

AMSELECT – ESG FAQ

1/03/2024 update



AMSelect funds are fully ESG-integrated and designed to meet clients' sustainability preferences under MiFID II. In this document we incorporate several ESG aspects in the format of questions and answers. This document has been updated with the latest prospectus data and will evolve over time to integrate future ESG elements or answer questions you might have.

WHAT ESG CATEGORISATION SYSTEMS ARE RELEVANT FOR THE AMSELECT FUNDS?

• SFDR – ARTICLE 8 AND 9

The Sustainable Financial Disclosure Regulation is a European regulation introduced to prevent greenwashing and increase transparency around sustainability claims made by financial market participants. SFDR is a disclosure regulation.

- Article 8: funds which promote environmental or social characteristics ("light green").
- Article 9: sustainable investment is the fund's main objective, products must comply with the 'do no significant harm' principle ("dark green").

• AMF – CAT 1 AND 2

The French regulator, the Autorité des Marchés Financiers (AMF), has published the AMF doctrine introducing minimum standards for the marketing of non-financial communication by investment funds. In order to be compliant with one of the AMF categories, relevant information has to be submitted in the prospectus and is subject to AMF approval.

- Cat 1: funds with a "significantly binding" ESG approach and are allowed to have non-financial criteria as a key aspect of their communication. (e.g. the rating of the investment product must be higher than the rating of the investment universe, after eliminating at least 20% of the least well-rated securities).
- Cat 2: funds with a "non-significantly binding" ESG approach and are allowed to communicate on the consideration of non-financial criteria in their management in a limited manner (i.e. only concise and balanced references in the KIID and prospectus, and no reference in the name of the fund).

All AMSelect funds are minimum SFDR Article 8 and minimum AMF Category 2 (13 of the 17 funds are Category 1). This has been achieved combining both approaches, either through exclusions or a "better than the benchmark" approach in terms of carbon footprint or ESG criteria.

WHAT ARE THE MIFID II SUSTAINABILITY PREFERENCES?

The Markets in Financial Instruments Directive (MiFID II) for investor protection provides a solid framework for asset managers for classifying financial products on regulated markets according to their social and environmental objective and ensuring that investment services are in line with investors' ESG preferences. From August 2022, firms offering investment advice will need to obtain the client's sustainability preferences on top of the already-obligated financial objectives and risk tolerance. MiFID II outlines 3 ways in which client sustainability preferences can be expressed;

1. Principle Adverse Impact Statement
2. % EU Taxonomy aligned investments
3. % of 'Sustainability Investments' within the portfolio

In the course of 2023, commitment levels for SI, Taxo and PAIs have been reviewed and increased for 10 out of the 15 funds.



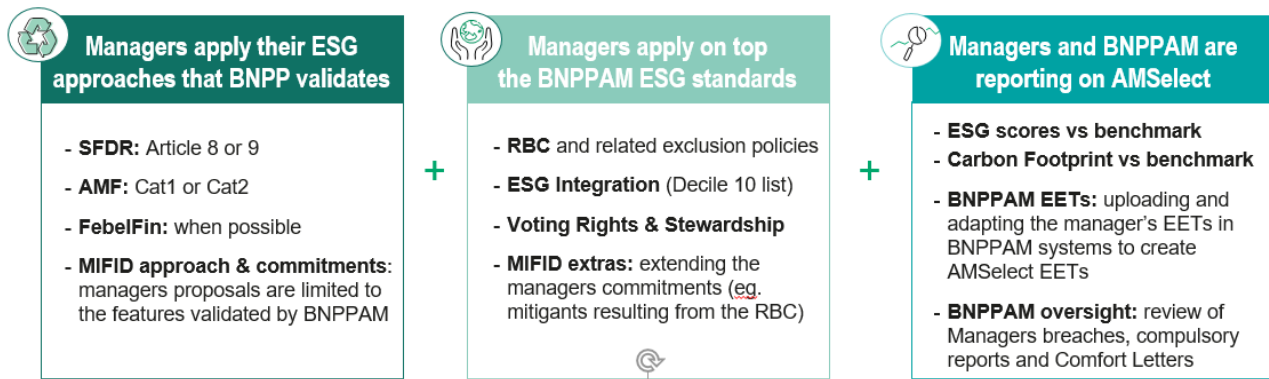
BNP PARIBAS
ASSET MANAGEMENT

**The sustainable
investor for a
changing world**

WHAT MAKES AMSELECT’S ESG APPROACH UNIQUE AND ROBUST?

