BNP Paribas Funds

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

Notice to shareholders

Luxembourg, 28 June 2022,

Dear Shareholders,

We hereby inform you of the following changes incorporated in the next version of the prospectus, dated July 2022.

Unless otherwise provided in this document, the below changes will be effective on 29 July 2022.

"Disruptive Technology"

The "Information relating to SFDR and Taxonomy" section of the sub-fund will be amended to remove the reference to the fact the sub-fund invests partially in sustainable investments within the meaning of SFDR* as this was not the intention of the investment manager of the sub-fund.

* *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.*

This clarification has no impact on the current investment policy, asset allocation and portfolio composition of the sub-fund.

"Ecosystem Restoration", "Energy Transition"

The "Derivatives and Securities Financing Transactions" section of the sub-fund will be amended to provide that the sub-fund will be allowed to use:

- warrants for efficient portfolio management and hedging ;
- funded and unfunded Total Return Swaps (TRS), on a permanent basis, for efficient portfolio management. The expected portion of assets that can be subject to total return swaps will be set at 50% with a maximum set at 75%.

The "Risk Profile" section of the sub-fund will be updated accordingly.

There will be no increase of the ongoing charges and no change of the SRRI.

"Euro Bond Opportunities"

The investment policy of the sub-fund will be amended to provide for the possibility to invest in debt securities traded on the Bond Connect up to 20%.

The Bond Connect is defined in the prospectus as being "a mutual market access program between the PRC interbank bond market and Hong Kong bond market infrastructures as approved by People's Bank of China and Hong Kong Monetary Authority. It allows investors from Mainland China and overseas to trade in each other's bond markets through a market infrastructure linkage in Hong Kong."

This will increase the investment opportunities for the sub-fund.

The "Risk Profile" section will be updated accordingly.

There will be no increase of the ongoing charges and no change of the SRRI.

"Euro Defensive Equity"

In order to clarify its ESG Integration process and to reflect its level of integration the internal classification of the sub-fund moves from "Sustainable" to "Sustainable Plus-Enhanced ESG", without any material impact on the asset allocation, and composition of the portfolio.

"Euro Inflation-Linked Bond"

The "Investment Policy" section of the sub-fund will be amended to provide that the sub-fund will invest at least 2/3 of its assets in bonds or in securities treated as equivalent to bonds denominated in euro and indexed on the Eurozone **or national (domestic country)** inflation **indices**.

This clarification has no impact on the current investment policy, asset allocation and portfolio composition of the sub-fund.

In addition, the "Derivatives and Securities Financing Transactions" section of the sub-fund will be amended to provide that repurchase transactions can be used for the sub-fund on a temporary basis for investment purpose targeting the generation of additional income. The expected proportion of the sub-fund's assets that can be used for these transactions is set at 10% with a maximum of 15%.

The "Risk Profile" section will be updated accordingly.

There will be no increase of the ongoing charges and no change of the SRRI.

"Global Bond Opportunities"

The investment policy of the sub-fund will be amended to provide that the sub-fund will be allowed to invest in debt securities traded on the Bond Connect in addition to the China Interbank Bond market. In addition, the sub-fund's investments into these debt securities will be limited to 20% of its assets instead of 25% currently provided.

The Bond Connect is defined in the prospectus as being "a mutual market access program between the PRC interbank bond market and Hong Kong bond market infrastructures as approved by People's Bank of China and Hong Kong Monetary Authority. It allows investors from Mainland China and overseas to trade in each other's bond markets through a market infrastructure linkage in Hong Kong."

This will increase the investment opportunities for the sub-fund.

The "Risk Profile" section will be updated accordingly.

There will be no increase of the ongoing charges and no change of the SRRI.

"Global Enhanced Bond 36M"

The investment policy of the sub-fund will be amended to provide that the sub-fund will be allowed to invest in debt securities traded on the Bond Connect up to 20% of its assets.

The Bond Connect is defined in the prospectus as being "a mutual market access program between the PRC interbank bond market and Hong Kong bond market infrastructures as approved by People's Bank of China and Hong Kong Monetary Authority. It allows investors from Mainland China and overseas to trade in each other's bond markets through a market infrastructure linkage in Hong Kong."

