



PARVEST QIS MULTI-FACTOR CREDIT EURO IG

FIXED INCOME

EXTRA FINANCIAL REPORT - January 31st, 2019

INVESTMENT STRATEGY

PARVEST QIS MULTI-FACTOR CREDIT EURO IG invests in Euro Corporate bonds with the goal to outperform ICE BofAML Euro Corporate Index, its reference Index, on the medium term. The fund is built with a quantitative and systematic approach and integrates a socially responsible investment (SRI) approach to focus on best Environmental, Social and Governance (ESG) practices.

The fund targets an ESG score higher by at least 20% of the index ESG score and excludes the worst ESG stocks (10% stocks with the worst ESG score). Furthermore, a filter aimed at ensuring that the companies comply with the principles of the United Nations Global Compact and BNP Paribas group sectoral policies is used as part of the fund's investment process*.

WHAT DOES THIS EXTRA-FINANCIAL REPORT CONTAIN ?

In this extra-financial report we present a series of sample indicators to measure in concrete fashion how the fund implements its ESG investment strategy and then compare them to its benchmark**:

- ▶ The decile mean shows that the portfolio is invested in stocks with better environmental, social and governance practices than its benchmark.
- ▶ For the environmental rating, carbon intensity allows the comparison of the level of CO2 emissions between the portfolio and its benchmark.
- ▶ For the social rating, the social exposure of the portfolio to social controversies is compared to that of the benchmark.
- ▶ The exclusion of securities considered non-compliant with BNP Paribas Asset Management's SRI policy and the signature of the UN Global Compact by companies in our portfolio give us a Human Rights rating.
- ▶ For the governance rating, we compare the average of the governance ratings according to the internal methodology of the ESG Research team to that of its benchmark.
- ▶ The exercise of voting rights puts a spotlight on support (or lack thereof) for draft resolutions presented at the annual general meetings of portfolio companies.

These indicators are supplemented with a complete inventory of portfolio companies and their extra-financial rating.

* For more information on the investment process, view the transparency code developed for this fund on our website

** Measured based on the most recent data available on the publication date of the extra-financial report.



EXTRA-FINANCIAL INDICATORS

1- DECILE MEAN

Deciles represent the ranking of companies analysed according to their ESG score*. A score per decile from 1 to 10 (1 being the best decile and 10 the worst) is assigned to each issuer.

PARVEST QIS MULTI-FACTOR CREDIT EURO IG is composed of securities issued by companies whose average decile* is 3,9, which is a better average than the benchmark (4,8), which is an increase of 20% of the Portfolio ESG score

Companies belonging to decile 10 are excluded from the investment universe and the portfolio.

* The ESG score is determined by BNP Paribas Asset Management's ESG analysts on the basis of detailed criteria to systematically evaluate companies' commitments and practices in the areas of environmental (e.g. climate change), social (e.g. Human resources management) and governance (e.g. independence and competence of directors).

Each issuer is assigned a final score from 0 to 100 which is then converted to a decile ranking from 1 to 10.

2- ENVIRONMENTAL: CARBON INTENSITY

To tackle climate change, heavily polluting companies must make a constant effort to reduce their greenhouse gas emissions.

The data for carbon intensity are not currently available for the fund for its benchmark the ICE BofAML Euro Corporate Index.

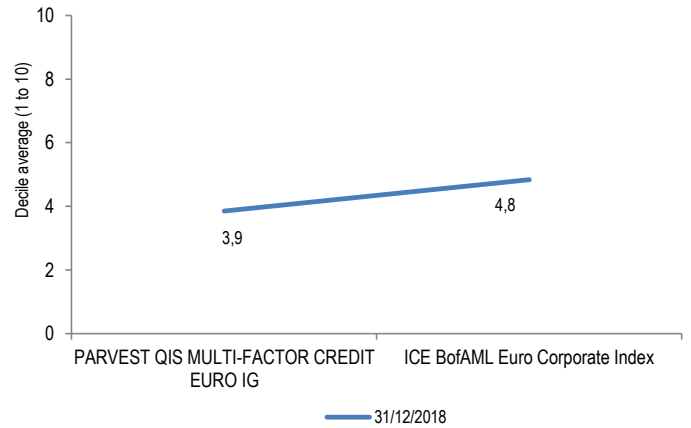
3- SOCIAL: SOCIAL CONTROVERSIES EXPOSURE

The portfolio is invested in securities whose issuers are less subject to social controversies. Indeed, the weight of companies facing at least one severe social controversy* represents 1,5% of the portfolio whereas this weight is equal to 14,17% in the benchmark.

