



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

# **BNP PARIBAS FLEXI I**

*An open-ended investment company  
incorporated under Luxembourg Law*

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## **PROSPECTUS**

**11 JANUARY 2022**

## **INFORMATION REQUESTS**

BNP Paribas Flexi I  
10 rue Edward Steichen  
L-2540 Luxembourg  
Grand Duchy of Luxembourg

## **NOTICE**

This Prospectus may not be used for the purpose of an offer or solicitation to sell in any country or any circumstance in which such an offer or entreaty is not authorised.

The Company is approved as an Undertaking for Collective Investment in Transferable Securities (UCITS) in Luxembourg. It is specifically authorised to market its shares in Luxembourg, Belgium, France, Greece, Italy, The Netherlands, The United Kingdom, Germany, Austria, Singapore, Switzerland, Finland, Denmark, Ireland, Sweden, Spain, Czech Republic, Slovakia, Chile, Hungary and Norway. Not all the sub-funds, categories, or classes of shares are necessarily registered in these countries. It is vital that before subscribing, potential investors ensure that they are informed about the sub-funds, categories, or classes of shares that are authorised to be marketed in their country of residence and the constraints applicable in each of these countries.

In particular, the Company's shares have not been registered in accordance with any legal or regulatory provisions in the United States of America. Consequently, this document may not be introduced, transmitted or distributed in that country, or its territories or possessions, or sent to its residents, nationals, or any other companies, associations, employee benefit plans or entities whose assets constitute employee benefit plan assets whether or not subject to the United States Employee Retirement Income Securities Act of 1974, as amended (collectively, "Benefit Plans"), or entities incorporated in or governed by the laws of that country. Furthermore, the Company's shares may not be offered or sold to such persons.

In addition, no one may issue any information other than that presented in the Prospectus or the documents mentioned in it, which may be consulted by the public. The Company's Board of Directors vouches for the accuracy of the information contained in the Prospectus on the date of publication.

Lastly, the Prospectus may be updated to take account of additional or closed sub-funds or any significant changes to the Company's structure and operating methods. Therefore, subscribers are recommended to request any more recent documents as mentioned below under "Information for Shareholders". Subscribers are also recommended to seek advice on the laws and regulations (such as those relating to taxation and exchange control) applicable to the subscription, purchase, holding and redemption of shares in their country of origin, residence or domicile.

The Prospectus is only valid if accompanied by the latest audited annual report as well as the latest interim report if the latter is more recent than the annual report.

If there is any inconsistency or ambiguity regarding the meaning of a word or sentence in any translation of the Prospectus, the English version shall prevail.

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An information section is available relating to each particular sub-fund. It specifies each sub-fund's investment policy and objective, the features of the shares, their Accounting Currency, valuation day, methods of subscription, redemption and/or conversion, applicable fees and, if applicable, the history and other specific characteristics of the sub-fund in question. Investors are reminded that, unless otherwise stated in Book II, the general regulations stipulated in Book I of the Prospectus will apply to each sub-fund.

# BOOK I

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## GENERAL INFORMATION

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### REGISTERED OFFICE

BNP Paribas Flexi I  
10 rue Edward Steichen  
L-2540 Luxembourg  
Grand Duchy of Luxembourg

### THE COMPANY'S BOARD OF DIRECTORS

Mr Samir CHERFAOUI, Head of Product Development & Global Coordination, BNP PARIBAS ASSET MANAGEMENT France, Paris  
Mrs Anne DUCHATEAU, Head of Fund Legal, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg  
Mrs Corinne ROGER, Co-Head of Global Product Engineering, MAQS, BNP PARIBAS ASSET MANAGEMENT France, Paris  
Mrs Anne-Claire URCUN, Head of Group Networks Client Solutions, BNP PARIBAS ASSET MANAGEMENT France, Paris

### MANAGEMENT COMPANY

BNP PARIBAS ASSET MANAGEMENT Luxembourg  
10 rue Edward Steichen  
L-2540 Luxembourg  
Grand Duchy of Luxembourg

BNP PARIBAS ASSET MANAGEMENT Luxembourg is a Management Company as defined by Chapter 15 of the Luxembourg Law of 17 December 2010 concerning undertakings for collective investment.

The Management Company performs the administration, portfolio management and marketing duties.

### THE MANAGEMENT COMPANY'S BOARD OF DIRECTORS

#### Chair

Mr Pierre MOULIN, Global Head of Products and Strategic Marketing, BNP PARIBAS ASSET MANAGEMENT France, Paris

#### Members

Mrs Isabelle BOURCIER, Head of Quantitative and Index, MAQS, BNP PARIBAS ASSET MANAGEMENT France, Paris  
Mr Stéphane BRUNET, Chief Executive Officer, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg  
Mr Georges ENGEL, Independent Director, Vincennes, France

### NAV CALCULATION

BNP Paribas Securities Services, Luxembourg Branch  
60 avenue J.F Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### TRANSFER AND REGISTRAR AGENT

BNP Paribas Securities Services, Luxembourg Branch  
60 avenue J.F Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### DEPOSITARY

BNP Paribas Securities Services, Luxembourg Branch  
60 avenue J.F Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### INVESTMENT MANAGERS

BNP Paribas Group management entities:

- **Alfred Berg Kapitalforvaltning AS**  
Støperigata 2, Postboks 1294, Vika 0250 Oslo, Norway  
A Norwegian Company, incorporated on 19 November 1989
- **BNP PARIBAS ASSET MANAGEMENT France**  
1, boulevard Haussmann, F-75009 Paris, France  
A French company, incorporated on 28 July 1980.
- **BNP PARIBAS ASSET MANAGEMENT UK Ltd.**  
5 Aldermanbury Square, London EC2V 7BP, United Kingdom  
A UK company, incorporated on 27 February 1990.
- **BNP PARIBAS ASSET MANAGEMENT USA, Inc.**  
200 Park Avenue, 11<sup>th</sup> floor, New York, NY 10166, USA  
A US company, incorporated on 24 August 1972.

- **AUDITOR**

Ernst & Young S.A.,  
35E avenue John F. Kennedy, Luxembourg  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**ARTICLES OF ASSOCIATION**

The Company was incorporated on July 4, 2006 and a notice was published in the *Mémorial, Recueil Spécial des Sociétés et Associations* (the "*Mémorial*").

The Articles of Association have been modified at various times, most recently at the Extraordinary General Meeting held on 22 April 2016, with effect on 25 April 2016 and were published in the *Mémorial* on July 19, 2016.

The latest version of the Articles of Association has been filed with the Trade and Companies Registrar of Luxembourg, where any interested party may consult it and obtain a copy (website [www.lbr.lu](http://www.lbr.lu)).

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## TERMINOLOGY

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For purposes of this document, the following terms shall have the following meanings. The below terminology is a generic list of terms. Some of them may therefore not be used in the present document.

<b><u>ABS:</u></b>	<b>Asset-Backed Securities:</b> Securities backed by the cash flows of a pool of assets (mortgage and non-mortgage assets) such as home equity loans, company receivables, truck and auto loans, leases, credit card receivables and student loans. ABS are issued in tranches format or as pass-through certificates, which represent undivided fractional ownership interests in the underlying pools of assets. Therefore, repayment depends largely on the cash flows generated by the assets backing the securities.
<b><u>Absolute Return Investments:</u></b>	Investments seek to make positive returns by employing investment management techniques that differ from traditional mutual funds, such as short selling, futures, options, financial derivative instruments, arbitrage, and leverage.
<b><u>Accounting Currency:</u></b>	Currency in which the assets of a sub-fund are stated for accounting purposes, which may be different of the share category valuation currency
<b><u>Active Trading:</u></b>	Subscription, conversion or redemption in the same sub-fund over a short period of time and involving substantial amounts, usually with the aim of making a quick profit. This activity is prejudicial to other shareholders as it affects the sub-fund's performance and disrupts management of the assets.
<b><u>ADR / GDR:</u></b>	ADR / GDR refer to all categories of American Depositary Receipts and Global Depositary Receipts, mirror substitutes for shares which cannot be bought locally for legal reasons. ADRs and GDRs are not listed locally but on such markets as New York or London and are issued by major banks and/or financial institutions in industrialised countries in return for deposit of the securities mentioned in the sub-fund's investment policy.
<b><u>Agency – Non Agency MBS:</u></b>	Securities that are issued by structures set up by government-sponsored enterprises like Fannie Mae or Freddie Mac are called "agency" MBS; securities issued by structures set up by investment banks "private-label" are called "non-agency" MBS.
<b><u>Alternative Investments:</u></b>	Investments outside of the traditional asset classes of equities, debt securities and cash: they include UCITS/UCIs with alternative strategies in so far as they fulfil the requirements of the section "Units or Shares of UCITS or other UCIs" of the Appendix 1 of the Book I of the Prospectus, Managed Futures, Real Estate Investments, Commodities Investments, Inflation-linked Products and Derivatives Contracts. Alternative investments strategies may pursue the following strategies: Equity Long / Short, Equity Market Neutral, Convertible Arbitrage, Fixed Income Arbitrage (yield curve arbitrage or corporate spread arbitrage), Global Macro, Distressed Securities, Multi-strategy, Managed Futures, Take-over / merger arbitrage, Volatility arbitrage, Total Return.
<b><u>Asset Securitisation:</u></b>	Financial package (off-balance sheet) which consists of issuing securities backed to a basket of assets (mortgages: residential and commercial mortgages, consumer loans, automobile loans, student loans, credit card financing, equipment loans and leases, business trade receivables, inventories among others) and based on the quality of the collateral they offer or their level of risk. The underlying assets are virtually "transformed" into securities, hence "securitisation".
<b><u>Authorised Distributors:</u></b>	Distributors specifically authorized by the board of directors which provide only fee-based investment advisory services to underlying investors
<b><u>Authorised Investors:</u></b>	Investors specially approved by the board of directors of the Company
<b><u>Benchmark Register:</u></b>	The Benchmark Administrators Register held by ESMA, in accordance with Article 36 of the Regulation 2016/1011.
<b><u>BMTN:</u></b>	<b>Mid-Term Negotiable Notes</b> (in French <i>Bons à Moyen Terme Négociables</i> ) belong to the french category of negotiable debt securities (TCN : <i>Titres de créances négociables</i> ); they are negotiable debt securities with a greater than one-year initial duration; generally they are issued by credit institutions.
<b><u>CDS:</u></b>	<b>Credit Default Swap:</b> When buying or selling a CDS the Company hedges against the risk of an issuer's default by paying a quarterly premium. In the event of payment default, settlement may be made either in cash, in which case the buyer of the protection receives the difference between the face value and the recoverable value, or in the form of an in-kind settlement, in which case the buyer of the protection sells the defaulting security, or another security chosen from a basket of deliverable securities agreed in the CDS contract, to the seller of the protection and recovers the face value. The events that constitute default are defined in the CDS contract, along with the procedures for delivery of the bonds and debt certificates.
<b><u>CFD:</u></b>	<b>Contract for Difference:</b> Contract between two parties whereby they agree on a cash payment between them in the amount of the difference between two valuations of the underlying asset, at least one of which is unknown when they enter into the contract. By entering into a CFD, the Company undertakes to pay (or receive) the difference between the valuation of the underlying asset at the time of entering into the contract and the valuation of the underlying asset at a particular moment in the future.
<b><u>Circular 08/356:</u></b>	Circular issued by the CSSF on 4 June 2008 concerning the rules applicable to undertakings for collective investment when they utilise certain techniques and instruments

based on transferable securities and money market instruments. This document is available on the CSSF website ([www.cssf.lu](http://www.cssf.lu)).

**Circular 11/512:**

Circular issued by the CSSF on 30 May 2011 concerning: a) The presentation of the main regulatory changes in risk management following the publication of the CSSF Regulation 10-4 and ESMA clarifications; b) Further clarification from the CSSF on risk management rules; c) Definition of the content and format of the risk management process to be communicated to the CSSF. This document is available on the CSSF website ([www.cssf.lu](http://www.cssf.lu)).

**Circular 14/592:**

Circular issued by the CSSF on 30 September 2014 concerning ESMA guidelines on ETF and other UCITS issues. This document is available on the CSSF website ([www.cssf.lu](http://www.cssf.lu)).

**Closed-ended REIT:**

Real Estate Investment Trust which complies with the provisions of article 2 of the Grand Ducal Regulation dated 8 February 2008, the units of which are listed on a Regulated Market is classified as a transferable security listed on a Regulated Market, investments in closed-ended REITs which are not listed on a Regulated Market, are currently limited to 10% of the net assets of a sub-fund.

**CBO:**

**Collateralised Bond Obligation:** Bonds backed by a collection of low-grade debt securities (such as junk bonds); CBOs are separated into tranches based on various levels of credit risk (called tiers) that are determined by the quality of bonds involved. When issuing CBO, the issuer can post more collateral than necessary in an attempt to obtain a better debt rating from a credit rating agency (overcollateralisation).

**CDO:**

**Collateralised Debt Obligations:** A structured financial product that pools together cash flow-generating assets and repackages this asset pool into discrete tranches that can be sold to investors. A collateralised debt obligation (CDO) is so-called because the pooled assets – such as mortgages, bonds and loans – are essentially debt obligations that serve as collateral for the CDO. The tranches in a CDO vary substantially in their risk profile. The senior tranches are relatively safer because they have first priority on the collateral in the event of default. As a result, the senior tranches of a CDO generally have a higher credit rating and offer lower coupon rates than the junior tranches, which offer higher coupon rates to compensate for their higher default risk. CDOs include CBOs, CLOs and CMOs. .

**CLO:**

**Collateralised Loan Obligation:** A security backed by a pool of bank (commercial or personal) loans (often low-rated corporate loans), structured so that there are several classes of bondholders with varying credit qualities, called tranches.

**CMO:**

**Collateralised Mortgage Obligations:** A type of MBS created by redirecting the cash flows from underlying pools of mortgages to different classes of bonds called tranches. The redistribution of scheduled principal, unscheduled principal and interest from the underlying mortgage pool to different tranches creates securities with different coupon rates, average lives and price sensitivities. Consequently, these instruments can be used to match an investor's particular risk and return objectives more closely.

**CMBS:**

**Commercial (or Collateralized) Mortgage Backed Security:** A security created by pooling a group of (non-residential) mortgages on commercial real estate, office building, warehousing facilities, multi-family real estate. CMBS are structured so that there are several classes of bondholders with varying credit qualities, called tranches.

**Company Name:**

BNP Paribas Flexi I

**CSSF:**

*Commission de Surveillance du Secteur Financier*, the regulatory authority for UCI in the Grand Duchy of Luxembourg

**Currencies:**

**AUD:** Australian Dollar  
**CAD:** Canadian Dollar  
**CHF:** Swiss Franc  
**CNH:** Chinese Yuan Renminbi Offshore (outside of China)  
**CNY:** Chinese Yuan Renminbi Onshore  
**EUR:** Euro  
**GBP:** British Pound  
**HKD:** Hong Kong Dollar  
**JPY:** Japanese Yen  
**NOK:** Norwegian Krone  
**NZD:** New Zealand Dollar  
**RMB:** Chinese Renminbi, unless otherwise stipulated refers either to CNY traded onshore or CNH traded offshore. Both may have a value significantly different to each other since currency flows in/out of mainland China are restricted.  
**SEK:** Swedish Krona  
**SGD:** Singapore Dollar  
**USD:** United States Dollar

**Directive 78/660:**

European Council Directive 78/660/EEC of 25 July 1978 concerning the annual accounts of certain forms of companies, as amended.

**Directive 83/349:**

European Council Directive 83/349/EEC of 13 June 1983 concerning consolidated accounts, as amended.

**Directive 2014/65:**

European Council Directive 2014/65/EC of 15 May 2014 on markets in financial instruments repealing the Directive 2004/39/EC of 21 April 2004.

<b><u>Directive 2009/65:</u></b>	European Council Directive 2009/65/EC of 13 July 2009 regarding the coordination of legislative, regulatory and administrative provisions concerning undertakings for collective investment in transferable securities (UCITS IV) as amended by the Directive 2014/91
<b><u>Directive 2011/16:</u></b>	European Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation as amended by the Directive 2014/107.
<b><u>Directive 2014/91:</u></b>	European Parliament and of the Council Directive 2014/91/EU on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS) as regards depositary functions remuneration policies and sanctions (UCITS V) amending the Directive 2009/65/CE
<b><u>Directive 2014/107:</u></b>	European Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16 as regards mandatory automatic exchange of information (AEOI) in the field of taxation
<b><u>EDS:</u></b>	<b>Equity Default Swap:</b> When buying equity default swap the Company hedges against the risk of a sharp fall (the current market norm is 70%) in the value of the underlying security on the stock markets, regardless of the cause for the fall, by paying a quarterly premium. When the risk is realised, i.e. when the closing price on the stock market reaches or exceeds the threshold (of – 70%), the payment is made in cash: the buyer of the protection receives a pre-determined percentage (the current European market norm is 50%) of the notional amount initially assured.
<b><u>EEA:</u></b>	European Economic Area
<b><u>Emerging markets:</u></b>	non OECD countries prior to 1 January 1994 together with Turkey and Greece In the Emerging markets, 2 different categories may be identified by the main providers of indices: <ul style="list-style-type: none"> <li>- Frontier markets: a sub-category of emerging markets designating growing economies with widely varying characteristics in terms of development, growth, human capital, demographics and political openness.</li> <li>- Advanced emerging markets: a sub-category of countries in the group of emerging markets gathering the best ranked countries in terms of market efficiency, regulatory environment, custody and settlement procedures and dealing tools available.</li> </ul>
<b><u>EMTN:</u></b>	<b>Euro Medium Term Notes:</b> Medium-term debt securities characterised by their high level of flexibility for both the issuer (corporate issuers and public bodies) and the investor. EMTN are issued according to an EMTN programme, which means that use of debt funding can be staggered and the amounts involved varied. The arranger of the issue will not necessarily underwrite it, which means that the issuer cannot be certain of raising the full amount envisaged (it is therefore in the issuer's interest to have a good credit rating).
<b><u>Equity:</u></b>	A stock or any other security representing an ownership interest.
<b><u>Equity equivalent security:</u></b>	ADR, GDR and investment certificates
<b><u>ESG:</u></b>	Environmental, Social and Governance
<b><u>ESMA:</u></b>	European Securities and Markets Authority
<b><u>ESMA/2011/112:</u></b>	Guidelines to competent authorities and UCITS management companies on risk measurement and the calculation of global exposure for certain types of structured UCITS issued by the ESMA on April 14, 2011. This document is available on the ESMA website ( <a href="http://www.esma.europa.eu">www.esma.europa.eu</a> ).
<b><u>ETC:</u></b>	<b>Exchange Traded Commodities:</b> Trade and settle like ETFs but are structured as debt instruments. They track both broad and single commodity indices. ETC either physically hold the underlying commodity (e.g. physical gold) or get their exposure through fully collateralised swaps.
<b><u>ETF:</u></b>	<b>Exchange Traded Funds:</b> Exchange traded products that are structured and regulated as mutual funds or collective investment schemes. To be eligible an ETF shall be a UCITS, or a UCI compliant with the conditions set out in the Appendix I of the Prospectus.
<b><u>ETN:</u></b>	<b>Exchange Traded Notes:</b> Unsecured, unsubordinated debt securities issued by a bank and traded on a major exchange; ETN offered return based on the performance of a market index minus applicable fees, with no period coupon payments distributed and no principal protections. As ETN are issued by banks, their value also depends on the credit rating of the issuer. ETN can be linked to commodities, equities, bullions.
<b><u>High Yield Bonds:</u></b>	These bond investments correspond to the ratings assigned by the rating agencies for borrowers rated below BBB- on the Standard & Poor's or Fitch rating scale and below Baa3 on the Moody's rating scale. Such high-yield bond issues are loans that generally take the form of bonds with a 5-, 7- or 10-year maturity. The bonds are issued by companies with a weak financial base. The return on the securities, and their level of risk, is significant, making them highly speculative. In the case, of securities rated by two or more agencies, the worst rate available will be considered.
<b><u>Institutional Investors:</u></b>	Legal entities, considered as professionals for the purpose of Annex II to Directive 2014/65 (MiFID), or may, on request, be treated as professionals according to applicable local legislation ("Professionals"), who hold their own account, UCI, and insurance companies or pension funds subscribing within the scope of a group savings scheme or an equivalent scheme. Portfolio managers subscribing within the scope of discretionary portfolios

management mandates for other than Institutional Investors qualified as Professionals are not included in this category.

**Investment Grade Bonds:** These bond investments correspond to the ratings assigned by the rating agencies for borrowers rated between AAA and BBB- on the Standard & Poor's or Fitch rating scale and Aaa and Baa3 on the Moody's rating scale. In the case of securities rated by two or three agencies, one or two best rates among rates available rule will be considered. In the case of securities rated by two agencies, the best rating among the two available will be taken. In the case of securities rated by three agencies, the two best ratings among the three available will be taken.

**IRS:** **Interest Rate Swap:** OTC agreement between two parties to exchange one stream of interest payments for another, over a set period of time without exchange of notionals. IRS allow portfolio managers to adjust interest rate exposure and offset the risks posed by interest rate volatility. By increasing or decreasing interest rate exposure in various parts of the yield curve using swaps, managers can either increase or neutralize their exposure to changes in the shape of the curve. Within the sub-funds of the Company IRS are only negotiated for hedging purpose (i.e. IRS with a fixed rate paying leg and a variable rate receiving leg).

**KIID:** Key Investor Information Document

**Law:** Luxembourg law of 17 December 2010 concerning undertakings for collective investment. This law implements Directive 2009/65/EC (UCITS IV) of 13 July 2009 into Luxembourg law.

**Law of 10 August 1915:** Luxembourg law of 10 August 1915 on commercial companies, as amended

**Mainland China Securities:** Securities traded in People's Republic of China included but not limited to China 'A' Shares (Shares listed in CNY in the Shanghai or Shenzhen stock exchanges and which are exclusively reserved to Chinese or Qualified Foreign Institutional Investors), China 'B' Shares (Shares listed in foreign currencies in the Shanghai or Shenzhen stock exchanges and reserved to foreign investors) and/or any other equities and debt securities issued or settled in CNY and/or Participatory-Notes linked to those securities. China 'H' shares (Shares listed in HKD in Hong Kong Stock exchange) are not concerned.

**Managers:** Portfolio managers subscribing within the scope of discretionary individual portfolios management mandates.

**Market Timing:** Arbitrage technique whereby an investor systematically subscribes and redeems or converts units or shares in a single UCITS within a short space of time by taking advantage of time differences and/or imperfections or deficiencies in the system of determining the NAV of the UCITS. This technique is not authorised by the Company.

**MBS:** **Mortgage Backed Security:** Also known as "mortgage-related security". A type of security that is backed (collateralised) by a mortgage loan or collection of mortgages loan with similar characteristics. These securities usually pay periodic payments that are similar to coupon payments; the mortgage must have originated from a regulated and authorized financial institution. Mortgage securities are backed by a wide variety of loans with generally 4 borrower characteristics (agency mortgages, prime jumbo mortgages, Alt-A mortgages and subprime mortgages). Loans that satisfy the underwriting standard of the agencies are typically used to create RMBS that are referred to as agency mortgage-backed securities (MBS). All other loans are included in what is referred to generically as non-agency MBS; the agency MBS market includes three types of securities:

- agency mortgage pass-through securities
- agency collateralized mortgage obligations (CMOs)
- agency stripped MBS

**Member State:** Member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this agreement and related acts are considered as equivalent to Member States of the European Union.

**Money Market Instruments:** Instruments normally dealt on the money market that are liquid and whose value can be accurately determined at any time.

**NAV:** Net Asset Value

**OECD:** Organisation for Economic Co-operation and Development

**OTC:** Over The Counter

**PRC:** People's Republic of China.

**PRC Broker:** A broker based in the PRC selected by the Investment Manager to act on its behalf in each of the two onshore PRC securities markets.

**PRC Custodian:** A custodian based in the PRC to locally maintain assets of the relevant sub-fund in custody.

**Prospectus:** The present document

**Real Estate Investments:** Investments in Real Estate certificates, shares of companies linked to Real Estate, closed-ended REITs

<b><u>Reference Currency:</u></b>	Main currency when several valuation currencies are available for a same share category
<b><u>Regulation 2015/2365:</u></b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/2012 (SFTR)
<b><u>Regulation 2016/679:</u></b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation – “GDPR”).
<b><u>Regulation 2016/1011:</u></b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
<b><u>Regulation 2019/2088:</u></b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, also known as the Sustainable Finance Disclosure Regulation ( <b>SFDR</b> ) and that lays down harmonised rules for financial market participants on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability - related information with respect to financial products.
<b><u>Regulation 2020/852:</u></b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments, and amending Regulation (EU) 2019/2088 (Taxonomy Regulation), and that implements the criteria for determining whether an economic activity qualifies as environmentally sustainable.
<b><u>Repurchase transaction/</u></b>	
<b><u>Reverse Repurchase transaction:</u></b>	A transaction governed by an agreement by which a counterparty transfers securities, or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them
<b><u>RESA:</u></b>	Recueil Electronique des Sociétés et Associations
<b><u>RMB:</u></b>	Chinese Renminbi, unless otherwise stipulated refers either to CNY traded onshore or CNH traded offshore. Both may have a value significantly different to each other since currency flows in/out of mainland China are restricted.
<b><u>RMBS:</u></b>	<b>Residential Mortgage Backed Security:</b> A type of mortgage-backed debt obligation created by banks and other financial institutions whose cash flows come from residential debt, such as mortgages, home-equity loans and subprime mortgages
<b><u>Securities Lending or Borrowing:</u></b>	A transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred.
<b><u>SFT :</u></b>	Securities Financing Transactions which means : <ul style="list-style-type: none"> <li>- a repurchase or reverse repurchase transaction;</li> <li>- securities lending and securities borrowing;</li> <li>- a buy-sell back transaction or sell-buy back transaction</li> <li>- a margin lending transaction</li> </ul>
<b><u>SICAFI:</u></b>	“Société d’investissement à capital fixe”, closed-end real estate investment vehicle submit to Belgian law.
<b><u>STP:</u></b>	Straight-Through Processing, process transactions to be conducted electronically without the need for re-keying or manual intervention
<b><u>Structured Debt Securities:</u></b>	Debt instruments created through asset securitisation which include ABS, CBO, CDO, CMO, MBS, CMBS, RMBS and CLO.
<b><u>Structured EMTN:</u></b>	It is a combination of an EMTN issue and a derivative enabling the conversion of the cash flows generated by the EMTN. For example, if the issuer floats an EMTN that pays LIBOR + spread, and simultaneously enters into a LIBOR/fixed-rate swap over the same period, it obtains the equivalent of a fixed-rate financing, while the investor obtains a floating-rate investment. These structured EMTNs may be subscribed by investment funds seeking to offer their clients personalised products that meet their specific needs in view of their risk profiles.
<b><u>SUKUK:</u></b>	Sharia compliant fixed income securities that represent undivided shares in the ownership of underlying assets. Sukuk used at sub-funds’ level are the following: Sukuk al mudaraba (sukuk based on equity partnership), Sukuk al murabaha (cost plus or deferred payment sukuk), Sukuk al-salam (deferred delivery purchase sukuk), Sukuk al-ijara (lease-based sukuk), Sukuk al musharaka (joint venture sukuk), Sukuk al istisna (Islamic project bond).
<b><u>Third Country:</u></b>	A country other than a Member State.

<b><u>To Be Announced (TBA):</u></b>	A TBA transaction is a contract for the purchase or sale of a Mortgage-Backed Security for future settlement at an agreed upon date but does not include a specified mortgage pool number, number of mortgage pools, or precise amount to be delivered.
<b><u>Transferable Securities:</u></b>	Classes of securities which are negotiable on the capital market (with the exception of payment) such as: <ul style="list-style-type: none"> <li>- Equity and Equity Equivalent securities, partnerships or other entities, and depositary receipts in respect of Equity;</li> <li>- Bonds or other forms of securitised debts, including depositary receipts in respect of such securities;</li> <li>- any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures</li> </ul>
<b><u>TRS:</u></b>	<b>Total Return Swap:</b> Derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference asset (equity, equity index, bond, bank loan) to another counterparty. <p>TRS are in principle unfunded (“Unfunded TRS”): the total return receiver pays no upfront amount in return for the total return of the reference asset; then it allows both parties to gain exposure to a specific asset in cost-effective manner (the asset can be held without having to pay additional costs).</p> <p>TRS may also be funded (“Funded TRS”) when it involves an upfront payment (often based on the market value of the asset) at inception in return for the total return of the reference asset.</p>
<b><u>UCI:</u></b>	Undertaking for Collective Investment
<b><u>UCITS:</u></b>	Undertaking for Collective Investment in Transferable Securities
<b><u>Valuation Currenc(ies)y:</u></b>	Currency in which the net asset values of a sub-fund, share category, or share class are calculated. There may be several valuation currencies for the same sub-fund, share category, or share class (so called “Multi-Currency” facility). When the currency available in the share category, or share class is different from the accounting currency, subscription/conversion/redemption orders may be taken in account without suffer exchange rate charges.
<b><u>Valuation Day:</u></b>	Each open bank day in Luxembourg and subject to exceptions (available in the Book II): It corresponds also to: <ul style="list-style-type: none"> <li>• Date attached to the NAV when it is published</li> <li>• Trade date attached to orders</li> <li>• With regards to exceptions in the valuation rules, closing date prices used for the valuation method of the underlying assets in the sub-fund’s portfolios</li> </ul>
<b><u>VaR:</u></b>	<b>Value at risk:</b> It is a statistical methodology used to assess an amount of potential loss according to a probability of occurrence and a time frame (see Appendix 2)

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## GENERAL PROVISIONS

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BNP Paribas Flexi I, is an open-ended investment company (*société d'investissement à capital variable – abbreviated to SICAV*), incorporated on 4 July 2006 under the name “FORTIS SOLUTIONS” for an indefinite period in accordance with the provisions of Part I of the Law of 20 December 2002 governing undertakings for collective investment. It was renamed “BNP Paribas Flexi I” on 13 September 2010.