On top of the Fund Managers’ own Sustainability investment process, AMSelect applies BNPP AM’s Responsible Business Conduct policy (including norms-based screens and sector exclusion). The Fund Managers can only invest in companies on the Decile 10 list (weakly rated companies) on a 'comply or explain' basis. Voting rights and stewardship are also applied with the aim to increase the Managers’ MIFID commitments. The AMSelect funds comply with reporting requirements under SFDR (e.g.: EET file) and implement oversight on the Managers’ ESG KPIs, breaches and compulsory reports. The Management Company engages both internally (e.g.: Delegated Solutions, Sustainability Centre) and externally with the Fund Managers in order to improve their the ESG integration process and ESG scores.

BNPP AM is the source of all data in this document as at end September 2023 unless otherwise specified.



WHAT ARE THE ESG KPIS FOR THE AMSELECT FUNDS AND WHERE ARE THEY REPORTED?

The ESG scores and CO2 footprint are the main ESG KPIs. Although it is not a hard objective to beat the benchmark, it is our ambition that the delegated portfolio performs better than the benchmark. Whilst the Management Company monitors and reports these scores on a monthly basis according to BNPP AM's methodology; the Fund Managers monitor these scores according to their methodology and tools used. For increased transparency, the ESG scores and CO2 footprint data are included on the monthly fund factsheet (these scores are calculated and reported based on BNPP AM's methodology).

WHAT DOES A CLOVER RATING STAND FOR AND HOW ARE THEY CALCULATED?

The BNP Paribas clover rating assesses the sustainability level of a fund. The ratings are assigned on a scale of 0-10. Clovers are calculated based on an analysis of extra-financial policies and processes at both fund-level and asset manager-level. This analysis covers 7 sections (ESG and exclusions, Ownership practices, Transparency, Responsibility, Sustainable thematic fund, Impact and Sustainable bonds) weighted differently depending on the type of fund. This analysis results in a fund score and asset manager score (/100), from which a clover rating (/10) is derived. From 5(b) onwards, the fund is classified as "SRI funds" and 9 and 10 clovers correspond to "Impact funds" according to the BNP Paribas classification.

ARE THERE DISCREPANCIES BETWEEN THE ABOVE LISTED RATINGS (SFDR, AMF, CLOVER) OF A THIRD PARTY FUND AND ITS EQUIVALENT AMSELECT FUND AND HOW CAN THEY BE EXPLAINED?

Differences between the AMSelect fund and its reference third party fund exist due to the BNPP AM ESG standards, the reporting methodology, the voting policy, etc. as well as discussions BNPP AM has with the managers. Besides, BNP Paribas Group has a rigorous and conservative approach regarding ESG. Those differences can lead to discrepancies between the AMSelect fund and its reference third party fund in terms of SFDR Article, AMF Category, Clover Rating, MIFID ESG.

BNPP AM engages on a regular basis (either when onboarding a new manager, or whenever a manager has matured or improved its processes) to increase the ESG level of the AMSelect fund. This can translate itself into a higher clover rating compared to the reference fund like it has been the case for *AMSelect BlackRock Euro Equity* and *AMSelect BlueBay Euro Bond Aggregate* when increasing them to AMF Category 1 (they obtained 6 and 7 clovers respectively versus 4 for the third party funds – as of end 2022).

Due to the self-declared nature of the SFDR Articles, some discrepancies can also occur there. Take the example of *AMSelect DPAM Emerging Bond Local Currency* that is an Article 8 fund while DPAM, with its DPAM L Bonds Emerging Markets Sustainable declared its fund to be Article 9.

In the specific case of highly clover rated external funds, let's take the example of the *AMSelect Robeco Global Credit Income* (8 clovers while the third party fund holds 9 clovers), Robeco's reporting includes more quantitative and qualitative ESG elements has led the third party fund to earn 3/100 points more triggering the 9th clover.

HOW DO MIFID ESG COMMITMENT LEVELS APPLY TO AMSELECT FUNDS?

