

BNP PARIBAS INSTICASH

SICAV under Luxembourg law – UCITS class
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 65026

MERGER

NOTICE TO SHAREHOLDERS OF THE RECEIVING AND MERGING SUB-FUNDS

The Board of Directors of BNP Paribas InstiCash (the Company) decides, in accordance with the provisions of Article 32 of the Articles of Association of the Company and the Chapter 8 of the Luxembourg Law of 17 December 2010 concerning UCI (the Law), to merge the Merging Sub-fund into the Receiving Sub-fund in accordance with Article 1, point 20), a) of the Law:

<i>BNP Paribas InstiCash Merging Sub-fund</i>	<i>BNP Paribas InstiCash Receiving Sub-fund</i>	<i>Effective Date of Merger*</i>	<i>Last Order Date*</i>	<i>Exchange Ratio Valuation Date*</i>	<i>Exchange Ratio Calculation Date*</i>	<i>First NAV Valuation Date*</i>	<i>First NAV Calculation Date*</i>
INSTICASH GBP 1D SHORT TERM VNAV	INSTICASH GBP 1D LVNAV	10-Aug-2020	6-Aug-2020	7-Aug-2020	7-Aug-2020	10 Aug-2020	10-Aug-2020

*Dates:

- Effective Date of Merger – Date at which the merger is effective and final.
- Last Order Date – Last date at which subscriptions, redemptions and conversions orders are accepted until cut-off time into the Merging Sub-fund.
* The **Last Order Date** is set on 5 August 2020 for the **following** share classes of the Merging Sub-fund:
 - Classic T1 – CAP (LU0547771328)
 - IT1 – CAP (LU0783285504)Orders received on the merging sub-fund after this date will be rejected.
Shareholders of the Merging and Receiving sub-funds who do not accept the merger may instruct redemption of their shares free of charge until this date (see item 7).
- Exchange Ratio Valuation Date – Date of valuation of the underlying assets for the calculation of the exchange ratio.
- Exchange Ratio Calculation Date – Date at which the exchange ratio of the merger will be calculated.
- First NAV Valuation Date – Date of valuation of the underlying assets for the calculation of the first NAV post-merger.
- First NAV calculation Date – Date at which the first NAV post-merger (with merged portfolios) will be calculated.

BNP PARIBAS INSTICASH

SICAV under Luxembourg law – UCITS class
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 65026

MERGER

NOTICE TO SHAREHOLDERS OF THE RECEIVING AND MERGING SUB-FUNDS

Dear Shareholders,

We hereby inform you that the Board of Directors of BNP PARIBAS INSTICASH (the **Company**), decided to **merge**, on the basis of Article 32 of the Company's Articles of Association, the following share classes (**the Merger**):

<i>ISIN code</i>	<i>BNP Paribas InstiCash Merging Sub-fund</i>	<i>Share</i>	<i>Reference Currency</i>	<i>BNP Paribas Funds Receiving Sub-fund</i>	<i>Share</i>	<i>Reference Currency</i>	<i>ISIN code</i>
LU0167236651	INSTICASH GBP 1D SHORT TERM VNAV	Classic-CAP*	GBP	INSTICASH GBP 1D LVNAV**	Classic Distribution-DIS	GBP	LU1925356468
LU0167236909		Privilege-CAP*			Privilege Distribution-DIS		LU0783285769
LU0090883421		I-CAP*			I Distribution-DIS		LU0212992787
LU0167237113		X-CAP*			X Distribution-DIS		LU1925356542
LU0547771328		Classic TI-CAP*			Classic Distribution-DIS		LU1925356468
LU0783285504		ITI-CAP*			I Distribution-DIS		LU0212992787

* **Holders of “CAP” shares that reinvest income will receive “DIS” shares that aim to pay monthly Stable NAV dividend (as defined in the section “The Shares” of the Prospectus).**

** **Low Volatility Net Asset Value as defined by articles 29, 30, 32 and 33(2)(b) of MMFR**

1) Background to the Merger

It is reminded that the Receiving Sub-fund has been subject to a splitting operation in 14 January 2019 due to the entry into force of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money markets funds (“MMFR”). As a consequence, the Merging Sub-fund was created in spite of an uncertainty linked to a sufficient investor's interest for this type of product.