The Company is currently governed by the provisions of Part I of the Law of 17 December 2010 governing undertakings for collective investment as well as by Directive 2009/65.

The Company's capital is expressed in euros (“EUR”) and is at all times equal to the total net assets of the various sub-funds. It is represented by fully paid-up shares issued without a designated par value, described below under “The Shares”. The capital varies automatically without the notification and specific recording measures required for increases and decreases in the capital of limited companies. Its minimum capital is defined by the Law.

The Company is registered in the Luxembourg Trade and Companies Register under the number B 117.580.

The Company is an umbrella fund, which comprises multiple sub-funds, each with distinct assets and liabilities of the Company. Each sub-fund shall have an investment policy and an Accounting Currency that shall be specific to it as determined by the Board of Directors. The Company is a single legal entity.

In accordance with Article 181 of the Law:

- the rights of shareholders and creditors in relation to a sub-fund or arising from the constitution, operation or liquidation of a sub-fund are limited to the assets of that sub-fund;
- the assets of a sub-fund are the exclusive property of shareholders in that sub-fund and of creditors where the credit arises from the constitution, operation or liquidation of the sub-fund;
- in relations between shareholders, each sub-fund is treated as a separate entity.

The Board of Directors may at any time create new sub-funds, whose investment policy and offering methods will be communicated at the appropriate time by an update to the Prospectus. Shareholders may also be informed via press publications if required by regulations or if deemed appropriate by the Board of Directors. Similarly, the Board of Directors may close sub-funds, in accordance with the provisions of Appendix 4.

All the benchmarks mentioned in this Prospectus, which are used either for tracking or asset allocation purposes or computing performance fees, are published by benchmark administrators registered in the Benchmark Register, except if stated otherwise in Book II. The Prospectus will be updated with newly registered Benchmark index's administrators at the first occasion.

The Management Company has produced and maintains robust written plans setting out the actions that it will take if a benchmark materially changes or ceases to be provided, or if the benchmark's administrator loses its registration with ESMA. These plans may be obtained free of charge and upon request from the Management Company.

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## ADMINISTRATION AND MANAGEMENT

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The Company is directed and represented by the Board of Directors acting under the authority of the General Shareholders' Meeting. The Company outsources management, audit and asset custody services. The roles and responsibilities associated with these functions are described below. The composition of the Board of Directors and the names, addresses and detailed information about the service providers are listed above in "General Information".

### **Conflicts of Interests**

The Management Company, the Investment Managers, the Depositary, the Administrative Agent, Distributors and other service providers and their respective affiliates, directors, officers and shareholders are or may be involved in other financial, investment and professional activities that may create conflicts of interest with the management and administration of the Company. These include the management of other funds, purchases and sales of securities, brokerage services, depositary and safekeeping services and serving as directors, officers, advisors or agents for other funds or other companies, including companies in which a sub-fund may invest. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such other involvement that they might have. In the event that a conflict of interest does arise, the Directors and the relevant Parties involved shall endeavour to resolve it fairly, within reasonable time and in the interest of the Company.

### **Board of Directors**

The Board of Directors assumes ultimate responsibility for the management of the Company and is therefore responsible for the Company's investment policy definition and implementation.

### **Management Company**

BNP Paribas ASSET MANAGEMENT Luxembourg was incorporated as a limited company (*société anonyme*) in Luxembourg on 19 February 1988. Its Articles of Association have been modified at various times, most recently at the Extraordinary General Meeting held on 17 May 2017 with effect on 1 June 2017, published in the RESA on 2 June 2017. The latest version of the Articles of Association has been filed with the Trade and Companies Registrar of Luxembourg, where any interested party may consult it and obtain a copy (website [www.legilux.public.lu/](http://www.legilux.public.lu/)). Its share capital is EUR 3 million, fully paid up.

The Management Company performs administration, portfolio management and marketing tasks on behalf of the Company.

Under its own responsibility and at its own expense, the Management Company is authorised to delegate some or all of these tasks to third parties of its choice.

It has used this authority to delegate:

- the functions of NAV calculation, Registrar (both for registered and bearer shares) and Transfer Agent and Registrar to BNP Paribas Securities Services, Luxembourg branch;
- the management of the Company's holdings, and the observance of its investment policy and restrictions, to the investment managers listed above in "General Information". A list of the investment managers effectively in charge of management and details of the portfolios managed are appended to the Company's periodic reports. Investors may request an up-to-date list of investment managers specifying the portfolios managed by each.

In executing securities transactions and in selecting any broker, dealer or other counterparty, the Management Company and any Investment Managers will use due diligence in seeking the best overall terms available. For any transaction, this will involve consideration of all factors deemed relevant, such as market breadth, security price and the financial condition and execution capability of the counterparty. An investment manager may select counterparties from within BNP Paribas so long as they appear to offer the best overall terms available.

In addition, the Management Company may decide to appoint Distributors/Nominees to assist in the distribution of the Company's shares in the countries where they are marketed.

Distribution and Nominee contracts will be concluded between the Management Company and the various Distributors/Nominees.

In accordance with the Distribution and Nominee Contract, the Nominee will be recorded in the register of shareholders in place of the end shareholders.

Shareholders who have invested in the Company through a Nominee can at any time request the transfer to their own name of the shares subscribed via the Nominee. In this case, the shareholders will be recorded in the register of shareholders in their own name as soon as the transfer instruction is received from the Nominee.

Investors may subscribe to the Company directly without necessarily subscribing via a Distributor/Nominee.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, (notably the right to participate in general shareholders' meetings) if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

### **Remuneration policy**

Remuneration policy of the Management Company

The Management Company applies a sound, effective and sustainable Remuneration Policy in line with the strategy, risk tolerance, goals and values of the Investment Institutions and the Company under management.

The Remuneration Policy is in line with and contributes to sound and effective risk management and doesn't encourage taking more risk than appropriate within the investment policy and terms and conditions of the Company.

The key principles of the remuneration policy are:

- Deliver a market-competitive remuneration policy and practice to attract, motivate and retain best performing employees;
- Avoid conflicts of interest;

- Achieve sound and effective remuneration policy & practice, avoiding excessive risk-taking;
- Ensure long-term risk alignment, and reward of long-term goals;
- Design and implement a sustainable and responsible remuneration strategy, with pay levels and structure which make economic sense for the business.

The details of the up-to-date Remuneration Policy can be found on the Website under <https://www.bnpparibas-am.com/en/footer/remuneration-policy/> and will also be made available free of charge by the Management Company upon request.

### **Depositary**

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Article 22.3 of the Directive 2009/65/CE as amended, (ii) the monitoring of the cash flows of the Company (as set out in Article 22.4 of the Directive 2009/65/CE as amended) and (iii) the safekeeping of the Company's assets (as set out in Article 22.5 of the Directive 2009/65/CE as amended). In accordance with standard banking practices and current regulations, the Depositary may, under its responsibility, entrust some or all of the assets in its safekeeping to other banking establishments or financial intermediaries.

Under its oversight duties, the Depositary must also ensure that:

- Ensure that the sale, issue, redemption and cancellation of the shares of the Company are conducted in accordance with the Law and the Articles of Association.
- Ensure that the value of the shares of the Company is calculated in accordance with the Law and the Articles of Association.
- Carry out the instructions of the Management Company, unless they conflict with the Law or the Articles of Association.
- Ensure that in transactions involving the Company's assets, any consideration is remitted to it within the usual time limits.
- Ensure that the Company's income is applied in accordance with these Articles of Association.

The Depositary shall not carry out activities with regard to the Company or the Management Company on behalf of the Company that may create conflicts of interest between the Company, the investors in the Company, the Management Company and itself, unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks.

#### **Conflicts of interest**

The overriding objective of the Depositary is to protect the interests of the Shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with BNP Paribas Securities Services, Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary. For example, in the case where BNP Paribas Securities Services, Luxembourg Branch would provide the Company and the Management Company with fund administration services, including the net asset value calculation.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members; or
  - Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.
- Implementing a deontological policy;
- Recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
- setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

#### **Sub-delegation by the Depositary**

In order to provide custody services in a large number of countries allowing the Company to meet its investment objectives, the Depositary has appointed entities as delegates for sub-custody functions. A list of these delegates is available on the website [http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits\\_delegates\\_EN.pdf](http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits_delegates_EN.pdf)

Such list may be updated from time to time. A complete list of all delegates may be obtained, free of charge and upon request, from the Depositary.

The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment in accordance with the principles set out in the previous paragraph.

There is currently no conflict of interest arising from any delegation of the functions of safekeeping of the assets of the Company described in article 34(3) of the Law as amended. However in the event that conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the shareholders are fairly treated.

#### **Independence requirement**

The selection of the Depositary by the Management Company is based on robust, objective and pre-defined criteria and warrants the sole interest of the Company and its investors. Details about this selection process can be provided to investors upon request with the Management Company.

### **Auditor**

All the Company's accounts and transactions are subject to an annual audit by the Auditor.

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## INVESTMENT POLICY, OBJECTIVES, RESTRICTIONS AND TECHNIQUES

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The Company's general objective is to provide its investors with the highest possible appreciation of capital invested while offering them a broad distribution of risks. To this end, the Company will principally invest its assets in a range of transferable securities, money market instruments, units, or shares in UCIs, credit institution deposits, and financial derivative instruments denominated in various currencies and issued in different countries.

The Company's investment policy is determined by the Board of Directors in light of current political, economic, financial and monetary circumstances. The policy will vary for different sub-funds, within the limits of, and in accordance with, the specific features and objective of each as stipulated in Book II.

The investment policy will be conducted with strict adherence to the principle of diversification and spread of risks. To this end, without prejudice to anything that may be specified for one or more individual sub-funds, the Company will be subject to a series of investment restrictions as stipulated in Appendix 1. In this respect, the attention of investors is drawn to the investment risks described in Appendix 3.

Furthermore, the Company is authorised to utilise techniques and instruments on transferable securities and money market instruments under the conditions and limits defined in Appendix 2, provided that these techniques and financial derivative instruments are employed for the purposes of efficient portfolio management. When these operations involve the use of financial derivative instruments, these conditions and limits must comply with the provisions of the Law. Under no circumstances can these operations cause the Company and its sub-funds to deviate from the investment objectives as described in the Prospectus.

Unless otherwise provided in each sub-fund's investment policy on Book II, no guarantee can be given on the realisation of the investment objectives of the sub-funds, and past performance is not an indicator of future performance.

### **Class Action Policy**

The Management Company has defined a class action policy applicable to Undertakings for Collective Investments (UCI) that it manages. A class action can typically be described as a collective legal procedure, seeking compensation for multiple persons having been harmed by the same (illegal) activity.

As a matter of policy, the Management Company:

- Does, in principle, not participate in active class actions (i.e., the Management Company does not initiate, act as a plaintiff, or otherwise take an active role in a class action against an issuer);
- May participate in passive class actions in jurisdictions where the Management Company considers, at its sole discretion, that (i) the class action process is sufficiently effective (e.g. where the anticipated revenue exceeds the predictable cost of the process), (ii) the class action process is sufficiently predictable and (iii) the relevant data required for the assessment of eligibility to the class action process are reasonably available and can be efficiently and robustly managed;
- Transfers any monies which are paid to the Management Company in the context of a class action, net of external costs, to the funds which are involved in the relevant class action.

The Management Company may at any time amend its class actions policy and may deviate from the principles set out therein in specific circumstances.

The applicable principles of the class actions policy are available on the website of the Management Company <https://www.bnpparibas-am.com/en/footer/class-actions-policy/>.

## SUSTAINABLE INVESTMENT POLICY

BNP PARIBAS ASSET MANAGEMENT's [Global Sustainability Strategy](#) governs the approach to sustainable investment, which consists of the implementation of ESG integration, responsible business conduct standards and stewardship activities into the investment processes applied by the investment managers of each sub-fund.

ESG stands for environmental, social and governance; these are criteria commonly used to assess the level of sustainability of an investment.

BNP Paribas Asset Management is committed to have a sustainable investment approach for the investments of its sub-funds. Nonetheless, the extent and manner in which this sustainable investment approach is applied varies according to the type of sub-fund, strategy, asset class, region and instrument used. Consequently, the implementation of the sustainable investment approach applies individually across all portfolios.

The sustainable investment approach, including the integration of sustainability risks, shall be incorporated at each step of the investment process of each sub-fund and may include the implementation of the following elements (please refer to the table below):

- **Responsible business conduct standards:** As defined in the BNP Paribas Asset Management's Responsible Business Conduct policy (RBC). They include respecting: norms-based screens, such as the UN Nations Global Compact principles and OECD Guidelines for Multinational Enterprises and BNP Paribas Asset Management sector policies.
  - Norms-based screens: The United Nations Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) defines 10 principles for businesses to uphold in the areas of human rights, labour standards, environmental stewardship and anti-corruption. Similarly, the OECD Guidelines for Multinational Enterprises sets out principles for the responsible business conduct of businesses. These two shared frameworks are recognized worldwide and applicable to all industry sectors. Companies that violate one or more of the principles are excluded from the funds' investments, and those at risk of breaching them are closely monitored, and may also be excluded.
  - Exclusion guidelines: a series of guidelines relating to investments in sensitive sectors, listed in the RBC. Companies from these sensitive sectors that do not comply with the minimum principles specified in these guidelines are excluded from the funds' investments. The sectors concerned include, but are not limited to, palm oil, wood pulp, mining activities, nuclear, coal- fired power generation, tobacco, controversial weapons, unconventional oil and gas and asbestos.
- **ESG integration:** It involves the evaluation of the below three non-financial criteria at the level of the companies in which the sub-funds invest:
  - Environmental: such as energy efficiency, reduction of emissions of greenhouse gases, treatment of waste;
  - Social: such as respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);
  - Governance: such as Board of Directors independence, managers' remuneration, respect of minority shareholders rights.

ESG scores, as defined by an internal proprietary framework, can be made available to assist in the ESG evaluation of securities' issuers. ESG integration is systematically applied to all investment strategies. The process to integrate and embed ESG factors in the investment decision-making processes is guided by formal [ESG Integration Guidelines](#). However, the way and the extent to which ESG integration, including ESG scores, is embedded in each investment process is determined by its Investment Manager, who is fully responsible in this respect.

- **Stewardship:** It is designed to enhance the long-term value of shareholdings and the management of long-term risk for clients, as part of BNP PARIBAS ASSET MANAGEMENT's commitment to act as an efficient and diligent steward of assets. Stewardship activities include the following categories of engagement:
  - Company Engagement: the aim is to foster, through dialogue with companies, corporate governance best practices, social responsibility and environmental stewardship. A key component of company engagement is voting at annual general meetings. BNP PARIBAS ASSET MANAGEMENT publishes detailed proxy-voting guidelines on a range of ESG issues.
  - Public Policy Engagement: BNP PARIBAS ASSET MANAGEMENT aims to embed sustainability considerations more fully into the markets in which it invests and in the rules that guide and govern company behavior as per its [Public Policy Stewardship Strategy](#).

Sub-Funds	Application of the RBC Policy	Consideration of principle adverse impacts	Application of ESG Integration	Consideration of sustainability risks	Application of Stewardship policy
ABS Europe AAA	Yes	Yes	Yes	Yes	Yes
ABS Europe IG	Yes	Yes	Yes	Yes	Yes
ABS Opportunities	Yes	Yes	Yes	Yes	Yes
Bond Nordic Investment Grade	Yes	Yes	Yes	Yes	Yes
Bond World Emerging Investment Grade	Yes	Yes	Yes	Yes	Yes

Commodities	Yes	Yes	Yes	Yes	Yes
Flexible Convertible Bond	Yes	Yes	Yes	Yes	Yes
Fossil Fuel Free Nordic High Yield	Yes	Yes	Yes	Yes	Yes
Lyra	Yes	Yes	Yes	Yes	Yes
Multi-Asset Booster	No	No	No	No	No
Track EMU Government Bond 1-10 Years	No	No	No	No	No
US Mortgage	Yes	Yes	Yes	Yes	Yes

### Methodological limitations

Applying an extra-financial strategy may comprise methodological limitations such as the “Environmental, Social and Governance (ESG) Investment Risks” as defined in the appendix 3 of this Prospectus.

In the event the extra-financial criteria as specified above or in Book II for any sub-fund are no longer met from time to time, the Investment Manager will promptly adjust the portfolio in the best interest of the shareholders.

### SFDR classification

The sub-funds may be classified into 3 categories:

- ⇒ sub-funds having a sustainable investment as their objectives (referred to as “**Article 9**”): Sustainable investment is defined as an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
- ⇒ sub-funds promoting environmental or social characteristics (referred to as “**Article 8**”): These sub-funds promote among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.  
The following sub-funds are categorized as Article 8: “Fossil Fuel Free Nordic High Yield” “ABS Europe AAA”, “ABS Europe IG”, “ABS Opportunities” and “US Mortgage”.
- ⇒ Other sub-funds not categorized under Article 8 or Article 9, which represents all the sub-funds of the Company not listed above.

### Non-Sustainable sub-fund

Due to its investment strategy, the sub-fund “Multi-Asset Booster” does not follow a sustainable approach and therefore extra-financial characteristics are not considered when selecting securities. In addition, this sub-fund does not apply the [Responsible Business Conduct Policy](#). Consequently, and in order to meet the investment objective, the investment process will not take into account sustainability risks and principal adverse impacts on sustainability factors.

### Non-Sustainable index

The investment objective of the sub-fund “Track EMU Government Bond 1-10 Years” is to replicate the performance of a non-sustainable Index (the performance of an asset class, a geographic area or a thematic, without ESG extra-financial criteria nor a sustainable approach being taken into account for securities’ selection and/or weighting of individual security in the index), including fluctuations, and to maintain the Tracking Error between the sub-fund and its non-sustainable index below 1%. In order to meet the investment objective and keep the Tracking Error low versus the non-sustainable index, the investment process will not take into account sustainability risks and principal adverse impacts on sustainability factors.

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## LIQUIDITY RISK POLICY

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The Management Company has established, implemented and consistently applies a liquidity management policy and has put in place a prudent and rigorous liquidity management procedure which enable it to monitor the liquidity risks of the sub-funds and to ensure that the sub-funds can normally meet at all times their obligation to redeem their Shares at the request of Shareholders. Qualitative and quantitative measures are used to ensure investment portfolios are appropriately liquid and that sub-funds are able to honour Shareholders' redemption requests. In addition, Shareholders' concentrations are regularly reviewed to assess their potential impact on liquidity of the sub-funds.

Sub-funds are reviewed individually with respect to liquidity risks. The Management Company's liquidity management policy takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and shareholder base. The Board of Directors, or the Management Company, where deemed necessary and appropriate to protect Shareholders, may also make use, among others, of certain tools to manage liquidity risk as described in the following sections of the Prospectus:

- ✓ Section "Suspension of the calculation of the Net Asset Value and the issue, conversion and redemption of shares":  
The Board of Directors may temporarily suspend the calculation of the net asset value and the right of any Shareholder to request redemption of any share in any sub-fund or Share Class of any sub-fund and the issue of Shares in any sub-fund or Share Class of any sub-fund.
- ✓ Section "Subscription, Conversion and redemption of shares":  
The Board of Directors may decide to satisfy payment of the redemption price to any Shareholder who agrees, in whole or in part, by an in-kind allocation of securities in compliance with the conditions set forth by Luxembourg law. If the Company receives requests on one valuation day for net redemptions (and switches into another sub-fund) of more than 10% of the net asset value of the relevant sub-fund, the Board of Directors, in its sole discretion, may elect to limit each redemption (and switch) request pro rata such that the aggregate amount redeemed in that valuation day will not exceed 10% of the net asset Value of the relevant sub-fund.
- ✓ Section "Swing Pricing":  
The net asset value per Share of a sub-fund may be adjusted on a valuation date in certain circumstances.
- ✓ Section "Anti-Dilution Levy":  
An anti-dilution levy is charged to the investors' subscriptions, conversions and redemptions to cover transaction costs and to ensure an equal treatment of investors while preserving the net asset value of the relevant sub-fund.

Shareholders who wish to assess the underlying assets' liquidity risk for themselves should note that the sub-funds complete portfolio holdings are indicated in the latest annual report or the latest semi-annual report where this is more recent.

## THE SHARES

### SHARE CATEGORIES, SUB-CATEGORIES AND CLASSES

#### A. CATEGORIES

Within each sub-fund, the Board of Directors will be able to create and issue the share categories listed below and add new valuation currencies to the existing shares :

Category	Investors	Initial subscription price per share <sup>(1)</sup>	Minimum holding <sup>(2)</sup> (in EUR or its equivalent in any other Valuation Currency)	
Classic	All	100- in the Reference Currencies except for: CNHCZK, and NOK: 1,000.-	None	
Classic Plus	BNP Paribas Cardif			
N	All			
E			Managers: none Others: 500,000 per sub-fund	
Privilege	Distributors <sup>(3)</sup> Managers, All		Distributors <sup>(3)</sup> : none Managers: none Others: 3 Million per sub-fund	
Privilege Plus	All		200 million per sub-fund Managers: none	
I	Institutional Investors and UCIs		<u>Institutional Investors:</u> 3 million per sub-fund or 10 million in the Company. <u>UCIs:</u> none.	
I Plus	Authorised Investors		25 million per sub-fund	
X	Authorised Investors		10,000.- in the Reference Currencies except for: CNH and CZK: 100,000.-	None
X2				

(1) Entry Fees excluded, if any

(2) At the discretion of the Board of Directors and if not otherwise mentioned in Book II

(3) Distributors which provide only fee-based independent advisory services as defined by MiFID, with respect to distributors that are incorporated in the EEA.

#### B. SUB-CATEGORIES

In some sub-funds, following sub-categories may be created:

**a) MD & QD**

These sub-categories pay dividend on a monthly (MD) or quarterly (QD) basis.

**b) Hedged (H)**

These sub-categories aim at hedging the currency exchange risk of the portfolio of the sub-fund against their Reference Currency. In the event of changes in the net asset value of the portfolio and/or of subscriptions and/or redemptions, hedging will be operated to the extent possible within specific bandwidths (should those limits not be respected from time to time, hedging readjustment will be operated). As a consequence, we cannot guarantee the currency exchange risk to be completely neutralized.

The currency of these sub-categories/classes appears in their denomination (for example, "Classic H EUR" for a sub-category hedged in EUR when the currency exposure of the portfolio of the sub-fund is USD).

**c) Return Hedged (RH)**

These sub-categories aim at hedging the portfolio return from the Accounting Currency of the sub-fund (and not the underlying currency exposures) to the currency denomination of the sub-category. In the event of changes in the net asset value of the portfolio and/or of subscriptions and/or redemptions, hedging will be operated to the extent possible within specific bandwidths (should those limits not be respected from time to time, hedging readjustment will be operated).

The currency of these sub-categories appears in their denomination (for example, "Classic RH EUR" for a sub-category hedged in EUR and the accounting currency of the sub-fund is USD).

**d) Mono-Currency**

These sub-categories are valued and issued solely in the Reference Currency, indicated by the denomination of the sub-category, which is different from the Accounting Currency of the sub-fund (for example "Classic USD" for a category issued and valued only in USD when the Accounting Currency of the sub-fund is EUR).

Other characteristics of these sub-categories as well as the fee structure are the same as those of their mother-category in the same sub-fund.

### **C. CAPITALISATION / DISTRIBUTION CLASSES**

Any of the above share categories / sub-categories are issued in Capitalisation ("CAP") and/or Distribution ("DIS") classes as defined below.

#### **1. CAP**

Capitalisation shares retain their income to reinvest it.

#### **2. DIS**

DIS shares may pay dividend to shareholders on an annual, monthly or quarterly basis.

The general meeting of shareholders holding DIS shares for each sub-fund concerned decides each year on the Board of Directors' proposal to pay a dividend, which is calculated in accordance with the limitations defined by law and the Articles of Association. In this respect, the general meeting reserves the right to distribute the net assets of each of the Company's sub-funds up to the limit of the legal minimum capital. Distributions may be paid out of net investment income or capital.

If, given market conditions, it is in the shareholders' interest not to distribute a dividend, then no such distribution will be carried out.

If it deems it advisable, the Board of Directors may decide to distribute interim dividends.

The Board of Directors determines the payment methods for the dividends and interim dividends that have been decided upon. Dividends will, in principle, be paid in the Reference Currency of the class (exchange costs incurred for payments in different currencies will be borne by the investor).

Declared dividends and interim dividends not collected by shareholders within a period of five years from the payment date will lapse and revert to the sub-fund concerned.

Interest will not be paid on declared and unclaimed dividends or interim dividends, which will be held by the Company on behalf of the shareholders of the sub-fund for the duration of the legal limitation period.

### **D. SHARE LEGAL FORMS**

All the shares are issued in registered form.

"Classic", "N", "Privilege" and "I" shares categories may also be issued in bearer form.

The shares are all listed into specific registers kept in Luxembourg by the Registrar Agent indicated in the section "General Information". Unless otherwise specified, shareholders will not receive a certificate representing their shares. Instead, they will receive a confirmation of their entry into the register.

Further to the Luxembourg law of 28 July 2014, all physical bearer shares have been cancelled. The cash equivalent of such cancelled shares has been deposited with the Luxembourg *Caisse de Consignation*.

### **E. GENERAL PROVISIONS AVAILABLE FOR ALL SHARES**

The Board of Directors has the option of adding new Valuation Currencies to existing categories or classes and, with the previous approval of the CSSF, of adding new share categories, sub-categories and classes to existing sub-funds with the same specification as those described above on points A, B and C. Such a decision will not be published but the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com) and the next version of the prospectus will be updated accordingly.

The Board of Directors may depart from the initial subscription price per share. However, the equal treatment of shareholders shall be preserved at all times.

The Board of Directors may also decide at any time to split or consolidate the shares issued within one same sub-fund, category, or class into a number of shares determined by the Board itself. The total net asset value of such shares must be equal to the net asset value of the subdivided/consolidated shares existing at the time of the splitting/consolidation event.

If the assets of a category/class fall below EUR 1.000.000 or equivalent, the Board of Directors reserves the right to liquidate it or merge it with another category/class it decides in the best interest of shareholders.

If it transpires that shares are held by persons other than those authorised, they will be converted to the appropriate category, class or currency.

The shares must be fully paid-up and are issued without a par value. Unless otherwise indicated, there is no limitation on their number. The rights attached to the shares are those described in the law of 10 August 1915, unless exempted by the Law.

Fractions of shares may be issued up to one thousandth of a share.

All the Company's whole shares, whatever their value, have equal voting rights. The shares of each sub-fund, category, or class have an equal right to the liquidation proceeds of the sub-fund, category, or class.

If no specific information is given by the investor, orders received will be processed in the reference currency of the category.

### **ANTI-DILUTION LEVY**

For certain sub-funds, in addition to the entry, conversion or exit cost that may be charged to the investor, an anti-dilution levy may be paid by the investors to the sub-fund. Such amount covers transaction costs (including dealing costs relating to the acquisition, disposal or sale of portfolio's assets, taxes and stamp duties) in order to ensure that all investors in a sub-fund are treated equitably and preserve the Net Asset Value of the relevant sub-fund (notably to accommodate large inflows and outflows) where the implementation of such mechanism is considered to be in the best interests of the sub-fund's shareholders.

This anti-dilution levy is charged to subscriptions, conversions and redemptions to ensure that the existing shareholders are not adversely affected by shareholders who are executing subscription, conversion or redemption orders.

The relevant sub-funds disclose the maximum cost level that could be charged to the subscription, conversion and redemption orders in Book II.

In the event swing pricing mechanism or an anti-dilution levy mechanism is applied to a sub-fund, as decided by the Board of Directors, the other mechanism shall not be cumulatively applied to client orders.

Anti-dilution levy will not be charged for conversions within a same sub-fund.

Details of such costs, if applicable to a specific sub-fund, will be set out in Book II.

### **SUBSCRIPTION, CONVERSION AND REDEMPTION OF SHARES**

The shares of the Company may be locally offered for subscription via regular savings plans, redemption and conversion programs, specific to this local supply, and may be subject to additional charges.

In the event that a regular savings plan is terminated prior to the agreed final date, the sum of entry fees payable by the shareholders concerned may be greater than would have been the case for standard subscriptions.

Investors may be required to appoint a paying agent as nominee (the "Nominee") for all actions connected with their shareholding in the Company.

