: none"> <li>• Investment policies</li> <li>• Investment Strategy</li> <li>• Asset Allocation</li> </ul>	<p><u>The investment objective of the Merging and Receiving Sub-Funds are not the same:</u>  The Merging Sub-Fund follows a strategy in the aim to provide regular income to investors whereas the Receiving Sub-Fund is focused on increasing the value of its assets by investing in thematic investments</p> <p><u>The investment policies of the merging and receiving sub-funds are not the same:</u>  Even if both fund are actively managed without any reference to a benchmark, the Merging Sub-Fund was in direct lines on an European Asset classes universe which provides high incomes &amp; dividends whereas the Receiving Sub-Fund is primarily invested in funds focusing on trends resulting from structural shifts in social and economic factors such as demography, environment, regulation or technology in order to express thematic investment views.</p> <p><u>The asset allocation of Merging and Receiving sub-funds are not the same:</u>  Even if both fund are managed to get a moderate volatility (between 6 to 10%), the Merging Sub-Fund is mainly invested in European Asset classes whereas the Receiving Sub-Fund has a worldwide Asset classes exposure.</p>	
OCR (latest published KIIDs): <ul style="list-style-type: none"> <li>• “Classic”</li> <li>• “Privilege” Strategy</li> <li>• “I”</li> </ul>	<b>no Indirect Fee</b> <ul style="list-style-type: none"> <li>• 1.67%</li> <li>• 0.98%</li> <li>• 0.81%</li> </ul>	<b>including maximum 0.50% Indirect Fee</b> <ul style="list-style-type: none"> <li>• 1.67%</li> <li>• 0.98%</li> <li>• 0.81%</li> </ul>
NAV Cycle <ul style="list-style-type: none"> <li>• Centralisation of Orders</li> <li>• Valuation Day</li> <li>• NAV Calculation</li> <li>• Orders Settlement Date</li> </ul>	<ul style="list-style-type: none"> <li>• D</li> <li>• D</li> <li>• D + 1</li> <li>• D + 3</li> </ul>	<ul style="list-style-type: none"> <li>• D-1</li> <li>• D</li> <li>• D + 2</li> <li>• D + 4</li> </ul>

Risk management process (Commitment Approach), and SRRI (4) are the same in both Merging and Receiving sub-funds.

<i>features</i>	<i>“Multi-Asset Income” Merging sub-fund</i>	<i>“Sustainable Multi-Asset Balanced” Receiving sub-fund</i>
Type of Management	<b>Direct investments in targeted assets</b> <b>Managed by BNP PARIBAS ASSET MANAGEMENT France</b> sub delegating to BNPP AM UK (inclusive FX and Exposure management), Alfred Berg AS Norway, BNP PAPRIBAS ASSET MANAGEMENT Asia, and BNP PARIBAS ASSET MANAGEMENT USA	<b>Managed as fund of Funds by</b> <b>BNP PARIBAS ASSET MANAGEMENT Belgium</b> sub delegating to BNPP AM UK (for FX management)
Investment objective	Increase the value of its assets over the medium-term for the Capitalisation shares. For the Distribution shares, deliver a target yield of 4% per year. This target is based on the NAV of the sub-fund at the end of a 12 month period. The 4% distribution is a target and is not guaranteed. This objective may be revised according to market conditions and the evolution of the portfolio. The capital cannot be guaranteed on any share class, and the dividend payments may reduce the distribution shares’ capital.	Increase the value of its assets over the medium term by investing directly and/or indirectly (through UCITS, UCIs, or ETFs) in bonds or shares of issuers selected based on their practices and activities linked to sustainable development.
Investment policy	The sub-fund invests in a broad range of asset classes described in the below table, and up to 10% of its assets in UCITS or UCIs. 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 market views. The Investment Manager will also take into account the sustainability of the dividends in driving the	This sub-fund invests directly or indirectly (through funds, i.e. UCITS, UCIs, or ETFs) in bonds or shares of issuers selected based on the best-in-class approach (which selects issuers that demonstrate superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity) and/or sustainable thematic approach. Under normal market conditions, the sub-fund will aim to reach its performance