It appears that the Merging Sub-fund is indeed facing less interest from investors in its countries of distribution, while its limited size does not allow access to certain market segments.

As such, the Board of Directors of the Company has decided, in the best interest of the shareholders, to proceed to the merger of the Merging Sub-fund's assets into the Receiving Sub-fund.

2) Impact of the Merger on the Merging Shareholders

- ✓ The shareholders of the Merging Sub-fund, who do not make use of their shares redemption right explained below on point 7), will become shareholders of the Receiving Sub-fund.
- ✓ The Merging Sub-fund will be dissolved without liquidation by transferring all of its assets and liabilities into the Receiving Sub-fund.
The Merging Sub-fund will cease to exist at the effective date of the merger.
- ✓ In accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money markets funds, the Merging Sub-fund will have to comply with stricter liquidity thresholds to meet regulatory requirements set for LVNAV money market funds (like the receiving Sub-fund). Indeed, the minimum liquidity thresholds on the Merging Sub-fund (which is a VNAV fund) are 7.5% at 1 day and 15% at 1 week, while those of the Receiving Sub-Fund

BNP PARIBAS INSTICASH

SICAV under Luxembourg law – UCITS class
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 65026

MERGER

NOTICE TO SHAREHOLDERS OF THE RECEIVING AND MERGING SUB-FUNDS

(which is an LVNAV fund) are 10% and 30% respectively. This might require a progressive rebalancing of the Merging Sub-fund if its actual liquidity thresholds were below these levels. Such a rebalancing would then occur a few days before the Merger depending on the market conditions and in the best interest of the shareholders.

- ✓ As any merger, these operations may involve a risk of performance dilution for the Merging shareholders, especially as consequence of the portfolios rebalancing (as explained above).

3) Impact of the Merger on the Receiving Sub-fund

- ✓ The merger will have no impact for the shareholders of the Receiving Sub-funds.

4) Organisation of the exchange of shares

The Merging shareholders will receive, in the Receiving Sub-funds, a number of new shares calculated by multiplying the number of shares they held in the Merging classes by the exchange ratio.

The exchange ratios will be calculated by dividing the net asset value (NAV) per share of the Merging classes by the NAV per share of the corresponding Receiving classes, based on the valuation of the underlying assets.

The criteria adopted for valuation of the assets and, where applicable, the liabilities on the date for calculating the exchange ratio will be the same as those used for the NAV calculation as described in the chapter “Net Asset Value” of the Book I of the prospectus of the Company.

Registered Shareholders will receive registered shares.

Bearer Shareholders will receive bearer shares.

No balancing cash adjustment will be paid for the fraction of the Receiving share attributed beyond one-millionth of a share.

5) Rationale & Material differences between Merging and Receiving Sub-funds

The differences between the Merging and Receiving Sub-funds are the following:

features	“InstiCash GBP 1D SHORT TERM VNAV” Merging Sub-fund	“InstiCash GBP 1D LVNAV” Receiving Sub-fund
Type of Money Market Fund	Short Term Variable Net Asset Value (Short term VNAV)	Low Volatility Net Asset Value (LVNAV)
Portfolio Rules	<i>Specific provisions for Short term VNAV sub-funds</i> (i) At least 7,5% of the assets of a short term VNAV sub-fund are to be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one working day, or cash which is able to be withdrawn by giving prior notice of one working day. Such a sub-fund is not to acquire any asset other than a daily maturing asset when such acquisition would result in that sub-fund investing less than 7,5% of its portfolio in daily maturing	<i>Specific provisions for LVNAV sub-funds</i> (i) At least 10% of the assets of a LVNAV sub-fund are to be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one working day, or cash which is able to be withdrawn by giving prior notice of one working day. Such a sub-fund is not to acquire any asset other than a daily maturing asset when such acquisition would result in that sub-fund investing less than 10 % of its portfolio in daily maturing assets.