On the basis of this mandate, the Nominee is specifically required to:

- send requests for subscription, conversion and redemption, grouped by share category, share class, sub-fund and distributor to the Company;
- be listed on the Company's register in its name "on behalf of a third party"; and
- exercise the investor's voting right (if any), according to the investor's instructions.

The Nominee must make every effort to keep an up-to-date electronic list of investors' names and addresses and the number of shares held; the status of shareholder can be verified via the confirmation letter sent to the investor by the Nominee.

Investors are informed that they may be required to pay additional fees for the activity of the above Nominee.

For further details, investors are invited to read the subscription documents available from their usual distributor.

#### **Preliminary Information**

Subscriptions, conversions and redemptions of shares are made with reference to their unknown net asset value (NAV). They may concern a number of shares or an amount.

The Board of Directors reserves the right to:

- (a) refuse a subscription or conversion request for any reason whatsoever in whole or in part;
- (b) redeem, at any time, shares held by persons who are not authorised to buy or hold the Company's shares;
- (c) reject subscription, conversion or redemption requests from any investor who it suspects of using practices associated with Market Timing and Active Trading, and, where applicable, take the necessary measures to protect the other investors in the Company, notably by charging an additional exit fees up to 2% of the order amount, to be retained by the sub-fund.

The Board of Directors is authorised to set minimum amounts for subscription, conversion, redemption and holding.

Subscriptions from entities which submit subscription applications and whose names show that they belong to one and the same group, or which have one central decision-making body, will be grouped together to calculate these minimum subscription amounts.

Should a share redemption or conversion request, a merger/splitting procedure, or any other event, have the effect of reducing the number or the total net book value of the shares held by a shareholder to below the number or value decided upon by the Board of Directors, the Company may redeem all the shares.

In certain cases stipulated in the section on suspension of the calculation of the NAV, the Board of Directors is authorised to temporarily suspend the issue, conversion and redemption of shares and the calculation of their net asset value.

The Board of Directors may decide, in the interest of the shareholders, to close a sub-fund, category and/or class for subscription or conversion in, under certain conditions and for the time it defines. Such a decision will not be published but the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com) will be updated accordingly.

**In connection with anti-money laundering procedures, the subscription form must be accompanied, in the case of an individual, by the identity card or passport of the subscriber authenticated by a competent authority (for example an embassy, consulate, notary, police superintendent) or by a financial institution subject to equivalent identification standards to those applicable in Luxembourg or the Articles of Association and by an extract from the trade and companies register for a legal entity, in the following cases:**

1. direct subscription to the Company;
2. subscription through a professional financial sector intermediary resident in a country that is not subject to an obligation for identification equivalent to Luxembourg standards as regards preventing the use of the financial system for the purposes of money laundering;
3. subscription through a subsidiary or branch office, the parent company of which would be subject to an obligation for identification equivalent to that required under Luxembourg law, if the law applicable to the parent company does not oblige it to ensure that its subsidiaries or branch offices adhere to these provisions.

The Company is also bound to identify the source of funds if they come from financial institutions that are not subject to an obligation for identification equivalent to those required under Luxembourg law. Subscriptions may be temporarily frozen pending identification of the source of the funds.

It is generally accepted that finance sector professionals resident in countries that have signed up to the conclusions of the FATF (Financial Action Task Force) on money laundering are deemed to have an obligation for identification equivalent to that required under Luxembourg law.

### **Processing of Personal Information**

In accordance with GDPR, when submitting a subscription request, personal data of the investor ("Personal Data") may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company and the Management Company (as data controllers) with a view to managing its account and business relationship (such as to maintain the register of shareholder, process requests, provide shareholder services, guard against unauthorised account access, conduct statistical analyses, provide information on other products and services and/or comply with various laws and regulations). To the extent that this usage so requires, the investor further authorises the sharing of this information with different service providers of the Company, including some of which that may be established outside of the European Union, who may need to process these Personal Data for carrying out their services and complying with their own legal obligations, but which may not have data protection requirements deemed equivalent to those prevailing in the European Union. The Personal Data may notably be processed for purposes of filing, order processing, responding to shareholder's requests, and providing them with information on other products and services. Neither the Company nor its Management Company will disclose such Personal Data on shareholder unless required to do so by specific regulations or where necessary for legitimate business interests.

Further detailed information in relation to the processing of Personal Data can be found in the Management Company's "Data Protection Notice" as well as on the "Personal Data Privacy Charter", which are accessible via the following link <https://www.bnpparibas-am.com/en/footer/data-protection/>

Each shareholder whose Personal Data has been processed has a right of access to his/her/its Personal Data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

### **Subscriptions**

The shares will be issued at a price corresponding to the net asset value per share plus the entry fees described in the above list.

For an order to be executed at the net asset value on a given valuation day, it must be received by the Company before the time and date specified in the detailed conditions for each sub-fund in Book II. Orders received after this deadline will be processed at the net asset value on the next valuation day.

In order to be accepted by the Company, the order must include all necessary information relating to the identification of the subscribed shares and the identity of the subscriber as described above.

Unless otherwise specified for a particular sub-fund, the subscription price of each share is payable in one of the valuation currencies of the shares concerned within the time period defined in Book II, increased, where necessary, by the applicable entry fees. At the shareholder's request, the payment may be made in a currency other than one of the valuation currencies. The exchange expenses will then be borne by the shareholder.

The Company reserves the right to postpone and/or cancel subscription requests if it is not certain that the appropriate payment will reach the Depositary within the required payment time or if the order is incomplete, the Board of Directors or its agent may process the request by applying an additional charge to reflect interest owed at the customary market rates; or cancelling the share allotment, as applicable accompanied by a request for compensation for any loss owing to failure to make payment before the stipulated time limit. The shares will not be assigned until the duly completed subscription request has been received accompanied by the payment or a document irrevocably guaranteeing that the payment will be made before the deadline. The Company cannot be held responsible for the delayed processing of incomplete orders.

Any outstanding balance remaining after subscription will be reimbursed to the shareholder, unless the amount is less than EUR 15 or its currency equivalent, as the case may be. Amounts thus not reimbursed will be retained by the relevant sub-fund.

The Board of Directors may accept the issue of shares in exchange for the contribution in kind of transferable securities, in accordance with the conditions defined by Luxembourg law, in particular with respect to the obligation for the submission of a valuation report by the Auditor mentioned under "General Information" above, and provided that these transferable securities meet the Company's investment policy and restrictions for the sub-fund concerned as described in Book II. Unless otherwise specified, the fees of such a transaction will be borne by the applicant.

### **Conversions**

Without prejudice to the specific provisions of a sub-fund, category or class, shareholders may request the conversion of some or all of their shares into shares of another sub-fund, category or class. The number of newly issued shares and the fees arising from the transaction are calculated in accordance with the formula described below.

Conversions are only permitted between the following categories:

To / From	Classic	Classic Plus	N	E	Privilege	I	I Plus	X
Classic	Yes		Yes	Yes			No	No
Classic Plus								
N	No			No				
E	Yes			Yes				
Privilege								
I	Yes		Yes			Yes		
I Plus								
X	Yes		Yes			Yes		

Conversion principles of the sub-categories “MD”, “H”, “RH” and “mono currency” are the same as those of their mother-category.

For a conversion order to be executed at the net asset value on a given valuation day, it must be received by the Company before the time and date specified for each sub-fund in Book II. Orders received after this deadline will be processed at the net asset value on the next valuation day.

#### **Conversion Formula**

The number of shares allocated to a new sub-fund, category or class will be established according to the following formula:

$$A = \frac{B \times C \times E}{D}$$

*A* being the number of shares to be allocated in the new sub-fund;  
*B* being the number of shares of the original sub-fund to be converted;  
*C* being the prevailing net asset value per share of the original sub-fund on the relevant Valuation Day;  
*D* being the prevailing net asset value per share of the new sub-fund on the relevant Valuation Day; and  
*E* being the exchange rate applicable at the time of the transaction between the currencies of the two concerned sub-funds

Investors will be charged for any foreign exchange transactions carried out at their request.

In the case of shares held in account (with or without attribution of fractions of shares), any outstanding balance remaining after conversion will be reimbursed to the shareholder, unless the amount is less than EUR 15 or its currency equivalent, as the case may be. Amounts thus not reimbursed will revert to the relevant sub-fund.

#### **Redemptions**

Subject to the exceptions and limitations prescribed in the Prospectus, all shareholders are entitled, at any time, to have their shares redeemed by the Company.

For an order to be executed at the net asset value on a given valuation day, it must be received by the Company before the time and date specified in the conditions for each sub-fund in Book II. Orders received after this deadline will be processed at the net asset value on the next valuation day.

In order to be accepted by the Company, the order must include all necessary information relating to the identification of the shares in question and the identity of the shareholder as described above.

Unless otherwise specified for a particular sub-fund, the redemption amount for each share will be reimbursed in the subscription currency, less, where necessary, the applicable exit fees.

At the shareholder's request, the payment may be made in a currency other than the subscription currency of the redeemed shares, in which case the exchange fees will be borne by the shareholder and charged against the redemption price. The redemption price of shares may be higher or lower than the price paid at the time of subscription (or conversion), depending on whether the net asset value has appreciated or depreciated in the interval.

The Company reserves the right to postpone redemption requests if the order is incomplete. The Company cannot be held responsible for the delayed processing of incomplete orders.

Redemptions in kind are possible upon specific approval of the Board of Directors, provided that the remaining shareholders are not prejudiced and that a valuation report is produced by the Company's auditors. The type and kind of assets that may be transferred in such cases will be determined by the manager, taking into account the investment policy and restrictions of the sub-fund in question. The fees of such transfers will be borne by the applicant.

In the event that the total net redemption/conversion applications received for a given sub-fund on a Valuation Day equals or exceeds 10%\* of the net assets of the sub-fund in question, the Board of Directors may decide to split and/or defer the redemption/conversion applications on a pro-rata basis so as to reduce the number of shares redeemed/converted to date to

10%\* of the net assets of the sub-fund concerned. Any redemption/conversion applications deferred shall be given in priority in relation to redemption/conversion applications received on the next Valuation Day, again subject to the limit of 10%\* of net assets.

\* 10% or order of minimum EUR 30 million for the ABS Opportunities sub-fund.

In the case of shares held in account (with or without attribution of fractions of shares), any outstanding balance remaining after redemption will be reimbursed to the shareholder, unless the amount is less than EUR 15 or its currency equivalent, as the case may be. Amounts thus not reimbursed will revert to the relevant sub-fund.

**Stock exchange listing**

By decision of the Board of Directors, the shares may be admitted to official listing on the Luxembourg Stock Exchange and/or as applicable on another securities exchange.

**At the date of the current Prospectus, there are no shares listed on any stock exchange.**

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## FEES AND COSTS

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### **Costs payable by the Investors**

Maximum charges paid directly by the investors which may be paid solely at the occurrence of a specific operation (entry, conversion, exit):

shares	Entry	Conversion	Exit
Classic	3%	1,50%	None
Classic Plus			
N	None	1,50%	3%
E	3%	1,50%	None
Privilege			
Privilege Plus			
I	None		
I Plus			
X			
X2			

In addition, the investor's subscription, conversion or redemption order may be subject to an anti-dilution levy paid to the sub-fund in order to cover transaction costs. Information regarding the anti-dilution levy, its implementation status and current rates, will be made available on the following website <https://www.bnpparibas-am.com>. Maximum rates are mentioned in Book II.

Conversion:

- ✓ In the event of conversion to a sub-fund with a higher Entry Fees, the difference may be payable.

The above table is to be read together with the section the "Shares".

### **Fees and Expenses payable by the Sub-funds**

Each sub-fund is charged fees or generate expenses specifically attributable thereto. Fees and expenses not attributable to any particular sub-fund are allocated among all the sub-funds on a pro rata basis in relation to their respective net asset values.

These fees and expenses are calculated daily and paid monthly from the average net assets of a sub-fund, share category, or share class, paid to the Management Company. The amount charged varies depending on the value of the NAV.

Please refer to Book II of this Prospectus for detailed information on the annual fees and charges applicable to the sub-fund(s) you are invested in.

### **Distribution Fee**

Fee serving to cover remuneration of the distributors, supplemental to the portion of the management fee that they receive for their services.

### **Extraordinary Expenses**

Expenses other than management, performance, distribution and other fees borne by each sub-fund. These expenses include but are not limited to:

- Interest and full amount of any duty, levy and tax or similar charge imposed on a sub-fund
- litigation or tax reclaim expenses

### **Indirect Fee**

Ongoing charges incurred in underlying UCITS and/or UCIs the Company is invested in and included in the Ongoing Charges mentioned in the KIID.

### **Management Fee**

Fee serving to cover remuneration of the investment managers and, unless otherwise provided in Book II, also distributors in connection with the marketing of the Company's stock

### **Other Fees**

Fee serving to cover notably the following services:

- administration, domiciliary and fund accounting
- audit
- custody, depositary and safekeeping
- documentation, such as preparing, printing, translating and distributing the Prospectus, Key Investor Information Documents, financial reports
- ESG certification and service fees
- financial index licensing & data fees (if applicable)
- legal expenses
- listing of shares on a stock exchange and all related services for ETF secondary market (if applicable)
- management company expenses (including among other AML/CFT, KYC, Risk and oversight of delegated activities)
- marketing operations
- publishing fund performance data
- registration expenses including translation

- services associated with the required collection, tax and regulatory reporting, and publication of data about the Company, its investments and shareholders
- transfer, registrar and payment agency

These fees do not include fees paid to independent Directors and reasonable out-of-pocket expenses paid to all Directors, expenses for operating hedged shares, duties, taxes and transaction costs associated with buying and selling assets, brokerage and other transactions fees, interest and bank fees.

#### **Performance Fee**

The Company may apply two types of Performance Fee:

##### *I. Relative Performance Fee:*

The positive difference between the annual performance of the sub-fund/category/class (i.e. over the accounting year) and the hurdle rate (this can be a reference index performance, a fixed rate or another reference). The performance fee will be calculated with the application of the "High Water Mark (HWM) with Hurdle Rate" method. Hurdle Rate means the performance of a reference index (or other references) as specified at the level of the sub-fund/category/class. Performance fee will be accrued if the performance of the sub-fund/category/class exceeds the Hurdle Rate and the HWM. If the sub-fund/category/class underperforms the Hurdle Rate during the performance period, a loss carry forward is provided.

##### *II. Absolute Performance Fee:*

The positive difference between NAV of the sub-fund/category/class at the end of the financial year and the HWM of the sub-fund/category/class or the initial offer price per share. Performance fee will be accrued if the performance of the sub-fund/category/class exceeds the HWM. If the sub-fund/category/class underperforms the HWM during the performance period, a loss carry forward is provided which cannot exceed 3 years that means that after 3 years the HWM will be resettled.

High Water Mark (HWM) means the highest NAV of the sub-fund/category/class as at the end of any previous financial year on which performance fees becomes payable, after deducting any performance fee.

Performance Fees are payable to the Management Company and will be calculated daily on the basis of the unswung (see Swing Pricing) NAV and provision will be adjusted on each valuation day during the financial year.

If shares are redeemed during the financial year, the fraction of the provisioned performance fee that corresponds to the total amount redeemed shall be granted definitively to the Management Company.

#### **Regulatory and Tax Fees**

These fees include:

- the Luxembourg taxe d'abonnement (subscription tax)
- foreign UCI's tax and/or other regulatory levy in the country where the sub-fund is registered for distribution

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## NET ASSET VALUE

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### CALCULATION OF THE NET ASSET VALUE PER SHARE

Each net asset value calculation will be made as follows under the responsibility of the Board of Directors:

1. The net asset value will be calculated as specified in Book II.
2. The net asset value per share will be calculated with reference to the total net assets of the corresponding sub-fund, category or class. The total net assets of each sub-fund, category or class will be calculated by adding all the asset items held by each (including the entitlements or percentages held in certain internal sub-portfolios as more fully described in point 4, below) from which any related liabilities and commitments will be subtracted, all in accordance with the description in point 4, paragraph 4, below.
3. The net asset value per share of each sub-fund, category or class will be calculated by dividing its respective total net assets by the number of shares in issue, up to two decimal places, except for those currencies for which decimals are not used.
4. Internally, in order to ensure the overall financial and administrative management of the set of assets belonging to one or more sub-funds, categories or classes, the Board of Directors may create as many internal sub-portfolios as there are sets of assets to be managed (the "internal sub-portfolios").

Accordingly, one or more sub-funds, categories or classes that have entirely or partially the same investment policy may combine the assets acquired by each of them in order to implement this investment policy in an internal sub-portfolio created for this purpose. The portion held by each sub-fund, category or class within each of these internal sub-portfolios may be expressed either in terms of percentages or in terms of entitlements, as specified in the following two paragraphs. The creation of an internal sub-portfolio will have the sole objective of facilitating the Company's financial and administrative management.

The holding percentages will be established solely on the basis of the contribution ratio of the assets of a given internal sub-portfolio. These holding percentages will be recalculated on each valuation day to take account of any redemptions, issues, conversions, distributions or any other events generally of any kind affecting any of the sub-funds, categories or classes concerned that would increase or decrease their participation in the internal sub-portfolio concerned.

The entitlements issued by a given internal sub-portfolio will be valued as regularly and according to identical methods as those mentioned in points 1, 2 and 3, above. The total number of entitlements issued will vary according to the distributions, redemptions, issues, conversions, or any other events generally of any kind affecting any of the sub-funds, categories or classes concerned that would increase or decrease their participation in the internal sub-portfolio concerned.

5. Whatever the number of categories or classes created within a particular sub-fund, the total net assets of the sub-fund will be calculated at the intervals defined by Luxembourg law, the Articles of Association, or the Prospectus. The total net assets of each sub-fund will be calculated by adding together the total net assets of each category or class created within the sub-fund.
6. Without prejudice to the information in point 4, above, concerning entitlements and holding percentages, and without prejudice to the particular rules that may be defined for one or more particular sub-funds, the net assets of the various sub-funds will be valued in accordance with the rules stipulated below.

### COMPOSITION OF ASSETS

The Company's assets primarily include:

- (1) cash in hand and cash deposit including interest accrued but not yet received and interest accrued on these deposits until the payment date;
- (2) all notes and bills payable on demand and accounts receivable (including the results of sales of securities before the proceeds have been received);
- (3) all securities, units, shares, bonds, options or subscription rights and other investments and securities which are the property of the Company;
- (4) all dividends and distributions to be received by the Company in cash or securities that the Company is aware of;
- (5) all interest accrued but not yet received and all interest generated up to the payment date by securities which are the property of the Company, unless such interest is included in the principal of these securities;
- (6) the Company's formation expenses, insofar as these have not been written down;
- (7) all other assets, whatever their nature, including prepaid expenses.

### VALUATION RULES

The assets of each sub-fund shall be valued as follows:

- (1) The value of cash in hand and cash deposits, prepaid expenses, and dividends and interest due but not yet received, shall comprise the nominal value of these assets, unless it is unlikely that this value could be received; in that event, the value will be determined by deducting an amount which the Company deems adequate to reflect the actual value of these assets;
- (2) The value of shares or units in undertakings for collective investment shall be determined on the basis of the last net asset value available on the Valuation Day. If this price is not a true reflection, the valuation shall be based on the probable sale price estimated by the Board of Directors in a prudent and bona fide manner;
- (3) The valuation of all securities listed on a stock exchange or any other regulated market, which functions regularly, is recognised and accessible to the public, is based on the last known closing price on the valuation day, and, if the securities concerned are traded on several markets, on the basis of the last known closing price on the major market on which they are traded.
- (4) If the last known closing price is not a true reflection, the valuation shall be based on the probable sale price estimated by the Board of Directors in a prudent and bona fide manner. Unlisted securities or securities not traded on a stock exchange

or another regulated market which functions in a regular manner, is recognised and accessible to the public, shall be valued on the basis of the probable sale price estimated in a prudent and bona fide manner by a qualified professional appointed for this purpose by the Board of Directors;

- (5) Securities denominated in a currency other than the currency in which the sub-fund concerned is denominated shall be converted at the exchange rate prevailing on the Valuation Day;
- (6) If permitted by market practice, liquid assets, money market instruments and all other instruments may be valued at their nominal value plus accrued interest or according to the linear amortisation method. Any decision to value the assets in the portfolio using the linear amortisation method must be approved by the Board of Directors, which will record the reasons for such a decision. The Board of Directors will put in place appropriate checks and controls concerning the valuation of the instruments;
- (7) The Board of Directors is authorised to draw up or amend the rules in respect of the relevant valuation principles after concertation with the different parties;  
Notwithstanding point 3) above, the Board of Directors decided that in the sub-funds in which orders are accepted on the day preceding the Valuation Day, the valuation of the securities is based on the last known closing price on the Valuation Day.
- (8) IRS shall be valued on the basis of the difference between the value of all future interest payable by the Company to its counterparty on the valuation date at the zero coupon swap rate corresponding to the maturity of these payments and the value of all future interest payable by the counterparty to the Company on the valuation date at the zero coupon swap rate corresponding to the maturity of these payments.
- (9) The internal valuation model for CDS utilises as inputs the CDS rate curve, the recovery rate and a discount rate (LIBOR or market swap rate) to calculate the mark-to-market. This internal model also produces the rate curve for default probabilities. To establish the CDS rate curve, data from a certain number of counterparties active in the CDS market are used. The manager uses the valuation of the counterparties' CDS to compare them with the values obtained from the internal model. The starting point for the construction of the internal model is parity between the variable portion and fixed portion of the CDS on signing the CDS.
- (10) Since EDS are triggered by an event affecting a share, their valuation depends mainly on the volatility of the share and its asymmetrical position. The higher the volatility, the greater the risk that the share will reach the 70% threshold and therefore the greater the EDS spread. The spread of a company's CDS also reflects its volatility, since high volatility of the share indicates high volatility of the assets of the company in question and therefore a high probability of a credit event. Given that the spreads of both EDS and CDS are correlated with the implicit volatility of the shares, and that these relations have a tendency to remain stable over time, an EDS can be considered as a proxy for a CDS. The key point in the valuation of an EDS is to calculate the implicit probability of a share event. Two methods are generally accepted: the first consists of using the market spread of the CDS as input in a model to evaluate the EDS; the second utilises the historic data of the share in question to estimate the probability. Although historic data are not necessarily a proper guide as to what may happen in the future, such data can reflect the general behaviour of a share in crisis situation. In comparing the two approaches, it is very rare to see historic probabilities higher than the shares' implicit probabilities;
- (11) The valuation of a CFD and TRS shall at any given time reflect the difference between the latest known price of the underlying stock and the valuation that was taken into account when the transaction was signed.

#### **COMPOSITION OF LIABILITIES**

The Company's liabilities primarily include:

- (1) all loans, matured bills and accounts payable;
- (2) all known liabilities, whether or not due, including all contractual obligations due and relating to payment in cash or kind, including the amount of dividends announced by the Company but yet to be paid;
- (3) all reserves, authorised or approved by the Board of Directors, including reserves set up in order to cover a potential capital loss on certain of the Company's investments;
- (4) any other undertakings given by the Company, except for those represented by the Company's equity. For the valuation of the amount of these liabilities, the Company shall take account of all the charges for which it is liable, including, without restriction, the costs of amendments to the Articles of Association, the Prospectus and any other document relating to the Company, management, advisory, performance, distribution and other fees and extraordinary expenses, any taxes and duties payable to government departments and stock exchanges, the costs of financial charges, bank charges or brokerage incurred upon the purchase and sale of assets or otherwise. When assessing the amount of these liabilities, the Company shall take account of regular and periodic administrative and other expenses on a prorata temporis basis.

The assets, liabilities, expenses and fees not allocated to a sub-fund, category or class shall be apportioned to the various sub-funds, categories, or classes in equal parts or, subject to the amounts involved justifying this, proportionally to their respective net assets. Each of the Company's shares which is in the process of being redeemed shall be considered as a share issued and existing until closure on the Valuation Day relating to the redemption of such share and its price shall be considered as a liability of the Company as from closing on the date in question until such time as the price has been duly paid. Each share to be issued by the Company in accordance with subscription applications received shall be considered as being an amount due to the Company until such time as it has been duly received by the Company. As far as possible, account shall be taken of any investment or disinvestment decided by the Company until the Valuation Day.

#### **SUSPENSION OF THE CALCULATION OF NET ASSET VALUE AND THE ISSUE, CONVERSION AND REDEMPTION OF SHARES**

Without prejudice to legal causes for suspension, the Board of Directors may at any time temporarily suspend the calculation of the net asset value of shares of one or more sub-funds, as well as the issue, conversion and redemption in the following cases:

- (a) during any period when one or more currency markets, or a stock exchange, which are the main markets or exchanges where a substantial portion of a sub-fund's investments at a given time are listed, is/are closed, except for normal closing days, or during which trading is subject to major restrictions or is suspended;

- (b) when the political, economic, military, currency, social situation, or any event of *force majeure* beyond the responsibility or power of the Company makes it impossible to dispose of one assets by reasonable and normal means, without seriously harming the shareholders' interests;
- (c) during any failure in the means of communication normally used to determine the price of any of the Company's investments or the going prices on a particular market or exchange;
- (d) when restrictions on foreign exchange or transfer of capital prevents transactions from being carried out on behalf of the Company or when purchases or sales of the Company's assets cannot be carried out at normal exchange rates;
- (e) as soon as a decision has been taken to either liquidate the Company or one or more sub-funds, categories or classes;
- (f) to determine an exchange parity under a merger, partial business transfer, splitting or any restructuring operation within, by or in one or more sub-funds, categories or classes;
- (g) for a "Feeder" sub-fund, when the net asset value, issue, conversion, or redemption of units, or shares of the "Master" sub-fund are suspended;
- (h) any other cases when the Board of Directors estimates by a justified decision that such a suspension is necessary to safeguard the general interests of the shareholders concerned.

In the event the calculation of the net asset value is suspended, the Company shall immediately and in an appropriate manner inform the shareholders who requested the subscription, conversion or redemption of the shares of the sub-fund(s) in question. In exceptional circumstances which could have a negative impact on shareholders' interests, or in the event of subscription, redemption or conversion applications exceeding 10% of a sub-fund's net assets, the Board of Directors reserves the right not to determine the value of a share until such time as the required purchases and sales of securities have been made on behalf of the sub-fund. In that event, subscription, redemption and conversion applications in the pipeline will be processed simultaneously on the basis of the net asset value so calculated.

Pending subscription, conversion and redemption applications may be withdrawn by written notification provided that such notification is received by the company prior to lifting of the suspension. Pending applications will be taken into account on the first calculation date following lifting of the suspension. If all pending applications cannot be processed on the same calculation date, the earliest applications shall take precedence over more recent applications.

#### **SWING PRICING**

**In certain market conditions, taking account of the volume of purchase and sale transactions in a given sub-fund and the size of these transactions, the Board of Directors may consider that it is in the interests of shareholders to calculate the NAV per share based on the purchase and sale prices of the assets and/or by applying an estimate of the difference between the buy and sell prices applicable on the markets on which the assets are traded. The Board of Directors may further adjust the NAV for transaction fees and sales commissions at a level which normally not exceed 1% of the NAV of the sub-fund at that time, provided however, that such limit could be raised beyond this maximum level when necessary and on a temporary basis to protect the interests of shareholders.**

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## TAX PROVISIONS

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### TAXATION OF THE COMPANY

At the date of the Prospectus, the Company is not liable to any Luxembourg income tax or capital gains tax. The Company is liable to an annual *taxe d'abonnement* in Luxembourg representing 0.05% of the net asset value. This rate is reduced to 0.01% for:

- a) sub-funds with the exclusive objective of collective investments in money market instruments and deposits with credit institutions;
- b) sub-funds with the exclusive objective of collective investments with credit institutions;
- c) sub-funds, categories or classes reserved for Institutional Investors, Managers and UCIs.

The following are exempt from this *taxe d'abonnement*:

- a) the value of assets represented by units or shares in other UCIs, provided that these units, or shares have already been subject to the *taxe d'abonnement*;
- b) sub-funds, share categories and/or classes:
  - (i) whose securities are reserved for Institutional investors, Managers, or UCIs and
  - (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and
  - (iii) whose weighted residual portfolio maturity does not exceed 90 days, and
  - (iv) that have obtained the highest possible rating from a recognised rating agency;
- c) sub-funds, categories and/or classes reserved to:
  - (i) institutions for occupational retirement pension or similar investment vehicles, set up at the initiative of one or more employers for the benefit of their employees, and
  - (ii) companies having one or more employers investing funds to provide pension benefits to their employees;
- d) sub-funds whose main objective is investment in microfinance institutions;
- e) sub-funds, categories and/or classes:
  - (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly that is recognized and open to the public, and
  - (ii) whose exclusive object is to replicate the performance of one or several indices.

When due, the *taxe d'abonnement* is payable quarterly based on the relevant net assets and calculated at the end of the quarter for which it is applicable.

In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.

### TAXATION OF THE COMPANY'S INVESTMENTS

Some of the Company's portfolio income, especially income in dividends and interest, as well as certain capital gains, may be subject to tax at various rates and of different types in the countries in which they are generated. This income and capital gains may also be subject to withholding tax. Under certain circumstances, the Company may not be eligible for the international agreements preventing double taxation that exist between the Grand Duchy of Luxembourg and other countries. Some countries will only consider that persons taxable in Luxembourg qualify under these agreements.