Under MiFID II Fund Managers may commit to maintain a minimum % of Sustainability Investments and minimum % of Taxonomy-aligned investments, which commitment levels are disclosed on the 'European ESG Template' (EET file). BNPP AM reviews the managers' commitment levels and has the option to either accept or dismiss if not feeling comfortable with the provided information. As a result of the reviews completed in Q2 2023, commitment levels have been increased with specific focus on the SI%, for managers: BlackRock, Sycomore, HSBC, Echiquier, JPM, Robeco, DPAM, Allianz. Principal Adverse Impacts on sustainability factors (the so called PAIs), have also been applied along the integration process. Each AMSelect fund commits to consider at least one of the PAIs and PAI 14 is automatically covered for each fund, owing to the sustainability approach of BNPP AM. PAIs are the negative impacts caused by a firm or an asset on the environment and society.

EET files are published on a monthly basis for the AMSelect Funds including above listed information based on BNPP AM's methodology.

A minimum requirement has been introduced for the 'Environmental and Social Characteristics' of each AMSelect Fund. The notion of E/S characteristics described in the SFDR level 2 regulation corresponds to the proportion of the portfolio that is in line with the binding E/S elements it promotes under the Article 8 disclosure requirement.

Strategy	SFDR Category	AMF category	Towards Sustainability label	Clover	E/S Commitment
AMSelect Allianz Europe Equity Growth	Art 8	Cat 1		7	75%
AMSelect Amundi Europe Equity Value	Art 8	Cat 1	Yes	7	90%
AMSelect BlackRock Euro Equity	Art 8	Cat 1		6	80%
AMSelect Sycomore Euro Equity Growth	Art 8	Cat 1	Yes	9	90%
AMSelect HSBC Euro Equity Value	Art 8	Cat 2		4	67%
AM Select Janus Henderson Europe Equity	Art 8	Cat 1		6	85%
AMSelect Echiquier Europe Equity Mid Cap	Art 8	Cat 1		8	90%
AMSelect AB US Equity Growth	Art 8	Cat 2		5	75%
AMSelect Amundi US Equity	Art 8	Cat 2	Applied	6	75%
AMSelect Vontobel Global Emerging Equity	Art 8	Cat 1	Yes	8	75%
AMSelect JPM Global Emerging Equity	Art 8	Cat 1	Yes	7	67%
AMSelect Robeco Global Emerging Equity	Art 8	Cat 2	Yes	5	90%
AMSelect Wellington Global Equity	Art 8	Cat 1	Applied	6	90%
AMSelect BlueBay Euro Bond Aggregate	Art 8	Cat 1		7	67%
AMSelect DPAM Emerging Bond Local Current	Art 8	Cat 1		7	40%
AMSelect Allianz Euro Credit	Art 8	Cat 1	Yes	7	90%
AMSelect Robeco Global Credit Income	Art 8	Cat 1	Yes	8	90%

Strategy	Category A	Category B		Category C	
	Min% EU Taxonomy	Min % of SI	Actual SI%*	PASI	E-S-G**
AMSelect Allianz Europe Equity Growth	n/a	n/a	37%	1, 10, 14	E-S-G
AMSelect Amundi Europe Equity Value	n/a	n/a	72%	1-14, 16	E-S-G
AMSelect BlackRock Euro Equity	n/a	20%	64%	1, 2, 10, 14	E-S-G
AMSelect Sycomore Euro Equity Growth	n/a	70%	84%	1-14, 16, 11	E-S-G
AMSelect HSBC Euro Equity Value	n/a	10%	49%	10, 13, 14	S-G
AM Select Janus Henderson Europe Equity	n/a	n/a	59%	10, 14	S-G
AMSelect Echiquier Europe Equity Mid Cap	n/a	25%	78%	1-14, (2.4, 3.1)	E-S-G
AMSelect AB US Equity Growth	n/a	n/a	n/a	10, 14	S-G
AMSelect Amundi US Equity	n/a	n/a	28%	1-14	E-S-G
AMSelect Vontobel Global Emerging Equity	n/a	n/a	61%	1, 3, 4, 10 14, 16	E-S-G
AMSelect JPM Global Emerging Equity	n/a	25%	75%	3, 4, 5, 10, 13, 14, 16	E-S-G
AMSelect Robeco Global Emerging Equity	n/a	35%	76%	1-14, 16	E-S-G
AMSelect Wellington Global Equity	n/a	25%	35%	1-14	E-S-G
AMSelect BlueBay Euro Bond Aggregate	n/a	n/a	n/a	10, 14	S-G
AMSelect DPAM Emerging Bond Local Current	n/a	1.5%	4.2%	10, 14, 15, 16	E-S-G
AMSelect Allianz Euro Credit	0.5%	15%	33%	4, 10, 14, 16	E-S-G
AMSelect Robeco Global Credit Income	n/a	70%	77%	1-14, 16	E-S-G

* SI actual data is based on the external manager's methodology as of end February 2024

** E - S - G classification of BNPP WM Central

The Management Company is working towards the goal of improving the funds' sustainability features in order to achieve higher ESG ratings.

