BNP Paribas Funds

Luxembourg SICAV – UCITS category
Registered office: 10 rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register n° B 33363

Notice to shareholders

Luxembourg, February 06, 2020

Dear Shareholders,

We hereby inform you of the following changes incorporated in the next version of the prospectus, dated March 2020. These changes will be effective on March 06, 2020.

CHANGES APPLICABLE TO ALL SUB-FUNDS (BOOK II)

Centralisation of STP orders for December 24 and 31

Please note that Centralisation, for December 24 and 31 of each year, will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.

CHANGES APPLICABLE TO SOME SUB-FUNDS (BOOK II)

"Asia ex-Japan Equity", "Emerging Equity"

Please note that, to be compliant with the new Taiwanese Regulation in which the sub-funds are registered, the limit of the overall exposure of these sub-funds to mainland China securities will be decrease from 25% to 20% of their assets.

"Energy Transition"

Please note that:

- ✓ The sub-fund may invest into "P-Notes" for maximum 25% of its assets.
- ✓ In respect of the above investments limits, the sub-fund's overall exposure (via both direct and indirect investments) to mainland China securities will not exceed 20% of its assets by investments in "China A-Shares" via the Stock Connect.
- ✓ In addition to core financial derivative instruments, the sub-fund may use Equity Basket Swaps for efficient portfolio management and hedging.

Such investments include the following specific risks related to investments in Mainland China developed on the Appendix 3 of the Book I of the prospectus:

- Change in PRC taxation risk
- Risk related to Stock Connect

"Euro High Yield Short Duration Bond"

Please note that NAVs will be calculated each Valuation Day even if US Bond markets are closed.

"Euro Short Term Bond Opportunities"

Please note that the sub-fund may use Financial Derivative Instruments not only for efficient portfolio management and hedging, but also for investment purposes.

Consequently, the **calculation methodology** used for the global exposure of the sub-fund is changed as follows: The **Commitment Approach** with an expected leverage of 1.00 currently used will be replaced by the **Relative VaR approach** with an expected leverage of 2.00 and the "Bloomberg Barclays Euro Aggregate 1-3 Years" index as Reference Portfolio.

"Europe Dividend", "Europe Equity", "Europe Growth", "Europe Small Cap", "Sustainable Euro Corporate Bond"

Please note that in the context of Brexit, the investment policies of these sub-funds is updated in order to maintain their investment universe, which includes the United Kingdom, unchanged.

Therefore, the United Kingdom is mentioned alongside the countries member of the EEA/European Union in the investment policy.

This amendment, effective since January 31, 2020, the effective date of the Brexit, is not material and does not change the current strategy and asset allocation followed by the investment manager.

"Flexible Opportunities"

Please note that Emerging Debt Securities will not exceed 50% of the assets of the sub-fund.

This is not a change of the current strategy and asset allocation followed by the asset manager but a clarification of them.

Please note that a Relative **Performance Fee of 20%** with Eonia + 4%*, CZEonia + 4% ("Classic RH CZK"), and Libor GBP 1M + 4% ("I RH GBP")* as hurdle rate will be charged to the shares in addition of the Management, Distribution and Other Fees.

"Premia Opportunities"

Please note that NAV, currently calculated one day after the Valuation Day, will be calculated two days after the Valuation Day when the sub-fund invests in targeted assets through UCITS or UCIs.

Please note that conversion, both for subscription or for redemption, will be limited and authorised only with the "Sustainable Multi-Asset Balanced", "Sustainable Multi-Asset Growth" and "Sustainable Multi-Asset Stability" sub-funds and between shares classes of the sub-fund.

"Sustainable Multi-Asset Balanced", "Sustainable Multi-Asset Growth", "Sustainable Multi-Asset Stability"

Please note that conversion, both for subscription or for redemption, will be, in these sub-funds, limited and authorised not only with the "Sustainable Multi-Asset Balanced", "Sustainable Multi-Asset Growth" and "Sustainable Multi-Asset Stability" sub-funds but also with the "Premia Opportunities" sub-fund.

"US Multi-Factor Corporate Bond", "US Multi-Factor High Yield Bond"

Please note that each bank business day in Luxembourg will be a Valuation Day if US Bond markets will be open.

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.

YOUR OPTIONS

1. **If you are comfortable with these changes**, you do not need to take any action.
2. **Should you not approve these changes**, you have the possibility to request the redemption of your shares free of charge **until the effective date of the changes**.
3. In case of any **question**, please contact our **Client Service** (**+ 352 26 46 31 21 /AMLU.ClientService@bnpparibas.com**).

Best regards,

The Board of Directors