BNP PARIBAS INSTICASH

*SICAV under Luxembourg law – UCITS class
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 65026*

MERGER

NOTICE TO SHAREHOLDERS OF THE RECEIVING AND MERGING SUB-FUNDS

	<p>assets.</p> <p>(ii) At least 15 % of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five working days, or cash which is able to be withdrawn by giving prior notice of five working days. Such a sub-fund is not to acquire any asset other than a weekly maturing asset when such acquisition would result in that sub-fund investing less than 15 % of its portfolio in weekly maturing assets.</p> <p>(iii) Money market instruments issued or guaranteed by an Eligible Issuer may be included within the weekly maturing assets up to a limit of 7,5 % of the sub-fund's assets provided they have a residual maturity of up to 190 days and that they are highly liquid and can be redeemed and settled within one working day.</p>	<p>(ii) At least 30 % of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five working days, or cash which is able to be withdrawn by giving prior notice of five working days. Such a sub-fund is not to acquire any asset other than a weekly maturing asset when such acquisition would result in that sub-fund investing less than 30 % of its portfolio in weekly maturing assets.</p> <p>(iii) Money market instruments issued or guaranteed by an Eligible Issuer may be included within the weekly maturing assets up to a limit of 17,5 % of the sub-fund's assets provided they have a residual maturity of up to 190 days and that they are highly liquid and can be redeemed and settled within one working day.</p>
<p>Liquidity Management Procedure</p>	<p>LIQUIDITY MANAGEMENT PROCEDURE</p> <p>The liquidity of the sub-funds is carefully monitored by the Investment Manager who is responsible for ensuring the sub-fund's ability to meet any necessary inflows and outflows and avoid any significant mismatches between the structure and liquidity profile of a sub-fund and its shareholders concentration. Minimum daily and weekly liquidity regulatory thresholds can be adjusted upwards if needed, taking into account:</p> <p>(i) the size of the sub-fund (ii) expected flows - shareholders' concentration (iii) market conditions</p> <p>Liquidity risk is being addressed at all times by maintaining liquidity pockets above daily and weekly regulatory requirements by:</p> <ul style="list-style-type: none"> • the use of reverse repurchase agreements and repurchase agreements negotiated only with a 24-hour call option; • the possibility to negotiate very liquid papers such as T-bills, CDs, NeuCPs and CPs; • ensuring that the value of shares held by a single shareholder does not materially impact the liquidity profile of the sub-fund where it accounts for a substantial part of the total NAV of the sub-fund. 	<p>LIQUIDITY MANAGEMENT PROCEDURE</p> <p>The liquidity of the sub-funds is carefully monitored by the Investment Manager who is responsible for ensuring the sub-fund's ability to meet any necessary inflows and outflows and avoid any significant mismatches between the structure and liquidity profile of a sub-fund and its shareholders concentration. Minimum daily and weekly liquidity regulatory thresholds can be adjusted upwards if needed, taking into account:</p> <p>(i) the size of the sub-fund (ii) expected flows - shareholders' concentration (iii) market conditions</p> <p>Liquidity risk is being addressed at all times by maintaining liquidity pockets above daily and weekly regulatory requirements by:</p> <ul style="list-style-type: none"> • the use of reverse repurchase agreements and repurchase agreements negotiated only with a 24-hour call option; • the possibility to negotiate very liquid papers such as T-bills, CDs, NeuCPs and CPs; • ensuring that the value of shares held by a single shareholder does not materially impact the liquidity profile of the sub-fund where it accounts for a substantial part of the total NAV of the sub-fund. <p>As regards public debt CNAV sub-funds and LVNAV sub-funds, the liquidity management procedures are described below.</p>

