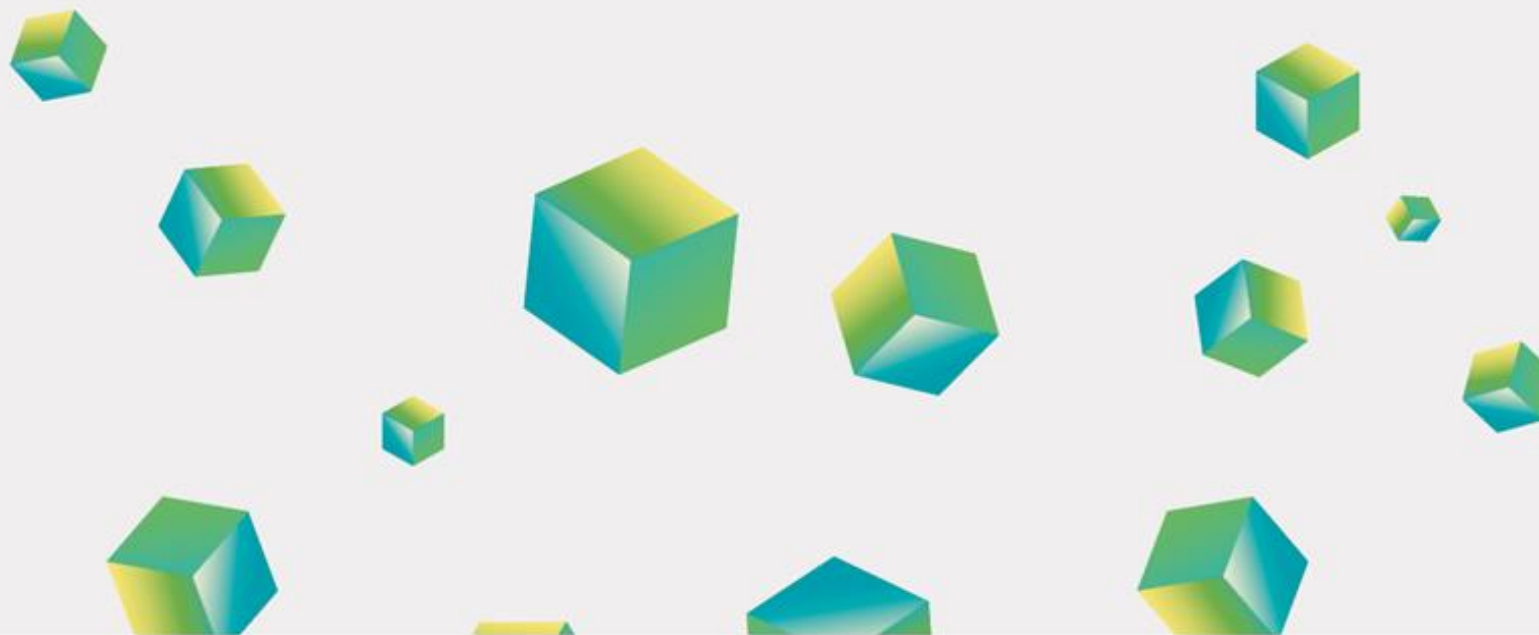


GIPS COMPOSITE PERFORMANCE REPORT

MXN Aggregate Bonds - Long Term



# MXN Aggregate Bonds - Long Term

31/08/2021

MXN

Strategy inception date

01 December 2015

Gross of Fees

Benchmark : Custom Benchmark

| End of Period Figures | Total Return (%) |           | 3-Yr St Dev (%) |           | # of Portfolios | Dispersion (%) | Composite Assets (Million) | Firm Assets (Billion) |
|-----------------------|------------------|-----------|-----------------|-----------|-----------------|----------------|----------------------------|-----------------------|
|                       | Composite        | Benchmark | Composite       | Benchmark |                 |                |                            |                       |
| Jan 21 - Aug 21       | 0.33             | -4.95     | N/A             | N/A       | <6              | N/A            | 284.7                      | 9,483.3               |

