

# BNP Paribas Funds

Luxembourg SICAV – UCITS category (the “Company”)  
Registered office: 10 rue Edward Steichen, L-2540 Luxembourg  
Luxembourg Trade and Companies Register No. B 33363  
VAT No. LU22943885

## Notice to shareholders

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

Luxembourg, 28 March 2024,

Dear Shareholders,

We hereby inform you of the following amendment which will be reflected in the next version of the Hong Kong Offering Document of BNP Paribas Funds. The below changes will be effective on 29 April 2024.

**1. Significant Exposure to Emerging Markets**

- BNP Paribas Funds Aqua
- BNP Paribas Funds Climate Impact
- BNP Paribas Funds Global Environment
- BNP Paribas Funds SMaRT Food
- BNP Paribas Funds Ecosystem Restoration
- BNP Paribas Funds Energy Transition (collectively, the “Sub-funds”)

The investment policy of the Sub-funds above would be revised to allow for increased flexibility, enabling investments in emerging markets through both direct and indirect means. Please refer to the table below for the maximum exposure limit to emerging markets applicable to each of the Sub-funds:

Sub-fund	Maximum exposure limit to emerging markets
BNP Paribas Funds Aqua	30%
BNP Paribas Funds Climate Impact	30%
BNP Paribas Funds Global Environment	30%
BNP Paribas Funds SMaRT Food	30%
BNP Paribas Funds Ecosystem Restoration	35%
BNP Paribas Funds Energy Transition	35%

In addition to the existing associated risk factors, the Sub-funds would also be subject to Emerging Market Risk after the revision:

**Emerging Market Risk**

*The sub-fund may invest in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.*

On top of the revision above, there would be certain clarifications and disclosure enhancements to the investment policy of the sub-funds, as follows:



**BNP PARIBAS**  
**ASSET MANAGEMENT**

The sustainable  
investor for a  
changing world

### **“Aqua”**

The investment objective and policy of the sub-fund will be amended to (i) provide additional information on the “water and related or connected sectors” targeted by the investment manager of the sub-fund and (ii) clarify that the sub-fund may be exposed to emerging markets up to 30% of the sub-fund assets. In addition, the maximum percentage of the sub-fund’s assets that can be invested in China-A Shares will be decreased from 25% to 20%.

As a result, the investment objective will be amended as follows:

*“Increase the value of its assets over the medium term by investing primarily in **global** companies tackling the water-related challenges and **which aim at helping to accelerate or accelerating** the transition to a more sustainable **world economy**.”*

The investment policy will be amended as follows:

*“This thematic sub-fund aims to invest in **global** companies within the global water value chain. These companies support the protection and efficient use of water as a natural resource.*

*At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by **global** companies that conduct a significant part of their business in water and related or connected sectors, with sustainable activities and processes. **Such sectors include, but are not limited to: water infrastructures (network, buildings, and industry equipment, infrastructure services and irrigation), water treatment (filtration, traditional treatment, efficiency, testing and monitoring) and utilities.***

*The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities (including P-Notes), money market instruments and also, within a limit of 15% of the assets, in debt securities of any kind and, within a limit of 10% of the assets, in UCITS or UCIs.*

*In respect of the above investments limits, the sub-fund’s investments into “China A-Shares” via the Stock Connect may reach up to ~~25~~ **20%** of its assets.*

**The sub-fund may be exposed to emerging markets up to 30% of its assets, including exposure to China.**

*The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.”*

These clarifications do not have any material impact on your investment.

### **“Climate Impact”**

The investment objective of the sub-fund will be clarified as follows:

*“Increase the value of its assets over the medium term by investing primarily in **global** companies involved in activities focused on delivering solutions for climate change **and which aim at helping to accelerate or accelerating** the transition to a more sustainable **world economy**.”*

In addition, the investment policy of the sub-fund will be amended, *inter alia*, to (i) clarify that the sub-fund may be exposed to emerging markets up to 30% of its assets and (ii) decrease the maximum percentage of the sub-fund’s assets that can be invested in China-A Shares from 25% to 20%. The investment policy will therefore read as follows:

*“This thematic sub-fund aims to invest in **global** companies that are delivering solutions to address climate change.*

*At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities, issued by **global** companies with business in activities focused on delivering solutions to address climate change. These activities include, but are not limited to:*

*Solutions for lessening the effects of climate change – Alternative Energy, Energy Management & Efficiency, Transport Solutions, Sustainable Food & Agriculture, Resource Efficiency & Waste Management;*

*Solutions for tackling direct consequences of climate change – Energy Systems Resilience, Water Supply Resilience, Agriculture, Aquaculture & Forestry Resilience, and Other Infrastructure Resilience;*

*Solutions for tackling other challenges arising out of climate change – Information & Communications (Business Continuity Solutions, and Weather Monitoring & Forecasting), Financial Services, Health Care **and other services**.*

*The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities (including P-Notes), money market instruments, and also, within a limit of 15% of the assets, in debt securities of any kind and, within a limit of 10% of the assets, in UCITS or UCIs.*

*In respect of the above investments limits, the sub-fund’s investments into “China A-Shares” via the Stock Connect may reach up to ~~25~~ **20%** of its assets.*

**The sub-fund may be exposed to emerging markets up to 30% of its assets, including exposure to China.**

*The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.”*

As a result, the risk factor “Emerging Markets Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

These clarifications do not have any material impact on your investment.

