FOR PROFESSIONAL INVESTORS & NON-PROFESSIONAL INVESTORS - 2025

MiFID II Brochure

BNP Paribas Asset Management

BNP PARIBAS ASSET MANAGEMENT

The sustainable investor for a changing world

GENERAL INFORMATION

This brochure is intended to provide the required level of information on our firm and on the financial services we provide as well as the relevant financial instruments and their related risks.

If information included in this brochure seems unclear or in case of any questions, please do not hesitate to contact your relevant contact within BNP Paribas Asset Management (hereafter mentioned as "BNPP AM").

We remain at our Client's service to answer any questions they may have in relation to our rules of conduct as well as in relation to the different types of services and financial instruments we provide.

INVESTMENT SERVICES

Compliant with local, European and applicable extraterritorial regulations, BNPP AM aims at ensuring a high level of investor protection, respecting the applicable rules of conduct and acting in the clients' best interest.

Please note that BNPP AM focuses its service offering to professional clients. MiFID classification is our starting point when providing investment services.

Ensuring a high level of investor protection can only be achieved by providing adequate information to our potential and existing clients and by obtaining accurate and up-to-date information from these potential and existing clients with regard to their financial situation, risk tolerance, ability to bear losses, sustainability preferences, investment objectives and investment horizon.

The information collected allows us to determine which services and financial instruments are deemed suitable for our clients.

BNPP AM offers the following MiFID investment services:

- **Investment Advice** (including, if requested, the reception and transmission of orders in relation to advised financial instruments)

  Investment Advice can be defined as the provision of personal recommendations to a client, either upon its request or at the initiative of the investment firm, in respect to one or more transactions relating to financial instruments.

  Investment Advice implies that the recommendation presented is suitable for the client, in its capacity as an investor or a potential investor, and that it must be based on a consideration of the circumstances of the client.

  Please note a recommendation differs from the provision of information in the sense that a recommendation always requires an element of opinion on the part of the advisor.

  Please note that BNPP AM provides **investment advice on a non-independent basis.**

  This means the advice will be based on a restricted analysis of different types of instruments and a restricted range of instruments. Also note that we may have close links or other legal or economic relationships with the issuers, providers or other third parties making those instruments available.

  Detailed information regarding the different types of instruments and the range of instruments that could be advised upon can be found on the BNPP AM website under the "access our funds" button: www.bnpparibas-am.com.

- **Portfolio Management**

  Portfolio Management can be defined as the managing of portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments.

  Portfolio Management implies that the client has given the portfolio manager a mandate with respect to the management of its assets. The portfolio manager is thus allowed to take decisions and undertake actions for the appropriate management of the portfolio on behalf of the client. This must always be performed in the best interests of the client.

CONDUCT OF BUSINESS RULES

- **MiFID classification:** in accordance with current regulations applicable to the investment services BNPP AM provides, BNPP AM classifies its clients as non-professional ("retail") or as professional.

  Please note that a local public authority, municipality, association or union will be considered as a non-professional client.

- **Product governance:** this enhances investor protection by requiring that BNPP AM takes reasonable steps to ensure that financial instruments are marketed to a pre-determined **target market** of clients that is specific to a given financial instrument. BNPP AM will also review the effectiveness of these arrangements on a regular basis.

- **Inducements:** in accordance with current regulations applicable to the investment services BNPP AM provides, BNPP AM does not receive any fees; commissions or other monetary or non-monetary benefits disbursed or provided by third parties, except for minor non-monetary benefits improving the quality of the service offered to clients.

- **Suitability report for investment advice provided to non-professional clients:** BNPP AM will send **before** any transaction is made, a **suitability report** explaining on which basis the investment advice is considered **suitable** for their specific situation.

- **Ex ante costs and charges:** in order to ensure transparency and in the best interest of the client, estimated costs and charges relating to the investment and/or ancillary services and the related financial instruments are disclosed on an aggregate basis and in a timely manner to clients prior to any provision of service or investment decision.