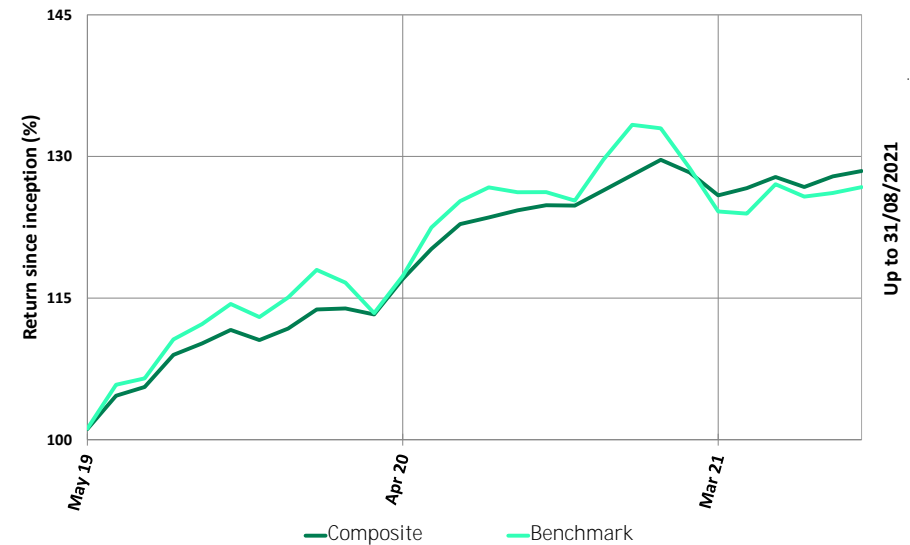
| Statistics (Annualised) at End Of Reporting Period | 2 Yrs | 3 Yrs | 5 Yrs | 10 Yrs | Incept. |
|--|-------|-------|-------|--------|---------|
| Composite Volatility (%)                           | 4.10  | N/A   | N/A   | N/A    | N/A     |
| Benchmark Volatility (%)                           | 7.30  | N/A   | N/A   | N/A    | N/A     |
| Tracking Error (%)                                 | 4.06  | N/A   | N/A   | N/A    | N/A     |
| Composite Sharpe Ratio                             | 0.75  | N/A   | N/A   | N/A    | N/A     |
| Benchmark Sharpe Ratio                             | 0.21  | N/A   | N/A   | N/A    | N/A     |
| Information Ratio                                  | 0.38  | N/A   | N/A   | N/A    | N/A     |
| Jensen's Alpha (%)                                 | 2.30  | N/A   | N/A   | N/A    | N/A     |
| Beta   | 0.50  | N/A   | N/A   | N/A    | N/A     |

| End of Period Figures (%) |           | Annualised Return Since* (*if>1Yr) |        |         |         |         |          |
|---------------------------|-----------|------------------------------------|--------|---------|---------|---------|----------|
|                           |           | Inception                          | 1 Year | 2 Years | 3 Years | 5 Years | 10 Years |
| Aug 2021                  | Composite |                                    | 3.35   | 8.57    |         |         |          |
|                           | Benchmark |                                    | 0.43   | 7.04    |         |         |          |
| 2020                      | Composite |                                    | 14.55  |         |         |         |          |
|                           | Benchmark |                                    | 15.89  |         |         |         |          |
| 2019                      | Composite |                                    |        |         |         |         |          |
|                           | Benchmark |                                    |        |         |         |         |          |

| Total Return % | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Jan 21 - Aug 21 |
|----------------|---------|---------|---------|---------|-----------------|
| Composite      | 1.63    | 2.56    | -1.68   | 0.70    | 0.33            |
| Benchmark      | 0.76    | 5.65    | -6.88   | 1.26    | -4.95           |

## Composite Description

This actively managed composite is mainly invested in Mexican Government and/or investment grade corporate bonds, denominated in MXN (or UDIS). The portfolio's average duration is generally more than 3 years. The strategy of each portfolio included seeks to outperform its own benchmark. Besides market risk, the strategy could be exposed in case of unusual market conditions to other risks such as: Credit Risk; Liquidity Risk; Operational & Custody Risk



**Composite specific disclosures (FI-53854-AM):**

**Composite Creation**

This composite was created in January 2016.

**Minimum Account Size**

Minimum assets for inclusion / exclusion = 10 000 000 / 6 000 000 MXN (unchanged since composite inception).

**Benchmark Description**

Since composite inception, the custom benchmark of this composite is : (5% PIP Fix 1A + 5% PIP Fix 3A + 10% PIP Fix 5A + 25% PIP Fix 10A + 30% PIP Fix 20A + 25% PIP Fix 30A) Gross Return Index. The custom benchmark of this composite is a blend of simple indices with fixed weights and a monthly rebalancing. Simple indices that are originally denominated in another currency are converted into the composite currency before blending.