#### **“Global Environment”**

The investment objective of the sub-fund will be clarified as follows:

*“Increase the value of its assets over the medium term by investing primarily in **global** Environmental Markets companies **which aim at helping or accelerating the transition to a more sustainable economy.**”*

The investment policy of the sub-fund will be amended, *inter alia*, to clarify that the sub-fund may be exposed to emerging markets up to 30% of its assets. The investment policy will therefore read as follows:

*“This thematic sub-fund aims ~~at helping or accelerating the transition into a sustainable world by focusing~~ **to invest in global companies focused** on challenges related to the environment.*

*At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by **global** companies that conduct a significant part of their business in Environmental **M**arkets.*

*“Environmental **M**arkets” include, but **are** not limited to, Renewable & Alternative Energy, Energy Efficiency, Water Infrastructure & Technologies, Pollution Control, Waste Management & Technologies, Environmental Support Services, and Sustainable Food.*

*The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities (including P-Notes), money market instruments, and also, within a limit of 15% of the assets, in debt securities of any kind and, within a limit of 10% of the assets, in UCITS or UCIs.*

*In respect of the above investments limits, the sub-fund’s investments into “China A-Shares” via the Stock Connect may reach up to ~~25~~**20**% of its assets.*

**The sub-fund may be exposed to emerging markets up to 30% of its assets, including exposure to China.**

*The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.”*

In addition, the risk factor “Emerging Markets Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

These clarifications do not have any material impact on your investment.

#### **“SMaRT Food”**

The investment objective will be clarified as follows:

*“SMaRT means Sustainably Manufactured and Responsibly Transformed.*

*Increase the value of its assets over the medium term by investing in **global** sustainable food ~~supply~~ **value** chain companies **which aim at** helping ~~to~~ **accelerate or accelerating** the transition to a more sustainable ~~world~~ **economy.**”*

The investment policy will be amended as follows:

*“This thematic sub-fund aims to invest in **global** companies within the sustainable food value chain that are delivering solutions to environmental and nutritional challenges.*

*At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by **global** companies that conduct a significant proportion of their business in the food supply chain and related or connected sectors with sustainable activities and processes. **The food value chain includes but is not limited to, growers and inputs, technology and logistics, food safety, sustainable packaging, distribution, basic foods and ingredients, value added foods.***

*The remaining portion, namely a maximum of 25% of its assets may be invested in any other transferable securities (including P-Notes), money market instruments, and also, within a limit of 15% of the assets, in debt securities of any kind and, within a limit of 10% of the assets, in UCITS or UCIs.*

*In respect of the above investments limits, the sub-fund’s investments into “China A-Shares” via the Stock Connect may reach up to ~~25~~**20**% of its assets.*

**The sub-fund may be exposed to emerging markets up to 30% of its assets, including exposure to China.**

*The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.”*

In addition, the risk factor “Emerging Markets Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

These clarifications do not have any material impact on your investment.

#### **“Ecosystem Restoration”**

The investment policy of the sub-fund will be amended to clarify that the sub-fund may be exposed to emerging markets up to 35% of its assets.

As a result, the following sentence will be added in the investment policy:

*“The sub-fund may be exposed to emerging markets up to 35% of its assets, including exposure to China.”*

In addition, the risk factor “Emerging Markets Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

These clarifications do not have any material impact on your investment.

#### **“Energy Transition”**

The investment policy of the sub-fund will be amended to clarify that the sub-fund may be exposed to emerging markets up to 35% of its assets.

As a result, the following sentence will be added in the investment policy:

*“The sub-fund may be exposed to emerging markets up to 35% of its assets, including exposure to China.”*

In addition, the risk factor “Emerging Markets Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

These clarifications do not have any material impact on your investment.

## **2. Amendments on investment policies of other sub-funds**

#### **“Disruptive Technology”**

The investment policy of the sub-fund will be amended to clarify that the sub-fund may be exposed to emerging markets up to 20% of its assets.

As a result, the following sentence will be added in the investment policy:

*“The sub-fund may be exposed to emerging markets up to 20% of its assets, including exposure to China.”*

In addition, the risk factor “Emerging Markets Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

These clarifications do not have any material impact on your investment.