- **Ex post costs and charges:** in order to ensure transparency and in the best interest of the client, costs and charges relating to the investment and/or ancillary services and the related financial instruments (if relevant) are disclosed on an annual basis to clients.

- **Telephone and electronic communication recording and record-keeping:** BNPP AM records telephone conversations and electronic communications with its clients that result or may result in a transaction or certain other regulated activities. A copy of these communications must be available on request for a period of five years after the communication was recorded.

- **Information about the procedures for safeguarding the Clients Financial Instrument and Cash**

  The Company does not hold cash or financial instruments of clients

  Any cash and financial instruments under management, as well as the cash and financial instruments deriving from time to time from the management activity performed by the Company on behalf of the Client, are deposited with the depositary appointed by the Client

- **Complaints Policy**

  BNPP AM has a proven track record of providing its clients with high-quality and reliable investment services. Client satisfaction is our primary objective.

  If however any client feels dissatisfied with our services, BNPP AM has adopted a **Complaints Policy** in order to first remediate the issue at hand and second, take into account this issue and evaluate how BNPP AM can improve its service offering to avoid similar issues in the future. Clients filing a complaint will receive an acknowledgement notice within the timeframe required by the applicable regulation for the Client.

  Information regarding the Complaints Policy can be found on the BNPP AM website under the “Complaints management policy” footer.

- **Conflicts of Interest Policy**

  BNPP AM has adopted investor protection rules regarding the prevention and management of any incurred or potential conflicts of interest by implementing a Conflicts of Interest Policy and an associated Conflicts of Interest Inventory. This policy and inventory is regularly updated in order to ensure its accuracy and exhaustiveness.

  Detailed information regarding the Conflicts of Interest Policy can be found on the BNPP AM website under the “MiFID” footer.

- **Best execution–Best selection Policy**

  BNPP AM has adopted a Best execution-Best selection Policy aimed at enhancing investor protection with regard to the execution of client orders. This policy is regularly updated in order to ensure its accuracy and exhaustiveness.

  We have implemented regular monitoring and review of our Best execution-Best selection Policy and the arrangements put in place to ensure that all sufficient steps are taken to obtain the best possible result for our clients when executing their orders.

  Every year, BNPP AM will publicly disclose the top five execution venues used, in terms of trading volumes, to clarify how we achieve best execution for our Clients. BNPP AM will also regularly publish reports on information regarding the quality of execution for transactions that we executed against our own books.

  Detailed information regarding the Best execution-Best selection Policy can be found on the BNPP AM website under the “MiFID” footer.

FINANCIAL INSTRUMENTS AND RELATED RISKS

INTRODUCTION

The purpose of this section is to cover the nature and main risks associated with different types of investments which may or may not be relevant for the Client depending on the nature of the investments held within their portfolio.

This section cannot disclose all the risks and other significant aspects associated with different types of investments.

All financial instruments involve a certain degree of risk and even low-risk financial instruments and strategies contain an element of uncertainty. Past performance is not a reliable indicator of future results. The value of a financial instrument and the income received from such instrument can go down as well as up, and investors may not get back the amount that they invested. Clients should not request for financial instruments or services unless they fully understand their nature and extent of exposure to risk.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of any investment.

The types of risk that might be of concern will depend on various aspects, including how the instrument is created or drafted.

Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments or become involved in any financial products Clients should be fully aware of the following points brought up in this section.

Clients should also be satisfied that the product and/or service is suitable for them in light of their circumstances and financial position and, where necessary, they should seek appropriate advice in advance before making any investment decisions.

1- PRODUCTS AND INVESTMENTS

UNITS IN COLLECTIVE INVESTMENT SCHEMES

Pooled investments such as (but not limited to) mutual funds, exchange traded funds, alternative investment funds, and private equity investments are sometimes referred to as “collective investment schemes”.

Assets held in collective investment schemes include financial instruments such as bonds and equities as well as other funds, and may include derivatives, real estate or any other asset. As such, a collective investment scheme will be exposed to the risks associated with those financial instruments and other underlying assets held in it. Although, therefore, seen as a way to spread risks, the value of an investment in a collective investment scheme can fall as well as rise, which may be amplified to the extent that leverage is used as a means to seek an enhanced return.