	<p>asset class mix.</p> <p>The asset allocation may vary within the following ranges (percentage of net assets):</p> <table> <tr> <th><i>Assets</i></th><th><i>Minimum</i></th><th><i>Maximum</i></th></tr> <tr> <td><i>Government Bonds</i></td><td><i>0%</i></td><td><i>100%</i></td></tr> <tr> <td><i>Money Market Instruments</i></td><td><i>0%</i></td><td><i>100%</i></td></tr> <tr> <td><i>Equities</i></td><td><i>0%</i></td><td><i>60%</i></td></tr> <tr> <td><i>High Yield Bonds</i></td><td><i>0%</i></td><td><i>40%</i></td></tr> <tr> <td><i>Real Estate Securities</i></td><td><i>0%</i></td><td><i>40%</i></td></tr> <tr> <td><i>Investment Grade Bonds</i></td><td><i>0%</i></td><td><i>40%</i></td></tr> <tr> <td><i>Emerging Market Debt</i></td><td><i>0%</i></td><td><i>30%</i></td></tr> <tr> <td><i>Convertible Bonds</i></td><td><i>0%</i></td><td><i>20%</i></td></tr> <tr> <td><i>Floating rate securities</i></td><td><i>0%</i></td><td><i>20%</i></td></tr> <tr> <td><i>Structured Debt Securities</i></td><td><i>0%</i></td><td><i>20%</i></td></tr> <tr> <td><i>Commodities</i></td><td><i>0%</i></td><td><i>10%</i></td></tr> </table> <p>In the event the portfolio ends up with any distressed securities as a result of a restructuring event or any event beyond the control of the company, the Investment 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 assets.</p> <p>The sub-fund does not hold commodities or real estate directly.</p> <p>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.</p> <p>In respect of the above investments limits, the sub-fund's overall exposure (via both direct and indirect investments) to mainland China securities may reach up to 25% of its assets by investments in "China A-Shares" via the Stock Connect and debt securities traded on the China Interbank Bond market.</p>	<i>Assets</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Government Bonds</i>	<i>0%</i>	<i>100%</i>	<i>Money Market Instruments</i>	<i>0%</i>	<i>100%</i>	<i>Equities</i>	<i>0%</i>	<i>60%</i>	<i>High Yield Bonds</i>	<i>0%</i>	<i>40%</i>	<i>Real Estate Securities</i>	<i>0%</i>	<i>40%</i>	<i>Investment Grade Bonds</i>	<i>0%</i>	<i>40%</i>	<i>Emerging Market Debt</i>	<i>0%</i>	<i>30%</i>	<i>Convertible Bonds</i>	<i>0%</i>	<i>20%</i>	<i>Floating rate securities</i>	<i>0%</i>	<i>20%</i>	<i>Structured Debt Securities</i>	<i>0%</i>	<i>20%</i>	<i>Commodities</i>	<i>0%</i>	<i>10%</i>	<p>objectives by maintaining the below asset class weightings:</p> <ul style="list-style-type: none"> <li>- Equity: 50%</li> <li>- Bonds: 50%</li> </ul> <p>For effective portfolio management, the Investment Manager may deviate significantly from those weightings based on market conditions and his forecasts. The equity exposure may vary from 25% to maximum 75%. The bond exposure may vary from 25% to maximum 75%.</p>
<i>Assets</i>	<i>Minimum</i>	<i>Maximum</i>																																				
<i>Government Bonds</i>	<i>0%</i>	<i>100%</i>																																				
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<i>Commodities</i>	<i>0%</i>	<i>10%</i>																																				
Sustainable Investment Policy	<p>"Sustainable" sub-fund, SFDR article 8</p> <p>The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, falling under the Sustainable category, as set out in Book I.</p> <p>The sub-fund respects the Minimum Extra-Financial Analysis coverage rate, as set out in Book I.</p> <p>The average portfolio ESG score of the sub-fund is higher than the one of its investment universe, being all the worldwide issuers.</p>	<p>"Sustainable Plus-Enhanced ESG + THEMATIC" sub-fund, SFDR article 8</p> <p>The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, falling under the Sustainable Plus/Enhanced ESG + Thematic category, as set out in Book I.</p> <p>The Equity bucket of the sub-fund will invest mainly directly or indirectly (through funds, i.e. UCITS, UCIs, or ETFs) in:</p> <ul style="list-style-type: none"> <li>• companies that offer products, services and solutions helping to address specific environmental and/or social challenges, and, thus, facilitating, for example, the transition towards low-carbon, inclusive economy (sustainable thematic approach), and</li> <li>• companies that demonstrate superior social and/or environmental responsibility, while implementing robust corporate governance practices within their sector of activity. These companies are selected using the best-in-class approach.</li> </ul>																																				