Useful links:

Please follow the below webpage for Sustainability related topics / documents on the BNPPAM website;

<https://www.bnpparibas-am.com/en/sustainability-bnpp-am/>

For information on BNPPAM Proxy voting please follow the below links;

On the Policy: <https://docfinder.bnpparibas-am.com/api/files/F4A8DF87-E1F2-47B0-9F64-A87BC895836E>

ISS platform, proxy voting dashboard: <https://docfinder.bnpparibas-am.com/api/files/F4A8DF87-E1F2-47B0-9F64-A87BC895836E>

To contact the BNPPAM Sub-Advisory team, please use the following team email address:

BNPPAM_Sub-Advisory_platform@bnpparibas.com.

All AMSelect Sub-Funds are managed by BNP Paribas Asset Management Luxembourg and are Sub-Funds of the AMSelect UCITS V SICAV registered under the Luxembourg law.

Sub-fund	Delegated Manager	ISIN	Base Currency	Launch Date	Benchmark	Max man fee	OCR	SRI	SFDR	AMF
AMSelect AB US Equity Growth I CAP USD	AllianceBernstein LP	LU2310407148	USD	17/06/2021	MSCI USA Growth NR	0,75%	0,88%	5	art. 8	cat.2
AMSelect Allianz Euro Credit I CAP EUR	Allianz Global Investors GmbH	LU2412114873	EUR	01/02/2022	Bloomberg Euro Aggregate Corporate Total Return	0,40%	0,47%	2	art. 8	cat.1
AMSelect Allianz Europe Equity Growth I CAP EUR	Allianz Global Investors GmbH	LU2310407650	EUR	24/06/2021	MSCI Europe Growth NR	0,75%	0,62%	5	art. 8	cat.1
AMSelect Amundi Europe Equity Value I CAP EUR	Amundi Ireland Limited	LU2310408039	EUR	17/06/2021	MSCI Europe Value NR	0,75%	0,54%	5	art. 8	cat.1
AMSelect Amundi US Equity I CAP USD	Amundi Ireland Limited	LU2702312849	USD	29/01/2024	MSCI USA NR	0,75%	0,73%	5	art. 8	cat.2
AMSelect BlackRock Euro Equity I CAP EUR	BlackRock Investment Management UK Limited	LU2310408468	EUR	24/06/2021	MSCI EMU NR	0,75%	0,77%	5	art. 8	cat.1
AMSelect BlueBay Euro Aggregate I CAP EUR	BlueBay Asset Management LLP	LU2310408971	EUR	05/07/2021	Bloomberg Euro Aggregate Bond	0,30%	0,36%	2	art. 8	cat. 1
AMSelect DPAM Emerging Bond Local Currency I CAP USD	Degroof Petercam Asset Management (DPAM)	LU2537485323	USD	05/04/2023	JP Morgan Gvt Bond – EM Global Diversified index	0,60%	0,53%	3	art. 8	cat.1
AMSelect Echiquier Europe Equity Mid Cap I CAP EUR	La Financière de l'Echiquier (LFDE)	LU2537484433	EUR	13/03/2023	MSCI Europe Mid Cap index	0,75%	0,90%	4	art. 8	cat.1
AMSelect HSBC Euro Equity Value I CAP EUR	HSBC Global Asset Management (France)	LU2310405365	EUR	17/06/2021	MSCI EMU Value NR	0,75%	0,67%	5	art. 8	cat.2
AMSelect Janus Henderson Europe Equity I CAP EUR	Janus Henderson Investors	LU2537473741	EUR	12/12/2022	MSCI Europe NR	0,75%	0,78%	4	art. 8	cat.1
AMSelect JP Morgan Global Equity Emerging I CAP USD	JP Morgan Asset Management (UK) Limited	LU2412113636	USD	25/04/2022	MSCI Emerging Markets NR	0,85%	0,80%	4	art. 8	cat.1
AMSelect Robeco Global Credit Income I CAP USD	Robeco I Asset Management B.V.	LU2412113040	USD	10/12/2021	None	0,40%	0,57%	3	art. 8	cat.1
AMSelect Robeco Global Equity Emerging I CAP USD	Robeco I Asset Management B.V.	LU2412112232	USD	25/04/2022	MSCI Emerging Markets NR	0,85%	0,80%	4	art. 8	cat.2
AMSelect Sycomore Euro Equity Growth I CAP EUR	Sycomore Asset Management	LU2310406256	EUR	10/06/2021	MSCI EMU Growth NR	0,75%	0,80%	4	art.8	cat.1
AMSelect Vontobel Emerging Equity I CAP USD	Vontobel Asset Management AG	LU2310406686	USD	19/07/2021	MSCI Emerging Markets NR	0,85%	0,70%	4	art. 8	cat.1
AMSelect Wellington Global Equity I CAP USD	Wellington Management International Limited	LU2702308227	USD	21/02/2024	MSCI ACWI NR	0,75%	0,63%	4	art.8	cat.1