An issuer is considered to be facing severe social controversy when it faces a controversy of level four or five* in one of the categories (employees, subcontractors and supply chain, clients, society and community) according to our data provider Sustainalytics.

* Sustainalytics classifies controversies from level 1 (low impact) to level 5 (high impact). Level 4 indicates the existence of several major controversies demonstrating structural problems of the company while the controversies of level 5 are very serious controversies with strong impact giving a high business risk to the company.

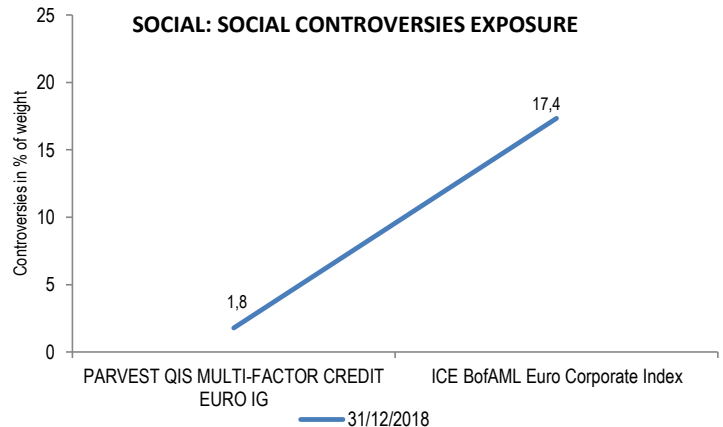
ESG Score (decile BNP Paribas)



The coverage rate is 100% for the portfolio (102 stocks reviewed) and 94,6% for the index.

Source: BNP Paribas Asset Management

SOCIAL: SOCIAL CONTROVERSIES EXPOSURE



The coverage rate is 99% for the portfolio (101 stocks reviewed) and 95,2% for the index.

Source: BNP Paribas Asset Management, Eurostat

4- HUMAN RIGHTS: COMPLIANCE WITH INTERNATIONAL STANDARDS AND CONVENTIONS

The analysis of PARVEST QIS MULTI-FACTOR CREDIT EURO IG in relation to its benchmark indicates that 65,9% of the portfolio weight is invested in companies that are signatories to the UN Global Compact, compared with 71,1% for its benchmark.

In accordance with BNP Paribas Asset Management's SRI policy, the fund does not invest in companies with clear and repeated cases of violations of the UN Global Compact principles* and/or BNP Paribas Group policies on controversial products and sectors**. These exclusions include 338 companies worldwide.

* The UN Global Compact Principles (www.unglobalcompact.org) promote 10 major principles applicable to companies in the areas of respect for human rights, labour standards, environmental protection and business ethics. The internationally recognised principles are based on the following standards and conventions :

- The Universal Declaration of Human Rights,
- The Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work,
- Rio Declaration on Environmental and Development,
- United Nations Convention Against Corruption.

** BNP Paribas Group sectoral policies seek to limit investments in controversial sectors and currently pertain to the following sectors :

- | | | |
|----------------------------------|-------------------------|----------|
| - Palm oil and Wood pulp | - Mining | -Tobacco |
| - Nuclear Power generation | - Tar sands | |
| - Coal-fired power generation | - Controversial weapons | |
| - Basic agricultural commodities | - Asbestos | |

5- GOVERNANCE: AVERAGE GOVERNANCE SCORE

Good corporate governance creates the framework that ensures that the company is managed in the long-term interest of shareholders. The governance score takes into account several criteria that are very similar to most sectors.

