

BNP PARIBAS SUSTAINABLE ASIAN CITIES BOND

THE FUTURE OF LIVING STARTS TODAY



BNP Paribas Asset Management:
**The most awarded global asset manager* by key
Asia Pacific regional trade publications in the
sustainable investment space in 2022/2023.**

*Awards are based on 2022 performance coverage period,
from Asian Private Banker, Asia Asset Management, Asian
Investors, Benchmark, Citywire Asia, Morningstar, The Asset
and InsuranceAsia News.

JULY 2023



BNP PARIBAS
ASSET MANAGEMENT

The sustainable
investor for a
changing world

WHY INVEST IN SUSTAINABLE ASIAN CITIES?



Urbanisation: a long-term trend in Asia driving an urgent need for sustainable change



Carbon neutrality targets



US\$1 trillion by 2025



More than 50%



By 2060¹



By 2050²



By 2050³

Amount that Asia's urban infrastructure needs is projected to exceed⁴

of the world's urban population will live in Asia by 2050⁵



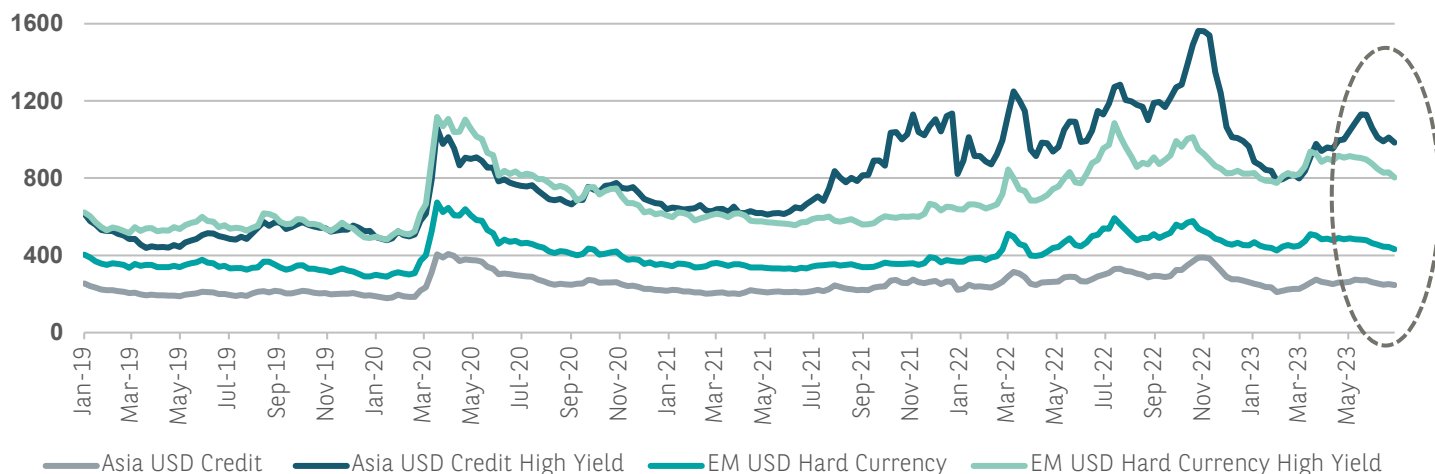
Greenium: expected to be captured by early investors

Due to the anticipated increase in demand for GSS (Green, Social and Sustainable) bonds in Asia, we expect early investors to capture the *greenium*, which is the premium of green bonds compared to conventional bonds.



Valuation of Asian credit is particularly attractive

Credit Spreads – Emerging Market (EM) & Asia USD Bonds⁶



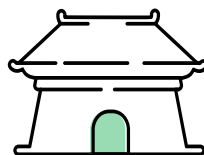
Sources: 1. China, International Energy Agency October 2020. 2. Japan Carbon Neutral, New York Times 26 Oct 2020, 3. South Korea's Moon targets carbon neutrality by 2050, Reuters, 28 Oct 2020. 4. United Nations, 2014, "World Urbanization Prospects." 5. Asian Infrastructure Investment Bank's Strategy, Policy and Budget Department, Study on Sustainable Cities, 2018. 6. Source: BNP Paribas Asset Management, as at June 2023. Asia USD Credit represented by JP Morgan Asia Credit Index. Asia USD Credit High Yield represented by JP Morgan Asia Credit Non-Investment Grade Index. EM Hard Currency represented by JP Morgan Emerging Market Bond Index Global Diversified. EM Hard Currency High Yield represented by JP Morgan Emerging Market Bond Index Global Diversified High Yield. IG = Investment Grade, HY = High Yield.

