INVESTMENT REPORT – 30 SEPTEMBER 2025

BNP PARIBAS GREEN BOND TRUST

OBJECTIVE

The BNP Paribas Green Bond Trust seeks to increase the value of its assets over the medium term by investing primarily in global green bonds issued by issuers supporting climate-related and environmental projects. The Trust invests its assets into BNP Paribas Funds Green Bond ("Underlying Fund"), a sub-fund of the Luxembourg-domiciled BNP Paribas Funds SICAV ("BNP Paribas Funds").

DISTINGUISHING FEATURES

- Exposure to an active green bond strategy that invests with the intention to contribute to measurable positive environmental impact alongside financial returns.
- Green Bonds are a mechanism to support climate-related and environmental projects such as renewable energy, energy efficiency, clean transportation, climate change adaptation and green buildings.
- BNP Paribas Asset Management only invests in Green Bonds that it believes are authentic in financing a shift towards a sustainable economy
- Experienced global fixed income team supported and informed by dedicated Sustainability Centre professionals

TOP 10 HOLDINGS (UNDERLYING FUND)

SECURITY	WEIGHT
SPAIN (KINGDOM OF) 1.00 PCT 30-JUL-2042	4.2%
ITALY (REPUBLIC OF) 4.00 PCT 30-APR-2035	3.7%
GERMANY (FEDERAL REPUBLIC OF) 2.30 PCT	3.6%
CANADA (GOVERNMENT OF) 2.25 PCT	3.5%
KFW 4.88 PCT 03-FEB-2031	2.8%
BELGIUM KINGDOM OF (GOVERNMENT) 2.75	2.7%
EUROPEAN INVESTMENT BANK 3.75 PCT	2.0%
ITALY (REPUBLIC OF) 4.00 PCT 30-OCT-2031	1.9%
EUROPEAN UNION 0.40 PCT 04-FEB-2037	1.7%
KFW 4.25 PCT 15-FEB-2030	1.6%
	27.7%

Source: BNP Paribas Asset Management. Percentages may not add up due to rounding.

TRUST PERFORMANCE

	TRUST GROSS	TRUST NET	BENCHMARK
1 Month (%)	0.67	0.62	0.61
3 Months (%)	0.87	0.71	0.85
6 Months (%)	3.31	2.97	3.08
1 Year (%)	2.93	2.26	2.66
2 Year (%)	6.05	5.37	6.28
3 Year (%)	4.49	3.82	4.40
Since Inception (%) 3 September 2021	-1.44	-2.09	-2.08

Source: BNP Paribas. Benchmark: Bloomberg MSCI Global Green Bond Index (AUD Hedged). Gross returns are calculated before fees and costs of 0.65% (inclusive of RITC and GST). Net returns are calculated using exit prices net of management fees and costs and assuming reinvestment of distributions. No allowance is made for tax when calculating these figures. Gross returns are provided for wholesale investors only, retail investors should refer to net returns. Results greater than one year are annualised. The value of investments can go up or down. Past performance is not indicative of future returns.

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OPPORTUNITY:

An appropriate financial vehicle to support low-carbon and climate-resilient development

Climate change has brought about new demand for innovative ways to invest responsibly and sustainably. The green bond market continues to expand and diversify. Green bonds can be a suitable way to favour activities with low greenhouse gas emissions and support low-carbon and climate-resilient development.

View the updated Product Disclosure Statement for the Trust on our website.

RISK ANALYSIS (UNDERLYING FUND) (3 YEARS, MONTHLY)

	Fund
Volatility	5.30
Ex-post Tracking Error	0.47
Information Ratio	-1.06
Sharpe Ratio	-0.03
Modified Duration (30.09.2025)	6.65
Yield to Maturity (30.09.2025)	3.04
Average coupon	2.68

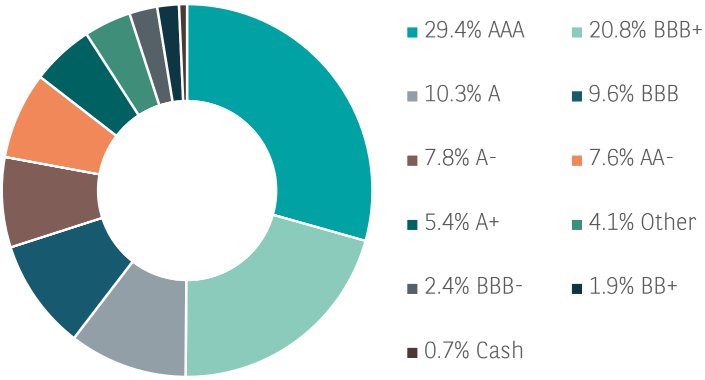
Source: BNP Paribas Asset Management

Listen to our Latest Podcast here:

