BNP Paribas Funds (The "Company")

SICAV under Luxembourg law – UCITS class
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 33.363

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

Notice to the shareholders of BNP Paribas Funds Emerging Multi-Asset Income

Shares	*ISIN code*	*Shares*	*ISIN code*
Classic-CAP	LU1270633115	Classic RH AUD MD	LU1270634949
Classic MD	LU1270633545	Classic RH SGD MD	LU1270635672
Classic HKD MD	LU1270634519	Classic EUR-DIS	LU1342920755

Luxembourg, 26 September, 2023

Dear Shareholders,

We hereby inform you that **BNP Paribas Funds Emerging Multi-Asset Income** (the "Sub-fund") will be transformed and renamed as **BNP Paribas Funds Multi-Asset Opportunities** (the "Transformation"), and will be incorporated in the next version of the Hong Kong Offering Document. For Hong Kong shareholders, please pay attention on the share classes above.

The Transformation will be effective on 27 October 2023.

1) *Background to and rationale for the Transformation*

Given the unsatisfactory performances of the Sub-fund and the low attractiveness of the Sub-fund's investment strategy, the Management Company has decided to revise the investment objective and investment policy of the Sub-fund mainly to extend its geographical universe from emerging countries only to a worldwide universe. It is expected that the transformation will improve the performance and attractiveness of the Sub-fund,

2) *The changes of the Sub-fund are the following:*

Features	BNP Paribas Funds Emerging Multi-Asset Income	BNP Paribas Funds Multi-Asset Opportunities
Investment objective	The sub-fund seeks to increase the value of its assets over the medium-term for the Capitalisation shares and provide regular income in the form of dividend and on a secondary basis, generate capital growth for Distribution shares.	The sub-fund seeks to increase the value of its assets over the medium-term by investing directly across all types of asset classes.
Investment policy	The sub-fund invests at least 70% of its assets in emerging markets defined as non Organisation for Economic Co-operation and Development countries prior to 1 January 1994 (such as China, Brazil, Mexico), together with Turkey and Greece, and maximum 30% of its assets in other markets in asset classes described in the below list. The sub-fund aims to invest directly in these different asset classes, but may also invest indirectly in these asset classes through investment in other collective investment schemes of up to 10% of its net asset value. An essential feature of the investment policy is that the proportions between and within the different asset classes in the sub-fund are variable. The asset class mix will change based on the Investment Manager's medium term and short terms views on the economic cycle. The Investment Manager will also take into account the sustainability of the dividends in driving the asset class mix. The sub-fund may invest up to 80% of its NAV in equities and the remaining assets in debt securities or vice versa, i.e. up to 80% of its NAV in debt securities and the remaining assets in equities. The following list shows the allowable bandwidths across the different asset classes: 1. Equity securities listed in emerging markets such as China, Brazil and Mexico (up to 80%); 2. Debt securities (up to 80%), which include: - Government Bonds (up to 80%) - High Yield Bonds (up to 50%) - Corporate Bonds (up to 50%) - Structured Debt Securities such as asset backed securities (up to 20%) - Convertible Bonds (Up to 20%); 3. Money market instruments such as US short term Treasury bonds (T-notes) and high quality commercial papers (up to 80% which will only be held on a temporary basis in case of exceptional circumstances (e.g. market crash or major crisis) for decreasing the risk in the portfolio); and	The investment manager will take decisions based on assessing the economic cycle, macro variables, valuations and other factors. The sub-fund's portfolio allocation will be based on the investment manager's macro-economic views. The asset allocation of the sub-fund will change according to the investment manager's views of fundamental economic and market conditions and investment trends across the globe, taking into consideration factors such as liquidity, costs, timing of execution, relative attractiveness of individual securities and issuers available in the market. The investment manager implements, on a discretionary manner, a diversified allocation strategy for the following asset classes: 1. Equity securities listed in global major markets such as the USA, the Eurozone and Japan (up to 75% of the sub-fund's assets); 2. Fixed and floating rate debt securities (up to 100% of the sub-fund's assets), which include: - government bonds (up to 100% of the sub-fund's assets) - investment grade bonds (up to 50% of the sub-fund's assets) - high yield bonds (up to 40% of the sub-fund's assets) - emerging market bonds (up to 30% of the sub-fund's assets) - floating rate bonds (up to 20% of the sub-fund's assets) - structured debt securities such as asset backed securities (up to 20% of the sub-fund's assets) - convertible bonds (Up to 20% of the sub-fund's assets); 3. Money market instruments such as US short term Treasury bonds (T-notes) and high quality commercial papers (up to 50% of the sub-fund's assets in normal market conditions); 4. Listed real estate securities (up to 29% of the sub-fund's assets, which include exchange traded funds solely invested in companies engaging in real estate sector, shares of companies engaging in real estate sector / business and real estate investment trusts. The sub-fund does not invest in real estate directly) and 5. Commodities (up to 20% of the sub-fund's assets through exchange traded notes or total return swaps, the sub-fund does not hold commodities directly).