### TAXATION OF SHAREHOLDERS

#### a) Residents of the Grand Duchy of Luxembourg

On the date of the Prospectus, the dividends earned and capital gains made on the sale of shares by residents of the Grand Duchy of Luxembourg are not subject to withholding tax.

Dividends are subject to income tax at the personal tax rate.

Capital gains made on the sale of shares are not subject to income tax if the shares are held for a period of over six months, except in the case of resident shareholders holding over 10% of the shares of the Company.

#### b) Non-residents

According to current law and in the event that the provisions of Directive 2011/16 as specified in item c) below do not apply:

- the dividends earned and the capital gains made on the sale of shares by non-residents are not subject to withholding tax;
- the capital gains made by non-residents on the sale of shares are not subject to Luxembourg income tax.

Nevertheless, if there is a dual tax convention between the Grand Duchy and the shareholder's country of residence, the capital gains made on the sale of shares are tax-exempt in principle in Luxembourg, with the taxation authority being attributed to the shareholder's country of residence.

### EXCHANGE OF INFORMATION

#### a) Residents of another member state of the European Union, including the French overseas departments, the Azores, Madeira, the Canary Islands, the Åland Islands and Gibraltar

Any individual who receives dividends from the Company or the proceeds from the sale of shares in the Company through a paying agent based in a state other than the one in which he resides is advised to seek information on the legal and regulatory provisions applicable to him.

In most countries covered by Directive 2011/16 and 2014/107, the total gross amount distributed by the Company and/or the total gross proceeds from the sale, refunding or redemption of shares in the Company will be reported to the tax authorities in

the state of residence of the beneficial owner of the income Austria and Switzerland, will apply the exchange of information as of 1<sup>st</sup> January 2018 on the basis of the data collected in 2017.

b) Residents of third countries or territories

No withholding tax is levied on interest paid to residents of third countries or territories. Nevertheless, in the framework of Automatic Exchange of Information package (AEOI) covering fiscal matters elaborated by OECD, the Management Company may need to collect and disclose information about the Company's shareholders to third parties, including the tax authorities of the participating country in which the beneficiary is tax resident, for the purpose of onward transmission to the relevant jurisdictions. The data of financial and personal information as defined by this regulation which will be disclosed may include (but is not limited to) the identity of the Company's shareholders and their direct or indirect beneficiaries, beneficial owners and controlling persons. A shareholder will therefore be required to comply with any reasonable request from the Management Company for such information, to allow the Management Company to comply with its reporting requirements. The list of AEOI participating countries is available on the website: <http://www.oecd.org/tax/automatic-exchange/>

c) US Tax

Under the Foreign Account Tax Compliance Act ("FATCA") provisions which came into force as from 1st July 2014, in the case the Company invests directly or indirectly in US assets, income received from such US investments might be subject to a 30% US withholding tax.

To avoid such withholding tax the United States have entered, on 28th March 2014, into an intergovernmental agreement (the "IGA") with the Grand Duchy of Luxembourg under which the Luxembourg financial institutions undertake due diligence to report certain information on their US investors to the Luxembourg Tax authorities. Such information will be onward reported by the Luxembourg tax authorities to the US Internal Revenue Service.

**The foregoing provisions are based on the Law and practices currently in force, and are subject to change. Potential investors are advised to seek information in their country of origin, place of tax residence or domicile on the possible tax consequences associated with their investment. The attention of investors is also drawn to certain tax provisions specific to individual countries in which the Company publicly markets its shares.**

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## GENERAL MEETINGS AND INFORMATION FOR SHAREHOLDERS

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### GENERAL SHAREHOLDERS' MEETINGS

The Annual General Shareholders' Meeting is held at 11.00 am on the fourth Monday of October at the Company's registered office or any other location in the Grand Duchy of Luxembourg specified in the notice to attend the meeting. If that day is not a bank business day in Luxembourg, the Annual General Meeting will be held on the following bank business day. Other General Meetings may be convened in accordance with the prescriptions of Luxembourg law and the Company's Articles of Association. Notices inviting shareholders to attend General Meetings will be published according to the forms and times prescribed in Luxembourg law and the Company's Articles of Association, and at least with a 14 days prior notice.

Similarly, General Meetings will be conducted as prescribed by Luxembourg law and the Company's Articles of Association.

Every share, irrespective of its unit value, entitles its holder to one vote. All shares have equal weight in decisions taken at the General Meeting when decisions concern the Company as a whole. When decisions concern the specific rights of shareholders of one sub-fund, category or class, only the holders of shares of that sub-fund, category or class may vote.

### INFORMATION FOR SHAREHOLDERS

#### **Net Asset Values and dividends**

The Company publishes the legally required information in the Grand Duchy of Luxembourg and in all other countries where the shares are publicly offered.

This information is also available on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

#### **Financial Year**

The Company's financial year starts on 1st July and ends on 30 June.

#### **Financial Reports**

The Company publishes an annual report closed on the last day of the financial year, certified by the auditors, as well as a non-certified, semi-annual interim report closed on the last day of the sixth month of the financial year. The Company is authorised to publish a simplified version of the financial report when required.

The financial reports of each sub-fund are published in the accounting currency of the sub-fund, although the consolidated accounts of the Company are expressed in euro.

The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP\*.

The annual report is made public within four months of the end of the financial year and the interim report within two months of the end of the half-year.

*\*: Luxembourg GAAP is a combination of authoritative standards and the commonly accepted ways of recording and reporting accounting information. GAAP aims to improve the clarity, consistency, and comparability of the communication of financial information.*

#### **Documents for Consultation**

The Articles of Association, the Prospectus, the KIID, and periodic reports may be consulted at the Company's registered office and at the establishments responsible for the Company's financial service. Copies of the Articles of Association and the annual and interim reports are available upon request.

Except for the newspaper publications required by Law, the official media going forward to obtain any notice to shareholders from the Company will be our website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

Documents and information are also available on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

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## APPENDIX 1 - INVESTMENT RESTRICTIONS

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### ELIGIBLE ASSETS

#### 1. Transferable securities

Transferable securities must be listed or traded on an official stock exchange or on a regulated market (a market that operated regularly, is recognised and is open to the public) in an eligible state (i.e. a Member State or a Third Country).

Recently issued transferable securities must include in their terms of issue an undertaking that an application will be made for admission to official listing on a regulated market and such admission must be secured within a year of issue.

#### 2. Money market instruments

A money market instrument shall fall within one of the categories below:

- a) it is listed or traded on an official stock exchange, or on a regulated market (a market that operated regularly, is recognised and is open to the public) in an eligible state (i.e. a Member State or a Third Country);
- b) it does not meet the requirements of point (a) but it is subject (at the securities or issuer level) to regulation aimed at protecting investors and savings, provided that it is:
  - i. issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or a member of a federation; or
  - ii. issued by an undertaking any securities of which are dealt in on regulated markets referred to in point (a); or
  - iii. issued or guaranteed by an establishment subject to, and which complies with European Union prudential supervision rules or others rules at least considered to be stringent; or
  - iv. issued by other bodies belonging to the categories approved by the CSSF provided that the investments in such instruments are subject to investor protection equivalent to that laid down in points (i), (ii) or (iii) above, and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 000 000 and which presents and publishes its annual accounts in accordance with the Directive 78/660, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

#### 3. Units or Shares of UCITS or other UCIs

A sub-fund may invest in units or shares of UCITS and/or other UCIs, whether or not established in a Member State, provided that:

- a) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU legislation, and that cooperation between authorities is sufficiently ensured;
- b) the level of protection to unitholders or shareholders in these other UCIs is equivalent to that provided for unitholders or shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65;
- c) the business of these other UCIs is reported in semi-annual interim and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; and
- d) no more than 10% of the assets of the UCITS or of the other UCIs whose acquisition is contemplated can, according to their management regulations or articles of association, be invested in aggregate in units or shares of other UCITS or other UCIs.

#### 4. Shares of other sub-funds of the Company

A sub-fund may acquire shares of one or more other sub-funds of the Company (the target sub-fund), provided that:

- the target sub-fund does not, in turn, invest in the sub-fund;
- the proportion of assets that each target sub-fund invests in other target sub-funds of the Company does not exceed 10%;
- any voting rights attached to the shares of the target sub-funds are suspended for as long as they are held by the sub-fund and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any events, for as long as these target sub-fund shares are held by the Company, their value shall not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of net assets required by the law.

#### 5. Deposits with credit institutions

A deposit with a credit institution is eligible for investment by a sub-fund provided that all of the following conditions are fulfilled:

- a) The deposit is repayable on demand or is able to be withdrawn at any time;
- b) The deposit matures in no more than 12 months;
- c) The credit institution has its registered office in a Member State or, where the credit institution has its registered office in a Third Country, it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU legislation.

#### 6. Financial derivatives instruments

Financial derivative instruments, including equivalent cash-settled instruments, must be dealt in on a regulated market referred to in point 1 above or financial derivative instruments dealt in over-the-counter (OTC) derivatives, provided that:

- a) the underlying of the derivative consists of instruments covered by points 1, 2, 3 and 6 above, financial indices, interest rates, foreign exchange rates or currencies, in which the corresponding sub-fund may invest according to its investment objectives as stated in the Company's Articles of Association;
- b) the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF, and
- c) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

#### **7. Cash and cash equivalents**

The Company may hold ancillary liquid assets.

#### **8. Movable and immovable properties**

The Company may acquire movable or immovable property which is essential for the direct pursuit of its business.

#### **9. Borrowing**

A sub-fund may acquire currencies by means of "back-to-back" loans.

A sub-fund may borrow provided that such borrowing:

- a) is made on a temporary basis and represents no more than 10% of its assets;
- b) allows the acquisition of immovable property essential for the direct pursuit of its business and represents no more than 10% of its assets.

Such borrowing shall not exceed 15% of its assets in total.

### **PROHIBITED ACTIVITIES**

A sub-fund shall not:

- a) acquire either precious metals or certificates representing them;
- b) grant loans or act as a guarantor on behalf of third parties; this shall not prevent a sub-fund from acquiring transferable securities, money market instruments or other financial instruments referred to as Eligible Assets which are not fully paid;
- c) carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to as Eligible Assets.

### **DIVERSIFICATION RULES**

The sub-funds are not required to comply with the limits laid down in this Appendix when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

While ensuring observance of the principle of risk spreading, recently authorised sub-funds are allowed to derogate from Diversification Rules below for six months following the date of their authorisation.

If these limits are exceeded for reasons beyond the control of the sub-fund or as a result of the exercise of subscription rights, the sub-fund shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

A sub-fund may, in compliance with the applicable limits laid down in this Appendix and in the best interest of the shareholders, temporarily adopt a more defensive attitude by holding more liquid assets in the portfolio. This could be as a result of the prevailing market conditions or on account of liquidation or merger events or when the Sub-Fund approached maturity. In such circumstances, the Sub-Fund concerned may prove to be incapable in the interest the shareholders of pursuing its investment objective as a temporary measure, which may affect its performance.

1. A sub-fund shall not invest more than 10% of its assets in transferable securities, or money market instruments other than those referred to as Eligible Assets.

2.

- a) A sub-fund shall invest no more than:
  - i. 10% of its assets in transferable securities or money market instruments issued by the same body; or
  - ii. 20% of its assets in deposits made with the same body.

The risk exposure to a counterparty of a sub-fund in an OTC derivative transaction shall not exceed either:

- i. 10% of its assets when the counterparty is a credit institution referred to in point 5 of Eligible Assets.; or
  - ii. 5% of its assets, in other cases.
- b) The total value of the transferable securities and the money market instruments held by a sub-fund in the issuing bodies in each of which it invests more than 5% of its assets shall not exceed 40% of the value of its assets. That limitation shall not apply to deposits or OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), a sub-fund shall not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:

- i. investments in transferable securities or money market instruments issued by that body;
- ii. deposits made with that body; or
- iii. exposure arising from OTC derivative transactions undertaken with that body.

- c) The 10% limit laid down in paragraph a) point (i) may be raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a Third Country or by public international body to which one or more Member States belong.
- d) The 10% limit laid down in the paragraph a) point (i) may be raised to a maximum of 25% where bonds are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

Where a sub-fund invests more than 5% of its assets in the bonds referred to in this paragraph d) which are issued by a single issuer, the total value of these investments shall not exceed 80% of the value of the assets of the sub-fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph b).

The limits provided for in paragraph a), b), c) and d) shall not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with paragraph a), b), c) and d) shall not exceed in total 35% of the assets of the sub-fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in Directive 83/349 or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in this section.

A sub-fund may cumulatively invest in transferable securities and money market instruments within the same group up to 20% of its assets.

- 3. Without prejudice to the Limits to Prevent Concentration of Ownership below, the limits laid down in point 2. are raised to a maximum of 20% for investments in shares or debt securities issued by the same body, when the aim of the sub-fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
  - i. its composition is sufficiently diversified;
  - ii. the index represents an adequate benchmark for the market to which it refers; and
  - iii. it is published in an appropriate manner.

This limit of 20% shall be raised to a maximum of 35% where that proves to be justified by exceptional market conditions (such as, but not limited to, disruptive market conditions or extremely volatile markets) in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to that limit shall be permitted only for a single issuer.

- 4. **As an exception to point 2., in accordance with the principle of risk-spreading, a sub-fund shall invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a Third Country part of the OECD, Brazil, People's Republic of China, India, Russia, Singapore and South Africa, or a public international body to which one or more Member States belong.**

**Such a sub-fund shall hold securities from at least six different issues, but securities from any single issue shall not account for more than 30% of its total assets.**

- 5.
  - a) A sub-fund may acquire the units or shares of UCITS or other UCIs referred to as Eligible Assets, provided that no more than 20% of its assets are invested in units or shares of a single UCITS or other UCI. For the purposes of the application of this investment limit, each sub-fund in a multi-sub-fund UCI, is considered as a separate issuer, provided that the principle of segregation of the commitments of the different sub-funds with regard to third parties is assured.
  - b) Investments made in units or shares of UCIs other than UCITS shall not exceed, in aggregate, 30% of the assets of a sub-fund. Where a sub-fund has acquired units or shares of another UCITS or UCIs, the assets of the respective UCITS or other UCIs are not combined for the purposes of the limits laid down in point 2.
  - c) Due to the fact that the Company may invest in UCI units, or shares, the investor is exposed to a risk of fees doubling (for example, the management fees of the UCI in which the Company is invested).  
A sub-fund may not invest in a UCITS, or other UCI (underlying), with a management fee exceeding 3% per annum.  
Where a sub-fund (including Money Market sub-funds) invests in the units or shares of other UCITS or UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, the sub-fund will not incur any entry or exit costs for the units or shares of these underlying assets.  
The maximum annual management fee payable directly by the sub-fund is defined in Book II.

#### **LIMIT TO PREVENT CONCENTRATION OF OWNERSHIP**

- 1. The Company shall not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 2. A sub-fund may acquire no more than:
  - i. 10% of the non-voting shares of a single issuing body;
  - ii. 10% of debt securities of a single issuing body;
  - iii. 25% of the units or shares of a single sub-fund of UCITS or other UCI; or
  - iv. 10% of the money market instruments of a single issuing body.

The limits laid down in points ii., iii. and iv. may be disregarded at the time of acquisition if, at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue, cannot be calculated.

3. Points 1. and 2. above do not apply with regard to:
  - i. transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - ii. transferable securities and money market instruments issued or guaranteed by a country which is not a European Union Member State ;
  - iii. transferable securities and money market instruments issued by a public international body to which one or more European Union Member States belong;
  - iv. shares held by the Company in the capital of a company incorporated in a Third Country investing its assets mainly in the securities of issuing bodies having their registered offices in that country, where under the legislation of that country, such a holding represents the only way in which the Company can invest in the securities of issuing of that country. This derogation shall apply only if in its investment policy the company from the Third Country complies with the limits laid down in Diversification Rules (points 2 and 5) and Limits To Prevent Contration of Ownership (points 1 and 2).

#### **MASTER-FEEDER STRUCTURE**

By way of derogation to Diversification Rules above, a sub-fund designed as “the Feeder” may invest:

- a) at least 85% of its assets in units, or shares of another UCITS or another sub-fund of UCITS (the “Master”);
- b) up to 15% of its assets in one or more of the following:
  - ancillary liquid assets,
  - financial derivative instruments, which may be used only for hedging purpose in accordance with Appendix 2;
  - movable and immovable property which is essential for the direct pursuit of its business.

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## APPENDIX 2 - TECHNIQUES, FINANCIAL INSTRUMENTS AND INVESTMENT POLICIES

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### FINANCIAL DERIVATIVE INSTRUMENTS

#### 1. General Information

Without prejudice to any stipulations for one or more particular sub-funds, the Company is authorised, for each sub-fund and in conformity with the conditions set out below, to use financial derivative instruments for hedging, efficient portfolio management or trading (investment) purposes in accordance with point 6 of the section "Eligible Assets" in Appendix 1 of the Prospectus (the "Appendix 1").

Each sub-fund may, in the context of its investment policy and within the limits defined in Appendix 1, invest in financial derivative instruments provided that the total risk to which the underlying assets are exposed does not exceed the investment limits stipulated in the section "Diversification Rules" of Appendix 1. When a sub-fund invests in financial derivative instruments based on an **index**, these investments are not necessarily combined with the limits stipulated in the section "Diversification Rules".

When a transferable security or a money market instrument comprises a derivative instrument, the derivative instrument must be taken into account for the application of the present provisions.

#### Calculation of counterparty risk linked to OTC derivative instruments

In conformity with the section "Diversification Rules", the counterparty risk linked to OTC derivatives and efficient portfolio management techniques concluded by a sub-fund may not exceed 10% of its assets when the counterparty is a credit institution cited in point 5 of the section "Eligible Assets" in Appendix 1, or 5% of its assets in other cases.

The counterparty risk linked to OTC financial derivatives shall be based, as the positive mark to market value of the contract.

#### Valuation of OTC derivatives

The Management Company will establish, document, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of OTC derivatives.

#### Efficient Portfolio Management techniques

A sub-fund can use financial derivative instruments and Securities Financing Transactions for efficient portfolio management purpose provided that:

- (a) They are economically appropriate in that they are realised in a cost-effective way;
- (b) They are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for a sub-fund with a level of risk which is consistent with the risk profile of the sub-fund and the Diversification Rules ;
- (c) Their risks are adequately captured by the risk management process of the sub-fund.

Efficient portfolio management shall not :

- a) result in a change of the investment objective of the concerned sub-fund; or
- b) add substantial additional risks in comparison to the original risk policy of the sub-fund.

Direct and indirect operational costs/fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to the concerned sub-funds. These costs and fees will not include hidden revenues.

The following information is disclosed in the annual report of the Company:

- a) the exposure of each sub-fund obtained through efficient portfolio management techniques;
- b) the identity of the counterparty(ies) to these efficient portfolio management techniques;
- c) the type and amount of collateral received by the sub-funds to reduce counterparty exposure; and
- d) the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

#### 2. Types of Financial Derivative Instruments

In compliance with its investment policy as detailed in Book II, a sub-fund may use a range of core derivatives and/or additional derivatives as described below.

##### 2.1. Core Derivatives

A sub-fund may use a range of core derivatives such as:

- (i) Foreign exchange swaps
- (ii) Forwards, such as foreign exchange contracts
- (iii) Interest Rate Swaps - IRS
- (iv) Financial Futures (on equities, interest rates, indices, bonds, currencies, commodity indices or volatility indices)
- (v) Options (on equities, interest rates, indices, bonds, currencies, or commodity indices)

##### 2.2. Additional Derivatives

A sub-fund may use a range of additional derivatives such as:

- (i) Credit Default Swap - CDS (on Bonds, indices..), in order to express views on changes in perceived or actual creditworthiness of borrowers including companies, agencies, and governments, and the hedging of those risks;
- (ii) Total Return Swaps - TRS (as defined in point 4 below);
- (iii) All other Swaps: Equity Basket Swaps, Commodity Index Swaps, variance and volatility swaps, inflation swaps;

- (iv) Equity Linked Notes - ELN;
- (v) Contract For Difference - CFD;
- (vi) Warrants;
- (vii) Swaptions;
- (viii) structured financial derivatives, such as credit-linked and equity-linked securities;
- (ix) To-be-announced (TBA).

### 3. Usage of Financial Derivative Instruments

A sub-fund may have recourse to derivatives as described below:

#### 3.1. Hedging

Hedging aims at reducing such as but not limited to the credit risks, currency risks, market risks, interest rate (duration) risks, Inflation risks.

Hedging occurs at a portfolio level or, in respect of currency, at share class level.

#### 3.2. Efficient Portfolio Management (EPM)

Efficient portfolio management aims at using derivatives instead of a direct investment when derivatives are a cost effective way, the quickest way or the only authorized way to get exposure to particular market a particular security or an acceptable proxy to perform any ex-post exposure adjustment to a particular markets, sectors or currencies, managing duration, yield curve exposure or credit spread volatility in order to reach the investment objective of the sub-fund.

#### 3.3. Investment

Investment purpose aims at using derivatives such as but not limited to enhance returns for the sub-fund, gaining on particular markets, sectors or currencies and/or implementing investment strategies that can only be achieved through derivatives, such as a "long-short" strategy.

The table below sets out the main types of derivatives used for each sub-fund and what they are used for:

Sub-funds	Structural use of derivative	VaR	Core	Additional Derivatives							Purpose of derivatives			
				TRS	CDS	Other Swaps	Swaption	Warrant	CFD	others	hedging	EPM	investment	
ABS Europe AAA	No	No	X		X							X	X	
ABS Europe IG	No	No	X		X							X	X	
ABS Opportunities	No	No	X		X							X	X	
Bond Nordic Investment Grade	No	No	X									X		
Bond World Emerging Investment Grade	No	No	X									X	X	
Commodities	Yes	Yes	X	X								X	X	X
Fossil Fuel Free Nordic High Yield	No	No	X									X		
Flexible Convertible Bond	Yes	Yes	X	X	X	X			X	X		X	X	X
Lyra	No	No	X									X	X	
Multi Asset Booster	Yes	Yes	X	X	X						Crash option*	X	X	X
Track EMU Government Bond 1-10Y	No	No												
US Mortgage	No	No	X	X								X	X	

\* **Crash option:** a put option that pays the holder the amount of a decline in a position or portfolio over the option's life, often less a specific deductible. The payout can be made contingent on a market crash or similar negative event. Crash option resets its holder to the historical highest level of the underlying asset price during the lifetime of the contract at the time of the market crash. However, if the crash does not occur up to the time of the maturity of the contract, the option expires worthless. The option will end up in the money if a sufficiently large drop actually occurs. Sometimes, it is possible to negotiate a contract which would set the capital of its holder to a different level than the running highest level at the time of the crash, for example, to the running average, or to some intermediate point between the running highest point and the crash value.

### 4. Global Exposure

#### Determination of global exposure

According to the Circular 11/512, the Management Company must calculate the sub-fund's global exposure at least **once a day**. The limits on global exposure must be complied with on an ongoing basis.

It is the responsibility of the Management Company to select an appropriate methodology to calculate the global exposure. More specifically, the selection should be based on the self-assessment by the Management Company of the sub-fund's risk profile resulting from its investment policy (including its use of financial derivative instruments).

Risk measurement methodology according to the sub-fund's risk profile

The sub-funds are classified after a self-assessment of their risk profile resulting from their investments policy including their inherent derivative investment strategy that determines two risk measurements methodologies:

- The advanced risk measurement methodology such as the Value-at-Risk (VaR) approach to calculate global exposure where:
  - (a) The sub-fund engages in complex investment strategies which represent more than a negligible part of the sub-funds' investment policy;
  - (b) The sub-fund has more than a negligible exposure to exotic financial derivative instruments; or
  - (c) The commitment approach doesn't adequately capture the market risk of the portfolio.

**The sub-fund(s) under VaR are listed in point 4.2.**

- The commitment approach methodology to calculate the global exposure should be used in every other case.

#### 4.1. Commitment approach methodology:

- The commitment conversion methodology for **standard derivatives** is always the market value of the equivalent position in the underlying asset. This may be replaced by the notional value or the price of the futures contract where this is more conservative.
- For **non-standard derivatives**, an alternative approach may be used provided that the total amount of the financial derivative instruments represents a negligible portion of the sub-fund's portfolio.
- For **structured sub-funds**, the calculation method is described in the ESMA/2011/112 guidelines.

A financial derivative instrument is not taken into account when calculating the commitment if it meets both of the following conditions:

- (a) The combined holding by the sub-fund of a financial derivative instrument relating to a financial asset and cash which is invested in risk free assets is equivalent to holding a cash position in the given financial asset.
- (b) The financial derivative instrument is not considered to generate any incremental exposure and leverage or market risk.

The sub-fund's total commitment to financial derivative instruments, limited to 100 % of the portfolio's total net value, is quantified as the sum, as an absolute value, of the individual commitments, after possible netting and hedging arrangements.

#### 4.2. VaR (Value at Risk) methodology

For sub-funds that use the **VaR** (Value at Risk) methodology, the global exposure is determined on a daily basis by calculating, the maximum potential loss at a given confidence level over a specific time period under normal market conditions.

Given the sub-fund's risk profile and investment strategy, the **relative VaR approach** or the **absolute VaR approach** can be used:

- In the **relative VaR approach**, a leverage free reference portfolio reflecting the investment strategy is defined and the sub-fund's VaR cannot be greater than twice the reference portfolio VaR.
- The **absolute VaR approach** concerns sub-funds investing in multi-asset classes and that do not define any investment target in relation to a benchmark but rather as an absolute return target; the level of the absolute VaR is strictly limited to 20%.

The **VaR limits** should always be set according to the defined risk profile.

To calculate VaR, the following parameters must be used: a 99% degree of confidence, a holding period of one month (20 days), an actual (historical) observation period for risk factors of at least 1 year (250 days)

The Management Company carries out a monthly **back testing** program and reports on a quarterly basis the excessive number of outlier to the senior management.

The Management Company calculates **stress tests** on a monthly basis in order to facilitate the management of risks associated with possible abnormal movements of the market.

The sub-funds using the VaR methodology, their reference portfolio and leverage levels are listed below.

The expected leverage is defined as the sum of the absolute value of the derivatives notionals (without any netting or hedging arrangement) divided by NAV (notionals methodology).

However, there are possibilities that sub-funds deviate from their usually expected level disclosed below in certain circumstances\* and reach higher leverage levels during their life time.

<b>Sub-funds</b>	<b>VaR approach</b>	<b>Reference Portfolio</b>	<b>Expected leverage</b>
Commodities	Relative	Bloomberg Commodity ex-Agriculture and Livestock Capped Total Return	1.00
Flexible Convertible Bond	Absolute	-	3.00
Multi-Asset Booster	Absolute	-	5.00

\*The expected level of leverage is an estimate only and may be higher in certain markets environments when the Sub-fund allocates more extensively to instruments requiring higher notional values to implement specific views or strategies that cannot be easily replicated using physical instruments.

#### 4.3. Global Exposure for Feeder sub-funds:

The global exposure of a Feeder sub-fund will be calculated by combining its own exposure through financial derivative instruments, with either:

- a) the Master actual exposure through financial derivative instruments in proportion to the Feeder investment into the Master; or
- b) the Master potential maximal global exposure related to financial derivative instruments as defined by the Master' management rules or Articles of Association in proportion to the Feeder investment into the Master.

## 5. TRS

TRS can be used on a continuous and / or temporary basis, for hedging, efficient portfolio management and/or investment purposes, and within the expected and maximum proportion of assets, as described for each sub-fund in Book I.

When a sub-fund enters into a TRS or invests in other financial derivative instruments with similar characteristics, its assets will also comply with the provisions of the Appendix 1. The underlying exposures of the TRS or other financial derivative instruments with similar characteristics shall be taken into accounts to calculate the Diversification Rules laid down in the Appendix 1. When a sub-fund enters into TRS or invests in financial derivative instruments with similar characteristics, the underlying strategy and composition of the investment portfolio or index are described in Book II and the following information will be disclosed in the annual report of the Company:

- a) The identification of the counterparty(ies) of the transactions;
- b) The underlying exposure obtained through financial derivative instruments;

- c) The type and amount of collateral received by the sub-funds to reduce counterparty exposure.

The counterparty does not assume any discretion over the composition or management of the sub-funds' investment portfolio or over the underlying of the financial derivative instruments, and its approval is not required in relation to any sub-fund investment portfolio transaction.

Policy on sharing of return generated by TRS

The return of the swap transaction, being the spread between the two legs of the transaction, is completely allocated to the sub-fund when positive, or completely charged to the sub-fund when negative. There are neither costs nor fees specific to the swap transaction charged to the sub-fund that would constitute revenue for the Management Company or another party.

*Expected and Maximum proportion of assets that can be subject to TRS*

List of sub-funds using TRS

The sub-funds using TRS, the maximum proportion of assets that can be subject to them and the expected proportion of assets that will be subject to each of them are listed below:

Sub-funds	TRS/ NAV		
	Expected	Maximum	Type of TRS
US Mortgage	15%	30%	Unfunded
Commodities	100%	200%	Unfunded
Flexible Convertible Bond	50%	100%	Unfunded and Funded
Multi-Asset Booster	0-100% <sup>(1)</sup>	300%	Unfunded

<sup>(1)</sup> This sub-fund maintains its VaR in a constant range between 16% and 19% with a max leverage constraint to avoid too much leverage in a low volatility environment. In case of very high volatility in the market, the TRS exposure is expected to be close to 0% and in case of very low volatility, with the current allocation, it is expected to be close to 80%.