Talking Heads – Have green bonds emerged from their niche?*

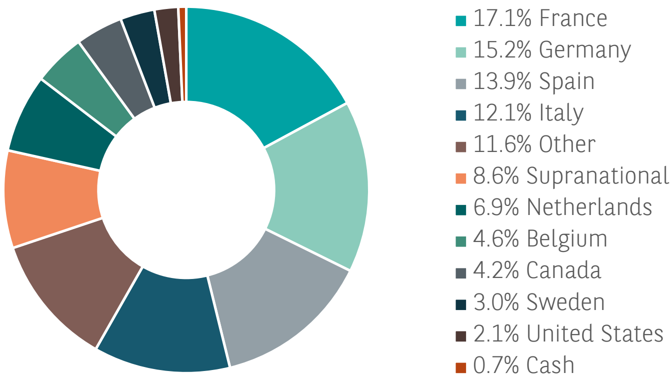
* For Wholesale Investors Only

RATING ALLOCATION (UNDERLYING FUND)



Source: BNP Paribas Asset Management
Percentages may not add up to 100% due to rounding.

COUNTRY ALLOCATION (UNDERLYING FUND)



Source: BNP Paribas Asset Management
Percentages may not add up to 100% due to rounding.

SUSTAINABLE INDICATORS (UNDERLYING FUND)

ESG global score 79.25

*Benchmark: 72.26

* Please note this is the benchmark for the Underlying Fund, Bloomberg MSCI Global Green Bond Index (Hedged in EUR) (RI)

ESG CONTRIBUTION

	Environmental contrib.	Social contrib.	Governance contrib.
Portfolio	24.98	3.39	0.92
Benchmark	19.13	2.72	0.42

CARBON FOOTPRINT

	T/Co2 per M€ per year
Portfolio	1.74
Benchmark	45.17

PORTFOLIO COVERAGE

	Coverage rate
ESG coverage	100.00%
Carbon footprint coverage	99.00%

Total ESG score

BNPP AM's internal ESG scoring methodology determines an issuer's ESG score by evaluating performance vs. scoring peers on a narrow set of key ESG issues related to the environment (e.g. climate change), social issues (e.g. human resources management) and governance (e.g. independence and competence of directors). BNPP AM uses numerous research inputs and data sources (e.g. Sustainalytic, ISS & Trucost) to determine issuers' ESG scores. If the issuer's commitments and practices on a pillar of assessment (E,S or G) is better than scoring peers, it will receive a positive 'contribution' for this pillar. Each issuer is assigned a final score from 1 to 99 which is the result of 50 as a reference plus the sum of the contributions from each of the three pillars.

ESG contribution

The ESG contributions are 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, social and governance. Each of the above contributions at the portfolio level, is the weighted average of the contributions of the individual portfolio holdings.Environmental Contribution (E) takes into account, among other things, climate change, environmental risk management, and the use of natural resources. Social Contribution (S) takes into account, among other things, human capital management, the quality of social dialogue, and the respect of diversity. Governance Contribution (G) takes into account, among other things, the transparency on executive compensation, the fight against corruption, and gender equality.

Carbon footprint

The portfolio or benchmark carbon footprint is the sum of companies' carbon emissions divided by companies' Enterprise Value multiplied by the weight of companies in the portfolio or the benchmark. Carbon emissions are the sum of Scope 1 emissions (direct emission from the company's facilities) & Scope 2 emissions (indirect emissions linked to the company's energy consumption). Carbon data provider is Trucost. The footprint is expressed in tons of CO2 equivalent per year and per million euros invested. Enterprise Value (EV) is the measure of a company's total value. It is calculated by adding the market capitalization and the financial debt of a company.

Portfolio Coverage

The coverage represents, within a portfolio or benchmark or ESG benchmark, the percentage of securities that have an ESG score or carbon footprint within those that are eligible to have an ESG score or carbon footprint using BNPP AM's internal methodology. Non-eligible securities include, but are not limited to cash, external funds.