Collective investment schemes could be composed of the following financial instruments and be exposed to their specific risks.

SHARES, EQUITY INSTRUMENTS

A risk with equity is that the company must both grow in value and make adequate dividend payments or the price will fall. The company, if listed or traded on-exchange, will then find it difficult to raise further capital to finance the business and the company's performance will deteriorate vis-à-vis its competitors, leading to further reductions in the share price. Ultimately the company may become vulnerable to a takeover or may fail. Shares have exposure to all the major risk types referred to in Part 2 below. In addition, there is a risk that there could be problems in the sector that the company operates in. In addition, if the company is private, i.e. not listed or traded on an exchange, or is listed but only traded infrequently, there is also a certain amount of liquidity risk, whereby shares could become very difficult to dispose of.

WARRANTS

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavorable or favorable, in the price of the warrant. The prices of warrants can therefore be volatile.

The right to subscribe conferred by a warrant is invariably limited in time with the consequence that if the investor fails to exercise this right within the pre-determined time-scale then the investment becomes worthless. A warrant is potentially subject to all of the major risk types referred to in Part 2 below. Warrant's investors are also exposed to a risk of capital loss plus any commission or other transaction charges linked to the warrant.

MONEY-MARKET INSTRUMENTS

A money-market instrument is a borrowing for a period, generally no longer than six months, but occasionally up to one year, in which the lender takes a deposit from the money markets in order to lend (or advance) it to the borrower. Unlike in an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow. Like other debt instruments (see below), money-market instruments are exposed to the major risk types in Part 2 below, including credit and interest rate risk.

DEBT INSTRUMENTS/BONDS/DEBENTURES

All debt instruments are potentially exposed to the major risk types described in Part 2 below, including credit risk and interest rate risk. Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Fixed-rate transferable debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

DERIVATIVES, INCLUDING OPTIONS, FUTURES, SWAPS, FORWARD RATE AGREEMENTS, DERIVATIVE INSTRUMENTS FOR THE TRANSFER OF CREDIT RISK, FINANCIAL CONTRACTS FOR DIFFERENCES

Derivatives Generally

A derivative is a financial instrument derived from an underlying asset's value; rather than trade or exchange the asset itself, an agreement is entered into to exchange money, assets or some other value at some future date based on the underlying asset. There are many types of derivatives, but options, futures and swaps are among the most common. An investor in derivatives often assumes a great deal of risk, and therefore investments in derivatives must be made with caution, especially for smaller or less experienced investors.

High risk is inherent to derivatives predominantly as there is a reliance on underlying assets, thus unpredictable. Options or futures can allow a person to pay only a premium to presume the direction in an asset's price, and while this can often lead to large returns if right, it would lead to a 100% loss (the premium paid) if wrong. Options or futures sold "short" (i.e. without the seller owning the asset at the time of the sale) may lead to great losses if the price of the derivative rises significantly. If a derivative transaction is particularly large or if the relevant market is illiquid (as may be the case with many privately negotiated off-exchange derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

On-exchange derivatives are subject, in addition, to the risks of exchange trading generally. Off-exchange derivatives are contracts entered into with a counterparty and, like any contract, subject to credit risk and the particular terms of the contract (whether one-off or a master agreement) should be considered in all cases.

Derivatives can be used for speculative purposes or as hedges to manage other investment risks. In all cases the suitability of the transaction for the particular investor should be considered. Investors should therefore ask about the terms and conditions of the specific derivative and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or Clearing House to reflect changes in the underlying asset.

Normal pricing relationships between the underlying asset and the derivative may not exist in all cases. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to assess 'fair' value. The points set out below in relation to different types of derivative are not only applicable specifically to these derivatives but are also applicable more widely to derivatives generally. All derivatives are potentially subject to the major risk types in Part 2 below, especially market risk, credit risk and any specific sector risks connected with the underlying asset.