There is a fixed allocation and this allocation is reviewed once a year. If in the future the allocation change for less equities and more credit, the TRS level could be close to 300% in a low volatility environment. On the opposite it is possible to have an allocation with no TRS at all (no commodities and no credit exposure).

The maximum proportion mentioned in the above table is calculated using the market value amount. The notional value can sometimes be higher. The expected proportion is defined as the sum of the absolute values of TRS nominals (with neither netting nor hedging arrangement) divided by the NAV. It is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions. A higher level reflected by the maximum could be reached during the life of the sub-fund and the Prospectus will be modified accordingly.

## SECURITIES FINANCING TRANSACTIONS (“SFT”)

In accordance with the Regulation 2015/2365 and Circulars 08/356 and 14/592, the Company may enter in securities financing transactions on a continuous and / or temporary basis for the purpose of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund.

List of sub-funds using SFT

The sub-funds using SFT, the maximum proportion of assets that can be subject to them and the expected proportion of assets that will be subject to each of them are listed below provided that the expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions:

Sub-fund	Repurchase transactions/NAV		Reverse Repurchase transactions/NAV	
	Expected	Maximum	Expected	Maximum
ABS Europe AAA	10%	20%	10%	20%
ABS Europe IG	10%	20%	10%	20%
ABS Opportunities	10%	20%	10%	20%
Commodities	5%	10%	5%	10%
Flexible Convertible Bond	10%	20%	N/A	N/A
US Mortgage	0-10%	10%	0-10%	10%

Policy on sharing of return generated by SFT

Unless otherwise provided below, the return of SFT, being the difference of market values between the two legs of the transactions, is completely allocated to the sub-fund when positive, or completely charged to the sub-fund when negative.

There are neither costs nor fees specific to SFT charged to the sub-fund that would constitute an income for the Management Company or another party.

#### Conflicts of Interest

When appointed SFT providers are members of BNP Paribas group, the Management Company, shall take care to avoid any resulting conflicts of interest (especially additional remuneration for the group) in order to ensure that the agreements are entered into at arm's length in the best interest of the concerned sub-funds.

#### **Repurchase transactions/ Reverse Repurchase transactions**

A Repurchase agreements transaction consist of forward transactions at the maturity of which the sub-fund has the obligation to repurchase the asset sold and the buyer (the counterparty) the obligation to return the asset received under the transaction.

A Reverse repurchase transaction consists of a forward transaction at the maturity of which the sub-fund has the obligation to repurchase the asset sold and the sub-fund the obligation to return the asset received under the transaction.

However, the involvement of a sub-fund in such agreements is subject to the following rules:

- a) Each sub-fund may buy or sell securities with repurchase options only if the counterparties in these agreements are first-rank financial institutions specialising in this type of transaction; and
- b) During the lifetime of a reverse repurchase agreement, a sub-fund may not sell the securities forming the subject of the contract until the counterparty's repurchase option has been exercised or the reverse repurchase term has expired.

In addition, each sub-fund must ensure that the value of the reverse repurchase transactions is at a level that the Fund is capable at all times to meet its redemption obligation towards shareholders.

#### *Eligible securities for reverse repurchase transaction:*

- a) Short-term bank certificates;
- b) Money market instruments;
- c) Bonds issued or guaranteed by a member of state of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature;
- d) Money market UCIs (daily calculation and S&P AAA rated or equivalent);
- e) Bonds issued by non-governmental issuers offering an adequate liquidity;
- f) Shares listed or dealt on a regulated market of the EU or on a stock exchange of a member state of the OECD, provided that they are included in a main index.

#### *Limits for reverse repurchase transactions*

The securities which are the subject of reverse repurchase transactions must be compliant with the investment policy of the Company and must together with the other securities which the Company holds in its portfolio, globally comply with the investment restrictions of the Company.

A sub-fund that enters into a reverse repurchase agreement will ensure that:

- At any time the sub-fund may recall the full amount of cash or terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the sub-fund.
- At any time the sub-fund may recall any securities subject to the repurchase agreement or terminate the repurchase agreement into which it has entered.
- Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the sub-fund.

#### *Limits for repurchase transactions*

The assets received must be considered as collateral.

## **MANAGEMENT OF COLLATERAL IN RESPECT OF OTC DERIVATIVES AND SFT**

Assets received from counterparties in respect of Financial Derivatives Instruments and Securities Financial Transactions other than currency forwards constitute collateral in accordance with the Regulation 2015/2365 and Circular 14/592.

All collateral used to reduce counterparty risk exposure will comply with the following criteria at all times:

#### *Liquidity*

Any collateral received other than cash will be highly liquid and dealt in on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the section "Limit To Prevent Concentration of Ownership" of the Appendix 1.

#### *Valuation*

Collateral received will be valued on at least a daily basis according to market-to-market and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place, depending on the issuer's credit quality and the maturity of the received securities.

#### *Risks*

Risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated by the risk management process.

#### *Safe-keeping (also for securities subject to SFT)*

Where there is a title transfer, the collateral received will be held by the Depository. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

#### *Enforcement*

Collateral received will be capable of being fully enforced at any time without reference to or approval from the counterparty.

*Collateral diversification (asset concentration)*

Collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the sub-fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a sub-fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any European Union Member State, one or more of its local authorities, a third country part of the OECD, Brazil, People's Republic of China, India, Russia, Singapore and South Africa, or a public international body to which one or more European Union Member States belong. Such a sub-fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the sub-fund' net asset value.

The collateral received by a sub-fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

*Stress testing*

For all the sub-funds receiving collateral for at least 30% of their assets, the Management Company will set up, in accordance with the Circular 14/592, an appropriate stress testing policy to ensure regular stress tests under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral.

*Haircut policy*

The Management Company will set up, in accordance with the Circular 14/592, a clear haircut policy adapted for each class of assets received as collateral.

Acceptable Collateral Public regulatory grid:

Asset Class	Minimum Rating accepted	Margin required / NAV	Cap by asset class / NAV	Cap by Issuer / NAV
Cash (EUR, USD, GBP or other Valuation Currency)		[100 - 110%]	100%	
Fixed Income				
<i>Eligible OECD Government Bonds</i>	BBB	[100 - 115%]	100%	20%
<i>Eligible Supra &amp; Agencies</i>	AA-	[100 - 110%]	100%	20%
<i>Other Eligible Countries Government Bonds</i>	BBB	[100 - 115%]	100%	20%
<i>Eligible OECD Corporate Bonds</i>	A	[100 - 117%]	100%	20%
<i>Eligible OECD Corporate Bonds</i>	BBB	[100 - 140%]	[10% - 30%]	20%
<i>Eligible OECD Convertible Bonds</i>	A	[100 - 117%]	[10% - 30%]	20%
<i>Eligible OECD Convertible Bonds</i>	BBB	[100 - 140%]	[10% - 30%]	20%
<i>Money Market Units (1)</i>	UCITSIV	[100 - 110%]	100%	20%
<i>CD's (eligible OECD and other eligible countries)</i>	A	[100 - 107%]	[10% - 30%]	20%
<i>Eligible indexes &amp; Single equities linked</i>		[100% - 140%]	100%	20%
<i>Securitization (2)</i>		[100% - 132%]	100%	20%

(1) Only Money Markets funds managed by BNPP AM. Any other UCITS eligible only upon ad-hoc approval by BNPP IP Risk

(2) Subject to conditions and ad-hoc approval by BNPP AM Risk

*Applicable limits*

(i) Limits applicable to non-cash collateral

In accordance with ESMA guidelines, non-cash collateral received by the Company should not be sold, re-invested or pledged.

Given the high quality of the acceptable collateral and the high quality nature of the selected counterparties, there is no maturity constraints applicable to the collateral received.

(ii) Limits applicable to cash collateral

Cash collateral received should only be:

- placed on deposit with entities prescribed in the section "Eligible Assets";
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the sub-fund is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European money market Funds.

(iii) Reuse of cash provided as collateral

The Company may re-invest the cash it has received as collateral in the following eligible instruments:

- Money market UCIs (daily calculation and S&P AAA rating or equivalent);
- Short-term bank deposits;
- Money market instruments;
- Short-term bonds issued or guaranteed by a Member State of the European Union, Switzerland, Canada, Japan or

the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;

- Bonds issued or guaranteed by first class issuers offering adequate liquidity, and

The financial assets other than bank deposit and units of UCIs that the Company has acquired by reinvesting the cash collateral must not be issued by an entity affiliated to the counterparty;

The financial assets acquired via the reinvestment of the cash collateral must not be kept with the counterparty, except if it is legally segregated from the counterparty's assets;

The financial assets acquired via the reinvestment of the cash collateral may not be pledged unless the Company has sufficient liquidities to be able to return the received collateral in the form of cash.

Reinvested cash collateral may lead to several risks such as currency exchange risk, counterparty risk, issuer risk, valuation and settlement risk, which can have an impact on the performance of the sub-fund concerned.

Exposures arising from the reinvestment of collateral received by the Company shall be taken into account within the diversification limits applicable under the Appendix 1.

#### **Criteria used to select Counterparties**

The Company will enter into transactions with counterparties which the Management Company believes to be creditworthy. They may be related companies at BNP Paribas Group.

Counterparties will be selected by the Management Company with respect for the following criteria:

- leading financial institutions
- The sound financial situation
- The ability to offer a range of products and services corresponding to the requirements of the Management Company,
- The ability to offer reactivity for operational and legal points,
- The ability to offer competitive price and the quality of the execution.

Approved counterparties are required to have a minimum rating of investment grade for OTC derivative counterparties provided however that credit quality assessment of counterparties does not rely only on external credit ratings. Alternative quality parameters are considered such as internal credit analysis assessment and liquidity and maturity of collateral selected. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. Furthermore counterparties will comply with prudential rules considered by the CSSF as equivalent to EU prudential rules.

The selected counterparties do not assume any discretion over the composition or management of the sub-funds' investment portfolios or over the underlying of the financial derivative instruments, and their approval is not be required in relation to any sub-fund investment portfolio transaction.

The Company' annual report will contain details with:

- a) The list of appointed counterparties to efficient portfolio management techniques and OTC derivatives;
- b) The identity of the issuer where collateral received has exceeded 20% of the assets of a sub-fund;
- c) Whether a sub-fund has been fully collateralised

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## APPENDIX 3 - INVESTMENT RISKS

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Investors must read the Prospectus carefully before investing in any of the sub-funds.

The value of the shares will increase as the value of the securities owned by any sub-fund increases and will decrease as the value of the sub-fund's investments decreases. In this way, investors participate in any change in the value of the securities owned by the relevant sub-fund(s). In addition to the factors that affect the value of any particular security that a sub-fund owns, the value of the sub-fund's shares may also change with movements in the stock and bond markets as a whole. Investors are also warned that sub-fund performance may not be in line with the stated "Investment objective" and that the capital they invest (after subscription commissions have been deducted) may not be returned to them in full.

A sub-fund may own securities of different types, or from different asset classes (e.g. equities, bonds, money market instruments, financial derivative instruments) depending on the sub-fund's investment objective. Different investments have different types of investment risk. The sub-funds also have different kinds of risks, depending on the securities they hold. This "Investment Risks" section contains explanations of the various types of investment risks that may be applicable to the sub-funds. Please refer to the Book II of this Prospectus for details as to the principal risks applicable to each sub-fund. Investors should be aware that other risks may also be relevant to the sub-funds from time to time.

### General

This section explains some of the risks that apply to all the sub-funds. It does not aim to be a complete explanation and other risks may also be relevant from time to time. In particular, the Company's performance may be affected by changes in market and/or economic and political conditions, and in legal, regulatory and tax requirements. No guarantee or representation is made that the investment program will be successful and there can be no assurance that the sub-fund(s)' investment objective(s) will be achieved. Also, past performance is no guide to future performance, and the value of investments may go down as well as up. Changes in rates of exchange between currencies may cause the value of a sub-fund's investments to diminish or increase.

The Company or any of its sub-funds may be exposed to risks that are outside of their control – for example legal and regulatory risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress or as a result of the registration of the sub-funds in non-EU jurisdictions, the sub-funds may be subject, without any notice to the shareholders in the sub-funds concerned, to more restrictive regulatory regimes potentially preventing the sub-funds from making the fullest possible use of the investment limits. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Company could be substantial and adverse. The sub-funds may be exposed to the risk of terrorist actions, to the risk that economic and diplomatic sanctions may be in place or imposed on certain States and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity. Investors are reminded that in certain circumstances their right to redeem shares may be suspended as further described in the Book I.

The Company or any of its sub-funds may be exposed to operational risks, being the risk that operational processes, including those related to the safekeeping of assets, valuation and transaction processing may fail, resulting in losses. Potential causes of failure may arise from human errors, physical and electronic system failures and other business execution risks as well as external events.

Unmanaged or unmitigated sustainability risks can impact the returns of the sub-funds integrating them into their investment decision. For instance, should an environmental, social or governance event or condition occur, it could cause an actual or a potential material negative impact on the value of an investment. The occurrence of such event or condition may lead as well to the reshuffle of a sub-fund investment strategy, including the exclusion of securities of certain issuers.

Specifically, the likely impact from sustainability risks can affect issuers via a range of mechanisms including: 1) lower revenue; 2) higher costs; 3) damage to, or impairment of, asset value; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific topics such as climate change, the chance of sustainability risks impacting the returns of financial products is likely to increase over longer-term time horizons.

### Alternative Investment Strategies Risks

Alternative investment strategies involve risks that depend on the type of investment strategy: investment risk (specific risk), model risk, portfolio construction risk, valuation risk (when OTC derivative), counterparty risk, credit risk, liquidity risk, leverage risk (risk that losses exceed the initial investment), financial derivative instruments short selling risk (cf. risks due to short selling via financial derivative instruments).

### Cash Collateral Reinvestment Risk

Cash received as collateral may be reinvested, in compliance with the diversification rules specified in the Art. 43 (e) of CSSF Circular 14/592 exclusively in eligible risk free assets. There is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance, the sub-fund would be required to cover the shortfall.

### Collateral Management Risk

Collateral may be used to mitigate counterparty risk. There is a risk that the collateral taken, especially where it is in the form of securities, when realized does not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate collateral pricing, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Please also refer to "Liquidity Risk" above in respect of liquidity risk which may be particularly relevant when collateral takes the form of securities. Where a sub-fund is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral placed is higher than the cash or investments received by the sub-fund. In either case, where there are delays or difficulties in recovering assets or cash,

collateral posted with counterparties, or realising collateral received from counterparties, the sub-funds may face difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

### **Commodity Related Exposure Risk**

A sub-fund's exposure to investments in commodities related instruments presents unique risks. Investing in commodities related instruments, including trading in commodities indices and financial derivative instruments related to commodities, can be extremely volatile. Market prices of commodities may fluctuate rapidly based on numerous factors, including: changes in supply and demand relationships (whether actual, perceived, anticipated, unanticipated or unrealised), weather, agriculture, trade, domestic and foreign political and economic events and policies, diseases, pestilence, technological developments, monetary and other governmental policies.

### **Concentration Risk**

Some sub-funds may have an investment policy that invests a large portion of the assets in a limited number of issuers, industries, sectors or a limited geographical area. Being less diversified, such sub-funds may be more volatile than broadly diversified sub-funds and carry a greater risk of loss.

### **Contingent Convertible Risk**

Contingent convertible securities ("Cocos") are a form of hybrid debt security that are intended to either automatically convert into equity or have their principal written down upon the occurrence of certain "triggers" linked to regulatory capital thresholds or where the issuing banking institution's regulatory authorities considers this to be necessary. CoCos will have unique equity conversion or principal write-down features which are tailored to the issuing banking institution and its regulatory requirements. Some additional risks associated with CoCos are set forth below:

- *Trigger level risk:* Trigger levels differ and determine exposure to conversion risk depending on the capital structure of the issuer. The conversion triggers will be disclosed in the prospectus of each issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.
- *Capital structure inversion risk:* Contrary to classic capital hierarchy, CoCos investors may suffer a loss of capital when equity holders do not, e.g. when a high trigger principal write-down CoCos is activated. These cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCos when equity holders will already have suffered loss. Moreover, high trigger CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger CoCos and equity.
- *Liquidity and concentration risks:* In normal market conditions CoCos comprise mainly realisable investments which can be readily sold. The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons it is not known whether the market will view the issue as an idiosyncratic or systemic event. In the latter case, potential price contagion and volatility to the entire asset class is possible. Furthermore, in an illiquid market, price formation may be increasingly stressed. While diversified from an individual company perspective the nature of the universe means that the fund may be concentrated in a specific industry sector and the Net Asset Value of the sub-fund may be more volatile as a result of this concentration of holdings relative to a sub-fund which diversifies across a larger number of sectors.
- *Valuation risk:* The attractive return on this type of instrument may not be the only criterion guiding the valuation and the investment decision. It should be viewed as a complexity and risk premium, investors have to fully consider the underlying risks.
- *Call extension risk:* as CoCos can be issued as perpetual instruments, investors may not be able to recover their capital if expected on call date or indeed at any date.
- *Risk of coupon cancellation:* with certain types of CoCo Bonds, the payment of coupons is discretionary and may be cancelled by the issuer at any time and for an indeterminate period.

### **Counterparty Risk**

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause. When over-the-counter (OTC) or other bilateral contracts are entered into (inter alia OTC derivatives, repurchase agreements, security lending, etc.), the Company may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts. If counterparty does not live up to its contractual obligations, it may affect investor returns.

### **Credit Risk**

Credit risk, a fundamental risk relating to all fixed income securities as well as Money Market Instruments, is the risk that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer (particularly a sovereign or supranational issuer), are all factors that may have an adverse impact on an issuer's credit quality and security values. Related to credit risk is the risk of downgrade by a rating agency. Rating agencies such as Standard & Poor's, Moody's and Fitch, among others, provide ratings for a wide array of fixed income securities (corporate, sovereign, or supranational) which are based on their creditworthiness. The agencies may change their ratings from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the value of the affected securities.

### **Currency Exchange Risk**

This risk is present in each sub-fund having positions denominated in currencies that differ from its Accounting Currency. If the currency in which a security is denominated appreciates in relation to the Accounting Currency of the sub-fund, the exchange value of the security in the Accounting Currency will appreciate; conversely, a depreciation of the denomination currency will lead to a depreciation in the exchange value of the security. When the manager is willing to hedge the currency exchange risk

of a transaction, there is no guarantee that such operation will be completely effective.

### **Custody Risk**

Assets of the Company are safe kept by the custodian and investors are exposed to the risk of the custodian not being able to fully meet its obligation to reconstitute in a short timeframe all of the assets of the Company in the case of bankruptcy of the custodian. The assets of the Company will be identified in the custodian's books as belonging to the Company. Securities and debt obligations held by the custodian will be segregated from other assets of the custodian which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy. The custodian does not keep all the assets of the Company itself but uses a network of sub-custodians which are not part of the same group of companies as the custodian. Investors are also exposed to the risk of bankruptcy of the sub-custodians. A sub-fund may invest in markets where custodial and/or settlement systems are not fully developed.

### **Derivatives Risk**

The Company may use various derivative instruments to reduce risks or costs or to generate additional capital or income in order to meet the investment objectives of a Sub-Fund. Certain Sub-Funds may also use derivatives extensively and/or for more complex strategies as further described in their respective investment objectives. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks associated with more traditional investments.

The use of derivatives may give rise to a form of leverage, which may cause the Net Asset Value of these Sub-Funds to be more volatile and/or change by greater amounts than if they had not been leveraged, since leverage tends to exaggerate the effect of any increase or decrease in the value of the respective Sub-Funds' portfolio securities. Before investing in Shares, investors must ensure to understand that their investments may be subject to the following risk factors relating to the use of derivative instruments:

- Market risk: Where the value of the underlying asset of a derivative instrument changes, the value of the instrument will become positive or negative, depending on the performance of the underlying asset. For non-option derivatives the absolute size of the fluctuation in value of a derivative will be very similar to the fluctuation in value of the underlying security or reference index. In the case of options, the absolute change in value of an option will not necessarily be similar to the change in value of the underlying because, as explained further below, changes in options values are dependent on a number of other variables.
- Liquidity risk: If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.
- Counterparty risk: When OTC derivative contracts are entered into, the Sub-Funds may be exposed to risks arising from the solvency and liquidity of its counterparties and from their ability to respect the conditions of these contracts. The Sub-Funds may enter into forwards, options and swap contracts, or use other derivative techniques, each of which involves the risk that the counterparty will fail to respect its commitments under the terms of each contract. In order to mitigate the risk, the Company will ensure that the trading of bilateral OTC derivative instruments is conducted on the basis of strict selection and review criteria.
- Settlement risk: Settlement risk exists when a derivative instrument is not settled in a timely manner, thereby increasing counterparty risk prior to settlement and potentially incurring funding costs that would otherwise not be experienced. Should the settlement never occur the loss incurred by the Sub-Fund will correspond to the difference in value between the original and the replacement contracts. If the original transaction is not replaced, the loss incurred by the Sub-Fund will be equal to the value of the contract at the time it becomes void.
- Other risks: Other risks in using derivative instruments include the risk of mispricing or improper valuation. Some derivative instruments, in particular OTC derivative instruments, do not have prices observable on an exchange and so involve the use of formulae, with prices of underlying securities or reference indices obtained from other sources of market price data. OTC options involve the use of models, with assumptions, which increases the risk of pricing errors. Improper valuations could result in increased cash payment requirements to counterparties or a loss of value to the Sub-Funds. Derivative instruments do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to track. Consequently, the Sub-Funds' use of derivative instruments may not always be an effective means of, and sometimes could be counterproductive to, furthering the Sub-Funds' investment objective. In adverse situations, the Sub-Funds' use of derivative instruments may become ineffective and the Sub-Funds may suffer significant losses.

Total Return Swaps (TRS) represent a combined market and credit default derivative and their value will change as a result of fluctuations in interest rates as well as credit events and credit outlook. A TRS involves that receiving the total return is similar in risk profile to actually owning the underlying reference security(ies). Furthermore, these transactions may be less liquid than interest rate swaps as there is no standardisation of the underlying reference index and this may adversely affect the ability to close out a TRS position or the price at which such a close out is transacted. The swap contract is an agreement between two parties and therefore each party bears the other's counterparty risk and collateral is arranged to mitigate this risk. All the revenues arising from TRS will be returned to the relevant Sub-Fund.

### **Distressed Securities Risk**

Distressed securities may be defined as debt securities that are officially in restructuring or in payment default and whose rating (by at least one of the major rating agencies) is lower than CCC-. Investment in distressed securities may cause additional risks for a sub-fund. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and may be subordinated to other outstanding securities and creditors of the issuer. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. Therefore, a sub-fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Recovery of interest and principal may involve additional cost for the relevant sub-fund.

### **SFT Risk**

Efficient portfolio management techniques, such as repurchase and reverse repurchase transactions, involve certain risks. Investors must notably be aware that:

- In the event of the failure of the counterparty with which cash of a sub-fund has been placed, there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral,

adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded.

- Locking cash in transactions of excessive size or duration, delays in recovering cash placed out, or difficulty in realizing collateral may restrict the ability of the sub-fund to meet sale requests, security purchases or, more generally, reinvestment.
- Repurchase transactions will, as the case may be, further expose a sub-fund to risks similar to those associated with financial derivative instruments, which risks are described above.
- In a reverse repurchase transaction, a sub-fund could incur a loss if the value of the purchased securities has decreased in value relative to the value of the cash or margin held by the relevant sub-fund.

### **Emerging Markets Risk**

A sub-fund may invest in less developed or emerging markets. These markets may be volatile and illiquid and the investments of the sub-fund in such markets may be considered speculative and subject to significant delays in settlement. Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the sub-fund will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a sub-fund is unable to acquire or dispose of a security. The risk of significant fluctuations in the net asset value and of the suspension of redemptions in those sub-funds may be higher than for sub-funds investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in emerging markets and assets could be compulsorily acquired without adequate compensation. The assets of a sub-fund investing in such markets, as well as the income derived from the sub-fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of shares of that sub-fund may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such countries may be subject to unexpected closure.

### **Equity Risk**

The risks associated with investments in equity (and similar instruments) include significant fluctuations in prices, negative information about the issuer or market and the subordination of a Company's shares to its bonds. Moreover, such fluctuations are often exacerbated in the short-term. The risk that one or more companies suffer a downturn or fail to grow can have a negative impact on the performance of the overall portfolio at a given time. There is no guarantee that investors will see an appreciation in value. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial investment.

Some sub-funds may invest in initial public offerings ("IPOs"). IPO risk is the risk that the market values of IPO shares may experience high volatility from factors such as the absence of a prior public market, unseasoned trading, the limited number of shares available for trading and limited information about the issuer. Additionally, a sub-fund may hold IPO shares for a very short period of time, which may increase a sub-fund's expenses. Some investments in IPOs may have an immediate and significant impact on a sub-fund's performance.

Sub-funds investing in growth stocks may be more volatile than the market in general and may react differently to economic, political and market developments and to specific information about the issuer. Growth stocks traditionally show higher volatility than other stocks, especially over short periods. These stocks may also be more expensive in relation to their profits than the market in general. Consequently, growth stocks may react with more volatility to variations in profit growth.

### **Extra-financial criteria Investment Risk**

An extra-financial approach may be implemented in a different way by management companies when setting investment management objectives for financial products, in particular in view of the absence of common or harmonized labels at European Level. This also means that it may be difficult to compare strategies integrating Extra-financial criteria to the extent that the selection and weightings applied to select investments may be based on metrics that may share the same name but have different underlying meanings. In evaluating a security based on the Extra-financial criteria, the Investment Manager may also use data sources provided by external Extra-financial research providers. Given the evolving nature of extra-financial field, these data sources may for the time being be incomplete, inaccurate or unavailable. Applying responsible business conduct standards as well as extra-financial criteria in the investment process may lead to the exclusion of securities of certain issuers. Consequently, the Sub-Fund's performance may at times be better or worse than the performance of relatable funds that do not apply such standards.

### **Hedge Share Class Contagion Risk**

Where a Hedged or Return Hedged share class is available in a sub-fund, the use of derivatives that are specific to this share-class may have an adverse impact on other share-classes of the same sub-fund. In particular, the use of a derivative overlay in a currency risk hedged share class introduces potential counterparty and operational risks for all investors in the sub-fund. This could lead to a risk of contagion to other share classes, some of which might not have any derivative overlay in place.

### **High Yield Bond Risk**

When investing in fixed income securities rated below investment grade, there is a higher risk that such the issuer is unable or unwilling to meet its obligations, therefore exposing the sub-fund to a loss corresponding to the amount invested in such security.

### **Market Risk**

Market risk is a general risk that affects all investments. Price for financial instruments are mainly determined by the financial markets and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each relevant country.

### **Legal Risk**

There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, illegality, change in tax or accounting laws. In such circumstances, a sub-fund may be required to cover any losses incurred. Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject to a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions. The use of derivatives may also expose a sub-fund to the risk of loss resulting from changing laws or from the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

#### **Liquidity Risk**

Liquidity risk takes two forms: asset side liquidity risk and liability side liquidity risk. Asset side liquidity risk refers to the inability of a sub-fund to sell a security or position at its quoted price or market value due to such factors as a sudden change in the perceived value or credit worthiness of the position, or due to adverse market conditions generally. Liability side liquidity risk refers to the inability of a sub-fund to meet a redemption request, due to the inability of the sub-fund to sell securities or positions in order to raise sufficient cash to meet the redemption request. Markets where the sub-fund's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities. Reduced liquidity due to these factors may have an adverse impact on the Net Asset Value of the sub-fund and on the ability of the sub-fund to meet redemption requests in a timely manner.

#### **Real Estate Related Exposure Risk**

Sub-funds may indirectly invest in the real estate sector via transferable securities and/or real estate funds. Real estate values rise and fall in response to a variety of factors, including local, regional and national economic conditions, interest rates and tax considerations. When economic growth is slow, demand for property decreases and prices may decline. Property values may decrease because of overbuilding, increases in property taxes and operating expenses, changes in zoning laws, environmental regulations or hazards, uninsured casualty or condemnation losses, or general decline in neighborhood values.

#### **Risks Related to Investments in Some Countries**

Investments in some countries (e.g. China, Greece, India, Indonesia, Japan, Saudi Arabia and Thailand) involve risks linked to restrictions imposed on foreign investors and counterparties, higher market volatility and lack of liquidity. Consequently, some shares may not be available to the sub-fund due to the number of foreign shareholders authorized or if the total investment permitted for foreign shareholders has been reached. In addition, the repatriation by foreign investors of their share, capital and/or dividends may be restricted or require the approval of the government. The Company will only invest if it considers that the restrictions are acceptable. However, no guarantee can be given that additional restrictions will not be imposed in future.