RISKS OF MANAGED INVESTMENT SCHEMES

All investments carry risk.

Some of the general risks of managed investment schemes include:

Active Management Risk, Bond Connect Risk, Counterparty Credit Risk, Credit Risk, Currency Risk, Derivatives Risk, Emerging Markets Risk, Environmental, Social and Governance (ESG) Risk, Hedging Risk, Interest Rate Risk, Investment Specific Risk, Legal Risk, Liquidity Risk, Market Risk, Operational Risk, Pandemic and other unforeseen Event Risk, Securities Lending Risk, Political Risk, Related party transactions and conflicts of interest, Security Selection Risk, Swing Pricing Risk, Timing Risk, Trust Risk, Underlying Fund Risk.

For further details of the risks associated with the Trust, a Product Disclosure Statement (PDS) for the Trust is available at www.bnpparibas-am.com/en-au

COMMENTARY (UNDERLYING FUND)

UNDERLYING FUND PERFORMANCE

In September, the fund generated +0.55% gross of fees (EUR) in absolute terms, outperforming its benchmark by +8bp.

The portfolio's outperformance came mostly from spread (+9bp) and selection (+1bp), while curve (-4bp) produced losses.

Capital Structures:

- The largest contributors to excess returns were:
- Our overweight of +3.14% in Senior Unsecured bonds (+4bp), from selection (+7bp), mitigated by curve (-3bp) and fx (-2bp)
- Our overexposure of +2.44% in Subordinated bonds (+1bp), thanks to sector allocation (+1bp)
- There was a negative impact from our underweight of -7.52% in Senior bonds (-1bp), due to sector allocation (-1bp) and carry (-1bp), tempered by selection (+1bp).

Countries:

- Spain (+8bp), Peripheral Countries (+2bp), Belgium (+2bp), France (+2bp) and Ireland (+1bp) had the most positive impact on the relative performance.
- On the other hand, the United States (-5bp), Canada (-3bp) and the Netherlands (-2bp) detracted.

Sectors:

- Treasuries (+6bp) and Sovereign (+3bp) produced the most relative gains.
- Conversely, Utility (-3bp) and Local Authority (-2bp) had a negative impact on the excess returns.

Country-Sector combinations

- Most of the relative gains came from:
- Treasuries in Spain (+6bp)
- Sovereign in Peripheral Countries (+4bp)

The largest detractor was Utility in the United States (3bp).

MARKET ENVIRONMENT

- **USA:** On 17 September, as expected, the Federal Open Market Committee (FOMC) cut the fed funds target rate by 25bp, taking it into the 4.00%-4.25% range and resuming the monetary easing cycle that had paused in December 2024. Only Stephen Miran, newly appointed to the Committee, voted in favour of a 50bp cut. Despite this near-unanimity, the dot plot that shows the level of federal funds deemed appropriate by each FOMC member showed a committee highly divergent on what strategy to adopt by the end of the year: One member envisaged one rate hike, six members a status quo, two foresaw one rate cut, nine argued for two cuts while one person (presumably Stephen Miran) contemplated a 125bp cut. The median point of these projections for end-2025 was close to market-based expectations before the meeting (two additional 25bp cuts by the end of 2025). Fed Chair Jay Powell did not seem troubled by his policymakers' split opinions, saying: "it would actually be surprising if you didn't have a pretty wide range of views in this kind of highly unusual situation." In addition, Powell views the September decision as a risk management cut, which has been interpreted by some analysts as a way of reconciling growth and inflation forecasts revised upwards compared to June and the decision to cut key rates. Between the two parts of its mandate, the Fed has therefore chosen to focus on employment rather than inflation, and does not forecast a return to the 2% target before 2027.
- For now, investors seem not to see this decision as having been dictated by pressure from the White House, especially because job creation has weakened since July, reflecting a less flattering picture of the labour market than before. Th various measures of inflation were in line with expectations, reassuring investors (and perhaps the Fed). The +0.2% monthly increase in the deflator of private spending excluding food and energy pushed the year-on-year change in core PCE inflation from 2.85% to 2.91% in August. According to the FOMC's forecast, inflation is expected to rise to 3.1% at the end of 2025 and then fall to 2.6% at the end of 2026, leaving it above target. It is expected to be close to 2% only by the end of 2027 (2.1%). Second quarter growth was revised upwards to 3.8% annualised, with private consumer spending rising by 2.5%. Data on household income (+0.4%

in nominal terms) and household spending in August (+0.6% in nominal terms; +0.4% in real terms after +0.3% in July) confirmed solid momentum in the third quarter. The running estimate of third quarter growth provided by the Atlanta Fed's GDPNow tracker (based on data available as of 26 September) came out at 3.9%. Strong household consumption, supported by resilient incomes, explained this favourable result.