The average rating of the portfolio* outperforms the benchmark. This takes into account the level of independence of the Board of Directors which is on average 65,7% for this fund and 62,8% for its benchmark**.

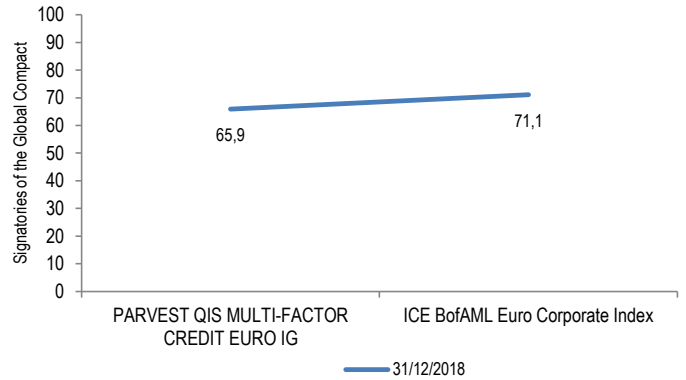
*The governance score is attributed by our ESG analysts, taking into account several criteria, in particular the independence and diversity of the Board of Directors, the respect for shareholders' rights, the remuneration and the quality of internal control.

** Source : MSCI ESG Research Inc. © 2015. All rights reserved

6- EXERCISE OF VOTING RIGHTS

The fund PARVEST QIS MULTI-FACTOR CREDIT EURO IG is a fixed income fund, so there is no voting rights in General Assembly section.

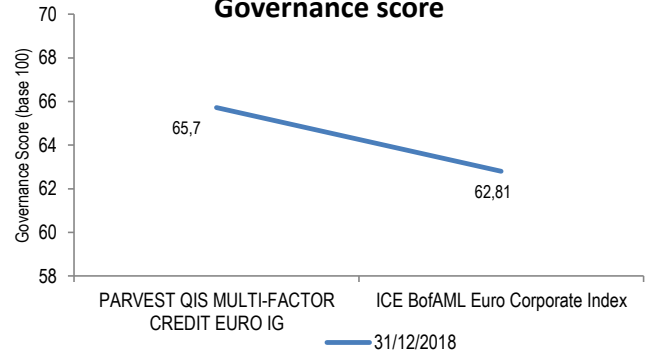
Human Rights : Compliance with International Standard and Conventions



The coverage rate is 99% for the portfolio (101 stocks reviewed) and 95% for the index.

Source: BNP Paribas Asset Management, Sustainalytics

Governance score



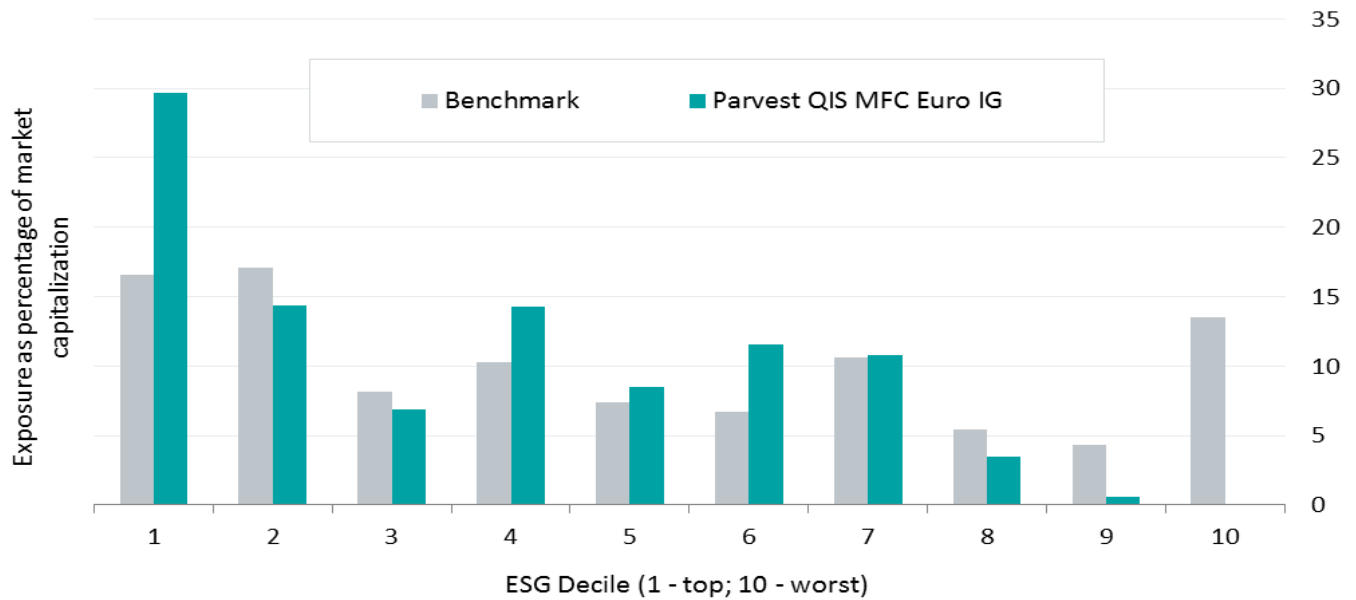
The coverage rate is 100% for the portfolio (102 stocks reviewed) and 92,4% for the index.