BNP PARIBAS INSTICASH

SICAV under Luxembourg law – UCITS class
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 65026

MERGER

NOTICE TO SHAREHOLDERS OF THE RECEIVING AND MERGING SUB-FUNDS

		<p>Specific requirements applicable to LVNAV sub-funds</p> <p>In accordance with Regulation 2017/1131 and its applicable delegated regulations, the Management Company of a LVNAV sub-fund shall establish, implement and consistently apply prudent and rigorous liquidity management procedures for ensuring compliance with the weekly liquidity thresholds applicable to such sub-funds.</p> <p>1.1 In ensuring compliance with the weekly liquidity thresholds, the following shall apply:</p> <p>(a) whenever the proportion of weekly maturing assets as defined in Regulation 2017/1131 falls below 30 % of the total assets of the LVNAV sub-fund and the net daily redemptions on a single working day exceed 10 % of total assets, the Investment Manager shall immediately inform the Board of Directors thereof and the Board of Directors shall undertake a documented assessment of the situation to determine the appropriate course of action having regard to the interests of the shareholders.</p> <p>Should this situation arise, the Board of Directors is empowered to apply one or more of the following measures:</p> <p>(i) liquidity fees on redemptions that adequately reflect the cost to the sub-fund of achieving liquidity and ensure that shareholders who remain in the fund are not unfairly disadvantaged when other shareholders redeem their shares during the period;</p> <p>(ii) redemption gates that limit the amount of shares to be redeemed on any one working day to a maximum of 10 % of the shares in a sub-fund for any period up to 15 working days;</p> <p>(iii) suspension of redemptions for any period up to 15 working days; or</p> <p>(iv) take no immediate action other than fulfilling the obligation laid down in Article 24(2) of the Regulation;</p> <p>(b) whenever the proportion of weekly maturing assets as set out in the Regulation 2017/1131 falls below 10 % of its total assets, the Board of Directors is empowered to apply one or more of the following measures only:</p> <p>(i) liquidity fees on redemptions that adequately reflect the cost to the sub-fund of achieving liquidity and ensure that shareholders who remain in the fund are not unfairly disadvantaged when other shareholders redeem their shares during the period;</p> <p>(ii) suspension of redemptions for a period of up to 15 working days.</p> <p>1.2 When, within a period of 90 days, the total duration of the</p>
--	--	---

BNP PARIBAS INSTICASH

*SICAV under Luxembourg law – UCITS class
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 65026*

MERGER

NOTICE TO SHAREHOLDERS OF THE RECEIVING AND MERGING SUB-FUNDS

		<p>suspensions exceeds 15 days, a LVNAV sub-fund shall automatically cease to be a LVNAV sub-fund. The Board of Directors of one of these sub-funds will immediately inform each shareholder thereof in writing in a clear and comprehensible way.</p> <p>1.3 After the Board of Directors of the LVNAV sub-fund has determined its course of action with regard to both points (a) and (b) of paragraph 1.1 above, it shall promptly provide details of its decision to the CSSF.</p>
Net Asset Value / Valuation Rules	<p>(7) where use of mark-to-market is not possible or the market data is not of sufficient quality, an asset of a sub-fund, liquid assets, money market instruments and all other instruments may be valued at their mark-to-model value.”</p> <p>(8) the shares of a sub-fund shall be issued or redeemed at a price that is equal to the sub-fund’s NAV per unit or share, notwithstanding permitted fees or charges as described in the Prospectus of the sub-fund.</p>	<p>(7) where use of mark-to-market is not possible or the market data is not of sufficient quality, an asset of a sub-fund, liquid assets, money market instruments and all other instruments may be valued at their mark-to-model value.”</p> <p>(9) by way of derogation of paragraph (8): [...]</p> <p>(ii) the shares of a LVNAV sub-fund may be issued or redeemed at a price equal to that sub-fund’s constant NAV per share, but only where the constant NAV per share, which is calculated in accordance with Article 32(1), (2) and (3) of Regulation 2017/1131, does not deviate from the NAV per share calculated in accordance with Article 30 of Regulation 2017/1131 by more than 20 basis points.</p>
Summary of differences between the sub-funds: <ul style="list-style-type: none"> • Portfolio rules • Liquidity Management Procedures 	<ul style="list-style-type: none"> • Limits and thresholds for LVNAV sub-funds (daily/weekly maturing assets) are greater in comparison with Short Term VNAV sub-funds; • Additional weekly liquidity thresholds are required for LVNAV sub-funds in comparison with Short Term VNAV sub-funds • Also not meeting the liquidity thresholds imposed by the MMFR may lead to the application of redemption gates, temporary suspension of redemptions and/or requalification of the sub-fund into another type of MMF as per MMFR if it cannot remedy after a certain period of time (as described above) to the situation where the sub-fund does not comply with the LVNAV liquidity requirements 	

