

BNP PARIBAS EASY ESG LOW VOL EUROPE UCITS ETF

MARKETING COMMUNICATION | FOR PROFESSIONAL INVESTORS ONLY | MARCH 2024

Investors do not expect risky stocks to produce lower returns. The low returns come as a surprise. Much is expected of these expensive stocks in terms of future quality. Too much."

- Robert Haugen

Volatility spikes in the horizon

Bouts of volatility are expected during 2022¹ due to potential new Covid-19 variants

Making high-volatility stocks more exposed to potential heavy losses.

Long term peace of mind

Low volatility portfolios aim at avoiding the heavy losses that high-volatility stocks are exposed to²

Academic research shows long-run outperformance in low-volatility portfolios² vs high-volatility portfolios.

Thwart market expectations

Seeks to achieve high risk-adjusted returns, by investing in low-volatility stocks³

Grounded in the findings of quantitative finance.³

ESG* considerations without additional cost

ESG integration in ETFs does not carry additional charges

Vs ETFs that do not consider ESG criteria.

BNP PARIBAS EASY ESG LOW VOL EUROPE UCITS ETF

invests in companies with a low-risk profile.

OBJECTIVES

- Benefit from potential **strong returns of low risk European stocks**.
- Provide a portfolio with **high ESG standards**.
- **Stringent control** of the risk through the investment process.

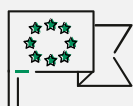
COMPETITIVE EDGES

- A **unique combination of low volatility descriptors** to identify the most promising companies.
- An improved methodology to select the companies with the **best ESG score** and the **lowest risk stocks**.

ESG INTEGRATION

- A **thorough ESG integration** process leveraging the expertise of several ESG data providers such as Moody's ESG Solutions and BNP Paribas Asset Management.
- An **ESG Filtering Criteria** is applied to the Initial Investment Portfolio, selecting **only the most complying companies**.

INVESTMENT PROCESS



European stocks

With an average daily trading volume above 10 Mio EUR.



Scoring

Stocks are rated according to the two metrics that best represent Low Vol factor:

- 3-Year Historical Volatility
- Earnings Per Share Dispersion



ESG integration

Exclusion: Critical controversies check and ESG screenings (i.e. *energy transition score below 30%*).

Integration: ESG score of each company impacts its expected return & allocation.

Guarantee: ESG characteristics to be better than investment universe.



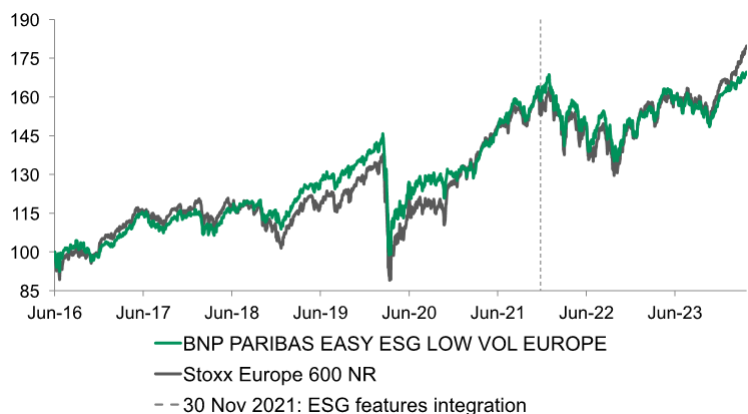
Optimization process

Implemented at the end to maximize the exposure to the Low Vol Factor under constraints such as the **maximum volatility of alpha below 4%**

¹Financial Times, as of 24 December 2021, ²Pim van Vliet: *Low-volatility investing - a long-term perspective*, as of 11 December 2011, ³BNP Paribas, as of August 2021.
 *ESG stands for Environmental, Social, and Governance