#### **Securitised Products Risk**

Sub-fund investing in securitised products, such as Mortgage-Backed Securities (MBS) and other Asset-Backed Securities (ABS), are exposed to the following risks:

- *Interest rate risk:* Prices may fall as interest rates rise due to fixed coupon rates.
- *Prepayment risk:* The risk that the mortgage holder (the borrower) will pay back the mortgage before its maturity date, which reduces the amount of interest the investor would have otherwise received. Prepayment, in this sense, is a payment in excess of the scheduled principal payment. This situation may arise if the current market interest rate falls below the interest rate of the mortgage, since the homeowner is more likely to refinance the mortgage. Unanticipated prepayments can change the value of some securitised products.
- *Term structure risk:* Monthly principal cash flows cause a ladder structure. The value of securities can be affected by a steepening or flattening of the yield curve.
- *Credit risk:* While the agency market has little or no credit risk, the non-agency market has varying levels of credit risk.
- *Default risk and downgrading risk:* It can be due to the borrower's failure to make timely interest and principal payments when due. Default may result from a borrower's failure to meet other obligations as well as the maintenance of collateral as specified in the Prospectus. An investor's indicator of a security's default can be its credit rating. Because of the credit enhancements required for Asset Backed Securities (ABS) by the rating agencies, the senior tranches are mostly rated triple-A, the highest rating available. The B, C and any lower tranches of an ABS issue are lower-rated or unrated and are designed to absorb any losses before the senior tranches. Prospective buyers of these classes of an issue must decide if the increased risk of default is balanced by the higher returns these classes pay.
- *Liquidity risk:* The market for privately (non – Agency) issued MBS is smaller and less liquid than the market for Agency MBS. The Company will only invest in securitised products that the Investment Manager trusts to be liquid.
- *Legal Risk:* Non-mortgage related ABS may not have the benefit of any legal title on the underlying assets and recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities.

More detailed risk warnings:

- *About MBS and ABS:* The yield characteristics of MBS and other ABS differ from traditional debt securities. A major difference is that the principal amount of the obligation generally may be prepaid at any time because the underlying assets generally may be prepaid at any time. As a result, if an ABS is purchased at a premium, a prepayment rate that is faster than expected will reduce the yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect of increasing the yield to maturity. Conversely, if an ABS is purchased at a discount, faster than expected prepayments will increase the yield to maturity, while slower than expected prepayments will decrease the yield to maturity. Generally, pre-payments on fixed-rate mortgage loans will increase during a period of falling interest rates and decrease during a period of rising interest rates. MBS and ABS may also decrease in value as a result of increases in interest rates and, because of prepayments, may benefit less than other fixed income securities from declining interest rates. Reinvestment of prepayments may occur at lower interest rates than the original investment, thus adversely affecting a sub-fund's yield. Actual prepayment experience may cause the yield of ABS to differ from what was assumed when the Company purchased the security.
- *About Collateralised Mortgage Obligation (MBO), Collateralised Bond Obligation (CBO), Collateralised Debt Obligation (CDO) and Collateralised Loan Obligation (CLO):* Classes or tranches may be specially structured in a manner that provides any of a wide variety of investment characteristics, such as yield, effective maturity and interest rate sensitivity.

As market conditions change, however, and especially during periods of rapid or unanticipated changes in market interest rates, the attractiveness of some CDO tranches and the ability of the structure to provide the anticipated investment characteristics may be significantly reduced. These changes can result in volatility in the market value, and in some instances reduced liquidity, of the CDO tranches. Certain tranches of CMOs are structured in a manner that makes them extremely sensitive to changes in prepayments rates. IO (Interest Only) and PO (Principal Only) tranches are examples of this. IO tranches are entitled to receive all or a portion of the interest, but none (or only a nominal amount) of the principal payments, from the underlying mortgage assets. If the mortgage assets underlying of an IO experience greater than anticipated principal prepayments, the total amount of interest payments allocable to the IO Class, and therefore the yield to investors, generally will be reduced. In some instances, an investor in an IO may fail to recover all of its initial investment, even when the securities are government guaranteed or considered to be of the highest quality (rated AAA or the equivalent). Conversely, PO Classes are entitled to receive all or a portion of the principal payments, but none of the interest, from the underlying mortgage assets. PO Classes are purchased at substantial discounts from par, and the yield to investors will be reduced if principal prepayments are slower than expected. Some IOs and POs, as well as other CMO tranches, are structured to have special protections against the effect of prepayments. However, these structural protections normally are effective only within certain ranges of prepayments rates and thus will not protect investors in all circumstances. Inverse floating rate CMO Classes also may be extremely volatile. These tranches pay interest at a rate that decreases when a specified index of market rates increases.

#### **Small Cap, Specialised or Restricted Sectors Risk**

Sub-funds investing in small caps or specialised or restricted sectors are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions. Smaller companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating-rate.

#### **Sukuk risk**

The risk of loss arising from investing in Sukuk instruments, which may fluctuate in value due to the impact of macro-economic factors on the supply and demand for financing or the willingness or ability of the counterparty (sovereign, sovereign-related, or corporate) to make payments according to the terms of the Sukuk. Shariah compliance risk: The risk that the restriction to invest only in Shariah-compliant securities may place the sub-fund at a comparative disadvantage vs. funds that do not have this restriction. Returns to shareholders may also be reduced due to payments to Shariah approved charities to "purify" dividends.

#### **Swing Pricing Risk**

The actual cost of purchasing or selling the underlying investments of a sub-fund may be different from the carrying value of these investments in the sub-fund's valuation. The difference may arise due to dealing and other costs (such as taxes) and/or any spread between the buying and selling prices of the underlying investments. These dilution costs can have an adverse effect on the overall value of a sub-fund and thus the net asset value per share may be adjusted in order to avoid disadvantaging the value of investments for existing shareholders.

#### **Tracking Error Risk**

The performance of the sub-fund may deviate from the actual performance of the underlying index due to factors including but not limited to liquidity of the index constituents, possible stock suspensions, trade band limits decided by the stock exchanges, changes in taxation of capital gains and dividends, discrepancies between the tax rates applied to the sub-fund and to the index on capital gains and dividends, limitations or restrictions on foreign investors ownership of shares imposed by the governments, fees and expenses, changes to the underlying index and operational inefficiencies. In addition, the sub-fund may not be able to invest in certain securities included in the underlying index or invest in them in the exact proportions they represent of the index due to legal restrictions imposed by the governments, a lack of liquidity on stock exchanges or other reasons. There could be other factors which can impact the Tracking Error.

#### **Warrant Risk**

Warrants are complex, volatile, high-risk instruments. One of the principal characteristics of warrants is the "leverage effect" whereby a change in the value of the underlying asset can have a disproportionate effect on the value of the warrant. There is no guarantee that, in the event of an illiquid market, it will be possible to sell the warrant on a secondary market.

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## APPENDIX 4 - LIQUIDATION, MERGER, TRANSFER AND SPLITTING PROCEDURES

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### **Liquidation, Merger, Transfer and Splitting of Sub-funds**

The Board of Directors shall have sole authority to decide on the effectiveness and terms of the following, under the limitations and conditions prescribed by the Law:

- 1) either the pure and simple liquidation of a sub-fund;
- 2) or the closure of a sub-fund (merging sub-fund) by transfer to another sub-fund of the Company;
- 3) or the closure of a sub-fund (merging sub-fund) by transfer to another UCI, whether incorporated under Luxembourg law or established in another member state of the European Union;
- 4) or the transfer to a sub-fund (receiving sub-fund) a) of another sub-fund of the Company, and/or b) of a sub-fund of another collective investment undertaking, whether incorporated under Luxembourg law or established in another member state of the European Union, and/or c) of another collective investment undertaking, whether incorporated under Luxembourg law or established in another member state of the European Union;
- 5) or the splitting of a sub-fund.

The splitting techniques will be the same as the merger one foreseen by the Law.

As an exception to the foregoing, if the Company should cease to exist as a result of such a merger, the effectiveness of this merger must be decided by a General Meeting of Shareholders of the Company resolving validly whatever the portion of the capital represented. The resolutions are taken by a simple majority of the votes expressed. The expressed votes do not include those attached to the shares for which the shareholder did not take part in the vote, abstained or voted white or no.

To avoid any investment breach due to merger, and in the interest of the shareholders, the investment manager might need to rebalance the portfolio of the Merging sub-fund before the merger. Such rebalancing shall be compliant with the investment policy of the Receiving sub-fund.

In the event of the pure and simple liquidation of a sub-fund, the net assets shall be distributed between the eligible parties in proportion to the assets they own in said sub-fund. The assets not distributed within nine months of the date of the decision to liquidate shall be deposited with the Public Trust Office (Caisse de Consignation) until the end of the legally specified limitation period.

Pursuant to this matter, the decision adopted at the level of a sub-fund may be adopted similarly at the level of a category or a class.

### **Liquidation of a Feeder Sub-fund**

A Feeder sub-fund will be liquidated:

- a) when the Master is liquidated, unless the CSSF grants approval to the feeder to:
  - (i) invest at least 85% of the assets in units, or shares of another Master; or
  - (ii) amend its investment policy in order to convert into a non-Feeder.
- b) when the Master merges with another UCITS, or sub-fund or is divided into two or more UCITS, or sub-fund unless the CSSF grants approval to the feeder to:
  - (i) continue to be a Feeder of the same Master or the Master resulting from the merger or division of the Master;
  - (ii) invest at least 85% of its assets in units, or shares of another Master; or
  - (iii) amend its investment policy in order to convert into a non-Feeder.

### **Dissolution and Liquidation of the Company**

The Board of Directors may, at any time and for any reason whatsoever, propose to the General Meeting the dissolution and liquidation of the Company. The General Meeting will give its ruling in accordance with the same procedure as for amendments to the Articles of Association.

If the Company's capital falls below two-thirds of the minimum legal capital, the Board of Directors may submit the question of the Company's dissolution to the General Meeting. The General Meeting, for which no quorum is applicable, will decide based on a simple majority of the votes of shareholders present or represented, account shall not be taken of abstentions.

If the Company's capital falls below one-quarter of the minimum legal capital, the Board of Directors shall submit the question of the Company's dissolution to the General Meeting. The General Meeting, for which no quorum is applicable, will decide based on a part of one-quarter of the votes of shareholders present or represented, account shall not be taken of abstentions.

In the event of the Company's dissolution, the liquidation will be conducted by one or more liquidators that may be individuals or legal entities. They will be appointed by the General Shareholders' Meeting, which will determine their powers and remuneration, without prejudice to the application of the Law.

The net proceeds of the liquidation of each sub-fund, category or class will be distributed by the liquidators to the shareholders of each sub-fund, category or class in proportion to the number of shares they hold in the sub-fund, category, or class.

In the case of straightforward liquidation of the Company, the net assets will be distributed to the eligible parties in proportion to the shares held in the Company. Net assets not distributed at the time of the closure of the liquidation and at the latest within a maximum period of nine months effective from the date of the liquidation will be deposited at the Public Trust Office (*Caisse de Consignation*) until the end of the legally specified limitation period.

The calculation of the net asset value, and all subscriptions, conversions and redemptions of shares in these sub-funds, categories, or classes will also be suspended throughout the liquidation period.

The General Meeting must be held within forty days of the date on which it is ascertained that the Company's net assets have fallen below the minimum legal threshold of two-thirds or one-quarter, as applicable.

# BOOK II

# BNP PARIBAS FLEXI I ABS Europe AAA

## Investment objective

To increase the value of its assets over the medium term.

## Investment policy

The sub-fund seeks to be exposed primarily to the European securitisation market, by investing up to 100% of its net assets in Structured Debt Securities, such as ABS, RMBS and CLO.

In addition, the sub-fund may also invest for up to 49% of its net assets in any other type of international fixed income instruments (*inter alia* bonds, EMTNs and all types of negotiable debt securities, whether fixed and/or variable rate), Money Market Instruments or cash.

The sub-fund will not invest more than 10% of its net assets in shares or units issued by UCITS or other UCIs.

With respect to rated securities, the sub-fund may only invest in securities rated AAA (Standard & Poor's, Fitch or DBRS) or rated Aaa (Moody's), or whose credit quality is deemed equivalent by the manager, on their respective purchase date. These securities will be kept by the sub-fund only if, on the last business day of each quarter, they are rated "AA-" or higher (S&P or Fitch) or "AA Low" or higher (DBRS) or "Aa3" or higher (Moody's), or whose credit quality is deemed equivalent by the manager.

### Investment in Structured Debt Securities

The sub-fund will invest in majority in securities which rank senior in the payment priority of the issuing vehicle. The sub-fund may invest up to 100% of its net assets in the most senior classes outstanding (which rank amongst the top ones remaining in terms of payment priorities), with a maximum weighted average expected repayment maturity (as measured by the "Weighted Average Life" or "WAL") of 6 years (for CLO securities) or 5 years (for other Structured Debt Securities).

The sub-fund will not invest more than:

- 30% of its net assets in any single type of Structure Debt Securities, as defined on the basis of the underlying assets types (such as Prime RMBS, Buy-to-Let, Auto Loans, Leases, SME loans, large corporate loans, etc.);
- 30% of its net assets in Structured Debt Securities backed by underlying assets originated in any single country.

As exceptions to the two limits mentioned above, the sub-fund may invest:

- up to 10% of its net assets in Structured Debt Securities backed by underlying assets originated in Greece, Ireland, Italy, Portugal or Spain. The combined exposure in relation to these five countries should not exceed 30% of the sub-fund's net assets;
- up to 40% of its net assets in CLO securities taken broadly, with up to 10% of the sub-fund's net assets in US CLOs (primarily backed by US corporate loans);
- up to 20% of its net assets in Dutch RMBS.

### Additional constraints

Securities composing the portfolio shall be denominated in a currency of member countries of the OECD.

After hedging, the sub-fund's exposure to currencies other than the EUR will not exceed 5%.

The sub-fund's overall sensitivity to the credit spreads may fluctuate between 0 and 3 years.

The sub-fund's sensitivity to interest rate movements may vary between -1 and 3 years.

### Financial derivative instruments

The manager may use futures, currency futures, options or swaps (in particular interest rate swaps, currency swaps or single-issuer credit default swaps (CDS) and index-based CDS), for hedging purposes or for achieving its investment objective.

The sub-fund may also invest in securities with embedded derivatives such as Structured Debt Securities, structured EMTNs and structured credit-linked notes (CLN). The use of securities with embedded derivatives aims to achieve the sub-fund's management objective by allowing exposure to a credit risk in line with the sub-fund's strategy.

The maximum loss incurred on these instruments may amount to their purchase price.

### Repurchase transactions and Reverse Repurchase transactions

Repurchase transactions and Reverse Repurchase transactions are used for efficient portfolio management with the aim of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund as long as the conditions set out in Appendix 2 of Book I are met.

### Sustainable investment Policy

The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, as set out in Book I. As such, the RBC, the ESG Integration as well as the Stewardship policies are fully incorporated in the investment process of this sub-fund.

In addition, the following binding criteria also apply to its investment strategy:

- the sub-fund invests at least 75% of its assets in securities issued by issuers evaluated against the ESG criteria, while

# BNP PARIBAS FLEXI I ABS Europe AAA

- the average portfolio ESG score of the sub-fund is higher than the one of its investment universe.

## **Information relating to SFDR**

The Sub-fund promotes environmental and / or social and governance characteristics in accordance with article 8 of SFDR.

## **Risk profile**

Specific sub-fund risks:

- Credit Risk
- Extra-Financial Criteria Investment Risk
- SFT Risk
- Liquidity Risk
- Securitised Products Risk

## **Investor type profile**

This sub-fund is suitable for investors who:

- Are looking for a diversification of their investments in fixed income securities;
- Can accept low to medium market risks.

## **Accounting currency**

EUR

## **Share Categories**

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1815416448	No	EUR	None
Classic	DIS	LU1992156395	Annual	EUR	
Classic MD	DIS	LU1992156478	Monthly	EUR	
Classic H USD MD	DIS	LU1931955394	Monthly	USD	
Classic H SGD MD	DIS	LU1931955477	Monthly	SGD	
Privilege	CAP	LU1815416521	No	EUR	
Privilege	DIS	LU1992156551	Annual	EUR	
I	CAP	LU1815416794	No	EUR	
I	DIS	LU1992156635	Annual	EUR	
I MD	DIS	LU1992156718	Monthly	EUR	
IH USD MD	DIS	LU1931955550	Monthly	USD	
I Plus	CAP	LU1815416877	No	EUR	
I Plus QD	DIS	LU2324805303	Quarterly	EUR	
X	CAP	LU1815416950	No	EUR	
X	DIS	LU1992156809	Annual	EUR	

All these share classes are not necessarily active.

## **Fees payable by the sub-fund**

Category	Management(max)	Performance (max)	Distribution(max)	Other(max)	TAB <sup>(1)</sup>
Classic	0.60%	none	none	0.20%	0.05%
Privilege	0.30%				
I	0.20%			0.10%	0.01%
I Plus	0.10%				
X	None				

<sup>(1)</sup> *Taxe d'abonnement: in addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

# BNP PARIBAS FLEXI I ABS Europe AAA

## **Additional information**

### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg and France (a "Valuation Day"), there is a corresponding NAV which is dated the same day unless 50% or more of the underlying assets cannot be valued.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

<b>Centralisation of orders</b>	<b>Orders Trade Date</b>	<b>NAV calculation and publication date</b>	<b>Orders Settlement Date</b>
12:00 CET on the bank business day preceding the Valuation Day (D-1)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1) (2)</sup>

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."

### **Historical information:**

Sub-fund launched on January 25, 2019 following the transfer of the "I – CAP/DIS", "X – CAP/DIS" and "Privilege – CAP/DIS" unit classes of the French FCP BNP PARIBAS ABS Europe AAA.

Change of SFDR classification to Article 8 on January 10, 2022.

### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I ABS Europe IG

## **Investment objective**

To increase the value of its assets over the medium term.

## **Investment policy**

The sub-fund seeks to be exposed primarily to the European securitisation market, by investing up to 100% of its net assets in senior and mezzanine Structure Debt Securities, such as ABS, RMBS and CLO.

The Fund may invest in majority in investment grade mezzanine Structured Debt Securities, such as ABS, RMBS and CLO.

In addition, the sub-fund may also invest for up to 49% of its net assets in any other type of international fixed income instruments (*inter alia* bonds, EMTNs and all types of negotiable debt securities, whether fixed and/or variable rate), Money Market Instruments or cash.

The sub-fund will not invest more than 10% of its net assets in shares or units issued by UCITS or other UCIs.

With respect to rated securities other than CLOs, the sub-fund may only be exposed to securities rated "BBB-" or higher (Standard & Poor's or Fitch) or "BBB Low" or higher (DBRS) or "Baa3" or higher (Moody's), or whose credit quality is deemed equivalent by the manager on their respective purchase date.

Regarding CLO securities, the sub-fund may only be exposed to securities rated "A-" or higher (Standard & Poor's or Fitch) or "A Low" or higher (DBRS) or "A3" or higher (Moody's), or whose credit quality is deemed equivalent by the manager on their respective purchase date.

## **Additional constraints**

Securities composing the portfolio shall be denominated in a currency of member countries of the OECD.

After hedging, the sub-fund's exposure to currencies other than the EUR will not exceed 5%.

The sub-fund's overall sensitivity to the credit spreads may fluctuate between 0 and 15 years.

The sub-fund's sensitivity to interest rate movements may vary between -1 and 5 years.

## **Financial derivative instruments**

The manager may use forwards (such as currency futures), futures, options or swaps (such as interest rate swaps, currency swaps, single-issuer credit default swaps (CDS) and, on an ancillary basis, index-based CDS and tranche-based CDS), for hedging purposes or for achieving its investment objective.

The sub-fund may also invest in securities with embedded derivatives such as Structured Debt Securities, structured EMTNs and structured credit-linked notes (CLN). The use of securities with embedded derivatives aims to achieve the sub-fund's management objective by allowing exposure to a credit risk in line with the sub-fund's strategy.

The maximum loss incurred on these instruments may amount to their purchase price.

## **Repurchase transactions and Reverse Repurchase transactions**

Repurchase transactions and Reverse Repurchase transactions are used for efficient portfolio management with the aim of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund as long as the conditions set out in Appendix 2 of Book I are met.

## **Sustainable investment Policy**

The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, as set out in Book I. As such, the RBC, the ESG Integration as well as the Stewardship policies are fully incorporated in the investment process of this sub-fund.

In addition, the following binding criteria also apply to its investment strategy:

- the sub-fund invests at least 75% of its assets in securities issued by issuers evaluated against the ESG criteria, while
- the average portfolio ESG score of the sub-fund is higher than the one of its investment universe.

## **Information relating to SFDR**

The Sub-fund promotes environmental and / or social and governance characteristics in accordance with article 8 of SFDR.

## **Risk profile**

Specific sub-fund risks:

- Credit Risk
- Extra-Financial Criteria Investment Risk
- SFT Risk
- Liquidity Risk
- Securitised Products Risk

# BNP PARIBAS FLEXI I ABS Europe IG

## Investor type profile

This sub-fund is suitable for investors who:

- Are looking for a diversification of their investments in fixed income securities;
- Can accept low to medium market risks.

## Accounting currency

EUR

## Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1815417172	No	EUR	None
Classic	DIS	LU1992156981	Annual	EUR	
Classic MD	DIS	LU1992157013	Monthly	EUR	
Classic H USD MD	DIS	LU1931955634	Monthly	USD	
Classic H SGD MD	DIS	LU1931955717	Monthly	SGD	
Privilege	CAP	LU1815417255	No	EUR	
Privilege	DIS	LU1992157104	Annual	EUR	
I	CAP	LU1815417339	No	EUR	
I	DIS	LU1992157286	Annual	EUR	
I MD	DIS	LU1992157369	Monthly	EUR	
IH USD MD	DIS	LU1931955808	Monthly	USD	
X	CAP	LU1815417412	No	EUR	
X	DIS	LU1992157443	Annual	EUR	

All these share classes are not necessarily active.

## Fees payable by the sub-fund

Category	Management(max)	Performance (max)	Distribution(max)	Other(max)	TAB <sup>(2)</sup>
Classic	0.70%	Yes <sup>(1)</sup>	none	0.25%	0.05%
Privilege	0.35%			0.20%	
I	0.25%			0.17%	0.01%
X	None				

- <sup>(1)</sup> 15% above EURIBOR 3 Months\* as hurdle rate + 1,50%  
 15% above LIBOR USD 3M\*\* as hurdle rate + 1,50% for USD share classes  
 15% above SIBOR 3M\*\*\* as hurdle rate + 1,50% for SGD share classes

- <sup>(2)</sup> Taxe d'abonnement: in addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.

\* with "European Central Bank" as Benchmark Index administrator, Central Bank exempt from registration in the Benchmark Register.

\*\*The Benchmark Libor USD 3M is published by ICE Benchmark Administration Limited. Following Brexit, ICE Benchmark Administration Limited, the Benchmark Index administrator, is no longer registered in the Benchmark Register. Since January 1st, 2021, ICE 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 January 1st 2024. During this time the ICE Benchmark Administration Limited can either be granted the UK "equivalence" by the European Union or "endorsement" or "recognition" as per Regulation 2016/1011

\*\*\*The Benchmark SIBOR 3M is published by Association of Banks in Singapore (ABS)" as Benchmark Index administrator, not registered in the Benchmark Register at the date of this Prospectus

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

# BNP PARIBAS FLEXI I ABS Europe IG

## **Additional information**

### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg and France (a "Valuation Day"), there is a corresponding NAV which is dated the same day unless 50% or more of the underlying assets cannot be valued.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

<b>Centralisation of orders</b>	<b>Orders Trade Date</b>	<b>NAV calculation and publication date</b>	<b>Orders Settlement Date</b>
12:00 CET on the bank business day preceding the Valuation Day (D-1)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1) (2)</sup>

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."

### **Historical information:**

Sub-fund launched on January 25, 2019 following the transfer of the "I – CAP/DIS", "X – CAP/DIS" and "Privilege – CAP/DIS" unit classes of the French FCP BNP PARIBAS ABS Europe IG.

Change of SFDR classification to Article 8 on January 10, 2022.

### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I ABS Opportunities

## **Investment objective**

To increase the value of its assets over the medium term.

## **Investment policy**

The sub-fund seeks to be exposed primarily to the European securitisation market, by investing up to 100% of its net assets in Structured Debt Securities, such as ABS, RMBS and CLO.

In addition, the sub-fund may also invest for up to 49% of its net assets in any other type of international fixed income instruments (*inter alia* bonds, EMTNs and all types of negotiable debt securities, whether fixed and/or variable rate), Money Market Instruments or cash.

The sub-fund will not invest more than 10% of its net assets in shares or units issued by UCITS or other UCIs.

The sub-fund is not subject to any restriction in terms of issuer's rating and may be exposed to non-rated securities. The Fund may invest in majority in mezzanine and junior tranches of Structured Debt Securities such as ABS, RMBS and CLO (including non-investment grade mezzanine tranches, equity tranches, non-rated securities). However, the sub-fund shall invest a minimum of 30% of its net assets in securities rated "BBB-" or higher (Standard & Poor's or Fitch) or "BBB Low" or higher (DBRS) or "Baa3" or higher (Moody's), or whose credit quality is deemed equivalent by the manager on their purchase date. The sub-fund may invest up to 70% in non-investment grade and not rated Structured Debt Securities, such as ABS, RMBS and CLO.

## **Additional constraints**

Securities composing the portfolio shall be denominated in a currency of member countries of the OECD.

After hedging, the sub-fund's exposure to currencies other than the EUR will not exceed 5%.

The sub-fund's overall sensitivity to relevant credit spreads may fluctuate between 0 and 30 years.

The sub-fund's sensitivity to interest rate movements may vary between -1 and 10 years.

## **Financial derivative instruments**

The manager may use forwards (such as currency futures), futures, options or swaps (such as currency swaps, interest rate swaps, single-issuer credit default swaps (CDS), index-based CDS and tranche-based CDS), for hedging purposes or for achieving its investment objective.

The sub-fund may also invest in securities with embedded derivatives such as Structured Debt Securities, structured EMTNs and structured credit-linked notes (CLN). The use of securities with embedded derivatives aims to achieve the sub-fund's management objective by allowing exposure to a credit risk in line with the sub-fund's strategy.

The maximum loss incurred on these instruments may amount to their purchase price.

## **Repurchase transactions and Reverse Repurchase transactions**

Repurchase transactions and Reverse Repurchase transactions are used for efficient portfolio management with the aim of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund as long as the conditions set out in Appendix 2 of Book I are met.

## **Sustainable investment Policy**

The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, as set out in Book I. As such, the RBC, the ESG Integration as well as the Stewardship policies are fully incorporated in the investment process of this sub-fund.

In addition, the following binding criteria also apply to its investment strategy:

- the sub-fund invests at least 75% of its assets in securities issued by issuers evaluated against the ESG criteria, while
- the average portfolio ESG score of the sub-fund is higher than the one of its investment universe.

## **Information relating to SFDR**

The Sub-fund promotes environmental and / or social and governance characteristics in accordance with article 8 of SFDR.

## **Risk profile**

Specific sub-fund risks:

- Credit Risk
- Extra-Financial Criteria Investment Risk
- SFT Risk
- High Yield Bond Risk
- Liquidity Risk

# BNP PARIBAS FLEXI I ABS Opportunities

- Securitised Products Risk

## Investor type profile

This sub-fund is suitable for investors who:

- Are looking for a diversification of their investments in fixed income securities;
- Can accept medium market risks.

## Accounting currency

EUR

## Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1815417503	No	EUR	None
Classic	DIS	LU1815417685	Annual	EUR	
Classic MD	DIS	LU1992157526	Monthly	EUR	
Classic H USD MD	DIS	LU1931955980	Monthly	USD	
Classic H SGD MD	DIS	LU1931956012	Monthly	SGD	
Classic H CZK	CAP	LU2027600233	No	CZK	
Privilege	CAP	LU1815417768	No	EUR	
Privilege	DIS	LU1815417842	Annual	EUR	
I	CAP	LU1815417925	No	EUR	
I	DIS	LU1815418063	Annual	EUR	
I MD	DIS	LU1992157799	Monthly	EUR	
IH USD MD	DIS	LU1931956103	Monthly	USD	
X	CAP	LU1815418147	No	EUR	
X	DIS	LU1815418220	Annual	EUR	
X2	CAP	LU2212611862	No	EUR	

As an exception to the provisions of Book I of the prospectus:

- The minimum holding amount for the Classic share class is set at 10.000,- in the Reference Currency
- This sub-fund is reserved to "sophisticated investors", meaning investors with sufficient investment knowledge and experience to measure risks and opportunities of a specific investment.

All these share classes are not necessarily active.

## Fees payable by the sub-fund

Category	Management(max)	Performance (max)	Distribution(max)	Other(max)	TAB <sup>(2)</sup>
Classic	1.00%	Yes <sup>(1)</sup>	none	0.30%	0.05%
Privilege	0.50%			0.20%	
I	0.45%			0.17%	0.01%
X	None				
X2					

- <sup>(1)</sup> 15% above EURIBOR 3 Months\* as hurdle rate + 3,50%  
 15% above LIBOR USD 3M\*\* as hurdle rate + 3,50% for USD share classes  
 15% above SIBOR 3M\*\*\* as hurdle rate + 3,50% for SGD share classes  
 15% above PRIBOR CZK 3M\*\*\*\* as hurdle rate + 3,50% for CZK share classes

- <sup>(2)</sup> Taxe d'abonnement: in addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.

