

PARWORLD

Luxembourg SICAV – UCITS category
Registered office: 10 rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register n° B 77.384

Notice to shareholders

Luxembourg, 31 July 2017

Dear Shareholders,

We hereby inform you of the following changes which are reflected in the version of the Prospectus dated July 2017, and will be effective on 31 July 2017 (Order Trade Date), except for the below changes relating to the "Multi Asset Booster" sub-fund, which will be effective as of 1 September 2017 (Order Trade Date). Any shareholder of "Multi Asset Booster" sub-fund who objects to the amendments made to its Investment objective or Investment policy may request the redemption of its shares, at no cost, until 1 September 2017 (Valuation Day). These modifications will subsequently be binding on any shareholder who has not exercised its redemption rights during this period.

CHANGES APPLICABLE TO THE SICAV (BOOK I)

Rebranding (reminder of our notice published on 10 May 2017)

As of **1st June 2017**, the entities of the "BNP Paribas Investment Partners" group (the "Group") have been **rebranded** "BNP Paribas Asset Management". This rebranding solely consists in a **change of name** of the entities of the group **without any other consequence**, nor resulting in the creation of a new legal entity. As a consequence, "BNP PARIBAS INVESTMENT PARTNERS Luxembourg" (short-named "BNPP IP Lux") is now named "**BNP PARIBAS ASSET MANAGEMENT Luxembourg**" (short-named "BNPP AM Lux"). All references to the former name in any correspondence and documents now refer to the latter name after that said date. The website has also been changed to www.bnpparibas-am.com.

Moreover:

- "BNP Paribas Asset Management SAS", acting as investment manager, becomes "**BNP PARIBAS ASSET MANAGEMENT France**"
- "BNP Paribas Investment Partners UK Ltd", acting as investment manager, becomes "**BNP PARIBAS ASSET MANAGEMENT UK Ltd**"

CHANGES APPLICABLE TO SUB-FUND (BOOK II)

"Multi Asset Booster"

The investment objective and investment policy has been amended.

The rationale of these amendments is the following:

- The level of target VaR has been lowered from 18% to 17.5%
- The expected leverage notional has been lowered from 7 to 5
- The new investment policy provides purely less "investment flexibility" (notably to enter into short positions)

As a result, the overall risk assessment of this amended investment objective and investment policy has been lowered for your benefit, without negative impact on your investment.



BNP PARIBAS
ASSET MANAGEMENT

The asset manager
for a changing
world

As of 1 September 2017, the investment objective and investment policy should read as follows:

"Investment objective

Increase the value of its assets over the medium term while seeking to maintain the VaR (99%; 1-month) of the portfolio close to 17.5%.

Investment policy

In order to achieve this objective, the sub-fund may invest directly in transferable securities, money market instruments, over-the-counter derivatives such as swaps, unfunded TRS, derivatives traded on regulated markets such as options and futures, and/or in shares or units issued by UCITS or UCIs, and also in cash.

The sub-fund follows an iso-VaR investment process with an objective to maintain the VaR (99%; 1-month) of the portfolio close to 17.5%. In order to achieve this target VaR objective, the sub-fund may apply an asset allocation strategy in order to invest in a range of asset classes, which will usually include equity, commodities, credit, interest rates, inflation-linked indexes, currencies and other assets underlying derivatives such as volatility, variance, correlation and dispersion. This shall result in a diversified portfolio.*

The sub-fund uses leverage. The allocation in % between the different asset classes listed above is fixed over long period based on BNP PARIBAS ASSET MANAGEMENT research, except for the drift due to difference of markets' evolutions. Only the leverage can change over time. The strategy is implemented systematically according to volatility market conditions using an algorithm which objective is to maintain the 17.5% target VaR by adjusting the asset classes exposures should the need arise. For this purpose, The VaR (99%; 1-month) is computed on a daily basis. Each time the result of this computation does not lie between 15.5% and 19.5%, the algorithm adjusts the leverage so that the VaR (99%; 1-month) is again 17.5%.

The sub-fund only enters into long positions through various underlyings (for instance, without being neither mandatory nor restrictive, futures on representative equity indexes of the Eurozone, the US, the Japanese or the emerging market diversified commodities futures indices or government bonds futures).

The sub-fund will not invest more than 10% of its net assets in shares or units issued by UCITS or other UCIs.

The following investment restrictions will apply:

- *the sub-fund may invest up to 100% of its net assets in short-term deposits and money market instruments;*
- *the maximum amount of cash the sub-fund can place with a single counterparty is 20% of its net assets;*
- *investments in derivatives traded over-the-counter are only possible if the counterparty is a first-rate financial institution specialising in this type of transaction;*
- *When a derivative is defined by reference to an index the index must be sufficiently diversified, constitute an adequate benchmark for the relevant market, and be published in an appropriate manner.*

**Investments in derivatives on financial indexes based on commodities and in transferable securities that are sensitive to fluctuations in commodities prices*

Leverage notional details:

- a) *The expected leverage, estimated at 5, is defined as the sum of the absolute values of the derivatives notional (with neither netting nor hedging arrangement) divided by the NAV. A higher leverage level could be reached during the life of the sub-fund regarding its investment strategy. The expected leverage results for its main part of equities derivative positions: index futures purchases have a high leverage contribution.*
- b) *Higher leverage: under certain circumstances, the leverage can be higher in case of low market volatility environment and in case of strong allocation to fixed income.*
- c) *Leverage Risk Warning: please be advised that leverage may under certain circumstances generate an opportunity for higher return and therefore more important income, but at the same time, may increase the volatility of the value of the assets of the sub fund hence a risk to lose capital.*
- d) *Risk management: as required by the local regulator, a solid risks management process supervises this investment strategy through a daily VaR (99%; 1-month) computed via RiskMetrics, monthly back test and stress tests complete the risk analysis; in addition to this regulatory process, the fund will be managed in respect of 2 limits: a regulatory VaR (99%; 1-month) limit of 20% and an Internal VaR (99%; 1-month) limit of 19%."*

ADDITIONAL INFORMATION

Additional clerical changes have been made to update and enhance the general wording of the Prospectus or to comply with new laws and regulations.

Terms or expression not defined in the present notice have the same meaning as in the Prospectus of the Company.

If your shares are held by a clearing house, we advise you to enquire about the specific terms applying to subscriptions, redemptions and conversions made via this type of intermediary.

Please note that except for the newspaper publications required by Law, the official media going forward to obtain any notice to shareholders will be our website www.bnpparibas-am.com.

Should you have any question, please contact our Client Service (+ 352 26 46 31 21 / clientservice@bnpparibas-am.com).

Best regards,

The Board of Directors



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