

# BNP Paribas Funds

Luxembourg SICAV – UCITS category  
Registered office: 10 rue Edward Steichen, L-2540 Luxembourg  
Luxembourg Trade and Companies Register n° B 33363

## Notice to shareholders

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

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

Luxembourg, July 7, 2020

Dear Shareholders,

We hereby inform you of the following changes which will be incorporated in the next version of the Hong Kong Offering Document. These changes would be effective immediately.

### **CHANGES APPLICABLE TO SPECIFIC SUB-FUNDS (BOOK II)**

#### **“Euro Equity”**

The investment policy will be updated accordingly (by adding the paragraphs below) by making reference to the benchmark of the sub-fund:

*“Although the majority of the sub-fund equity securities may be components of the index MSCI EMU (NR) (the “benchmark”), the Investment Manager uses its wide discretion in relation to the benchmark to invest in companies and sectors not included in the benchmark in order to take advantage of specific investment opportunities. Industry analysis is first undertaken to assess the structural characteristics of the industry in which each company operates. The stock selection is then achieved by placing substantial importance on the generation of detailed, proprietary research at company level. The Investment Manager seeks to exploit the market’s increasing short-term focus by investing in companies when their attractive, longer-term investment attributes are masked by shorter term trends, fashion or random noise.*

*The end result is a high conviction portfolio with investments made in approx. 40 companies characterized by the quality of their financial structure and/or potential for earnings growth. Internal investment guidelines have been defined, including in reference to the benchmark, and are regularly monitored to ensure the investment strategy remains actively managed, while staying within pre-defined risk levels. Nevertheless, due to similar geographical constraint, investors should be aware that the sub-fund’s risk and return profile may, from time to time, be comparable to the risk and return profile of the benchmark.”*

#### **“Europe Equity”**

The investment policy will be updated accordingly (by adding the paragraphs below) by making reference to the benchmark of the sub-fund:

*“Although the majority of the sub-fund equity securities may be components of the index MSCI Europe (NR) (the “benchmark”), the Investment Manager uses its wide discretion in relation to the benchmark to invest in companies and sectors not included in the benchmark in order to take advantage of specific investment opportunities. Industry analysis is first undertaken to assess the structural*



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characteristics of the industry in which each company operates. The stock selection is then achieved by placing substantial importance on the generation of detailed, proprietary research at company level. The Investment Manager seeks to exploit the market's increasing short-term focus by investing in companies when their attractive, longer-term investment attributes are masked by shorter term trends, fashion or random noise.

The end result is a high conviction portfolio with investments made in approx. 40 companies characterized by the quality of their financial structure and/or potential for earnings growth. Internal investment guidelines have been defined, including in reference to the benchmark, and are regularly monitored to ensure the investment strategy remains actively managed, while staying within pre-defined risk levels. Nevertheless, due to similar geographical constraint, investors should be aware that the sub-fund's risk and return profile may, from time to time, be comparable to the risk and return profile of the benchmark."

#### **"Global Low Vol Equity"**

The investment objective of the sub-fund would be enhanced accordingly (by adding the bolded words and removing the crossed words below) to provide a more precise disclosure of the sub-fund. Such disclosure enhancement on investment objective is not a material change.

#### **Investment objective**

Increase the value of its assets over the medium term.

The sub-fund seeks to increase the value of its assets over the medium term by investing in worldwide equities selected through a process aimed at reducing risk by **selecting low volatility securities** ~~minimizing volatility~~ in the sub-fund.

#### **"Local Emerging Bond"**

The investment policy will be updated accordingly (by adding the paragraphs below) to clarify that the sub-fund is actively managed:

*"It is actively managed and as such may invest in securities that are not included in the index JPM GBI-EM Global Diversified (RI) (the "benchmark"). Nevertheless, due to similar geographical and thematic constraints, investors should be aware that the sub-fund's risk and return profile may, from time to time, be comparable to the risk and return profile of the benchmark."*

#### **"US Growth"**

The investment policy will be updated accordingly (by adding the bolded paragraphs and removing the crossed paragraph below) by providing a more precise disclosure of the sub-fund and making reference to the relevant benchmark:

#### **Investment policy**

At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by companies that conduct the majority of their business activities in sectors that seem to have greater-than-average potential for growth, relatively stable growth in profits and that have their registered offices or conduct the majority of their business activities in the United States of America.

~~When deciding on allocations and selecting securities, the Investment Manager will seek to diversify exposure to different sectors and issuers in order to reduce risk.~~

The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities, money market instruments, or cash, provided that investments in debt securities of any kind do not exceed 15% of its assets and those on Canadian markets do not exceed 10% of assets, and up to 10% of its assets may be invested in UCITS or UCIs.

**Although the majority of the sub-fund equity securities may be components of the index Russell 1000 Growth (RI) (the "benchmark"), the Investment Manager uses its wide discretion in relation to the benchmark to invest in companies and sectors not included in the benchmark in order to take advantage of specific investment opportunities. This results in a concentrated portfolio of approximately 50 stocks, weighted by conviction and diversified across sectors and issuers in order to reduce risks.**

The Investment Manager applies also BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investments of the sub-fund.

**Internal investment guidelines have been defined, including in reference to the benchmark, and are regularly monitored to ensure the investment strategy remains actively managed, while staying within pre-defined risk levels. Due to diversification and similar**

*geographical/thematic constraints, investors should be aware that the sub-fund's risk and return profile may, from time to time, be comparable to the risk and return profile of the benchmark.*

The amendments above are not material and does not change the current strategy and asset allocation followed by the relevant investment managers.

#### **ADDITIONAL INFORMATION**

Additional clerical changes have been made to update and enhance the general wording of the Prospectus or to comply with new laws and regulations.

Terms or expression not defined in the present notice have the same meaning as in the Prospectus of the Company.

The changes would not result in any change in fees level or costs in managing the sub-funds. In addition, the Management Company would bear the costs or expenses incurred in connection with the changes. The changes would not materially change the features and overall risk profile of the sub-funds following the change. There would be no change in the operations or the manner in which the sub-funds are being managed. There would also be no material change in the investment objective or policy of the sub-funds as a result of the changes. Further, the changes would not materially prejudice the existing investors' rights of interest.

Hong Kong shareholders who do not accept the changes mentioned above may ask the redemption of their shares according to the relevant procedures as disclosed in the Hong Kong Offering Document free of charge from the date of this notice until 6pm Hong Kong time on August 7, 2020.

The Hong Kong Offering Document will be updated to reflect the changes above. The current Hong Kong Offering Document of BNP Paribas Funds is available for inspection free of charge at the office of the Hong Kong Representative<sup>1</sup>, during normal business hours on any Hong Kong business day; and on the website at <http://www.bnpparibas-am.hk><sup>2</sup>. The updated Hong Kong Offering Document will be available later.

The Board of Directors of BNP Paribas Funds accepts responsibility for the accuracy of the contents of this notice.

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

Best regards,

**The Board of Directors**

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<sup>1</sup> The registered office of the Hong Kong Representative is located at 17/F Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

<sup>2</sup> This website has not been reviewed by the Securities and Futures Commission of Hong Kong.