	4. Commodities (up to 20%, the sub-fund does not hold commodities directly but through indices). The sub-fund does not have requirement on the credit rating of the underlying debt securities and may invest up to 50% of its NAV in debt securities rated below investment grade by Standard & Poor's or the equivalent by Moody's or Fitch or unrated securities. The sub-fund is not subject to any limitation on the portion of its NAV that may be invested in any one country or region. The sub-fund may invest in less than 30% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade and/or unrated. The investment manager will take an active management approach with flexibility to express views, as well as to take potential advantage of investment opportunities based on market conditions, economic fundamentals, security valuations and potential positive re-ratings etc. which may lead them to invest in less than 30% of the Fund's net asset value in one sovereign issuer. To achieve the investment objective and to make use of the best risk-return investment opportunities, the fund may invest more than 10% (but less than 30%) of its net assets in debt securities issued and/or guaranteed by a single unrated or below investment grade sovereign issuer (e.g. Turkey and Argentina which are, as at the date of this document, unrated or rated below investment grade) on the basis of, for example, economic fundamentals, country risk, security valuation and other compelling investment performance rationale. Furthermore, by having the flexibility highlighted above, it will mean the Fund will not have to be a forced seller in the event that the credit rating of a sovereign issuer which is held within the Fund is downgraded to below investment grade. In respect of the above investments limits, the sub-fund's overall exposure (via both direct and indirect investments) to mainland China securities will be less than 30% of its assets by investments in (i) "China A-Shares" via the Stock Connect, (ii) P-notes and (iii) debt securities traded on the China Interbank Bond market. Under exceptional circumstances (e.g. market crash or major crisis), the sub-fund may be invested temporarily up to 80% in liquid assets such as money market instruments, bank deposits, certificate of deposit, commercial paper and treasury bills for cash flow management. In the event the portfolio ends up with any distressed securities as a result of a restructuring event or any event beyond the control of the	The sub-fund does not have requirement on the credit rating of the underlying debt securities and may invest up to 40% of its NAV in debt securities rated below investment grade by Standard & Poor's or the equivalent by Moody's or Fitch or unrated securities. The sub-fund is not subject to any limitation on the portion of its NAV that may be invested in any one country or region. The sub-fund may invest in less than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade and/or unrated. In respect of the above investments limits, the sub-fund may be exposed for maximum 40% of its assets on emerging markets such as Brazil, Mexico and South Korea. The sub-fund's overall exposure (via both direct and indirect investments) to mainland China securities will be less than 20% of its assets by investments in (i) "China A-Shares" via the Stock Connect, (ii) P-notes and (iii) debt securities traded on the China Interbank Bond market. Under exceptional circumstances (e.g. market crash or major crisis), the sub-fund may be invested temporarily up to 100% of its assets in liquid assets such as money market instruments, bank deposits, certificate of deposit, commercial paper and treasury bills for cash flow management and decreasing the risk in the portfolio. The sub-fund may, from time to time, be partially exposed to the abovementioned asset classes through investment in other collective investment schemes of up to 10% of its net asset value. The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance criteria in the investment process of the sub-fund. The sub-fund does not currently intend to enter into securities lending.