PERFORMANCE SIMULATIONS

As of March 31st, 2024



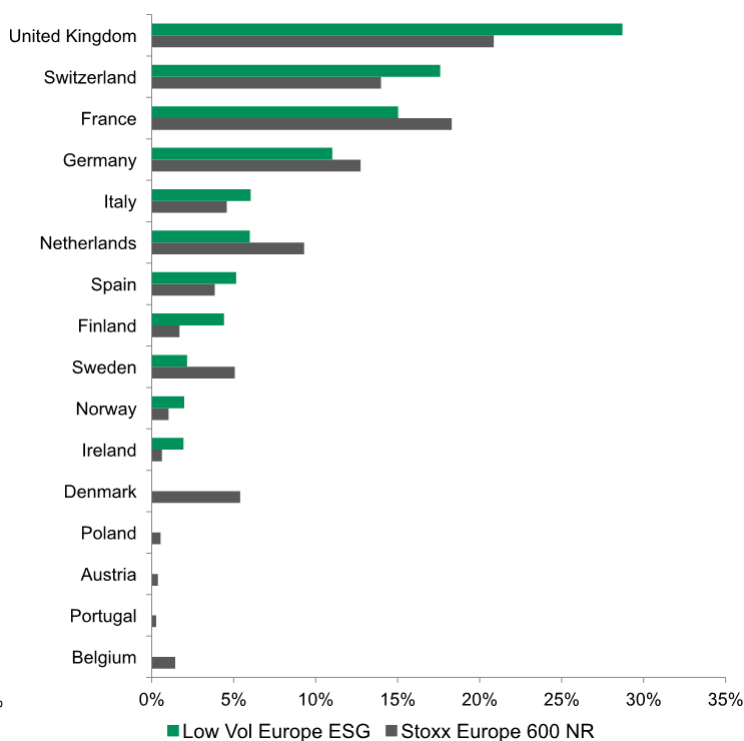
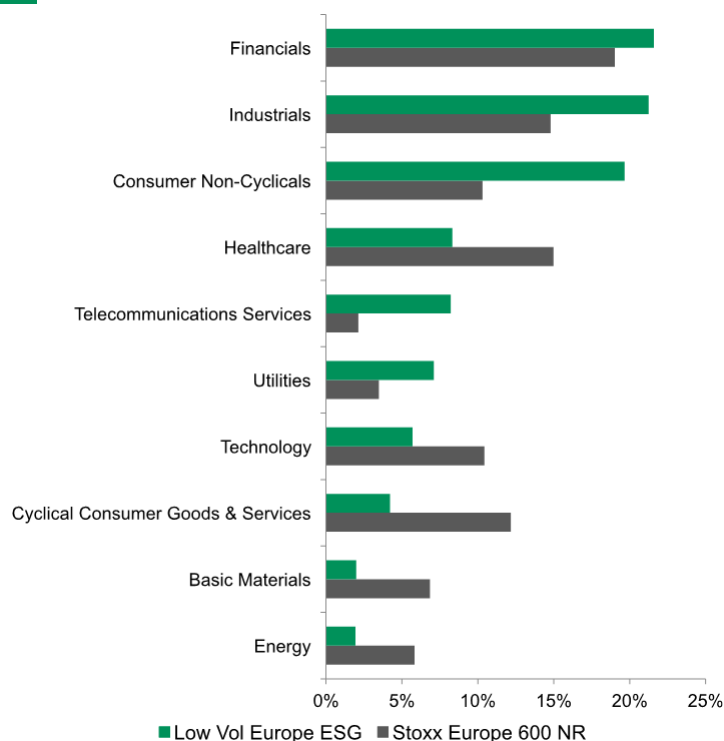
Jun 16 - Mar 24	BNP PARIBAS EASY ESG LOW VOL EUROPE	Stoxx Europe 600 NR
Cumulative Performance	69.59%	79.75%
Annualised Return	7.00%	7.80%
Annualised Volatility	13.99%	15.98%
Sharpe Ratio	0.50	0.49
Max. Drawdown	-32.22%	-35.36%