\* with "European Central Bank" as Benchmark Index administrator, Central Bank exempt from registration in the Benchmark Register.

# BNP PARIBAS FLEXI I ABS Opportunities

**\*\*** The Benchmark *Libor USD 3M* is published by ICE Benchmark Administration Limited. Following Brexit, ICE Benchmark Administration Limited, the Benchmark Index administrator, is no longer registered in the Benchmark Register. Since January 1st, 2021, ICE 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 January 1st 2024. During this time the ICE Benchmark Administration Limited can either be granted the UK “equivalence” by the European Union or “endorsement” or “recognition” as per Regulation 2016/1011

**\*\*\*** The Benchmark *SIBOR 3M* is published by Association of Banks in Singapore (ABS) as Benchmark Index administrator, not registered in the Benchmark Register at the date of this Prospectus

**\*\*\*\*** The Benchmark *PRIBOR CZK 3M* is published by the Czech Financial Benchmark Facility s.r.o., a benchmark Index administrator registered in the Benchmark Register at the date of this Prospectus.

## **Additional information**

### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg and France (a “Valuation Day”), there is a corresponding NAV which is dated the same day unless 50% or more of the underlying assets cannot be valued.

It is available at the Company’s registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Terms of subscription and conversion in:**

Subscription and conversion in orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
12:00 CET on the bank business day preceding the Valuation Day (D-1)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1) (2)</sup>

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the “Orders Settlement Date” occurs before or on the same day of the “NAV calculation and publication date”, the “Orders Settlement Date” will instead happen the next bank business day following the “NAV calculation and publication date.”

### **Terms of redemption and conversion out:**

Redemption and conversion out orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
12:00 CET on the tenth bank business day preceding the Valuation Day (D-10)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1) (2)</sup>

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the “Orders Settlement Date” occurs before or on the same day of the “NAV calculation and publication date”, the “Orders Settlement Date” will instead happen the next bank business day following the “NAV calculation and publication date.”

### **Historical information:**

Sub-fund launched on February 06, 2019 following the transfer of the “I – CAP/DIS”, “X – CAP/DIS” and “Privilege – CAP/DIS” unit classes of the French FCP BNP PARIBAS ABS Opportunities.

Change of SFDR classification to Article 8 on January 10, 2022.

### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I BOND NORDIC INVESTMENT GRADE

## **Master-feeder structure**

This sub-fund is involved in a master-feeder structure as a feeder sub-fund ("The Feeder").

The master fund ("the Master") is "ALFRED BERG Nordic Investment Grade", a Norwegian UCITS governed by the provisions of the Directive 2009/65 which has appointed Alfred Berg Kapitalforvaltning AS as its management company.

The prospectus, KIID, Articles of Association and periodical reports of the Master are available on the website [www.alfredberg.no](http://www.alfredberg.no).

The agreement between the Master and Feeder relating to the providing of all documents and information necessary for the latter to meet the requirements laid down to the UCITS regulation, and all other information concerning the Master are available upon request to the Management Company.

The Master and the Feeder have taken appropriate measures to coordinate the timing of their NAV calculation and publication in order to avoid Market Timing in their shares, preventing arbitrage opportunities.

## **Investment objective**

### *Investment Objective of the Feeder*

Invest in the Master.

### *Investment Objective of the Master*

Increase the value of its assets over the medium term.

## **Investment policy**

### *Investment policy of the Feeder:*

This Feeder invests at least 85% of its assets in the Master through the use of « INST » shares category denominated in NOK.

The remaining portion, namely a maximum of 15% of its assets, may be invested in ancillary liquid assets (such as cash and/or money market instruments).

### *Investment policy of the Master:*

The fund primarily invests in Nordic bonds and money market instruments. The issuers of the bonds and money market instruments are primarily states, municipalities, counties, industrial enterprises and financial institutions with an investment grade credit rating of BBB-/Baa3 or better. Issuers will primarily be Nordic but up to 20% of the fund may be invested in securities issued by non-Nordic companies. Up to 10 % of the portfolio can be invested in instruments having a credit risk rated below investment grade, though not lower than BB/Baa2. Up to 15 % of the portfolio may be invested in subordinated capital if the issuers have a credit rating of BBB+/Baa1 or better. The fund is not permitted to invest in credit default swaps (CDS). The Fund will invest in instruments issued in NOK, SEK, DKK, EUR and USD. The fund will be denominated in NOK. All investments denominated in currencies other than NOK will be hedged to NOK. Alfred Berg Nordic Investment Grade is an actively managed fund. The portfolio's composition will be the result of the fund manager's view of the quality of individual issuers, of relative value among issuers, sectors and markets, and of possible changes in the market's structure and framework conditions.

The interest rate risk of the fund, as measured by modified duration, will normally be low/moderate, and will at all times be below 1. During periods of falling interest rates, the fund is expected to achieve low to moderate price appreciation in the bonds held in the portfolio, thus affecting the fund's total return to a limited extent. Similarly, in a market with rising interest rates, the fund is only expected to experience low to moderate price declines in the bonds. The fund has a moderate credit risk and is well diversified, but will nevertheless be affected by changes in the market's assessment of credit spread for individual issuers or sectors. The fund is a UCITS fund, and has the ability to invest in derivatives.

## **Derivatives and Securities Financing Transactions**

Core financial derivative instruments may be used for hedging purposes only as described in points 2 and 3 of Appendix 2 of Book I.

## **Information relating to SFDR and Taxonomy Regulation**

The Sub-fund is not categorized under Article 8 or Article 9 SFDR.

The Taxonomy Regulation aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable.

Thus, the EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. Moreover, not all activities that can make a substantial contribution to environmental as well as social objectives are yet part of the Taxonomy Regulation.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

# BNP PARIBAS FLEXI I BOND NORDIC INVESTMENT GRADE

## Risk profile

### Specific Feeder risks:

- Same as Master risks

### Specific Master Risks:

- Credit Risk
- Derivative Risk

For an overview of generic risks, please refer to the Appendix 3 of Book I of the Prospectus.

## Investor type profile

This sub-fund is suitable for investors who:

- Are looking for a diversification of their investments in fixed income securities;
- Can accept low to medium market risks.

## Accounting Currency

NOK

## Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU2020652876	No	NOK	None
Classic	DIS	LU2020652959	Annual	NOK	
Classic EUR	CAP	LU2020653098	No	EUR	
Classic EUR	DIS	LU2020653171	Annual	EUR	
Classic H EUR	DIS	LU2020653254	Annual	EUR	
Privilege	DIS	LU2020653338	Annual	NOK	
Privilege EUR	CAP	LU2020653411	No	EUR	
Privilege H EUR	DIS	LU2020653502	Annual	EUR	
I	CAP	LU2020653684	No	NOK	

All these share classes are not necessarily active.

## Fees payable by the sub-Fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)(2)</sup>	Aggregate Charges Master-Feeder <sup>(2)</sup> (maximum)
Classic	0.50%	None	None	0.25%	0.05%	1.10%
Privilege	0.25%			0.20%		0.85%
I	0.20%			0.17%	0.01%	0.68%

<sup>(1)</sup> *Taxe d'abonnement*

<sup>(2)</sup> *In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

# BNP PARIBAS FLEXI I BOND NORDIC INVESTMENT GRADE

The Feeder will not support subscription or redemption fee for its investments in the Master.

Indirect fee: 1.00% maximum

## Additional information

### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day unless the net asset value of the Master is not calculated.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

### **Terms of subscription / conversion / redemption:**

Subscription, conversion and redemption orders will be processed at an unknown net asset value in accordance with the rules set out below, only on trading days common to Luxembourg and Norway. The time mentioned is Luxembourg time. Subscriptions in kind are not authorised.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the day preceding the Valuation Day (D-1)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum two bank business days after the Valuation Day <sup>(1)(2)</sup> (D+2)

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date".

### **Historical information:**

Sub-fund launched on February 14, 2020 following the absorption of the sub-fund "PARWORLD Bond Nordic Investment Grade".

### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I BOND WORLD EMERGING INVESTMENT GRADE

## **Investment objective**

To increase the value of its assets over the medium term.

## **Investment policy**

This sub-fund invests at least 90% of its assets in investment grade bonds or other investment grade fixed income instruments issued by emerging countries (Non OECD countries as at 1 January 1994 as well as Turkey, and Greece), and by companies that have their registered offices in or conduct the majority of their business activity in one of these countries (including SUKUK for a maximum investment of 20% of the assets of the sub-fund), and also in financial derivative instruments on this type of asset. The sub-fund may not be invested in securities with a rating below BBB- (S&P or Fitch) or Baa3 (Moody's). In the event the rating criteria are no longer met, the manager will aim to adjust the composition of the portfolio in the interest of the shareholders within 6 months. The definition of the rating follows the following principles: In the case of securities rated by two or three agencies, one or two best rates among rates available rule will be considered. In the case of securities rated by two agencies, the best rating among the two available will be taken. In the case of securities rated by three agencies, the two best ratings among the three available will be taken.

The remaining portion, namely a maximum of 10% of its assets, may be invested in fixed income instruments, convertible bonds, money market instruments, equity exposures resulting from previously-held fixed income exposures or cash, and up to 10% of its assets may be invested in UCITS or UCI.

After hedging, the sub-fund's exposure to currencies other than EUR will not exceed 5%.

## **Derivatives and Securities Financing Transactions**

Core financial derivative instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

## **Information relating to SFDR and Taxonomy Regulation**

The Sub-fund is not categorized under Article 8 or Article 9 SFDR.

The Taxonomy Regulation aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable.

Thus, the EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. Moreover, not all activities that can make a substantial contribution to environmental as well as social objectives are yet part of the Taxonomy Regulation.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **Risk profile**

Specific sub-fund risks:

- Credit Risk
- Emerging Markets risk
- Liquidity Risk
- Risks related to investments in some countries
- Sukuk Risk

## **Investor type profile**

This sub-fund is suitable for investors who:

- Are looking for a diversification of their investments in fixed income securities;
- Can accept low to medium market risks.

## **Accounting currency**

EUR

## **Share Categories**

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1268549869	No	EUR	None
Classic	DIS	LU1268549943	Annual		
Privilege	CAP	LU1892712719	No		
Privilege	DIS	LU1915508979	Annual		
I	CAP	LU1268550016	No	USD	
I Plus		LU1268550107			
I USD	CAP	LU1479561778	No		
I USD Plus	CAP	LU1479561851	No		
I	DIS	LU1268550289	Annual	EUR	
I Plus		LU1268550362			
X	CAP	LU2355246518	No	EUR	*USD

All these share classes are not necessarily active.

# BNP PARIBAS FLEXI I BOND WORLD EMERGING INVESTMENT GRADE

## **Fees payable by the sub-fund**

Category	Management(max)	Performance (max)	Distribution(max)	Other(max)	TAB <sup>(1)</sup>
Classic	1.00%	none	none	0.30%	0.05%
Privilege	0.50%			0.20%	0.05%
I	0.25%			0.17%	0.01%
I Plus	0.20%			0.10%	
X	none	none	none	0.17%	0.01%

<sup>(1)</sup> *Taxe d'abonnement: in addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

## **Additional information**

### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day unless 50% or more of the underlying assets cannot be valued.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1) (2)</sup>

<sup>(1)</sup> *If the settlement day is a currency holiday, the settlement will occur the following business day.*

<sup>(2)</sup> *Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

### **Historical information:**

Sub-fund launched on 16 November 2015.

Change of name of sub-fund from "Bond Asia Investment Grade" to the current name on June 18, 2018.

### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I COMMODITIES

## **Investment objective**

To increase the value of its assets over the medium term. The objective of this sub-fund is to outperform its benchmark, the Bloomberg Commodity ex-Agriculture and Livestock Capped Total Return Index\*.

\* Following Brexit, "Bloomberg Index Services Limited", the Benchmark Index administrator, is no longer registered in the Benchmark Register. Since January 1<sup>st</sup> 2021, "Bloomberg Index Services 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 is currently being extended to January 1<sup>st</sup> 2024. During this time Bloomberg Index Services Limited can either be granted the UK "equivalence" by the European Union or "endorsement" or "recognition" as per Regulation 2016/1011. The composition of the index is reviewed on a monthly basis. The index is valued daily. The majority of the index's underlying components are commodities. It is a Total Return index.

## **Investment policy**

This sub-fund can be exposed to any index representing commodities, combining all sectors that comply with the European Directive 2007/16/CEE excluding agriculture and livestock.

The exposure to indices is obtained by using a synthetic replication method. To do so, the sub-fund invests in financial derivative instruments described below on the aforementioned indices, on a regulated or over-the-counter market. In particular, the sub-fund can enter into TRS\*\* which comply with ESMA guidelines.

TRS\*\* (such as performance swaps on indices) provides a long-only position on underlying commodities, and can be combined inter alia with long/short positions on indices, sub-indices or baskets of commodities indices as an overlay to the long-only exposure, in order to provide the expected out-performance.

Performance sources come from factors such as but not limited to assets weighting decisions in using the aforesaid combinations of indices based on a model-driven analysis and maturity positioning by using indices in which the underlying future contract maturities can be further deferred compared to the standard front months.

This sub-fund invests at least 2/3 of its assets in bonds or other similar securities, money market instruments, transferable securities linked to prices for commodities of any kind.

The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, money market instruments, or cash, and up to 10% of its assets may be invested in UCITS or UCIs.

The sub-fund does not hold commodities directly.

After hedging, the sub-fund's exposure to currencies other than USD will not exceed 5%.

## **Derivatives and Securities Financing Transactions**

Core financial derivative instruments and TRS\*\* may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

TRS\* can be used, on a continuous basis, for efficient portfolio management, hedging and / or investment purposes, as described on point 5 in Appendix 2 of Book I.

Repurchase transactions and Reverse Repurchase transactions may be used on a temporary basis for efficient portfolio management with the aim of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund as long as the conditions set out in Appendix 2 of Book I are met.

\*\* The rebalancing of the indices, which corresponds to technical adjustments based upon systematic algorithms, can be as much as daily. The financial indices methodology may embed certain costs in the strategy which cover amongst other things replication costs in running the index which may vary over time in line with prevailing market conditions. As an example of underlying index used for TRS, the sub-fund can use Bloomberg Commodity ex-Agriculture and Livestock Capped but other indices can also be used to create exposure to commodities. The rebalancing of the Bloomberg Commodity ex-Agriculture and Livestock Capped index (each month) does not involve any cost for the sub-fund. Investors are invited to consult the following webpage <https://docfinder.bnpparibas-am.com/api/files/BCF9607E-2489-4E48-8EEC-24BFCA35F286> to obtain a list of financial indices to which the Sub-fund can be exposed. Links to the complete breakdown of the indices, performance information and calculation methodology including rebalancing frequency are available on the same page. The rebalancing within the indices the sub-fund is exposed to, as at the date of this prospectus, does not involve any cost for the sub-fund.

## **Information relating to SFDR and Taxonomy Regulation**

The Sub-fund is not categorized under Article 8 or Article 9 SFDR.

The Taxonomy Regulation aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable.

Thus, the EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. Moreover, not all activities that can make a substantial contribution to environmental as well as social objectives are yet part of the Taxonomy Regulation.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **Risk profile**

Specific market risks:

- Collateral Management Risk
- Commodity Related Exposure Risk
- Counterparty Risk
- Credit Risk
- Derivatives Risk
- SFT Risk

# BNP PARIBAS FLEXI I COMMODITIES

For an overview of generic risks, please refer to the Appendix 3 of Book I of the Prospectus.

## Investor type profile

This sub-fund is suitable for investors who:

- Are looking for a diversification of their investments in commodities;
- Are willing to accept higher market risks in order to potentially generate higher long-term returns;
- Can accept significant temporary losses;
- Can tolerate volatility.

## Accounting currency

USD

## Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1931956285	No	USD	
Classic	DIS	LU1931956368	Annual	USD	
Classic EUR	CAP	LU1931956442	No	EUR	
Classic EUR	DIS	LU1931956525	Annual	EUR	
Classic SGD	CAP	LU1931956798	No	SGD	
Classic H CHF	CAP	LU1931956871	No	CHF	
Classic H CZK	CAP	LU1931956954	No	CZK	
Classic H EUR	CAP	LU1931957093	No	EUR	
Classic H EUR	DIS	LU1931957176	Annual	EUR	
N	CAP	LU1931957259	No	USD	
Privilege	CAP	LU1931957333	No	USD	
Privilege	DIS	LU1931957416	Annual	USD	
Privilege H EUR	CAP	LU1931957689	No	EUR	
I	CAP	LU1931957762	No	USD	EUR
IH EUR	CAP	LU1931957846	No	EUR	
X	CAP	LU1931957929	No	USD	EUR

All these share classes are not necessarily active.

## Fees payable by the sub-fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	None	None	0.40%	0.05%
N			0.75%		
Privilege	0.75%		None	0.25%	
I	0.75%			0.20%	
X	None		0.35%	0.01%	

<sup>(1)</sup> *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

For each active share, a KIID is available which mentions, among others, the launch date, the Reference Currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

## Additional information

### Valuation Day:

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day unless one of the reference commodity markets in the US and the UK (markets from the CME group, Intercontinental Exchange, London Metal Exchange) is closed.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

# BNP PARIBAS FLEXI I COMMODITIES

**Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
12:00 CET for STP and non STP orders, on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1) (2)</sup>

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date".

**Historical information:**

Sub-fund launched on November 15, 2019 following the absorption of the sub-fund "BNP Paribas Funds Commodities".

**Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I FLEXIBLE CONVERTIBLE BOND

## **Investment objective**

Seek capital appreciation over the medium term by investing in convertible bonds from any countries and/or other fixed income securities such as corporate bonds.

## **Investment policy**

The sub-fund aims to generate returns through a combination of capital appreciation and income generation.

The sub-fund will invest at least 2/3 of its assets in fixed income securities including convertible bonds, corporate and government bonds, and money market instruments.

The remaining portion, namely a maximum of 1/3 of its assets, may be invested in mandatory and preferred convertible bonds and equities.

The sub-fund will focus on convertible bonds strategies, investing in convertible bonds securities or achieving exposure to such securities by investing in fixed income securities (such as corporate bonds).

The sub-fund may invest up to 10% of its assets in UCITS or UCI.

After hedging, the sub-fund's exposure to currencies other than USD may not exceed 25%.

## **Derivatives and Securities Financing Transactions**

Core financial derivative instruments, as well as TRS\* and/or CFD may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

TRS\* can be used, on a temporary basis, for efficient portfolio management, hedging and / or investment purposes, as described on point 5 in Appendix 2 of Book I

Repurchase transactions are used on a temporary basis for efficient portfolio management with the aim of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund as long as the conditions set out in Appendix 2 of Book I are met. The strategies implemented will look to extract income through the hedging of convertibles securities, relative value trades between convertible issuance, as well as to take advantage of pricing anomalies specific to the asset class.

\* One of the strategy indices that might be used to get exposure to the sub-fund universe is UBS Thomson Reuters Global Focus Hedged Convertible Bond (USD) Index. The investment universe of the aforesaid index is composed of convertible bonds. The rebalancing of the index (each month) does not involve any cost for the sub-fund. Additional details regarding the index is available on the website <https://financial.thomsonreuters.com/en/products/data-analytics/market-data/indices/convertible-bond-indices.html>

## **Information relating to SFDR and Taxonomy Regulation**

The Sub-fund is not categorized under Article 8 or Article 9 SFDR.

The Taxonomy Regulation aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable.

Thus, the EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. Moreover, not all activities that can make a substantial contribution to environmental as well as social objectives are yet part of the Taxonomy Regulation.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **Risk profile**

Specific sub-fund risks:

- Collateral Management Risk
- Counterparty Risk
- Credit Risk
- Derivatives Risk
- SFT Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

## **Investor type profile**

This sub-fund is suitable for investors who:

- are looking for a hybrid securities with both equity and debt components;
- are looking for long-term capital growth but with potentially lower market risk than for pure equity sub-funds.

## **Accounting currency**

USD

# BNP PARIBAS FLEXI I FLEXIBLE CONVERTIBLE BOND

## Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU2020653767	No	USD	
Classic	DIS	LU2020653841	Annual	USD	
Classic RH EUR	CAP	LU2020653924	No	EUR	
Classic RH CZK	CAP	LU2020654062	No	CZK	
N	CAP	LU2020654146	No	USD	
Privilege	CAP	LU2020654229	No	USD	
Privilege	DIS	LU2020654492	Annual	USD	
Privilege RH EUR	CAP	LU2020654575	No	EUR	
I	CAP	LU2020654658	No	USD	
I	DIS	LU2020654732	Annual	USD	
I RH EUR	CAP	LU2020654815	No	EUR	
I RH EUR	DIS	LU2020654906	Annual	EUR	
X	CAP	LU2020655119	No	USD	
X	DIS	LU2061830043	Annual	USD	

All these share classes are not necessarily active.

## Fees payable by the sub-fund

Category	Management (max)	Performance <sup>(1)</sup> (max)	Distribution (max)	Other (max)	TAB <sup>(2)</sup>
Classic	0.90%	Yes	None	0.30%	0.05%
N	0.90%	Yes	0.75%	0.30%	0.05%
Privilege	0.45%	Yes	None	0.25%	0.05%
I	0.40%	Yes	None	0.17%	0.01%
X	None	No	None	0.17%	0.01%

- (1) 15% with Libor USD 1M\* + 1% as hurdle rate for USD denominated share classes  
 15% with EURIBOR 1Month\*\* + 1% as hurdle rate\*\*\* for RH EUR share classes  
 15% with PRIBOR CZK 1M\*\*\*\* + 1% as hurdle rate for RH CZK share classes.

- (2) Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.

\*The Benchmark Libor USD 1M is published by ICE Benchmark Administration Limited.. Following Brexit, ICE Benchmark Administration Limited, the Benchmark Index administrator, is no longer registered in the Benchmark Register. Since January 1st, 2021, ICE 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 January 1st 2024. During this time the ICE Benchmark Administration Limited can either be granted the UK "equivalence" by the European Union or "endorsement" or "recognition" as per Regulation 2016/1011.

\*\* published with "European Central Bank" as Benchmark Index administrator, Central Bank exempt from registration in the Benchmark Register.

\*\*\* From 1<sup>st</sup> July 2021 to 31 December 2021, the LIBOR EUR 1M + 1 % is applicable as hurdle rate. From 1<sup>st</sup> of January 2022, the LIBOR EUR 1M + 1% as hurdle rate is replaced by the EURIBOR 1Month + 1% as hurdle rate.

\*\*\*\*The Benchmark PRIBOR CZK 1M is published by the Czech Financial Benchmark Facility s.r.o., a benchmark Index administrator registered in the Benchmark Register at the date of this Prospectus.

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

## Additional information

### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding net asset value which is dated that Valuation Day, unless 50% or more of the underlying assets cannot be valued.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

## BNP PARIBAS FLEXI I FLEXIBLE CONVERTIBLE BOND

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1) (2)</sup>

<sup>(1)</sup> *If the settlement day is a currency holiday, the settlement will occur the following business day.*

<sup>(2)</sup> *Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

**Historical information:**

Sub-fund launched on February 14, 2020 following the absorption of the sub-fund "PARWORLD Flexible Convertible Bond".

**Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I FOSSIL FUEL FREE NORDIC HIGH YIELD

## Master-feeder structure

This sub-fund is involved in a master-feeder structure as a feeder sub-fund ("The Feeder").

The master fund ("the Master") is "ALFRED BERG Nordic High Yield ESG", a Swedish UCITS governed by the provisions of the Directive 2009/65 which has appointed Alfred Berg Kapitalforvaltning AS as its management company.

The prospectus, KIID, Articles of Association and periodical reports of the Master are available on the website [www.alfredberg.no](http://www.alfredberg.no).

The agreement between the Master and Feeder relating to the providing of all documents and information necessary for the latter to meet the requirements laid down to the UCITS regulation, and all other information concerning the Master are available upon request to the Management Company.

The Master and the Feeder have taken appropriate measures to coordinate the timing of their NAV calculation and publication in order to avoid Market Timing in their shares, preventing arbitrage opportunities.

## Investment objective

### *Investment Objective of the Feeder*

Invest in the Master.

### *Investment Objective of the Master*

The fund's objective is, within the scope of its risk level, to create long-term value growth.

## Investment policy

### *Investment policy of the Feeder:*

This Feeder invests at least 85% of its assets in the Master through the use of « H » shares category denominated in EUR.

The remaining portion, namely a maximum of 15% of its assets, may be invested in ancillary liquid assets (such as cash and/or money market instruments).

### *Investment policy of the Master:*

The fund is an actively managed fixed-income fund that invests at least 90% of the fund's assets in Nordic high yield bonds or on account with Nordic credit institutions. "High yield" refers to corporate bonds with a rating equivalent to BB+ or lower (by S&P, or equivalent rating institute or internal rating by Alfred Berg Kapitalforvaltning AS). "Nordic" refers to bonds listed on marketplaces in Sweden, Norway, Denmark, Finland and Iceland, as well as companies listed on marketplaces in other countries but with head offices in the Nordic countries or with at least 50 percent of their turnover or sales in the Nordic countries.

In addition to high yield bonds, the fund's assets may also be invested in interest-bearing transferable securities and money market instruments with a low or no official credit rating, and in derivative instruments, fund units and placed in accounts with credit institutions. No more than 10 per cent may be placed in accounts with credit institutions or invested in units in other funds or fund management companies.

The fund does not invest in unsecured debt securities where less than 100% of the nominal value is expected to be repaid at maturity. The fund's investments are not linked to any particular industry.

The fund observes specific criteria regarding ethics and sustainability in its investments. Within the scope of the fund's investment philosophy, norms and guidelines regarding the environment, social aspects and corporate governance are taken into account. The fund refrains from investing in companies such as those that are involved in the products and services listed below. More information is provided in the section on sustainability below.

The fund may use derivative instruments, including OTC derivatives, as part of the fund's investment policy, as well as derivative instruments aimed at protecting the value of the fund's underlying assets.

The fund's benchmark index is Nordic Bond Pricing: Aggregated HY Index.

Sustainability aspects that are taken into account in the management of the fund:

- Environmental aspects (e.g. the companies' impact on environment and climate).
- Social aspects (e.g. human rights, workers' rights and equal treatment).
- Corporate governance aspects (e.g. shareholders' rights, issues concerning remuneration to senior executives and anti-corruption).

Sustainability aspects are taken into account in financial company analysis and investment decisions, which have an impact but are not necessarily decisive in terms of which companies are selected for the fund.

The fund does not invest in companies that are involved in the following products and services.

#### - Products and services

- Cluster bombs and anti-personnel mines  
The fund is subject to BNP Paribas AM's common policy on controversial weapons.
- Chemical and biological weapons  
The fund is subject to BNP Paribas AM's common policy on controversial weapons.

# BNP PARIBAS FLEXI I FOSSIL FUEL FREE NORDIC HIGH YIELD

- Nuclear weapons  
The fund is subject to BNP Paribas AM's common policy on controversial weapons and also includes producers that fall within the non-proliferation agreement.
- Weapons and/or military equipment  
Refers to production and distribution; no more than five percent of the turnover in the company where the investment is made may arise from activities attributable to the product or service indicated.
- Alcohol  
Refers to production and distribution; no more than five percent of the turnover in the company where the investment is made may arise from activities attributable to the product or service indicated.
- Tobacco  
Refers to production and distribution; no more than five percent of the turnover in the company where the investment is made may arise from activities attributable to the product or service indicated.
- Commercial gambling activities  
The fund avoids gambling companies, such as online casinos and sports betting companies; up to five percent of the turnover in the company where the investment is made may arise from activities that are attributable to the product or service indicated.
- Pornography  
Refers to production and distribution; no more than five percent of the turnover in the company where the investment is made may arise from activities that are attributable to the product or service indicated.
- Fossil fuels  
The fund avoids companies that produce oil, gas and coal, or that use them for the generation of electricity.
- Uranium  
Refers to extraction; no more than five percent of the turnover in the company where the investment is made may arise from activities that are attributable to the product or service indicated.

The fund does not invest in companies that violate international norms and conventions (for example, the UN Global Compact and the OECD Guidelines for Multinational Companies) on the environment, human rights, working conditions and business ethics. The assessment is made either by the fund company itself or by a subcontractor.

The fund is subject to BNP Paribas Asset Management's common exclusion policy and process, based on the UN Global Compact's 10 principles for environment, human rights, working conditions and anti-corruption.

The average duration of the Fund's holdings shall be between 0 and 5 years.

## ***Derivatives and Securities Financing Transactions***

Core financial derivative instruments may be used for hedging purposes only as described in points 2 and 3 of Appendix 2 of Book I.

### ***Sustainable investment Policy***

The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, as set out in Book I. As such, the RBC, the ESG Integration as well as the Stewardship policies are fully incorporated in the investment process of this sub-fund.

## ***Information relating to SFDR***

The Sub-fund promotes environmental and / or social and governance characteristics in accordance with article 8 of SFDR.

### ***Risk profile***

#### **Specific Feeder risks:**

- Same as Master risks

#### **Specific Master Risks:**

- Credit Risk
- Currency Exchange Risk
- Extra-Financial Criteria Investment Risk
- Derivatives Risk
- High Yield Bond Risk
- Liquidity Risk

For an overview of generic risks, please refer to the Appendix 3 of Book I of the Prospectus.