#### **“Europe Small Cap”**

The investment policy of the sub-fund will be clarified as follows:

*“This sub-fund invests at least 2/3 of its assets in equities and/or equity equivalent securities issued by companies having market capitalisation below the highest market capitalisation (observed at the beginning of each financial year) of the ~~HSBC Smaller European Companies\*~~, ~~EURO STOXX Small\*\*~~, MSCI Europe SmallCap\*\*\* indices **index**, that have their registered offices or conduct the majority of their business activities in Europe. The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, money market instruments, and also, within a limit of 15% of the assets, in debt securities of any kind and, within a limit of 10% of the assets, in UCITS or UCIs.*

\* — with “IHS Markit Benchmark Administration Limited” as Benchmark Index administrator. Since 1 January 2021, “IHS Markit Benchmark Administration Limited” is considered as a “third country” UK administrator vis-à-vis the European Union and no longer appears on the Benchmark Register. The non-EU benchmarks are permitted to be used in the EU until the Regulation 2016/1011’s transition period which has been extended to 31 December 2025. During this time “MSCI Limited” can either be granted the UK “equivalence” by the European Union or “endorsement” or “recognition” as per Regulation 2016/1011.

\*\* — with “Stoxx Ltd” as Benchmark Index administrator, registered in the Benchmark Register;

\*\*\* — with “MSCI Limited” as Benchmark Index administrator. Since 1 January 2021, “MSCI Limited” is considered as a “third country” UK administrator vis-à-vis the European Union and no longer appears on the Benchmark Register. The non-EU benchmarks are permitted to be used in the EU until the Regulation 2016/1011’s transition period which has been extended to 31 December 2025. During this time “MSCI Limited” can either be granted the UK “equivalence” by the European Union or “endorsement” or “recognition” as per Regulation 2016/1011.

*At all times, at least 75% of the assets are invested in equities issued by companies that have their registered office either in a country member of the EEA, or in the United Kingdom, other than non-cooperative countries in the fight against fraud and tax evasion.*

*The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.”*

The removal of the index HSBC Smaller European Companies is justified by the fact that this index does not exist any longer. The removal of the index EURO STOXX Small is justified by the important turnover of the constituents of the index that is not compatible with the investment strategy implemented by the investment manager.

This clarification does not have any material impact on your investment.

#### **“Global Convertible”**

The investment policy of the sub-fund will be amended to clarify that the sub-fund may be exposed to emerging markets up to 30% of its assets.

As a result, the following sentence will be added in the investment policy:

*“The sub-fund may be exposed to emerging markets up to 30% of its assets, including exposure to China.”*

In addition, the risk factor “Liquidity Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

This clarification does not have any material impact on your investment.

#### **“Global High Yield Bond”**

The investment policy of the sub-fund will be amended to clarify that the sub-fund may be exposed to emerging markets up to 7% of its assets.

As a result, the following sentence will be added in the investment policy:

*“The sub-fund may be exposed to emerging markets up to 7% of its assets.”*

In addition, the risk factor “Emerging Markets Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

These clarifications do not have any material impact on your investment.

#### **“Global Inflation-Linked Bond”**

The investment policy of the sub-fund will be amended to clarify that the sub-fund may be exposed to emerging markets up to 5% of its assets.

As a result, the following sentence will be added in the investment policy:

*“The sub-fund may be exposed to emerging markets up to 5% of its assets.”*

In addition, the risk factor “Emerging Markets Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

These clarifications do not have any material impact on your investment.

#### **“Green Tigers”**

The investment objective of the sub-fund will be amended so as to read as follows:

*“Increase the value of its assets over the medium term by investing primarily in Environmental Markets companies based in the Asia-Pacific region, which aim at helping or accelerating the transition to a more sustainable economy.”*

*The investment policy of the sub-fund will be amended as follows:*

*“This thematic sub-fund aims ~~at helping or accelerating the transition into a sustainable world by focusing~~ **to invest in companies focused** on challenges related to **the environment in the Asia-Pacific region**.*

*At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by companies based in Asia and/or in the Pacific Region that conduct a significant part of their business in **E**nvironmental **M**arkets.*

*“Environmental Markets” include, but are not limited to, Renewable & Alternative Energy, Energy Efficiency, Water Infrastructure & Technologies, Pollution Control, Waste Management & Technologies, Environmental Support Services, and Sustainable Food.*

*The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities (including P-Notes) and money market instruments, provided that investments in debt securities of any kind do not exceed 15% of its assets, and up to 10% of its assets may be invested in UCITS or UCIs.*

*In respect of the above investments limits, the sub-fund’s overall exposure (via both direct and indirect investments) to mainland China securities will not exceed 25% of its assets by investments in “China A-Shares” via the Stock Connect.*

*The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.”*

In addition, the risk factor “Emerging Markets Risk” will be added in the risk profile of the sub-fund disclosed in the Luxembourg Prospectus.

These clarifications do not have any material impact on your investment.

### **“Sustainable Global Corporate Bond”**

The investment policy of the sub-fund will be amended to clarify that the sub-fund may be exposed to emerging markets up to 5% of its assets.

As a result, the following sentence will be added in the investment policy:

*“The sub-fund may be exposed to emerging markets up to 5% of its assets.”*

This clarification does not have any material impact on your investment.

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 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 28 April 2024. 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.