Futures/Forwards/Forward rate agreements

Transactions in futures or forwards involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures and forwards trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can lead to a positive or negative impact for investors. Futures and forwards transactions have a contingent liability, and investors should be aware of the implications of this, in particular margining requirements: these are that, on a daily basis, with all exchange-traded, and most OTC off-exchange, futures and forwards, investors will have to pay over in cash losses incurred on a daily basis if you fail to, the contract may be terminated (See Part 3 below).

Options

The term option refers to a financial instrument that is based on the value of underlying securities, such as stocks, indexes, and exchange-traded funds (ETFs). An options contract offers the buyer the opportunity to buy or sell—depending on the type of contract they hold—the underlying asset. Unlike futures, the holder is not required to buy or sell the asset if they decide against it.

Each options contract will have a specific expiration date by which the holder must exercise their option. The stated price on an option is known as the strike price.

Contracts for differences

A contract for differences (CFD) is an agreement between a buyer and a seller that stipulates that the buyer must pay the seller the difference between the current value of an asset and its value at contract time.

A CFD is a type of derivatives trade. CFDs allow traders and investors to profit from price movement without owning the underlying assets. The CFD does not consider the asset's underlying value, only the price change between the trade entry and exit.

Swaps

A swap is a derivative where two counterparties exchange one stream of cash flows against another stream. A major risk of old off-exchange derivatives, (including swaps) is known as counterparty risk. If a party, A, wants a fixed interest rate loan and so swaps a variable rate loan with another party, B, thereby swapping payments, this will synthetically create a fixed rate for A. However, if B goes insolvent, A will lose its fixed rate and will be paying a variable rate again. If interest rates have gone up a lot, it is possible that A will struggle to repay. The swap market has grown substantially in recent years, with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap.

COMBINED INSTRUMENTS

Any combined instruments, such as a bond with a warrant attached, is exposed to the risk of both those products and so combined products contain a risk which is greater than those of its components generally.

2- GENERIC RISK TYPES

GENERAL

The price or value of an investment will depend on fluctuations in the financial markets outside of anyone's control. Past performance is no indicator of future performance. The nature and extent of investment risks varies between countries and from investment to investment. These investment risks will vary with, *inter alia*, the type of investment being made, including how the financial products have been created or their terms drafted, the needs and objectives of particular investors, the manner in which a particular investment is made or offered, sold or traded, the location or domicile of the Issuer, the diversification or concentration in a portfolio (e.g. the amount invested in any one currency, security, country or issuer), the complexity of the transaction and the use of leverage. The below risk types could have an impact on each type of investment:

LIQUIDITY RISK

The liquidity of an instrument is directly affected by the supply and demand of that instrument. Under certain trading conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls to such an extent that under the rules of the relevant exchange trading is suspended or restricted..

CREDIT RISK

Credit risk is the risk of loss caused by borrowers, bond obligors, or counterparties failing to fulfil their obligations or the risk of such parties' credit quality deteriorating.

COUNTERPARTY RISK

Counterparty risk is the risk of loss caused by a counterparty failing to fulfil their contractual obligations as and/or when prescribed, particularly with respect to transactions in derivatives traded outside a trading venue.

MARKET RISK

General

The price of investments goes up and down depending on market supply and demand, investor perception and the prices of any underlying or allied investments or, indeed, sectorial and economic factors. These can be totally unpredictable.

Foreign markets

Any foreign investment or investment with a foreign element can be subject to the risks of foreign markets which may involve different risks from the EU markets. In some cases the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

Emerging Markets

Price volatility in emerging markets, in particular, can be extreme. Price discrepancies can be common and market dislocation is not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency and regulation found in more developed markets. For example, these markets might not have regulations governing manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. They may also be affected by political risk. It may be difficult to employ certain risk management practices for emerging markets investments, such as forward currency exchange contracts or derivatives.

CLEARING HOUSE PROTECTIONS

On many exchanges, the performance of a transaction is "guaranteed" by the exchange or clearing house. However, this guarantee is usually in favour of the exchange or clearing house member and cannot be enforced by this client who may, therefore, be subject to the credit and insolvency risks of the firm through whom the transaction was executed. There is, in any event, no clearing house for traditional options, nor for off-exchange instruments which are not traded under the rules of an exchange.