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	ETF	1.99%	0.17%	2.32%										4.53%
	SXXR	1.46%	1.98%	4.04%										7.65%
2023	ETF	5.44%	1.88%	1.48%	3.13%	-3.01%	1.14%	1.06%	-2.65%	-1.32%	-3.22%	5.10%	3.15%	12.33%
	SXXR	6.74%	1.88%	-0.32%	2.45%	-2.52%	2.41%	2.14%	-2.54%	-1.66%	-3.62%	6.62%	3.83%	15.80%
2022	ETF	-5.52%	-3.52%	1.59%	1.32%	-3.51%	-6.39%	7.69%	-4.60%	-6.25%	4.99%	4.62%	-3.69%	-13.64%
	SXXR	-3.83%	-3.25%	1.00%	-0.72%	-0.92%	-8.02%	7.74%	-5.05%	-6.47%	6.35%	6.89%	-3.38%	-10.64%
2021	ETF	-1.75%	-0.30%	8.36%	1.14%	3.16%	3.16%	3.19%	1.41%	-3.46%	3.13%	1.42%	5.55%	27.42%
	SXXR	-0.75%	2.44%	6.42%	2.21%	2.59%	1.50%	2.06%	2.18%	-3.29%	4.67%	-2.53%	5.42%	24.91%
2020	ETF	0.41%	-7.69%	-11.72%	4.12%	2.68%	2.54%	-0.21%	3.12%	-0.22%	-5.07%	7.85%	0.77%	-4.97%
	SXXR	-1.18%	-8.34%	-14.51%	6.50%	3.40%	3.06%	-0.95%	3.05%	-1.41%	-5.11%	13.84%	2.58%	-1.99%
2019	ETF	3.71%	3.80%	3.98%	1.39%	-1.49%	3.47%	0.36%	0.58%	2.57%	0.34%	2.05%	1.20%	24.11%
	SXXR	6.32%	4.15%	2.06%	3.76%	-4.94%	4.47%	0.31%	-1.35%	3.70%	1.04%	2.83%	2.13%	26.82%
2018	ETF	-1.01%	-3.40%	-0.63%	4.00%	1.69%	0.96%	2.31%	-0.10%	0.64%	-4.45%	1.42%	-4.01%	-2.92%
	SXXR	1.57%	-3.81%	-1.99%	4.49%	0.13%	-0.63%	3.14%	-2.14%	0.32%	-5.53%	-0.99%	-5.46%	-10.85%
2017	ETF	-1.09%	3.71%	2.99%	1.57%	3.73%	-2.96%	-1.58%	-0.51%	2.85%	2.92%	-1.34%	0.67%	11.20%
	SXXR	-0.31%	3.05%	3.32%	1.98%	1.45%	-2.53%	-0.35%	-0.79%	3.90%	1.91%	-2.02%	0.81%	10.68%
2016	ETF						-0.63%	1.72%	0.79%	0.69%	-3.34%	-0.29%	4.28%	3.09%
	SXXR						66.97%	3.73%	0.74%	-0.11%	-1.03%	1.05%	5.75%	5.34%

On 30th November 2021, the underlying strategy of the ETF has changed to integrate ESG features.

Source: BNP Paribas and Bloomberg. Historical performance of the BNP Paribas Easy ESG Low Vol Europe UCITS ETF since 07 June 2016. Comparative index: STOXX Europe 600 Index <SXXR Index>. Comparative index for illustrative purpose only. Past or simulated performance or achievement is not indicative of current or future performance. This is for general information only and should not be used as a basis for making any specific investment, business or commercial decisions. Any economic and market trend, prediction, projection or forecast is not necessarily indicative of the future or likely performance of the funds

SECTOR AND COUNTRY COMPOSITION



Source: BNP Paribas. Past performance is not a reliable indicator of future returns. Comparative index: STOXX Europe 600 index, Bloomberg code: <SXXR Index>. Comparative index for illustrative purpose only.

INVESTMENT TEAM

- Multi Asset, Quantitative and Solutions (MAQS) is an investment group within BNPP Paribas Asset Management focused on four areas of expertise: Solutions & Advisory, Multi Asset, Quantitative & Index and Structured Management. Managing more than EUR 112 billion in assets and boasting 130 experts, MAQS responds to clients' needs with constant digital innovation, stringent risk management and continuous integration of environmental, social and governance criteria.

INVESTMENT GUIDELINES

1. Investment Objective

- Replicate the performance of the **BNP Paribas Low Vol Europe ESG Index** (Bloomberg: *BNPIFELE Index*), including fluctuations, and to maintain the Tracking Error between the sub-fund and the index below 1%.

2. Benchmark

- The benchmark is the **BNP Paribas Low Vol Europe ESG Index**, published in EUR. The composition of the index is reviewed on a monthly basis. The index is valued daily. **BNP Paribas Low Vol Europe ESG Index** measures the performance of European companies whose historical volatility is low.
- Index components can be downloaded from <https://indx.bnpparibas.com/>

3. Investment Guidelines¹

- Long-only equity fund
- The strategy is implemented through a synthetic replication of the index. Exposure to the index is achieved by entering into a swap that enables the sub-fund to convert the exposure of its 'substitute basket' to the exposure to the index
- The sub-fund will not invest more than 10% of its net assets in shares or units issued by UCITS or other UCIs

¹These internal guidelines are mentioned for your information only and are subject to change. Prospectus and KID guidelines will prevail.