- **Eurozone:** As expected, the European central bank (ECB) kept its rates unchanged on 11 September, saying that 'inflation is currently around the 2% medium-term target'. The Governing Council is determined to ensure that inflation stabilises at its 2% target over the medium term. It will follow a data-dependent and meeting-by-meeting approach and is not pre-committing to a particular rate path. After the press conference, the unofficial communication remained cautious, with 'sources' indicating that even if the debate on a further cut continued, the 30 October meeting seemed too close for a real discussion. Beyond that, while the economy has so far appeared more resilient than expected to the increase in US import tariffs, investors were convinced that the ECB's monetary policy easing cycle ended with the reduction of the deposit rate to 2% in June. While some governors remain alert to the risk of inflation falling below target for too long, it is rather a cautious approach that seems to dominate the Governing Council, with the majority seeing no reason to cut rates for now.
- After a slight increase in September (from 51 to 51.2), the average level of the composite PMI in the third quarter was consistent with a growth rate in the 0.2% to 0.3% range (after +0.1% in the second quarter). However, the rise in the composite PMI in September was concentrated in German services sector. These surveys confirmed the resilience of eurozone growth during the summer. Third quarter growth is likely to be stronger compared to the scenario that was emerging after strong momentum in the first half of the year. The ECB's forecasts made in September pointed to stable GDP in the third quarter and then an increase of 0.2% in the fourth. In addition, the German budget recently voted through allows for some of the spending to be implemented faster than initially planned, which would thus support growth at the end of 2025. The ECB's wage tracker suggested more moderate wage growth in the coming quarters, but the ECB's consumer survey showed that household inflation expectations were trending upwards. A status quo is likely at least until the end of the year.

• GOVERNMENT YIELDS

- **USA**: After a somewhat turbulent start to the month on global government bonds, the yield on the US 10-year T-note (4.23% at the end of August) quickly moved towards 4.00% on the publication of several indicators showing a deterioration in employment. The 10-year yield reached 4.02% on 11 September, the lowest since early April and the announcements on reciprocal tariffs on Liberation Day that led some observers to adopt a very pessimistic scenario on economic growth. It remained at this level until 16 September (the eve of the Fed's monetary policy meeting), before rising. Slightly less dovish comments than expected from policymakers and strong economic indicators explained this movement. The yield on the 10-year T-note ended the month at 4.15% (-8bp compared to the end of August). Stephen Miran, chair of the White House Council of Economic Advisers and newly appointed to the FOMC, still seems isolated. He voted for a 50bp cut on 17 September and then claimed a few days later that policy rates should be around 2% at a time when Jerome Powell stressed that 'uncertainty around the path of inflation remains elevated'. In this context, and even if expectations of a further cut in the Fed's key rates remain present (with a 90% probability of a 25bp cut in October and 80% of a further cut in December according to market-based expectations), the 2-year yield ended at 3.61%, practically unchanged from the end of August, after falling below 3.50% at the beginning of the month. The Treasury market posted a total monthly performance of 0.9% in September.
- **Eurozone**: The yield on the 10-year German Bund (2.72% at the end of August) moved in the wake of global markets at the beginning of the month and then eased to fall briefly below 2.65% at the end of the first week. It then trended upwards before partly correcting at the end of the month. The German 10-year yield ended at 2.71%, very close to its level at the end of August. The underperformance of the short end of the curve (+8bp to 2.02% for the 2-year rate) reflected comments from ECB policymakers. After the fully expected status quo on rates on 11 September, investors were convinced that the easing cycle is now over. After rising above 2.00% in mid-September, the 2-year yield stabilised at this level (which corresponds to the deposit rate). The statements of most ECB officials seemed to validate this hypothesis while economic indicators confirmed the resilience of the economy and a reassuring outlook on inflation. The underperformance of European bond markets (with a total return of 0.5% in September compared to 0.9% for US Treasuries) reflected investor concerns about public finances. The vote on the 2025 German budget by the Parliament was a reminder that the announcements in March on defence and infrastructure spending will involve more Bund issuances. The German Court of Auditors raised the alarm over the 2026 budget, describing the situation of public finances as 'structurally dangerous'. Elsewhere, the political situation drew attention to the trajectory of public deficits and the issue of debt sustainability, although this caused no huge reaction on the financial markets. In France, the fall of the Bayrou government on 8 September and the downgrading of the country's sovereign rating by Fitch on 12 September resulted in a monthly rise of only 2bp to 3.53% in the yield on the 10-year OAT. The yield on the Italian 10-year BTP eased by 6bp to 3.53% and the 10-year Spanish yield eased by 7bp to 3.26% while the sovereign ratings of both countries were raised in September. While investor concerns about public finances exist and are largely legitimate, market movements in recent weeks suggest that current yields levels are taking into account the trajectories, favourable or unfavourable, followed in recent years.