Apart from these points, there is no other difference between the Merging and Receiving Sub-funds involved in the Merger. They have the same characteristics, inter alia:

- Investment Manager
- Investment Objective, Policy: they both have for investment objective to achieve the best possible return in GBP in line with prevailing money market rates over a 1 day period, are both short-term types of money markets funds in accordance with MMFR, are both rated AAAM by S&P Global Ratings, have the same investments restrictions as described in their prospectus and use financial derivative instruments for the same purposes (hedging the interest rate of the sub-fund only)
- Fee structure (including management fees)
- Specific Market Risks

BNP PARIBAS INSTICASH

*SICAV under Luxembourg law – UCITS class
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 65026*

MERGER

NOTICE TO SHAREHOLDERS OF THE RECEIVING AND MERGING SUB-FUNDS

All the other characteristics are also similar, such as Risk Management Process, Investor Type Profile, Accounting Currency, OCRs, SRRI, NAV Cycle and Valuation Day.

The Merger will be processed in kind.

6) Tax Consequences

This Merger will have no Luxembourg tax impact for Merging shareholders.

In accordance with the European Directive 2011/16 the Luxembourg authorities will report to the tax authorities in the country of residence of the Merging shareholders the total gross proceeds from the exchange of shares in application of this Merger.

For more tax advice or information on possible tax consequences associated with this Merger, it is recommended that shareholders contact their local tax advisor or authority.

7) Right to redeem the shares

Shareholders of the **Merging and Receiving Sub-funds** who do not accept the merger may instruct redemption of their shares free of charge until the cut-off time, on the dates detailed in the column “Last Order Date” in the above table on page 1.

Shareholders whose shares are held by a clearing house are advised to enquire about the specific terms applying to subscriptions, redemptions and conversions made via this type of Intermediary.

8) Other information

The costs and expenses of the Merger will be borne by BNP PARIBAS ASSET MANAGEMENT Luxembourg, the Management Company of the Company, except for banking and transaction related costs (including e.g. taxes and stamp duties) which may be charged to the Merging Sub-fund, provided that they are not material.

The merging operation will be validated by PricewaterhouseCoopers, Société Coopérative, the auditor of the Company.

The merger ratios will be available on the website <https://www.bnpparibas-am.com/en/> as soon as they are known.

The Annual and Semi-Annual Report and the legal documents of the Company, as well as the KIIDs of the Merging and Receiving Sub-funds, and the Custodian and the Auditor reports regarding this operation are available at the Management Company. The KIIDs of the Receiving Sub-fund are also available on the website <https://www.bnpparibas-am.com> where shareholders are invited to acquaint with them.

The notice will also be communicated to any potential investor before confirmation of subscription.

Please refer to the Prospectus of the Company for any term or expression not defined in this notice.

Best Regards,

The Board of Directors