KEY HIGHLIGHTS

Unlock opportunities from Asian green cities

Focus on Asia
ex-Japan bonds

Aims to capitalise on a geographic
region with a strong growth



Invest in sustainable
Asian cities

A theme that is green, resilient,
efficient, accessible and thriving

1



Enhancing
urban mobility
within and
across cities

2



Improving
cities' basic
infrastructure

3



Promoting
integrated
development

4



Building
health and
education
facilities

5



Supporting
innovative &
technological
solutions

Aims to benefit from greenium and diversification

Sustainable-labelled bonds

In our opinion, GSS bonds can
offer better volatility and
higher yields



Thematic bonds with
strong ESG^ profiles

Conventional bonds serve to
broaden investment portfolio

Dual expertise in Asian fixed income and sustainability, backed by strong credentials

Sustainability Centre

Global team of 30 ESG^ experts
with a proprietary thematic
bond assessment framework
and proprietary ESG scoring
framework covering over
13,000 issuers



Emerging Markets Fixed Income

Fund managers with an average
of 18 years' experience supported
by over 45 investment
professionals across London,
Paris, New York, Singapore, Hong
Kong and Kuala Lumpur

Source: BNP Paribas Asset Management, June 2023. ^ESG stands for Environmental, Social and Governance.

PORTFOLIO CHARACTERISTICS

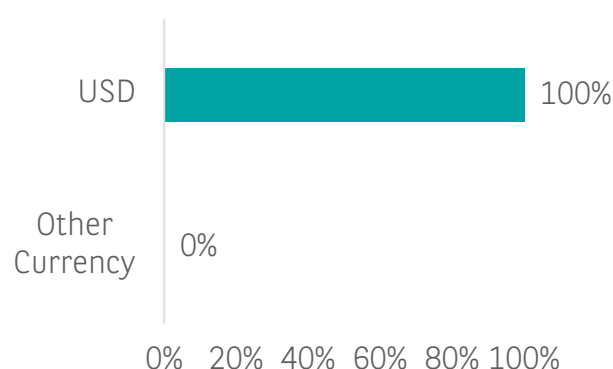
Key Portfolio Statistics

Yield to Maturity	5.81%
Duration	4.3 yrs
Allocation to Investment Grade ⁷	83.3%
Allocation to High Yield	11.8%
Average Rating ⁸	A-