	company, the Investment Manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders. In any case distressed securities will never represent more than 10% of the assets. The asset allocation of the sub-fund will change according to the investment manager's views of fundamental economic and market conditions and investment trends across the globe, taking into consideration factors such as liquidity, costs, timing of execution, relative attractiveness of individual securities and issuers available in the market. The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance criteria in the investment process of the sub-fund. The sub-fund does not currently intend to enter into securities lending.	
Summary of differences	The Sub-fund would extend its geographical universe from emerging countries only to a worldwide universe	
Ongoing Charges Ratio	1.70%	1.58% (estimated)

Fees and charges including Management Fees, Operating Parties, Dividend and Distribution Policy, Order Trade Date, NAV Calculation and Publication Date, Orders Settlement Date, Risk Management Process (Commitment Approach), Use of Derivatives, Accounting Currency, and any other characteristic not included in the above table are the same in both strategies.

3) Actions to be taken

What can you do if you do not accept the Transformation?

Hong Kong shareholders of the Sub-fund who do not accept the Transformation may ask the redemption of their shares free of charge from the date of this notice until 6pm Hong Kong time on **26 October 2023**.

Alternatively, shareholders may also convert their investments in the Sub-fund free of charge, into another SFC-authorized sub-fund of the Company from the date of this Notice until 6pm Hong Kong time on **26 October 2023**.

Please refer to the Hong Kong Offering Document of the Company for details of the procedures for placing redemption and conversion requests in respect of the shares; as well as for the details of the sub-fund which you want to convert into.

What should you do if you accept the Transformation?

Hong Kong shareholders of the Sub-fund who accept the Transformation mentioned above have NO FURTHER ACTION to take.

4) *Portfolio Rebalancing*

To facilitate the Transformation, the portfolio will be rebalanced by selling at least 75% of the existing holding where possible ahead of the Transformation during the rebalancing period from **20 to 26 October 2023**. As a result, it is intended that the portfolio of the Sub-fund will be aligned with the new investment objective and policy by 27 October 2023.

The Sub-fund will bear the transaction costs (brokerage fees, stamp duties, taxes, custodian commission and charges paid to stock exchanges) associated with rebalancing the portfolio during the rebalancing period. When these transaction costs are incurred, **shareholders who remain in the Sub-fund during the rebalancing period will bear such costs**. Such transaction costs are not expected to be significant and are estimated to be 0.37% of the NAV of the Sub-fund (i.e. estimated to be USD 50,000).

5) *Tax Consequences*

The tax position of shareholders in Hong Kong, in respect of their holdings, will generally not be affected following the transformation.

6) *Documents Available for Inspection*

Copies of the current Hong Kong Offering Document, the Articles of Association of the Company and the latest financial report are available upon request, free of charge, at the office of the Hong Kong Representative – BNP PARIBAS ASSET MANAGEMENT Asia Limited at Suite 1701, 17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong and on the website at http://www.bnpparibas-am.hk[1]. Shareholders should refer to the Hong Kong Offering Document of the Company for details.

7) *Other information*

The changes would not materially change the overall risk profile of the Sub-fund. There would be no change in the operations or the manner in which the Sub-fund is being managed. Further, the change would not materially prejudice the existing investors' rights of interest.

There would be no change in the fee level / cost in managing the Sub-fund. The Management Company will bear all costs and expenses (except transactions costs for portfolio rebalancing) associated with the preparation and completion of the Transformation. There are no unamortised preliminary expenses outstanding in respect of the Sub-fund.

The Board of Directors of the Company accepts the responsibility for the accuracy of the contents of this Notice. This Notice will also be communicated to any potential investor before subscription. Please refer to the Hong Kong Offering Document of the Company for any term or expression not defined in this notice.

Hong Kong shareholders may contact BNP PARIBAS ASSET MANAGEMENT Asia Limited, the Hong Kong Representative of the Company, at (852) 2533 0088 for any questions.

Best regards,

The Board of Directors

[1] Investors should note that this website has not been reviewed by the SFC.