• CURRENCY MARKETS

- The DXY dollar index (calculated against a basket of the euro, yen, pound sterling, Canadian dollar, Swedish krona and Swiss franc) had a bumpy ride as expectations around the Fed's monetary policy adjusted somewhat. The index hit its lowest level for the month on 16 September in anticipation of the cut in Fed's policy rates. It then rose on Jerome Powell's less-dovish-than-expected comments. At the end of the month, the possibility of a federal government shutdown weighed on the dollar, which ended September unchanged from the end of August. The EUR/USD parity (1.1686 at the end of August) moved around 1.17, mainly reacting to the Fed's monetary policy analyses when it became clear to investors that after stronger-than-expected economic data, the ECB was done with its monetary policy easing cycle. The most significant movement in the EUR/USD parity was linked to the 17 September FOMC meeting. While the parity occasionally reached 1.19 in anticipation of the announcement of the 25bp cut in the target federal funds rate, the dollar subsequently appreciated due to less dovish comments than expected from Jerome Powell and other FOMC policymakers, with the exception of newly appointed Stephen Miran. This trend was subsequently confirmed as economic indicators continued to show the resilience of the US economy. It reversed course at the end of the month due to government shutdown fears, although the move was moderate. The EUR/USD parity ended the month at 1.1734, a 0.4% rise for the euro against the dollar.

HAVE QUESTIONS?

All enquiries welcome. Please contact your local sales representative.

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CHARACTERISTICS

APIR Code	ETL0521AU
Benchmark	Bloomberg MSCI Global Green Bond Index (AUD Hedged)
Underlying Fund Size (AUD Millions)[1]	$2,146
Trust Size (AUD Millions)	$69
Performance Inception	3 September 2021
Distribution Frequency	Usually quarterly, as at end of March, June, September and December
Minimum Investment	AUD 25,000
Delegated Investment Manager	BNP PARIBAS ASSET MANAGEMENT Asia Limited
Management fees and costs	0.65% p.a

[1.] Underlying Fund Size (AUD millions) relates to the underlying Luxembourg fund BNP Paribas Green Bond including all share classes.

DISCLOSURE

Equity Trustees Limited ("Equity Trustees") ABN 46 004 031 298 | AFSL 240975 is the Responsible Entity for the BNP Paribas Green Bond Trust ("the Trust") (ARSN 651 112 659). Equity Trustees is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX: EQT). BNP PARIBAS ASSET MANAGEMENT Australia Limited ("BNPP AMAU") ABN 78 008 576 449 | AFSL 223418 is the investment manager of the Trust. This publication has been prepared by BNPP AMAU to provide you with general information only. Unless otherwise stated, all data is as of the report production date. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither BNPP AMAU, Equity Trustees nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accept any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement (PDS) before making a decision about whether to invest in this product. The PDS can be obtained from www.bnpparibas-am.com/en-au or from your adviser.

BNP Paribas Green Bond Trust's Target Market Determination available here www.bnpparibas-am.com/en-au. A Target Market Determination is a document which describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

New Zealand financial services licensing and registration requirements do not apply to BNPP AMAU as it does not provide financial services to retail clients in New Zealand and does not have a place of business in New Zealand.

For more information regarding the Trust please call the Client Service Team on 1800 267 726 (Australia) or +612 9619 6041 or visit our website www.bnpparibas-am.com/en-au