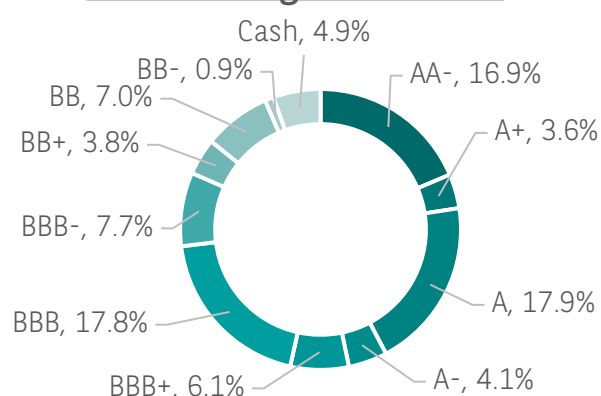
Portfolio Split

Sustainable-Labelled Bonds	78.9%
Conventional Bonds	16.1%
Cash	4.9%

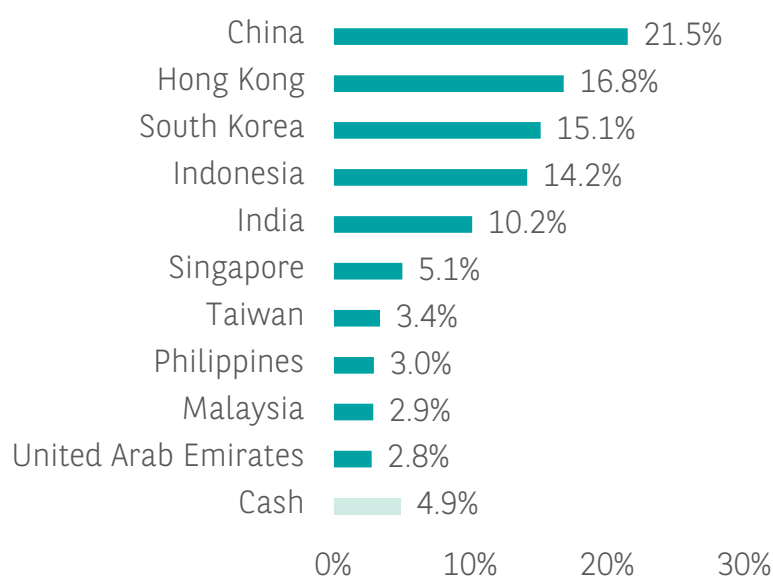
Currency Breakdown



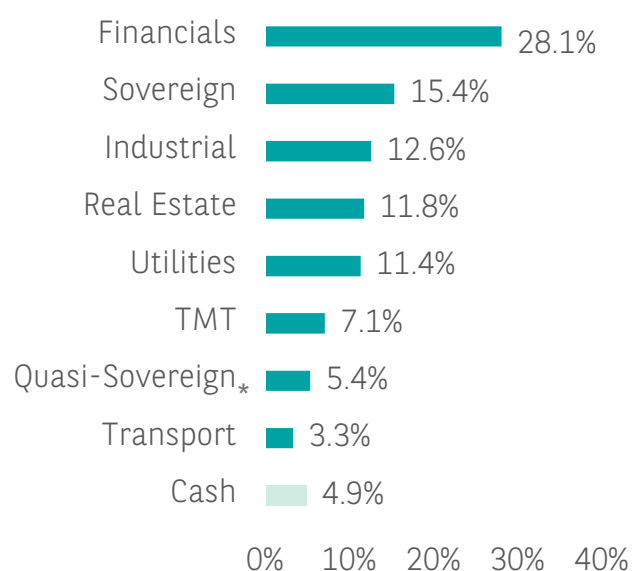
Credit Rating Breakdown⁹



Geographical Breakdown



Sector Breakdown



Source: BNP Paribas Asset Management, JP Morgan as of end June 2023. Proportions may not add up to 100% due to rounding. BNP Paribas Asset Management does not provide any formal capital guarantee of the funds. No information given or any term used herein shall be interpreted to provide such a guarantee. 7. Investment Grade (IG) bonds are high grade bonds rated by international credit agencies as: Baa3 and above by Moody's, BBB- and above by S&P and Fitch. 8. Portfolio average rating is the weighted average of the effective credit rating of each security in the portfolio. 9. Based on the composite rating across Moody's, S&P and Fitch. *TMT stands for Technology, Media and Telecommunications.

FUND FACTS

Inception date	06 May 2022
Benchmark	J.P. Morgan Asia Credit Index (JACI)
Base currency	USD
Fund manager	Jean-Charles Sambor
Management company	BNP PARIBAS ASSET MANAGEMENT Luxembourg
Delegated manager	BNP PARIBAS ASSET MANAGEMENT UK Limited
SFDR ¹⁰	Article 9
SRI ¹¹	2
Risk level	2 (1: lower risk; 7: higher risk)



ESG Asset Management
Company of the Year
 (Highly Commended)[#]

Editors' Triple Star Award
 (Sustainable Asian Cities
 Bond Strategy)[#]

The higher the risk, the longer the recommended investment horizon.

Key risks: The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment: you are exposed to market and credit risks, liquidity risks, extra-financial criteria investment risk, emerging markets risk, high yield bond risk, operational risk and custody risk, risks related to investments in some countries, and specific risks related to investments in Mainland China including changes in PRC taxation risk and risk related to Direct CIBM Access. Please refer to the latest offering documents of the sub-fund for further information on the specific risks of the product.

Fees payable by investors (Classic shares)	
Subscription (max)	3.00%
Switching / conversion charges (max) ¹²	1.50%
Ongoing charges ¹³	1.30%

Fees payable by sub-fund (Classic shares)	
Management (max)	0.90%
Other costs	0.30%

Fund share classes	ISIN Code
BNP Paribas Funds Sustainable Asian Cities Bond [Classic, Capitalisation]	LU0823379622
BNP Paribas Funds Sustainable Asian Cities Bond [Classic, Distribution]	LU0823379895
BNP Paribas Funds Sustainable Asian Cities Bond [Classic MD, Distribution]	LU0823379549
BNP Paribas Funds Sustainable Asian Cities Bond [Classic EUR, Capitalisation]	LU0823378905
BNP Paribas Funds Sustainable Asian Cities Bond [Classic EUR, Distribution]	LU0823379036
BNP Paribas Funds Sustainable Asian Cities Bond [Classic RH AUD MD, Distribution]	LU0823379119
BNP Paribas Funds Sustainable Asian Cities Bond [Classic RH SGD MD, Distribution]	LU0823379465

Source: BNP Paribas Asset Management, June 2023. 10. Following the new Sustainable Finance Disclosure Regulation (SFDR) that came into force on 10 March 2021, BNP Paribas Sustainable Asian Cities Bond is categorised under Article 9. Article 9: products with a sustainable investment objective. 11. Summary Risk Indicator. 12. If you convert to a fund with a higher entry cost, you may have to pay for the difference. 13. As of 31 December 2022. [#]Source: The Asset, Triple A Sustainable Investing Awards reflect the performance from 1 January 2022 to 31 December 2022.

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VIEWPOINT



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