Source: BNP Paribas Asset Management

EXTRA FINANCIAL REPORT - January 31st, 2019 - 4

COMMENTS ON ESG CHARACTERISTICS OF PORTFOLIO AND INDEX

The table below show the portfolio and index breakdown by ESG score (decile). Decile 10 is excluded from the portfolio hence the portfolio get an higher exposure to decile 1-9 than its reference index. The fund has a largest exposure to environmental, social and governance (ESG) characteristics than its reference index.



| ESG Score | Parvest QIS Multi-Factor Credit Euro IG | ICE BofAML Euro Corporate Index | ICE BofAML Euro Corporate Index ex 20% |
|-----------------------|---|---------------------------------|--|
| Average ESG Decile | 3.563 | 4.843 | 3.595 |
| ESG Score Improvement | 26% | | |

EXTRA FINANCIAL REPORT - January 31st 2019 - 5

COMPLETE INVENTORY OF PORTFOLIO SECURITIES

| Issuer (By Sector) | Country | Extra-financial rating |
|-------------------------------|----------------|------------------------|
| Consumer Staples | | |
| NESTLE FINANCE INTL LTD | Switzerland | 4 |
| CARLSBERG BREWERIES A/S | Denmark | 7 |
| DIAGEO FINANCE PLC | United Kingdom | 1 |
| KERRY GROUP FIN SERVICES | Ireland | 3 |
| PROCTER & GAMBLE CO/THE | United States | 6 |
| BARRY CALLEBAUT SVCS NV | Switzerland | 6 |
| AVERY DENNISON CORP | United States | 4 |
| Consumer Discretionary | | |
| INTERCONTINENTAL HOTELS | United Kingdom | 3 |
| WESFARMERS LTD | Australia | 4 |
| WALGREENS BOOTS ALLIANCE | United States | 6 |
| MCDONALD'S CORP | United States | 4 |
| Energy | | |
| TOTAL CAPITAL SA | France | 1 |
| EQUINOR ASA | Norway | 2 |
| ENI SPA | Italia | 8 |
| Financials | | |
| SAMPO OYJ | Finland | 8 |
| SWISS RE REASSURE LTD | Switzerland | 1 |
| GREAT-WEST LIFECO INC | Canada | 6 |
| BANK OF AMERICA CORP | United States | 7 |
| CAIXABANK SA | Spain | 2 |
| MEDIOBANCA SPA | Italia | 9 |
| MACQUARIE GROUP LTD | Australia | 4 |
| HANNOVER RE | Germany | 6 |
| AIB GROUP PLC | Ireland | 1 |
| Real Estate | | |
| PROLOGIS LP | United States | 1 |
| Industrials | | |
| PSA TRESORERIE GIE | France | 1 |
| CONTINENTAL AG | Germany | 5 |
| MAGNA INTERNATIONAL INC | Canada | 1 |
| AUTOLIV INC | United States | 6 |
| SCHNEIDER ELECTRIC SE | France | 4 |
| 3M COMPANY | United States | 1 |
| EATON CAPITAL UNLIMITED | United States | 1 |
| SMITHS GROUP PLC | United Kingdom | 7 |
| THALES SA | France | 1 |
| UNITED TECHNOLOGIES CORP | United-Kingdom | 7 |

