

## PRESS RELEASE

**BNP Paribas Asset Management expands thematic fixed income range with launch of Social Bond fund**

BNP Paribas Asset Management ('BNPP AM') announces the launch of BNP Paribas Social Bond fund, investing in bonds aimed at financing projects with positive social impacts. The fund is classified as Article 9 under SFDR<sup>1</sup> and launches during a period of record growth for the sustainable bond market, in particular social bonds.

The launch is in line with BNPP AM's Global Sustainability Strategy, of which achieving equality & inclusive growth is one of three priority areas, alongside accelerating the energy transition and protecting the environment. Managed using a rigorous proprietary methodology, bond and issuer selection are aligned with BNPP AM's sustainable investment standards, drawing on the expertise of its bond management teams and its Sustainability Centre. The fund combines BNPP AM's long-standing expertise in green bonds (BNP Paribas Green Bond fund was launched in 2017) with its in-depth knowledge of social issues, with the BNP Paribas Inclusive Growth fund launched earlier this year.

BNP Paribas Social Bond fund invests in three main areas<sup>2</sup>:

- A minimum of 75% in bonds labelled social or sustainable, promoting access to essential services such as water or health, affordable housing, employment, food security, socioeconomic progress or basic infrastructure.
- A maximum of 25% in bonds issued by socially responsible companies, selected according to a rating model developed by BNPP AM that assigns an 'inclusion score' to issuers, ranking them on their social practices aimed at reducing inequalities.
- A maximum of 10% in microcredit instruments that help provide small businesses and individuals in emerging markets with access to financial services.

Social bonds are the fastest growing segment of the sustainable bond universe, accounting for 30% of total Green, Social and Sustainability Bonds in 2020<sup>3</sup>. This growth is expected continue, driven in large part by sovereign or quasi-sovereign issuers and by the expansion of social bond programmes to finance more projects aimed at countering inequalities.

**Arnaud-Guilhem Lamy, Head of Euro Aggregate Bond Strategies at BNP Paribas Asset Management and manager of BNP Paribas Social Bond fund, comments:**

*"The growing importance of bonds within thematic management, historically more geared towards equities, and the emergence of social considerations among investors are two major developments in our industry. The launch of BNP Paribas Social Bond fund reflects both of these, and enables capital to be directed towards activities with a positive social impact, such as unemployment benefit programmes or social housing. Our rigorous methodology brings real added value, by evaluating not only the quality of the issuer but also that of the projects being financed."*

<sup>1</sup> Sustainable Finance Disclosure Regulation

<sup>2</sup> These internal guidelines are mentioned for your information only and are subject to change. Prospectus guidelines and the KIID are leading.

<sup>3</sup> Source: Bloomberg, BNPP AM, November 2021



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## Key fund characteristics

Fund name:	BNP Paribas Funds Social Bond
Launch date:	23 November 2021
Management company:	BNP Paribas Asset Management Luxembourg
Registered for sale in:	Belgium, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Spain, Switzerland
ISIN Codes:	Institutional capitalisation - LU2355551826 Privilege capitalisation - LU2355551669
Benchmark:	Bloomberg Barclays Global Treasury Euro Hedged 3-7 years
Currency:	EUR
OCR:	Institutional capitalisation: 0.38%, Privilege capitalisation: 0.48% (both share classes estimate per 19 October 2021)
SFDR* category:	Article 9
SRRI**:	3

Don't take unnecessary risks. Read the Key Investor Information Document (KIID). It states that the risk of this product is quite low, namely 3 on a scale of 7.

\* Following the new Sustainable Finance Disclosure Regulation (SFDR) that came into force on March 10th 2021, BNP Paribas Social Bond is categorised under Article 9.

Under this new regulation, financial entities such as BNP Paribas Asset Management who sell products into the EU are required to classify the products they manufacture or advise into three categories:

- Products with sustainable investment objective (Article 9)
- Products promoting environmental or social characteristics (Article 8)
- Non-sustainable products (Article 6)

\*\* Synthetic Risk & Return Indicator, measured on a scale of 1 (lowest) to 7 (highest). SRRI is calculated periodically calculation and can therefore change over time. Regular consultation of the fund's KIID is recommended.

- ENDS -

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## About BNP Paribas Asset Management

BNP Paribas Asset Management ('BNPP AM') is the investment arm of BNP Paribas, a leading banking group in Europe with international reach. BNPP AM aims to generate long-term sustainable investment returns for its clients, based on a unique sustainability-driven philosophy. BNPP AM's investment capabilities are focused around five key strategies: High Conviction Strategies, Private Debt & Real Assets, Multi-Asset, Quantitative & Solutions (MAQS), Emerging Markets and Liquidity Solutions, with investment processes incorporating quantitative and fundamental analysis.

Sustainability is embedded within BNPP AM's strategy and investment decision-making. Among the leaders in thematic investment in Europe, BNPP AM contributes to the energy transition, environmental sustainability and the promotion of equality and inclusive growth. BNPP AM currently manages EUR 502 billion of assets (EUR 634 billion of assets under management & advisory) and benefits from the expertise of around 500 investment professionals and over 400 client servicing specialists, serving individual, corporate and institutional clients in 69 countries.

Source: BNPP AM, as at 30 September 2021

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## Additional information

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As at November 2021.



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