This will increase the investment opportunities for the sub-fund.

The "Risk Profile" section will be updated accordingly.

There will be no increase of the ongoing charges and no change of the SRRI.

"Global Inflation-Linked Bond"

The "Derivatives and Securities Financing Transactions" section of the sub-fund will be amended to provide that repurchase transactions can be used for the sub-fund on a temporary basis for investment purpose targeting the generation of additional income. The expected proportion of the sub-fund's assets that can be used for these transactions is set at 10% with a maximum of 15%.

The "Risk Profile" section will be updated accordingly.

In addition, as the sub-fund will apply a non-financial analysis on a minimum of 90% of the assets of the sub-fund based on the internal Proprietary ESG scoring framework as indicated in the Prospectus, and that its average portfolio ESG score is expected to be higher than the one of its investment universe, this sub-fund will be classified as article 8 following SFDR*.

* *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*

This classification has no impact on the current investment policy, asset allocation and portfolio composition of the sub-fund.

"Multi-Asset Thematic"

The cut-off time for the centralisation of orders in case the sub-fund invests through UCITS and UCIs in targeted assets will be amended from 16:00 CET (for STP orders) and 12:00 CET (for non STP orders) on the day preceding the applicable valuation day to 12:00 CET (for STP orders) and 10:00 CET (for non STP orders) on the applicable valuation day.

"Premia Opportunities"

The cut-off time for the centralisation of orders in case the sub-fund invests directly in targeted assets will be amended from 16:00 CET (for STP orders) and 12:00 CET (for non STP orders) on the day preceding the applicable valuation day to 16:00 CET (for STP orders) and 12:00 CET (for non STP orders) on the applicable valuation day.

The cut-off time for the centralisation of orders in case the sub-fund invests through UCITS and UCIs in targeted assets will be amended from 16:00 CET (for STP orders) and 12:00 CET (for non STP orders) on the day preceding the applicable valuation day to 12:00 CET (for STP orders) and 10:00 CET (for non STP orders) on the applicable valuation day.

"RMB Bond"

The sub-fund's details will be amended to provide that the sub-fund may invest in core financial derivative instruments for efficient portfolio management, and hedging purposes.

The "Risk Profile" of the sub-fund will be amended accordingly.

There will be no increase of the ongoing charges and no change of the SRRI.

"Sustainable Multi-Asset Balanced", "Sustainable Multi-Asset Growth", "Sustainable Multi-Asset Stability"

The cut-off time for the centralisation of orders will be amended from 16:00 CET (for STP orders) and 12:00 CET (for non STP orders) on the day preceding the applicable valuation day to 12:00 CET (for STP orders) and 10:00 CET (for non STP orders) on the applicable valuation day.

"Sustainable Global Multi-Factor High Yield Bond"

The investment policy of the sub-fund has been updated to, *inter alia*, remove the possibility for the investment manager to invest in structured debt (including ABS/MBS).

There is no impact on the composition of the portfolio or on the asset allocation of the sub-fund.

"Target Risk Balanced"

The SFDR* classification will change from article 6 to article 8 in light of the current asset allocation and portfolio composition. The sub-fund will respect the minimum extra-financial analysis coverage rate as set out in the prospectus and the average portfolio ESG score of the sub-fund will be higher than the one of its investment universe.

This classification has no impact on the current investment policy, asset allocation and portfolio composition of the sub-fund.

"US Short Duration Bond"
This sub-fund will be renamed "*US**D** Short Duration Bond*".

This change has no impact on the current investment policy, asset allocation and portfolio composition of the sub-fund.

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.

If a clearinghouse holds your shares, we advise you to enquire about the specific terms applying to subscriptions, redemptions and conversions made via this type of intermediary.

Please note that except for the newspaper publications required by Law, the official media going forward to obtain any notice to shareholders will be our website www.bnpparibas-am.com.

YOUR OPTIONS
1. **If you are comfortable with these changes**, you do not need to take any action.
2. **Should you not approve these changes**, you have the possibility to request the redemption of your shares free of charge **until 28 July 2022**.
3. In case of any **question**, please contact our **Client Service** (**+ 352 26 46 31 21** /**AMLU.ClientService@bnpparibas.com**).

Best regards,

The Board of Directors