### ***Investor type profile***

This sub-fund is suitable for investors who:

# BNP PARIBAS FLEXI I FOSSIL FUEL FREE NORDIC HIGH YIELD

- Are looking for a diversification of their investments in fixed income securities;
- Can accept low to medium market risks.

## Accounting Currency

EUR

## Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU2212612084	No	EUR	None
Classic	DIS	LU2212612167	Annual	EUR	
Classic H EUR	CAP	LU2212612241	No	EUR	
Classic H EUR	DIS	LU2212612324	Annual	EUR	
Classic H NOK	DIS	LU2326564098	Annual	NOK	
Classic H USD	CAP	LU2212612597	No	USD	
Classic H USD	DIS	LU2212612670	Annual	USD	
Privilege	CAP	LU2212612753	No	EUR	
Privilege	DIS	LU2212612837	Annual	EUR	
Privilege H EUR	CAP	LU2212612910	No	EUR	
Privilege H EUR	DIS	LU2212613058	Annual	EUR	
Privilege H USD	CAP	LU2212613132	No	USD	
Privilege H USD	DIS	LU2212613215	Annual	USD	
I	CAP	LU2212613306	No	EUR	
I	DIS	LU2212613488	Annual	EUR	
IH EUR	CAP	LU2212613561	No	EUR	
IH EUR	DIS	LU2212613645	Annual	EUR	
IH USD	CAP	LU2212613728	No	USD	
IH USD	DIS	LU2212613991	Annual	USD	

All these share classes are not necessarily active.

## Fees payable by the sub-Fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)(2)</sup>	Aggregate Charges Master-Feeder <sup>(2)</sup> (maximum)
Classic	0.80%	None	None	0.25%	0.05%	1.70%
Privilege	0.40%			0.20%		1.25%
I	0.40%			0.17%	0.01%	1.18%

<sup>(1)</sup> *Taxe d'abonnement*

<sup>(2)</sup> *In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

**The Feeder will not support subscription or redemption fee for its investments in the Master.**

**Indirect fee:** 1.00% maximum

## Additional information

### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day unless the net asset value of the Master is not calculated.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

# BNP PARIBAS FLEXI I FOSSIL FUEL FREE NORDIC HIGH YIELD

**Terms of subscription / conversion / redemption:**

Subscription, conversion and redemption orders will be processed at an unknown net asset value in accordance with the rules set out below, only on trading days common to Luxembourg and Norway. The time mentioned is Luxembourg time. Subscriptions in kind are not authorised.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the day preceding the Valuation Day (D-1)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum two bank business days after the Valuation Day <sup>(1) (2)</sup> (D+2)

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date".

**Historical information:**

Sub-fund not yet launched at the date of this Prospectus.

**Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I LYRA

## **Investment objective**

The sub-fund aims to beat the risk free rate over the medium term by investing into Alternative Investment UCITS.

## **Investment policy**

### **Selection process:**

The sub-fund will seek to achieve its investment objective by following a fund of funds approach. This approach consists in investing in several underlying funds, by following a proven and strict fund selection process.

### **Asset allocation:**

#### 1. Main assets categories

The sub-fund aims to achieve its investment objective by investing at least 70% of its assets in underlying alternatives UCITS which use a wide set of different Alternative Investment strategies. The underlying alternatives UCITS are considered to be "alternative" based on the strategies the underlying alternatives UCITS implement. The weighting and allocation to the different alternative strategies (and selected funds) in the portfolio may vary over time according to the evolution of market conditions and to reflect the anticipations of the investment teams macroeconomic outlook and market views.

The different Alternative Investment strategies are:

- a) Long Short Equity: an investing strategy that involves taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value. Such strategy seeks to minimize market exposure, while profiting from stock gains in the long positions and price declines in the short positions.
- b) Equity Market Neutral: an investing strategy that involves taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value. Such strategy seeks to exploit differences in stock prices by being long and short in stocks within the same sector, industry, market capitalization, country (for instance). This strategy creates a hedge against market factors.
- c) Event Driven: a strategy where a fund takes significant positions by investing in shares as well as debt securities in a certain number of companies with "special situations". Such strategy seeks to take advantage of these "special situations", which include restructuring, mergers, takeovers and spinoffs or other major event.
- d) Managed Futures: going long or short in futures contracts for investment purposes on financial index related to equity, currencies, rates, government bonds and to a lesser extent commodities. Such strategy seeks to provide portfolio diversification to help mitigate portfolio risk.
- e) Long Short Credit: a strategy focused on the analysis and valuation of credit securities in order to identify long and short investment opportunities. Such strategy seeks to take exposure to credit-sensitive securities, long and/or short, based upon credit analysis of issuers and securities, and credit market views.
- f) Global Macro: a strategy that takes long and short positions in various equity, currency and fixed income markets, primarily on overall fundamental analysis of macro-economic trends and political views of various countries. Such strategy seeks to take advantage from macroeconomic developments of the world.

#### 2. Ancillary assets

The remaining portion, namely a maximum of 30% of its assets, may be invested in any other UCITS or UCI, money market instruments or cash.

## **Derivatives and Securities Financing Transactions**

Core financial derivative instruments may be used for hedging purposes only as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The Sub-fund is not categorized under Article 8 or Article 9 SFDR.

The Taxonomy Regulation aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable.

Thus, the EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. Moreover, not all activities that can make a substantial contribution to environmental as well as social objectives are yet part of the Taxonomy Regulation.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Risk profile**

Specific sub-fund risks:

- Alternative Investment Strategies Risks
- Credit Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

This sub-fund is suitable for investors who:

- are looking for market neutral absolute performance;
- can accept medium market risks.

# BNP PARIBAS FLEXI I LYRA

## Accounting currency

EUR

## Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU2020655200	No	EUR	None
Classic Plus	CAP	LU2020655382	No		
E	CAP	LU2020655465	No		
E	DIS	LU2020655549	Annual		
Privilege	CAP	LU2020655622	No		
Privilege	DIS	LU2020655895	Annual		
I	CAP	LU2020655978	No		
I	DIS	LU2020656190	Annual		
I Plus	CAP	LU2020656273	No		
X	CAP	LU2020656356	No		

All these share classes are not necessarily active.

## Fees payable by the sub-fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.15%	Yes <sup>(1)</sup>	None	0.10%	0.05%
Classic Plus	0.90%	Yes <sup>(1)</sup>			
E	0.80%	Yes <sup>(1)</sup>			
Privilege	0.60%	Yes <sup>(1)</sup>			
I	0.50%	Yes <sup>(1)</sup>			0.01%
I Plus	0.50%	None			
X	None	None			

<sup>(1)</sup> 10% with €STR \*+4% as hurdle rate.

The performance fee of 10% is calculated over the positive difference between the annual performance of the sub-fund and the hurdle rate, subject to a High Water Mark. The net asset value used for calculating the hurdle rate annual performance will always be equal to the last net asset value of the previous financial year, and will therefore be reset annually

<sup>(2)</sup> Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.

\* with "European Central Bank" as Benchmark Index administrator, Central Bank exempt from registration in the Benchmark Register.

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

**Indirect fee:** 1.50% maximum

## Additional information

### Valuation Day:

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding net asset value which is dated that Valuation Day. If such day is a bank holiday, the Valuation Day will occur the following business day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

### Terms of subscription / conversion / redemption:

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

# BNP PARIBAS FLEXI I LYRA

NAV cycles for subscription or conversion in orders:

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders three days preceding the Valuation Day (D-3)	Valuation Day (D)	Three days after the Valuation Day (D+3)	Maximum five bank business days after the Valuation Day <sup>(1) (2)</sup> (D+5)

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date".

NAV cycles for redemption or conversion out orders:

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders seven days preceding the Valuation Day (D-7)	Valuation Day (D)	Three days after the Valuation Day (D+3)	Maximum five bank business days after the Valuation Day <sup>(1) (2)</sup> (D+5)

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date".

**Historical information:**

Sub-fund launched on February 05, 2020 following the absorption of the sub-fund "PARWORLD Lyra".

"I-CAP" shares multiplied by 1000.

**Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I MULTI-ASSET BOOSTER

Multi-Asset Booster

## **Investment objective**

Increase the value of its assets over the medium term while seeking to maintain the VaR (99%; 1-month) of the portfolio close to 17.5%.

## **Investment policy**

In order to achieve this objective, the sub-fund may invest directly in transferable securities, money market instruments and/or in shares or units issued by UCITS or UCIs, and also in cash.

The sub-fund follows an iso-VaR investment process with an objective to maintain the VaR (99%; 1-month) of the portfolio close to 17.5%. In order to achieve this target VaR objective, the sub-fund may apply an asset allocation strategy in order to invest in a range of asset classes, which will usually include equity, commodities\*, credit, interest rates, inflation-linked indexes, currencies and other assets underlying derivatives such as volatility, variance, correlation and dispersion. This shall result in a diversified portfolio.

The sub-fund uses leverage. The allocation in % between the different asset classes listed above is fixed over medium period based on BNP PARIBAS ASSET MANAGEMENT research, except for the drift due to difference of markets' evolutions. On a yearly basis, the allocation is reviewed based on the strategic view of BNP PARIBAS ASSET MANAGEMENT associated with an internal proprietary quantitative tool (so called "Quantamental" approach). For each allocation, a maximum leverage is defined by BNP PARIBAS ASSET MANAGEMENT in order to protect the shareholder from an extreme drawdown. Only the leverage can change over time along those medium period during which the strategy is implemented systematically according to volatility market conditions using an algorithm which objective is to maintain the 17.5% target VaR by adjusting the asset classes exposures should the need arise. For this purpose, The VaR (99%; 1-month) is computed on a daily basis. Each time the result of this computation does not lie between 16% and 19%, the algorithm adjusts the leverage so that the VaR (99%; 1-month) is again 17.5%, as soon as it does not breach the relevant maximum leverages.

The sub-fund only enters into long positions through various underlyings (for instance, without being neither mandatory nor restrictive, futures on representative equity indexes of the Eurozone, the US, the Japanese or the emerging markets, diversified commodities futures indices or government bonds futures).

The sub-fund will not invest more than 10% of its net assets in shares or units issued by UCITS or other UCIs.

The following investment restrictions will apply:

- In case of investment in unfunded derivative instruments, the sub-fund will be left with a substantial amount of cash. Such cash available may be invested in short-term deposits and money market instruments for a main portion of the sub-fund's net assets;
- the maximum amount of cash the sub-fund can place with a single counterparty is 20% of its net assets;
- investments in derivatives traded over-the-counter are only possible if the counterparty is a first-rate financial institution specialising in this type of transaction;
- When a derivative is defined by reference to an index the index must be sufficiently diversified, constitute an adequate benchmark for the relevant market, and be published in an appropriate manner.

*\* Investments in derivatives on financial indexes based on commodities and in transferable securities that are sensitive to fluctuations in commodities prices. The sub-fund will not invest directly in commodities.*

## **Derivatives and Securities Financing Transactions**

Core financial derivative instruments, CDS and unfunded TRS\*\* may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

TRS can be used, on a continuous basis, for efficient portfolio management and investment purpose, as described on point 5 in Appendix 2 of Book I.

*\*\* TRS could be used to get exposure to the reference universe of the sub-fund. One of the strategy index (The "Strategy Index") that might be used to get exposure to the sub-fund universe is iBoxx USD Liquid High Yield Index. The Strategy Index measures the USD denominated, sub-investment grade, corporate bond market offering satisfactory liquidity conditions. This index is rebalanced every quarter, but this rebalancing does not involve any cost for the sub-fund. The strategy indices could be used either for investment purposes or for efficient portfolio management purposes with the objective of an efficient management of cash flows and better coverage of markets. The allocation is discretionary and will be determined on the basis of a risk budget type approach. The allocated risk budget may vary over time according to market fluctuations and their interpretation in terms of risks by the manager. Additional information on the strategy indices, their composition, calculation and rules for periodical review and rebalancing and on the general methodology behind, are made available on the website <https://ihsmarket.com/products/iboxx.html> or can be provided to investors upon request by the Management Company.*

## **Leverage details:**

- a) **The expected leverage**, estimated at 5, is defined as the sum of the absolute values of the derivatives notional (with neither netting nor hedging arrangement) divided by the NAV. A higher leverage level could be reached during the life of the sub-fund regarding its investment strategy. The expected leverage results for its main part of equities derivative positions: index futures purchases have a high leverage contribution
- b) **Higher leverage**: under certain circumstances, the leverage can be higher in case of low market volatility environment and in case of strong allocation to fixed income.
- c) **Leverage Risk Warning**: please be advised that leverage may under certain circumstances generate an opportunity for higher return and therefore more important income, but at the same time, may increase the volatility of the value of the assets of the sub fund hence a risk to lose capital.
- d) **Risk management**: the risk management process supervises the sub-fund through the daily VaR (99%, 1 month) completed by back testing and stress testing.

# BNP PARIBAS FLEXI I MULTI-ASSET BOOSTER

## **Information relating to SFDR and Taxonomy Regulation**

The Sub-fund is not categorized under Article 8 or Article 9 SFDR.

The Taxonomy Regulation aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable.

Thus, the EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. Moreover, not all activities that can make a substantial contribution to environmental as well as social objectives are yet part of the Taxonomy Regulation.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **Risk profile**

Specific sub-fund risks:

- Collateral Management Risk
- Commodity Related Exposure Risk
- Counterparty Risk
- Credit Risk
- Derivatives Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

## **Investor type profile**

This sub-fund is suitable for investors who:

- are looking for a diversification of their investments through exposure to a range of asset classes, globally;
- are willing to accept higher market risks in order to potentially generate higher long-term returns;
- can accept significant temporary losses;
- can tolerate medium to high volatility.

## **Accounting currency**

EUR

## **Share Categories**

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU2020656430	No	EUR	USD
Privilege	CAP	LU2020656513	No	EUR	USD
I	CAP	LU2020656604	No	EUR	USD
I Plus	CAP	LU2020656786	No	EUR	USD
X	CAP	LU2020656869	No	EUR	USD

All these share classes are not necessarily active.

## **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.75%	No	None	0.35%	0.05%
Privilege	0.90%	No	None	0.25%	0.05%
I	0.75%	No	None	0.30%	0.01%
I Plus	0.40%	No	None	0.20%	0.01%
X	None	No	None	0.10%	0.01%

<sup>(1)</sup> *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

## **Additional information**

### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding net asset value which is dated that Valuation Day.

## BNP PARIBAS FLEXI I MULTI-ASSET BOOSTER

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

**Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1) (2)</sup>

<sup>(1)</sup> If the settlement day is a currency holiday, the settlement will occur the following business day.

<sup>(2)</sup> Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date".

**Historical information:**

Sub-fund launched on February 7, 2020 following the absorption of the sub-fund "PARWORLD Multi-Asset Booster".

**Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I TRACK EMU GOVERNMENT BOND

## 1-10 YEARS

### **Investment objective**

Replicate the performance of the ICE BofAML 1-10 Year Euro Government (RI) Index\*, including fluctuations, and to maintain the tracking error between the net asset value of the sub-fund and that of the index below 1%.

### **Investment policy**

For that purpose, the Investment Manager will use the index replication method described below, to ensure optimum management of the sub-fund.

The sub-fund will not invest more than 10% of its NAV in units or shares of UCITS or other UCIs.

### **Full replication**

The sub-fund will achieve exposure to government bonds issued in the Eurozone by investing at least 90% of its assets in debt securities issued by countries included in the index.

The remainder of the assets may be invested in debt securities other than those referred to in the core policy, money market instruments or cash.

The sub-fund aims at replicating as closely as possible the performance of its reference index. However, it may experience some degree of tracking error due to replication costs.

Tracking error is calculated as the standard deviation of the difference in the sub-fund and benchmark\* weekly returns over one year.

In full replication, tracking error is mainly due to transaction costs, differences in dividend reinvestment policies and tax treatments and cash drag.

The sub-fund follows the same rebalancing policy as the index. Index changes are implemented on the same day as in the index in order not to deviate from the index performance.

The costs of rebalancing the portfolio will depend on the index turnover and the transactions costs of trading the underlying securities. Rebalancing costs will impact negatively the sub-fund's performance.

\* *The benchmark is the ICE BofAML 1-10 Year Government (RI) Index, a total return index published in Euros by ICE Benchmark Administration Limited. Following Brexit, ICE Benchmark Administration Limited, the Benchmark Index administrator, is no longer registered in the Benchmark Register. Since January 1st, 2021, ICE 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 January 1st 2024. During this time the ICE Benchmark Administration Limited can either be granted the UK "equivalence" by the European Union or "endorsement" or "recognition" as per Regulation 2016/1011.. The composition of the index is reviewed on the last calendar day of every month. The index is valued daily. The majority of the index's underlying components are EUR-denominated government bonds publicly issued by euro area member states.*

*Additional information on the Index, its composition, calculation and rules for periodical review and rebalancing and on the general methodology behind the Index can be found on <https://indices.theice.com/>.*

### **Information relating to SFDR and Taxonomy Regulation**

The Sub-fund is not categorized under Article 8 or Article 9 SFDR.

The Taxonomy Regulation aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable.

Thus, the EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. Moreover, not all activities that can make a substantial contribution to environmental as well as social objectives are yet part of the Taxonomy Regulation.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **Risk profile**

Specific sub-fund risks:

- Credit Risk
- Tracking Error Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

This sub-fund is suitable for investors who:

- are looking for a diversification of their investments in fixed income securities;
- can accept low to medium market risks.

### **Accounting currency**

EUR

# BNP PARIBAS FLEXI I TRACK EMU GOVERNMENT BOND 1-10 YEARS

## Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies	Specific minimum holding (in EUR)
Classic	CAP	LU2020656943	No	EUR	USD	None
Privilege	CAP	LU2020657081	No	EUR	USD	100,000 per sub-fund Managers: none
Privilege	DIS	LU2020657164	Annual	EUR	USD	100,000 per sub-fund Managers: none
I	CAP	LU2020657248	No	EUR	USD	250,000 per sub-fund UCI: none
I	DIS	LU2020657321	Annual	EUR	USD	250,000 per sub-fund UCI: none
X	CAP	LU2020657594	No	EUR	USD	None

All these share classes are not necessarily active.

## Fees payable by the sub-fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	0.50%	No	None	0.30%	0.05%
Privilege	0.05%	No	None	0.05%	0.05%
I	0.05%	No	None	0.10%	0.01%
X	None	No	None	0.08%	0.01%

<sup>(1)</sup> *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

## Anti-Dilution Levy

In addition to the maximum fees payable by the investors, an anti-dilution levy, as defined in Book I, of maximum 0.05% for subscription or conversion in, and maximum 0.05% for redemption or conversion out may be applicable.

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

## Additional information

### Valuation Day:

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding net asset value which is dated that Valuation Day. There will be no NAV calculation for the days on which the stock exchange is not open or is expected to close earlier on markets that provide listing data for components representing a substantial part of the index (over 10%), with the exception of December 31st of each year, unless otherwise decided by the Board of Directors.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

### Terms of subscription / conversion / redemption:

Subscription, conversion and redemption orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days (with the exception of December 31st of each year), and the time mentioned is Luxembourg time. Orders received on December 31st of each year will be suspended and treated on the following business day in Luxembourg.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
15:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)(2)</sup>

<sup>(1)</sup> *If the settlement day is a currency holiday, the settlement will occur the following business day.*

<sup>(2)</sup> *Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

## Historical information:

# BNP PARIBAS FLEXI I TRACK EMU GOVERNMENT BOND 1-10 YEARS

Sub-fund launched on May 15, 2020 following the absorption of the sub-fund "PARWORLD Track EMU Government Bond 1-10 Years".

**Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BNP PARIBAS FLEXI I US MORTGAGE

## **Investment objective**

The investment objective of the Sub-Fund is to attain as high a level of total return as may be consistent with the preservation of capital.

## **Investment policy**

The Sub-Fund invests at least 70% of its assets in agency mortgage-backed securities. Such investments shall be listed or traded on Regulated Markets worldwide. The Sub-Fund shall maintain an average U.S. dollar-weighted duration (interest rate sensitivity) within one year plus or minus of the average U.S. dollar-weighted duration of the Bloomberg Mortgage-Backed Securities Index (formerly, the Lehman Brothers Mortgage-Backed Securities Index, a market value-weighted index which covers the mortgage-backed securities component of the Bloomberg U.S. Aggregate Bond Index. The index is composed of agency mortgage-backed pass-through securities of the Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac) with a minimum \$150 million par amount outstanding and a weighted-average maturity of at least 1 year. The index includes reinvestment of income). Although it may do so, the Sub-Fund is not obliged to invest in the components of the Bloomberg Mortgage-Backed Securities Index. There can be no assurance that the investment objective of the Sub-Fund will be achieved.

The remaining portion, namely a maximum of 30% of its assets, may be invested in non-agency RMBS, commercial mortgage-backed securities, asset-backed securities (including consumer receivables – for example auto loans, credit cards, student loans – and commercial receivables – for example dealer floor plans, equipment leases, sea containers, cell towers), other mortgage-related securities (i.e. securities backed by a loan, lease or receivable against assets), transferable securities, money market instruments or cash, and up to 10% of its assets may be invested in other UCITS or UCI.

The Investment Manager seeks to exploit relative-value opportunities within the market using both bottom-up and top-down analysis. Security selection and the analysis of factors that drive prepayment differentials are key to the Investment Manager's style. The Investment Manager seeks to exploit the following market inefficiencies: (i) prepayments - prepayment models are based on historical data and can often miss key turning points in borrower behaviour and the characteristics which drive prepayment differentials; (ii) structural: investor preferences for securities that are priced close to par can lead to deviations from market rationality; (iii) liquidity: investor preferences for horizon holding periods and marketability can lead to pricing anomalies; (iv) volatility: investor risk aversion can lead to risk premiums that may be unwarranted; and (v) complexity: investors may avoid securities because of their complexity and the difficulty of measuring risk leads to opportunities for more sophisticated investors.

The total return sought by the Sub-Fund will consist of current income, capital appreciation, or a combination of capital appreciation and current income, depending on whether the Investment Manager believes that current and anticipated levels of interest rates, exchange rates and other factors affecting investments generally (including for example, the likelihood of prepayments) favour emphasising one element or another in seeking maximum total return.

The Sub-Fund will invest only in debt securities that are rated at least BBB by S&P or Fitch, Baa by Moody's or, in the case of bank obligations (such as certificates of deposit, time deposits and bankers' acceptances), B by Thomson Bankwatch, or determined by the Investment Manager to be of similar creditworthiness. When a MBS holding is down-graded to lower than B3 (rated by Moody's) or B- (rated by S&P), such asset will be sold within 6 months. In case of split rating between 2 agencies, the lower rating should be applicable. In case of split rating between 3 agencies, the middle rating should be applicable.

Subject to the requirement that the Sub-Fund maintain an average U.S. dollar-weighted duration within one year plus or minus of the average U.S. dollar-weighted duration of the Bloomberg Mortgage-Backed Securities Index, the Sub-Fund seeks to achieve its investment objective by investing in debt securities of varying durations. Because most mortgage-backed securities allow the borrower to prepay part or all of their outstanding loan balance at any time, the timing or exact amount of cash flows that will be paid during the life of a security are not always known. As a result, interest rate risk for mortgage-backed securities is calculated using "effective duration", which incorporates expected changes in cash flows under varying interest rate scenarios. Because the exact amount of prepayments is not known in advance, effective durations are calculated using tools which model patterns of consumer prepayment behaviour, and may not always be accurate predictors of price changes. Therefore, actual effective durations as a result of interest rate changes in the future may vary from effective durations measured for the Sub-Fund at any given time.

Investment techniques and financial derivative instruments may be used for efficient portfolio management and/or investment purposes within the limits set forth in Appendix 2. The Sub-Fund shall hold only long positions through the use of financial derivative instruments. Futures contracts may be used to hedge against market risk or gain exposure to an underlying market. Options may be used to hedge or achieve exposure to a particular market instead of using a physical security. Forward contracts may be used to hedge or gain exposure to an increase in the value of an asset or currency. Swaps (including swaptions) may be used to achieve profit as well as to hedge existing long positions. Interest rate swaps may be used to increase or reduce exposure to interest rates. Dollar roll transactions, To-Be Announced Transactions and When-Issued Securities may be used to enter into or maintain exposure to a given market, such as mortgages and bonds, which may have delayed settlement. The Sub-Fund may be leveraged up to 100% of its Net Asset Value as a result of its use of financial derivative instruments. The Sub-Fund uses the commitment approach to measure its global exposure.

Normally, the Sub-Fund will invest substantially all of its assets to meet its investment objective. To the extent that the Sub-Fund's assets are not fully invested in accordance with the objectives set out above, the Sub-Fund may invest the remainder of its assets in debt securities with maturities of less than one year, money market instruments, cash equivalents (such as government securities, discount notes, certificates of deposit, bankers acceptances, commercial paper and treasury bills of

# BNP PARIBAS FLEXI I US MORTGAGE

investment grade and non-investment grade and which are listed or traded on Regulated Markets worldwide) or may hold cash. The percentage of the Sub-Fund invested in such holdings will vary and depend on several factors, including market conditions. For temporary defensive purposes, including during periods of high cash inflows, the Sub-Fund may depart from its principal investment strategies and invest part or all of its assets in these securities or may hold cash. During such periods, the Sub-Fund may not achieve its investment objective.

## ***Derivatives and Securities Financing Transactions***

Core financial derivative instruments and TRS\*/TBAs may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

TRS\* can be used, on a temporary basis, for efficient portfolio management and hedging, as described on point 5 in Appendix 2 of Book I

*\*TRS could be used to get exposure to the reference investment universe of the sub-fund, such as but not limited to the Bloomberg US MBS Index. This will either be used for investment purposes or for efficient portfolio management purposes with the objective of an efficient management of cash flows and better coverage of markets. The investment universe of the aforesaid index is composed of agency MBS, the second most liquid market in fixed income.*

*The index is rebalanced every month, but this rebalancing does not involve any cost for the sub-fund. Additional details regarding the index are available on the website <https://www.bloomberg.com/quote/LUMSTRUU:IND>.*

## ***Sustainable investment Policy***

The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, as set out in Book I. As such, the RBC, the ESG Integration as well as the Stewardship policies are fully incorporated in the investment process of this sub-fund.

In addition, the following binding criteria also apply to its investment strategy:

- the sub-fund invests at least 90% of its assets in securities issued by issuers evaluated against the ESG criteria, while
- the average portfolio ESG score of the sub-fund is higher than the one of its investment universe.

## ***Information relating to SFDR***

The Sub-fund promotes environmental and / or social and governance characteristics in accordance with article 8 of SFDR.

## ***Risk profile***

### **Specific sub-fund risks:**

- Credit Risk
- Extra-Financial Criteria Investment Risk
- SFT Risk
- Liquidity Risk
- Securitised Products Risks

For overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

## ***Investor type profile***

This sub-fund is suitable for investors who:

- Are looking for a diversification of their investments in fixed income securities;
- Can accept low to medium market risks.

## ***Accounting Currency***

USD

## ***Share Categories***

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1080341065	No	USD	None
Classic	DIS	LU1080341149	Annual		
Classic H CHF	CAP	LU1080341222	No	CHF	
Classic H EUR		LU1080341495		EUR	
Classic H SGD		LU1433065692		SGD	
Classic HKD		LU1433065429		HKD	
Classic H AUD		LU1433065775		AUD	

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Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Privilege		LU1080341578		USD	
Classic H SGD MD	DIS	LU1433065932	Monthly	SGD	
Classic HKD MD		LU1433065858		HKD	
Classic H CNH MD		LU1433066070		CNH	
Classic MD		LU1416548292		USD	
Classic H AUD MD		LU1416548375		AUD	
Privilege				LU1080341651	
Privilege H CHF	CAP	LU1080341735	No	CHF	
Privilege H EUR		LU1553325223		EUR	
Privilege H EUR Plus		LU1080341818		EUR	
Privilege H GBP		LU1268551170		GBP	
I		LU1080341909		USD	
I H EUR		LU1268551253		EUR	
I H GBP	LU1268551337	GBP			
IH CHF	DIS	LU1416548458	Annual	CHF	
IH EUR		LU1416548532		EUR	
IH GBP		LU1416548615		GBP	
I		LU1080342030			
I QD		LU1479562669	Quarterly	USD	
X	CAP	LU1080342113	No		

All these share classes are not necessarily active.

## Fees payable by the sub-fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	0.90%	None	None	0.30%	0.05%
Privilege	0.45%			0.20%	
Privilege Plus	0.35%			0.17%	0.01%
I	0.30%				
X	none				

<sup>(1)</sup> *Taxe d'abonnement: in addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

## Additional information

### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg and on which US bond markets are open (a "Valuation Day"), there is a corresponding net asset value which is dated that Valuation Day, unless 50% or more of the underlying assets cannot be valued.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the web site [www.bnpparibas-am.com](http://www.bnpparibas-am.com).

### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation days in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	Day after Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)(2)</sup>

<sup>(1)</sup> *If the settlement day is a currency holiday, the settlement will occur the following business day.*

<sup>(2)</sup> *Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

# BNP PARIBAS FLEXI I US MORTGAGE

**Historical information:**

Sub-fund launched on 25 September 2015 by transfer of the same Irish sub-fund launched on 31 October 2006.  
Change of SFDR classification to Article 8 on January 10, 2022.

**Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.