**Fee Schedule**

| Vehicle              | Fee Schedule   | Expense Ratio |
|----------------------|--|---------------|
| ➤ Segregated Account | <ul style="list-style-type: none"><li>• 0.95% on assets up to 50 millions</li><li>• 0.50% on assets between 50 and 100 millions</li><li>• 0.29% on assets above 100 millions</li></ul> | n/a           |

**Derivatives**

The strategy may use exchange-traded and OTC derivative financial instruments (such as futures, swaps, options and forward contracts) for efficient portfolio management and hedging purpose.

**Risk Exposures**

- 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.
- Inflation Risk: This risk is linked to the general increase in prices and fall in the purchasing value of money over time, which will undermine the real value of cash flows made from an investment..
- Operational and Custody Risk: Some markets are less regulated than most of the international markets; hence, the services related to custody and liquidation for the subfund on such markets could be more risky.
- Credit Risk : This risk relates to the ability of an issuer to honour its commitments: downgrades of an issue or issuer rating may lead to a drop in the value of associated bonds.

**Additional Risk Measures**

- Alpha is the component of the composite’s return that is not correlated to the markets. Hence it is a performance linked to the idiosyncratic risk of the composite. Beta measures the sensitivity of the composite to the market. Centered around the value of 1, it indicates the impact of a one point market change on the composite.
- The Sharpe Ratio measures the risk-reward of an investment. It corresponds to the relative composite performance over the risk-free rate, divided by the volatility of the composite.
- The Tracking Error (TE) is a measure of dispersion of relative performance of the composite compared to the benchmark. It measures whether the composite has moved closely to the market (low TE) or on the opposite, whether it has behaved differently from the market (high TE).
- The Information Ratio (IR) corresponds to the ratio of Alpha over the Tracking Error (i.e. a measurement of composite returns beyond the returns of a benchmark, compared to the volatility of those returns). This ratio is often considered as a good indicator of a portfolio manager’s skills, as it mesures his ability to generate excess returns relative to a benchmark without being too far away from the market.
- The risk-free rate used to calculate the Alpha and the Sharpe ratio is the MXN CETES 28 Days.

## GIPS compliance claim

BNP Paribas Asset Management (BNPP AM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. BNPP AM has been independently verified for the periods from firm inception up to 31-Dec-2020. The verification reports are available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

## Context, history, and Firm definition

BNP Paribas Asset Management (BNPP AM) is the asset management arm of BNP Paribas, one of the largest banking groups in the world. After having absorbed the former Fortis Investment Management (FIM) Group, the BNPP AM Group currently ranks in the top-40 global asset managers. BNPP AM runs a multi-specialist model based on strong central companies and a network of affiliates to cater specific investment needs of clients spread all over the world. BNPP AM consists of: a few, large, multi-expert, entities; several specialist Asset Managers; and various local or regional solution providers. At the end of 2020, the Group comprised more than 60 companies in more than 30 countries; about half of them have actual investment management activities, thus include investment teams.

The BNPP AM central GIPS firm ("The Firm") is defined as the set of investment management companies on which the Group has legal and actual business control, and for which reasonable business integration has been achieved. This excludes joint ventures (which can form separate GIPS firms). Some specialised, or local, "Affiliates", operating under their own trademark, have also their own GIPS firm (e.g. Impax). Fortis Investment Management (FIM) Group was absorbed by 'BNPP IP' (Investment Partners) on 1-Apr-2010; this caused a major reorganisation of investment teams and therefore the inception date of the new BNPP IP Firm was set on 1-Apr-2010. As Alfred Berg companies were more and more independent from a business viewpoint, they left the central Firm on 1-Jan-2016. The Firm's name changed finally to BNPP AM (Asset Management) on 1-Jun-2017.

Before 2010, the former BNP Paribas Asset Management group (by far the main part of BNPP IP at that time) was GIPS compliant with assets in compliance since 1995 and was independently verified by Deloitte. On the Fortis side, the former Fortis Investments Funds ("FIF") GIPS firm had been created on 1-Jul-2008 when two legacy firms merged together: Fortis Investment Management and ABN Amro Asset Management; both groups were globally GIPS compliant. FIF was GIPS compliant and independently verified by Pricewaterhouse Coopers from inception up to 30-Jun-2009. For a number of strategies where the portability conditions were met, Fortis Investments Funds' own track record had been chain-linked with the track record of its 2 GIPS compliant, legacy, firms. Now, the new BNPP AM central GIPS firm has also 2 legacy firms (BNP PAM and FIF) which were both GIPS compliant and independently verified. For surviving strategies where the portability conditions are met, BNPP IP's own track record is thus chain-linked with the track record of 1 of the 2 legacy firms (the firm where the composite originates from). This fact is clearly disclosed at composite level by a specific disclosure note.

