

# BNP Paribas Funds

Luxembourg SICAV – UCITS category (the “Company”)  
Registered office: 60, avenue J.F. Kennedy, L-1855 Luxembourg  
Luxembourg Trade and Companies Register No. B 33363  
VAT No. LU22943885

## Notice to shareholders

Luxembourg, 11 July 2025,

Dear Shareholders,

We hereby inform you of the following changes that will be incorporated in the next version of the Hong Kong Offering Document of BNP Paribas Funds and will be effective on 12 August 2025, unless otherwise indicated below.

### **Book I of the Prospectus**

A risk factor relating to capital gain tax will be inserted in “Appendix 3 – Investment Risks” of Book I of the Prospectus and will read as follows:

*“Investors’ attention is drawn to the fact that selling operations of securities by the sub-funds may be subject to short and long-term taxes on capital gains. Investors subscribing in shares of the sub-funds should know that the net asset value per share of these sub-funds may therefore be impacted by these taxes. This applies particularly but not only to Indian tax (see Book II).”*

A cross-reference to this risk factor will, in particular, be inserted in the risk profile of the following sub-funds:

Aqua	Global Income Bond
Asia ex-Japan Equity	Green Tigers
Clean Energy Solutions	Local Emerging Bond
Climate Change	Multi-Asset Opportunities
Emerging Bond Opportunities	SMaRT Food
Emerging Equity	Sustainable Asian Cities Bond
Global Environment	

### **Euro High Yield Bond**

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds as follows:

*“[...] The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities (including Contingent Convertible Bonds up to 10%), money market instruments, and up to 10% of its assets may be invested in UCITS or UCIs. [...]”*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund.



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### **Global Income Bond**

The investment policy of the sub-fund will be amended to increase (i) the transparency as regards the way the interest rate sensitivity will be measured and (ii) the percentage of the sub-fund's assets that can be invested in convertible bonds (including contingent convertible bonds) up to 20% instead of 10%.

As a result, the third paragraph of the investment policy will be amended as follows:

*"The sub-fund ~~manages~~ is managed with an interest rate sensitivity, as measured by effective duration, in the range ~~absolute duration to a range of 0- 0 to 8 years.~~"*

In addition, the three firsts paragraph of the ancillary assets section of the investment policy will be amended as follows:

***"The sub-fund may invest up to 30% of its assets in green bonds and/or perpetual bonds, and up to 20% of its assets in convertible bonds (including Contingent Convertible Bonds).***

*A maximum of 10% of the sub-fund's assets can be invested separately in ~~convertible bonds~~ and fixed income senior, mezzanine and junior (sub-investment grade) tranches of collateralised loans obligations, ABS and collateralised debt obligations.*

*Up to 10% of the sub-fund's assets can be held in equity exposures resulting from previously-held fixed income exposures, junior subordinated instruments, or where these exposures serve to hedge or isolate a fixed income or market risk efficiently, such as proceeds from fixed income restructurings – either through a voluntary exchange, or in the event of a default, a restructuring may result in equity being issued to bondholders. It may be in the interests of the sub-fund holders for the Investment Manager to agree to the terms of such an exchange if voluntary, or to hold the proceeds of a restructuring if involuntary.*

*The sub fund may invest up to 30% of its assets in green bonds and/or perpetual bonds, and up to 10% of its assets in contingent convertible bonds."*

### **Multi-Asset Opportunities**

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds.

As a result, the asset table contained in the investment policy will be amended as follows:

Assets	Minimum	Maximum
Government Bonds	0%	90%
Money Market Instruments <sup>(1)</sup>	0%	80%
Equities	10%	75%
Investment Grade Bonds	0%	50%
High Yield Bonds	0%	30%
Emerging Market Debt	0%	30%
Real Estate Securities <sup>(2)</sup>	0%	29%
Convertible Bonds (including Contingent Convertible Bonds)	0%	20% (10% max for Contingent Convertible Bonds)
Floating rates securities	0%	20%
Structured Debt Securities	0%	20%
Commodities <sup>(3)</sup>	0%	20%

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund.

### **Sustainable Asian Cities Bond**

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds.