Definitions:

ESG: Environmental, Social and Governance

KPI: Key Performance indicator

OCR: Ongoing charges rate

SRI: Synthetic Risk Indicator. On a scale 1 to 7, the higher the risk, the longer the recommended investment horizon.

DISCLAIMER

BNP PARIBAS ASSET MANAGEMENT Europe, “the investment management company”, is a simplified joint stock company with its registered office at 1 boulevard Haussmann 75009 Paris, France, RCS Paris 319 378 832, registered with the “Autorité des marchés financiers” under number GP 96002.

This material is issued and has been prepared by the investment management company.

This material is produced for information purposes only and does not constitute:

1. an offer to buy nor a solicitation to sell, nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or
2. investment advice.

This material makes reference to certain financial instruments authorised and regulated in their jurisdiction(s) of incorporation.

No action has been taken which would permit the public offering of the financial instrument(s) in any other jurisdiction, except as indicated in the most recent prospectus of the relevant financial instrument(s), or on the website (under heading “our funds”), where such action would be required, in particular, in the United States, to US persons (as such term is defined in Regulation S of the United States Securities Act of 1933). Prior to any subscription in a country in which such financial instrument(s) is/are registered, investors should verify any legal constraints or restrictions there may be in connection with the subscription, purchase, possession or sale of the financial instrument(s).

Investors considering subscribing to the financial instrument(s) should read carefully the most recent prospectus and Key Information Document (KID) and consult the financial instrument(s)’ most recent financial reports.

These documents are available in the language of the country in which the financial instrument(s) is authorised for the distribution and/or in English as the case may be, on the following website, under heading “our funds”: <https://www.bnpparibas-am.com/>

Opinions included in this material constitute the judgement of the investment management company at the time specified and may be subject to change without notice. The investment management company is not obliged to update or alter the information or opinions contained within this material. Investors should consult their own legal and tax advisors in respect of legal, accounting, domicile and tax advice prior to investing in the financial instrument(s) in order to make an independent determination of the suitability and consequences of an investment therein, if permitted. Please note that different types of investments, if contained within this material, involve varying degrees of risk and there can be no assurance that any specific investment may either be suitable, appropriate or profitable for an investor’s investment portfolio.

Given the economic and market risks, there can be no assurance that the financial instrument(s) will achieve its/their investment objectives. Returns may be affected by, amongst other things, investment strategies or objectives of the financial instrument(s) and material market and economic conditions, including interest rates, market terms and general market conditions. The different strategies applied to financial instruments may have a significant effect on the results presented in this material. Past performance is not a guide to future performance and the value of the investments in financial instrument(s) may go down as well as up. Investors may not get back the amount they originally invested.

The performance data, as applicable, reflected in this material, do not take into account the commissions, costs incurred on the issue and redemption and taxes.

You can obtain this by clicking here:

www.bnpparibas-am.fr/investisseur-professionnel/synthese-des-droits-des-investisseurs a summary of investor rights in French. BNP PARIBAS ASSET MANAGEMENT Europe may decide to terminate the arrangements made for the marketing of its collective investment undertakings/financial instruments, in the cases covered by the applicable regulations.

“The sustainable investor for a changing world” reflects the objective of BNP PARIBAS ASSET MANAGEMENT Europe to integrate sustainable development into its activities, although not all funds managed by BNP PARIBAS ASSET MANAGEMENT Europe fulfil the requirement of either Article 8, for a minimum proportion of sustainable investments, or those of Article 9 under the European Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). For more information, please see www.bnpparibas-am.com/en/sustainability.