At Firm inception, the BNPP AM GIPS Firm included the following 24 investment management companies : Alfred Berg Administration A/S, Alfred Berg Fondsmæglerselskab A/S, Alfred Berg Asset Management Finland AB, Alfred Berg Funds AB, Alfred Berg Forvaltning AS, Alfred Berg Kapitalforvaltning AS, Alfred Berg Fonder AB (SE), Alfred Berg Kapitalförvaltning AB, BNP Paribas Asset Management S.A.S. , BNP Paribas Asset Management Inc., BNP Paribas Asset Management (Part II) (Luxembourg) SA, BNP Paribas Investment Partners Asia Limited, BNP Paribas Investment Partners Belgium S.A./N.V., BNP Paribas Investment Partners Canada Ltd., BNP Paribas Investment Partners Ireland, BNP Paribas Investment Partners Luxembourg SA, BNP Paribas Asset Management Monaco S.A., BNP Paribas Investment Partners Netherlands N.V., BNP Paribas Investment Partners Funds (Nederland) N.V., BNP Paribas Investment Partners Singapore Limited, BNP Paribas Investment Partners UK Limited, Fortis Investment Management USA Inc., Fundquest S.A.S.U. and PT. BNP Paribas Investment Partners. Fortis Investment Management USA, Inc., absorbed BNP Paribas Asset Management, Inc. in December 2011 and has been renamed BNP Paribas Asset Management, Inc. BNP Paribas Investment Partners Singapore Limited absorbed Fischer Francis Trees & Watts Singapore Limited at the end of January 2012. FundQuest S.A.S.U. terminated in October 2012 its portfolio management activity (to concentrate on management advice). The Danish entities of the Alfred Berg sub-group (Alfred Berg Administration A/S and Alfred Berg Fondsmæglerselskab A/S) were sold at the end of June 2013. In Norway, Alfred Berg Kapitalforvaltning AS absorbed Alfred Berg Forvaltning AS at the end of 2013. BNPP Asset Management (Part II) Luxembourg SA terminated operational activities in May 2014 and was liquidated. In July 2015, BNP Paribas Investment Partners UK Limited absorbed FFTW UK Ltd. On the same date, BNP Paribas Asset Management Inc. was absorbed by FFTW USA Inc. and removed from the scope of the firm as it was managed like an "affiliate" with its own trademark ("FFTW"). BNP Paribas Investment Partners Mexico, S.A. de C.V. started its operations in October 2015 and integrated the scope of the Firm. BNP Paribas Investment Partners Canada Ltd. closed at end of December 2015. From 1st January 2016 onwards, all remaining Alfred Berg legal entities (Alfred Berg Asset Management Finland AB, Alfred Berg Funds AB, Alfred Berg Kapitalforvaltning AS, Alfred Berg Fonder AB, Alfred Berg Kapitalförvaltning AB) are not included anymore in the central BNPP AM Firm as Alfred Berg GIPS Firm constitutes a Partner GIPS Firm. THEAM SAS and CAMGestion SA, French Partners of the BNPP AM Group, were absorbed in November 2017 by BNPP AM France (previously BNP Paribas Asset Management S.A.S.). THEAM was a dedicated GIPS Firm which was independently verified for the period from 1st April 2011 to 31st December 2016. BNP Paribas Asset Management Netherlands N.V. merged with BNP Paribas Asset Management Nederland N.V. (formerly known as BNP Paribas Asset Management Funds (Nederland) N.V.) on 31 December 2018 and no longer exists from 1st January 2019.

As of 1st January 2019, BNP Paribas Asset Management USA Inc. (formerly known as FFTW USA Inc.) has been included in the BNPP AM central GIPS Firm following the decision of BNPP AM to fully operationally integrate BNPP AM USA Inc. on the same IT systems as the other integrated entities. BNPP AM USA Inc. comprises BNPP AM USA Inc. - Fixed Income - the fixed income division of the formerly FFTW USA Inc. BNPP AM USA - Fixed Income was a separate GIPS compliant Firm which has been independently verified for the period from 1st January 1990 through 30th April 2018.