		<p>The Fixed Income bucket of the sub-fund will mainly invest directly or indirectly (through funds, i.e. UCITS, UCIs, or ETFs) in:</p> <ul style="list-style-type: none"> <li>• issuers whose practices, products and services meet specific environmental, social and governance criteria assessed using the best-in-class approach,</li> <li>• green bonds issued by corporates, supranational sovereign agencies, local entities and/or government to support environmental projects,</li> <li>• issuers selected through sustainable thematic approach (e.g., fossil free funds).</li> </ul> <p>In order to meet its environmental and social characteristics and objectives, the sub-fund invests directly or indirectly (through funds, i.e. UCITS, UCIs, or ETFs) at least 90% of its assets (excluding investments in cash and cash equivalents) in securities selected based on the best-in-class approach and sustainable thematic approach.</p>
Derivatives and Securities Financing Transactions	<p>Core financial derivative instruments, CDS, TBA, funded and unfunded 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.</p> <p>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.</p> <p>* 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 <a href="https://ihsmarkit.com/products/iboxx.html#factsheets">https://ihsmarkit.com/products/iboxx.html#factsheets</a></p>	<p>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.</p>
Investor Type Profile	<p>This sub-fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>✓ Are looking for a diversification of their investments through exposure to a range of asset classes, globally;</li> <li>✓ Are willing to accept higher market risks in order to potentially generate higher long-term returns;</li> <li>✓ Can accept significant temporary losses;</li> <li>✓ Can tolerate medium to high volatility</li> </ul>	<p>This sub-fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>✓ Are looking for a diversification of their investments through exposure to a range of asset classes, globally;</li> <li>✓ Can accept low to medium market risks.</li> </ul>
Specific risk profile	<p>Specific market risks:</p> <ul style="list-style-type: none"> <li>• Commodity Related Exposure Risk</li> <li>• Credit Risk</li> <li>• Distressed Securities Risk</li> <li>• Efficient Portfolio Management Techniques Risk</li> <li>• Emerging Markets Risk</li> <li>• Environmental, Social and Governance (ESG) Investment Risk</li> <li>• Equity Risk</li> <li>• High Yield Bond Risk</li> </ul>	<p>Specific market risks:</p> <ul style="list-style-type: none"> <li>• Credit Risk</li> <li>• Environmental, Social and Governance (ESG) Investment Risk</li> <li>• Equity Risk</li> </ul>