ETF CHARACTERISTICS

The **BNP PARIBAS EASY ESG LOW VOL EUROPE UCITS ETF** is a **Sub-fund of BNP Paribas Easy**, a UCITS compliant SICAV registered under Luxembourg law.

ETF	BNP PARIBAS EASY ESG LOW VOL EUROPE			Fund Manager	Solene DEHARBONNIER		
Management Company	BNP PARIBAS ASSET MANAGEMENT Luxembourg			Custodian	BNP PARIBAS, Luxembourg Branch		
Delegated Manager	BNP PARIBAS ASSET MANAGEMENT Europe			SRI Ranking (scale from 1 to 7)*	4		
SFDR article	This products promotes environmental or social characteristics pursuant to article 8 of the EU regulation 2019/2088.						
ISIN code	LU1377381717			LU1481201025			
Inception date	6/7/2016			1/31/2017			
iNAV Bloomberg ticker	IEVOE						
Currency	Euro			Euro			
Dividend policy	Capitalisation			Distribution			
Ongoing charges	0.31%			0.31%			
Registered countries	Austria, Switzerland, Czech republic, Germany, Denmark, Spain, Finland, France, United Kingdom, Italy, Luxembourg, Netherlands, Norway, Sweden			Switzerland, Germany, Denmark, Finland, France, Luxembourg, Sweden			
Listing Exchange	Euronext Paris	Xetra	SIX Swiss Exchange	Euronext Paris	Xetra	SIX Swiss Exchange	
Bloomberg code	EVOE FP	VLEU GR	EVOE SW	VLED FP	VLED GR	VLED SW	

*Registration for Institutional Clients only. For more information about ETFs, please contact: LIST.AM.MAQSETFINDEXPRODUCTDEV@bnpparibas.com

² Following the new Sustainable Finance Disclosure Regulation (SFDR) that came into force on the 10th of March 2021, financial entities such as BNP Paribas Asset Management who sell products into the EU are required to classify the products they manufacture or advise into three categories: products with sustainable investment objective (Article 9); products promoting environmental or social characteristics (Article 8); products neither Article 8 or Article 9 (Article 6).

Source: BNP Paribas, as of 31 January 2022.

RISK AND REWARD PROFILE



The summary risk indicator is determined on a scale from 1 to 7 (7 being the highest risk level). It is subject to a periodical computation and can consequently, change over time

- Historical data may not be reliable indication for future
- The risk category of a Fund is an indicator but not a target or a guarantee and may shift over time
- The lowest category does not mean a risk-free investment
- Why is the Fund in this specific category?
 - The risk category is justified by the investment mainly in Stocks and Shares, the value of which can fluctuate considerably. These fluctuations are often amplified in the short term
- The higher the risk, the longer the recommended investment horizon

INVESTMENT RISKS

- Investments in equity can involve significant fluctuations in prices, due for instance to negative information about a company or the market. Moreover, these fluctuations are often amplified in the short term.
- Investments in securities are subject to market fluctuations and the risks inherent to the equity market. 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 outlay.

Specific risks related to this fund are described below:

- **Counterparty Risk:** This risk is associated with the ability of a counterparty in an Over The Counter financial transaction to fulfil its commitments like payment, delivery and reimbursement. The Management Company may enter into OTC Derivative with counterparties affiliated to the BNP Paribas Group. In this case, there is a potential conflict of interests between the interests of the Shareholders and the interests of the group to which the Management Company belongs. An ongoing efficient management policy of conflicts of interests shall ensure the respect of the primacy of Shareholders' interests. For more information you can read our best selection and best execution policy on www.bnpparibas-am.com
- **Liquidity Risk:** This risk arises from the difficulty of selling an asset at a fair market price and at a desired time due to lack of buyers
- **Tracking Error Risk:** The performance of the Sub-Fund may deviate from the actual performance of the underlying index
- **Conflict of Interest Risk:** The Management Company may enter into OTC Derivative with counterparties affiliated to the BNP Paribas Group. In this case, there is a potential conflict of interests between the interests of the Shareholders and the interests of the group to which the Management Company belongs. An ongoing efficient management policy of conflicts of interests shall ensure the respect of the primacy of Shareholders' interests.
- For more information on risks, please see the "Investment Risks" section of the fund's prospectus or KID. All relevant documents (prospectus, annual report, KID...) can be downloaded free of charge from our website: www.easy.bnpparibas.fr or www.bnpparibas-am.com

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