As a result, the fifth paragraph of the investment policy will be amended as follows:

*“The remaining portion, namely a maximum of 25% of its assets, may be invested in any other debt securities (such as, but not limited to, corporate bonds **and up to 20% in Contingent Convertible Bonds**), money market instruments for maximum 10% of the assets, and other UCITS or UCIs for maximum 10% of the assets. The sub-fund invests at least 60% in Investment Grade bonds.”*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund.

### **Sustainable Euro Corporate Bond**

The ESG approach of the sub-fund will be amended and as a result :

- the first paragraph of the investment policy will read as follows:

*“The sub-fund follows a “Best-in-Class” approach which **favours** ~~selects~~ issuers that demonstrate superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity.”*

- the fourth paragraph of the sustainable investment policy will read as follows:

*“The Investment Manager therefore **favours issuers with** ~~may only invest in issuers having~~ a Positive and/or Neutral recommendation.*

Moreover, the investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds. As a result, the fifth paragraph of the investment policy will be amended as follows:

*“The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including Contingent Convertible Bonds up to 10%)**, money market instruments and, within a limit of 10% of the assets, in UCITS or UCIs.”*

Finally, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

### **Sustainable Global Corporate Bond**

The ESG approach of the sub-fund will be amended and as a result :

- the first paragraph of the investment policy will read as follows:

*The sub-fund follows a “Best-in-Class” approach which **favours** ~~selects~~ issuers that demonstrate superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity.*

- the fourth paragraph of the sustainable investment policy will read as follows:

*“The Investment Manager therefore **favours issuers with** ~~may only invest in issuers having~~ a Positive and/or Neutral recommendation.*

Moreover, the investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds. As a result, the fifth paragraph of the investment policy will be amended as follows:

*“The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including Contingent Convertible Bonds up to 10%)**, money market instruments and, within a limit of 10% of the assets, in UCITS or UCIs.”*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

### **USD Short Duration Bond**

The investment policy of the sub-fund will be amended to increase the transparency as regards the way the interest rate sensitivity will be measured.

As a result, the seventh paragraph of the investment policy will be amended as follows:

***“The sub-fund is managed with an interest rate sensitivity, as measured by effective duration, in the range 0 to 4 years. ~~The modified duration of the portfolio does not exceed four years.~~”***

This clarification will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, and (iii) the overall risk profile of the sub-fund.

The changes above will not result in any increment in fees level or costs in managing the sub-funds. In addition, no costs or expenses will be incurred in connection with the changes. The changes would not materially change the features and overall risk profile of the sub-funds. There would be no change in the operations or the manner in which the sub-funds are being managed. Further, the changes would not materially prejudice the existing investors' rights of interest.

Hong Kong shareholders who do not accept the changes mentioned above may ask the redemption of their shares or convert their shares to another SFC-authorized<sup>1</sup> sub-funds of BNP Paribas Funds according to the relevant procedures as disclosed in the Hong Kong Offering Document free of charge from the date of this notice until 6pm Hong Kong time on 11 August 2025. Investors should note that different distributors may have different dealing cut-off which may be earlier than the time specified above. Investors should check with the relevant authorised distributors accordingly.

The Hong Kong Offering Document will be updated to reflect the change above. The current Hong Kong Offering Document of BNP Paribas Funds is available for inspection free of charge at the office of the Hong Kong Representative<sup>2</sup>, during normal business hours on any Hong Kong business day; and on the website at <https://www.bnpparibas-am.com/en-hk><sup>3</sup>. The updated Hong Kong Offering Document will be available later.

The Board of Directors of BNP Paribas Funds accepts responsibility for the accuracy of the contents of this notice. Hong Kong shareholders may contact BNP PARIBAS ASSET MANAGEMENT Asia Limited, the Hong Kong Representative of BNP Paribas Funds, at (852) 2533 0088 for questions.

Best regards,

**The Board of Directors**

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<sup>1</sup> SFC authorization is not an official recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

<sup>2</sup> The registered office of the Hong Kong Representative is located at Suite 1701, 17/F Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

<sup>3</sup> This website has not been reviewed by the Securities and Futures Commission of Hong Kong.