At the end of 2020, the BNPP AM GIPS Firm includes the following 12 investment management companies : BNP Paribas Asset Management France S.A.S., BNP Paribas Investment Partners Asia Limited, BNP Paribas Asset Management Belgium S.A./N.V., BNP Paribas Asset Management (Ireland) Limited, BNP Paribas Asset Management Luxembourg S.A, BNP Paribas Asset Management Mexico, S.A. de C.V., BNP Paribas Asset Management Monaco S.A., BNP Paribas Asset Management Nederland N.V., BNP Paribas Asset Management Singapore Limited, BNP Paribas Asset Management UK Limited, BNP Paribas Asset Management USA Inc. and PT. BNP Paribas Asset Management.

BNPP AM is independently verified by Deloitte. The other GIPS Firms maintained within the BNPP AM Group are Alfred Berg Norway and Impax Asset Management.

## Discretion, Composite List, Total Assets, Valuation, Composite Calculation, Benchmarks, Risk Measures

The Firm manages assets from pooled funds (and similar structures) and from segregated, institutional, accounts. The corresponding investment management agreements must at least enable the asset manager to make investment decisions on behalf of the assets owners, or to appoint investment sub-advisors; other types of agreements without decision power are thus excluded. The following activities are excluded from the scope of the new GIPS firms, either because they do not consist of real investment management, or because they are not appropriate for a useful application of the GIPS standards (which notably imply the notion of periodic performance measurement) : pure advisory mandates (without decision power), private equity and non-listed real estate management activities, private banking mandates, management of CDO/CLO (and similar products) underlying assets, mandates of pure reporting and / or administration, fund hosting and fund distribution activities. The assets corresponding to these activities are not included in the Total Firm's assets of the concerned GIPS firms. As from beginning of 2020, overlays have been included in the scope of the Firm.

All actual, fee-paying, non-proprietary, discretionary, portfolios of the firm are included in at least one composite. To be discretionary, an investment management agreement must not have investment restrictions (or client's interventions in the case of single-client accounts) which substantially alter the investment process, the autonomy of the manager, or the performance. We also consider non-fully discretionary all funds whose management does not aim primarily at optimising performance over time (under risk constraints): this is the case for many structured funds, guaranteed products, etc. The Firm maintains a list including composite descriptions, pooled fund descriptions for limited distribution pooled funds and broad distribution pooled funds, which is available upon request. At the end of 2020, the Firm's assets amounted to 321 bn EUR.

Trade-date and accrual accounting is used for all periods and all portfolios. For periods after 31-Dec-2010, portfolios are valued in accordance with the GIPS definition of fair value. Most of the firm's funds are valued on a daily basis; all of them are valued on external cash flow days and at least monthly on the last business day of the calendar month. Composite monthly returns are calculated using monthly portfolio returns and beginning-of-month asset weightings. Unless specific disclosure at composite level, funds and mandates included in the GIPS composites may use exchange-traded and OTC derivative contracts (such as options, futures, swaps, and forward currency contracts) -- primarily for the purpose of efficient portfolio management and trading (without leveraging outside of the limits set out in their investment policy), or to hedge currency, interest rates, credit, duration and counterparty risks. Performance includes the reinvestment of all income, and is calculated gross of investment management fees, custody fees, and most of other applicable fees and costs, with the exception of transaction costs. Representative fee schedules are presented as specific disclosures at composite level. All portfolio returns are calculated net of non-reclaimable withholding taxes. Most of the equity benchmarks presented are net of dividend withholding taxes (they are often MSCI net return indices, assuming Luxembourg tax basis for both benchmarks and most of the mutual funds included in the composites). Exchange rates used for composite return and composed benchmark return calculations are the same (WMR closing rates). All benchmark returns presented for the firm's composites are expressed in the currency of the composite. Consequently, both composite and benchmark returns include the effect of exchange rates for investments that are not in the composite currency. Additional information regarding policies for valuing investments, calculating performance, and preparing GIPS reports is available upon simple written request.

For any period presented, the composite internal dispersion is measured by the asset-weighted standard deviation of annual gross returns of those portfolios (min. 6) included in the composite for the full year. Gross returns were used to calculate all risk measures presented in the GIPS Report. The three-year annualized standard deviation measures the variability of the composite returns and the benchmark returns over the preceding 36-month period. When the Firm does not report a figure for the three-year annualized standard deviation of composite or benchmark returns (or both) as of the end of a reported period, it is always because 36 monthly returns are not available as of this date. Past performance is not indicative of current or future returns. This GIPS compliant performance presentation is primarily intended for institutional investors.

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