	<ul style="list-style-type: none"> <li>• Liquidity Risk</li> <li>• Real Estate Related Exposure Risks</li> <li>• Risks related to investments in some countries</li> <li>• Securitised Products Risk</li> </ul> <p>Specific risks related to investments in Mainland China</p> <ul style="list-style-type: none"> <li>• Changes in PRC taxation risk</li> <li>• Risks related to Stock Connect</li> <li>• Risk related to Direct CIBM Access</li> </ul>	
<b>SRRI</b>	<b>5</b>	<b>4</b>
Summary of differences for: <ul style="list-style-type: none"> <li>• Investment policies</li> <li>• Investment Strategy</li> <li>• Asset Allocation</li> </ul>	<p><u>The investment objective of the Merging and Receiving Sub-Funds are not the same:</u>  Even if both funds want to increase the value of its assets over medium-term, the Receiving Sub-Fund is selecting its underlying based on their practices and activities linked to sustainable development</p> <p><u>The investment policies of the merging and receiving sub-funds are not the same:</u>  The Merging Sub-Fund is actively managed without any reference to a specific benchmark mainly in direct lines whereas the Receiving Sub-Fund has a target asset allocation (in normal market conditions, it should be invested 50% in equities &amp; 50% in bonds with a leeway) &amp; is invested directly or indirectly (through funds, i.e. UCITS, UCIs, or ETFs) in bonds or shares of issuers selected based on the best-in-class approach (which selects issuers that demonstrate superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity) and/or sustainable thematic approach.  The Merging Sub-Fund is a “Sustainable” sub-fund, SFDR article 8 whereas the Receiving Sub-fund is a “Sustainable Plus-Enhanced ESG + THEMATIC” sub-fund, SFDR article 8</p> <p><u>The asset allocation of Merging and Receiving sub-funds are not the same:</u>  The Merging Sub-Fund is mainly invested in worldwide stocks &amp; issuers which provide high dividends &amp; incomes whereas the Receiving Sub-Fund is targeting Sustainable Thematic &amp; Best-in-Class investments</p>	
<b>OCR:</b> <ul style="list-style-type: none"> <li>• “Classic”</li> <li>• “N”</li> <li>• “Privilege”</li> <li>• “I”</li> <li>• “X”</li> <li>• “K”</li> </ul>	<b>no Indirect Fee</b> <ul style="list-style-type: none"> <li>• 1.59%</li> <li>• 2.34%</li> <li>• 0.81%</li> <li>• 0.93%</li> <li>• 0.38%</li> <li>• 2.35%</li> </ul>	<b>including maximum 1.00% Indirect Fee</b> <ul style="list-style-type: none"> <li>• 1.93%</li> <li>• 2.68%</li> <li>• 1.13%</li> <li>• 0.91%</li> <li>• 0.61%</li> <li>• 2.72%</li> </ul>
<b>NAV Cycle</b> <ul style="list-style-type: none"> <li>• Centralisation of Orders</li> <li>• Valuation Day</li> <li>• NAV Calculation</li> <li>• Orders Settlement Date</li> </ul>	<ul style="list-style-type: none"> <li>• D</li> <li>• D</li> <li>• D + 1</li> <li>• D + 3</li> </ul>	<ul style="list-style-type: none"> <li>• D - 1</li> <li>• D</li> <li>• D + 2</li> <li>• D + 4</li> </ul>

Risk management process (Commitment Approach) is the same in both Merging and Receiving sub-funds.

#### 6) Tax Consequences

This Merger will have **no Luxembourg tax impact** for you.

In accordance with the European Directive 2011/16 the Luxembourg authorities will report to the tax authorities in your state of residence the total gross proceeds from the exchange of shares in application of the Merger.

For more **tax advice or information** on possible tax consequences associated with the Merger, it is recommended that you **contact your local tax advisor or authority**.

#### 7) Right to redeem the shares

Your options:

- ✓ Should you approve the Merger, you do **not need** to take any action,
- ✓ Should you not approve the Merger, you have the possibility to request the redemption of your shares free of charge until the cut-off time, on the dates detailed in the column “Last Order Date” in the above 1<sup>st</sup> table,
- ✓ In case of **any question**, please contact our **Client Service (+ 352 26 46 31 21 / AMLU.ClientService@bnpparibas.com)**.

**8) Other information**

- ✓ All expenses related to these Mergers (including transaction costs and Audit costs), will be borne by BNP Paribas Asset Management Luxembourg, the Management Company.
- ✓ The merging operation will be validated by PricewaterhouseCoopers, Société Coopérative, the auditor of the Company.
- ✓ The merger ratios will be available on the website <https://www.bnpparibas-am.com/en/> as soon as they are known.
- ✓ The Annual and Semi-Annual Report and the legal documents of the Company, as well as the KIIDs of the Merging and Receiving sub-funds, and the Custodian and the Auditor reports regarding this operation are available at the Management Company. The KIIDs of the Receiving sub-fund are also available on the website <https://www.bnpparibas-am.com> where shareholders are invited to acquaint with them.
- ✓ The notice will also be communicated to any potential investor before confirmation of subscription.
- ✓ Please refer to the Prospectus of the Company for any term or expression not defined in this notice.

Best regards,

**The Board of Directors**