INSOLVENCY RISK

The insolvency or default of the firm potentially held in the portfolios, or of any brokers involved with the portfolio's transaction, may lead to positions being liquidated or closed out without noticet or, indeed, investments not being returned. There is also insolvency risk in relation to the investment itself, for example of the company that issued the bond or of the counterparty to the off-exchange derivatives (where the risk relates to the derivative itself and to any collateral or margin held by the counterparty).

CURRENCY RISK

Currency risk is commonly referred to as exchange-rate risk. It arises from the change in price of one currency in relation to another. Investors or companies that have assets or business operations across national borders are exposed to currency risk that may create unpredictable profits and losses.. The weakening of a country's currency relative to a benchmark currency or the currency of the portfolio will negatively affect the value of an investment denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not completely eliminate exposure to changing currency values.

INTEREST RATE RISK

Interest rates can rise as well as fall. A risk exists with interest rates that the relative value of a security, especially a bond, will worsen due to an interest rate increase. This could negatively affect other products.

REGULATORY/LEGAL RISK

All investments could be exposed to regulatory or legal risk. Returns on all, and particularly new, investments are at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an investment. Legal changes could even have the effect that a previously acceptable investment becomes illegal. Changes to related issues such as tax may also occur and could have a large impact on profitability. Such risk is unpredictable and can depend on numerous political, economic and other factors. For this reason, this risk is greater in emerging markets but does apply everywhere. In emerging markets, there is generally less government supervision and regulation of business and industry practices, stock exchanges and over-the-counter markets.

The laws and regulations governing investments in securities may not exist in some places, and where they do, may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent.

There is no guarantee that a foreign investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. An investor may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.

OPERATIONAL RISK

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact on all financial products, but in particular for holders of shares, which equate to a part of the ownership of the company. Personnel and organizational changes can severely affect such risks and, in general, operational risk may not be apparent from outside the organization.

3- TRANSACTION AND SERVICE RISKS

COLLATERAL

Collateral is an item which is put up as security against a loan. If the borrower cannot repay the loan, the lender can claim the item in lieu of payment. Different types of collateral include real estate, business equipment, inventory, cash, invoices and blanket liens. Collateral can have benefits. It can help a borrower get a larger loan and lower cost, and it can help lenders know who they can afford to lend money to, as well as having something to help pay back the cost of the loan should the borrower default. Borrowing with collateral always carries an amount of risk, as someone can lose the item the loan is secured against.

This is why they should be careful and make sure they can make repayments against a loan.

OFF-EXCHANGE TRANSACTIONS

The several European regulators have categorized certain exchanges as recognized or designated investment exchanges. A list of these exchanges can be found on their respective websites. Transactions which are traded elsewhere may be exposed to substantially greater risks.

COMMISSIONS

Before any investments or financial services, investors should obtain details of all commissions and other charges for in relation with the investment or the financial service provided If any charges are not expressed in money terms (but, for example, as a percentage of contract value), investors should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

SUSPENSIONS OF TRADING AND GREY MARKET INVESTMENTS

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

Transactions may be entered into in:

- a security whose listing on an exchange is suspended, or the listing of or dealings in which have been discontinued, or which is subject to an exchange announcement suspending or prohibiting dealings; or
- a grey market security, which is a security for which application has been made for listing or admission to dealings on an exchange where the security's listing or admission has not yet taken place (otherwise than because the application has been rejected) and the security is not already listed or admitted to dealings on another exchange.

There may be insufficient published information on which to base a decision to buy or sell such securities.

NON-READILY REALISABLE INVESTMENTS

Both exchange listed and traded and off-exchange investments may be non-readily realizable. These are investments in which the market is limited or could become so. Accordingly, it may be difficult to assess their market value and/or to liquidate a position.

STRATEGIES

Particular investment strategies will carry their own particular risks.

You may also find the last version of this brochure published in the relevant BNPP AM website under the "MiFID" footer.

DISCLAIMER