EXTRA FINANCIAL REPORT - January 31st 2019 - 6

COMPLETE INVENTORY OF PORTFOLIO SECURITIES

| Issuer (By Sector) | Country | Extra-financial rating |
|-------------------------------|----------------|------------------------|
| Materials | | |
| AKZO NOBEL NV | Netherlands | 2 |
| KONINKLIJKE DSM NV | Netherlands | 1 |
| CELANESE US HOLDINGS LLC | United States | 7 |
| PPG INDUSTRIES INC | United States | 2 |
| HOCHTIEF AG | Germany | 7 |
| Health Care | | |
| MERCK & CO INC | United States | 2 |
| GLAXOSMITHKLINE CAPITAL | United Kingdom | 5 |
| Transportation | | |
| DEUTSCHE POST AG | Germany | 1 |
| DEUTSCHE BAHN FIN GMBH | Germany | 2 |
| Utilities | | |
| ITV PLC | United Kingdom | 1 |
| RELX FINANCE BV | United Kingdom | 1 |
| VIVENDI SA | France | 6 |
| EXPERIAN FINANCE PLC | United Kingdom | 5 |
| BRAMBLES FINANCE LIMITED | Australia | 1 |
| ADECCO INT FINANCIAL SVS | Switzerland | 2 |
| ECOLAB INC | United States | 4 |
| AMADEUS CAP MARKT | Spain | 6 |
| TELIA CO AB | Sweden | 5 |
| TELFONICA DEUTSCH FINAN | Germany | 2 |
| TELE2 AB | Sweden | 7 |
| Information Technology | | |
| SAP SE | Germany | 1 |
| ASML HOLDING NV | Netherlands | 3 |
| FIDELITY NATIONAL INFORM | United States | 7 |

Source: BNP Paribas Asset Management (data as of January 31st 2019).

LEGAL NOTICE

This material is issued and has been prepared by BNP Paribas Asset Management S.A.S. (BNPP AM)*.

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. any investment advice .

This material makes reference to certain financial instruments (the "Financial Instrument(s)") authorised and regulated in its/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, offering document or any other information material, as applicable, of the relevant Financial Instrument(s) 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 for the Financial Instrument(s) should read carefully the most recent prospectus, offering document or other information material and consult the Financial Instrument(s)' most recent financial reports. The prospectus, offering document or other information of the Financial Instrument(s) are available from your local BNPP AM correspondents, if any, or from the entities marketing the Financial Instrument(s).

Opinions included in this material constitute the judgment of BNPP AM at the time specified and may be subject to change without notice. BNPP AM 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 a client or prospective client'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 the Financial Instruments may have a significant effect on the results portrayed 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.

* BNPP AM is an investment manager registered with the "Autorité des marchés financiers" in France under number 96002, a simplified joint stock company with a capital of 70.300.752 euros with its registered office at 1, boulevard Haussmann 75009 Paris, France, RCS Paris 319 378 832. www.bnpparibas-am.com
MSCI ESG Research Inc. ©2015. All rights reserved.

Although BNPP AM's information providers (the "ESG parties") obtain information from sources that they consider reliable, none of the ESG parties warrants or guarantees the originality, accuracy and/or the completeness of any data included herein. None of the ESG parties makes any express or implied warranties of any kind, and the ESG parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose. None of the ESG parties shall have any liability for any errors, omissions or interruptions of or in connection with any data included herein. In no event shall any of the ESG parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.