BNP PARIBAS
ASSET MANAGEMENT

Issued by BNP PARIBAS ASSET MANAGEMENT Asia Limited

PRODUCT KEY FACTS

BNP Paribas Funds Sustainable Asian Cities Bond
May 2022

- ***This statement provides you with key information about this product.***
- ***This statement is a part of the offering document and should be read in conjunction with the Prospectus, Hong Kong Covering Document and Information for Hong Kong Investors.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Management Company:	BNP PARIBAS ASSET MANAGEMENT Luxembourg		
Fund Manager:	Internal and/or external delegation to one or more portfolio managers as described in the "General Information" section of the Prospectus and the "Management and Sub-Delegation" section of the Hong Kong Covering Document and Information for Hong Kong Investors		
Custodian:	BNP Paribas Securities Services, Luxembourg Branch		
Ongoing charges over a year#:	Classic Privilege		1.28% 0.73%
Base currency:	USD	**Dealing frequency:**	Daily
Financial year end of this sub-fund:	31 December	**Dividend policy:**	Capitalisation shares – No dividend distribution (income, if any, will be reinvested) Distribution shares - Dividend, if declared, will be paid Distributions may be paid out of capital which may result in an immediate reduction of the sub-fund's net asset value per share
		Min. investment: **Min. holding:**	None "Privilege" categories – EUR 3 million or equivalent

As BNP Paribas Funds Sustainable Asian Cities Bond is newly transformed to be ESG focused with decreasing management fee, this figure is an annualized figure and is a best estimate only. This figure may vary from year to year. The ongoing charge is calculated by adding all direct fees, indirect fees and external fees of the sub-fund and then divided by the average net assets. Direct fees refer to charges and payment directly borne by the sub-fund such as operating costs, remuneration and payment to key operators and service providers. Indirect fees refer to the ongoing charges of the underlying funds which the sub-fund invests. External fees refer to any remuneration of the management company or other party that derives from fee-sharing arrangement.

What is this product?

This sub-fund is a fund constituted in the form of a mutual fund. It is incorporated under Luxembourg law and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

Objective and Investment Strategy

Objective
To increase the value of its assets over the medium term by investing primarily in debt securities issued by Asian issuers supporting the development of sustainable Asian cities while integrating Environmental, Social and Governance ("ESG") criteria all along our investment process.

Strategy
The sub-fund invests at least 75% of its total assets in the investment universe below, i.e. debt securities issued from issuers domiciled in, or exercising the predominant part of their economic activity in, Asian countries such as China, Indonesia and Korea. Such debt securities include:

1. sustainable labelled bonds as defined by International Capital Market Association (i.e. green bond principles, social bond principles, sustainability bond guidelines) including green bonds, social and sustainability use-of-proceeds bonds (i.e. bonds where the proceeds will be used to finance projects, assets or activities that would lead to positive environmental and/or social benefits) that are related to the development of sustainable Asian cities; and

2. non-labelled bonds aligned with the development of sustainable Asian cities and issued by corporate and public entities domiciled in, or exercising the predominant part of their economic activity in Asian countries, for which part of their business contribute to aspects of sustainable Asian cities. The selected issuers must have at least 20% of their revenues in the activities, which are directly contributing to the theme of sustainable Asian cities, and/or potentially enablers of the development of sustainable Asian cities.

The concept of development of sustainable Asian cities is multi-sector and multi-aspect, where investments can be broadly about these five aspects:

- Enhancing urban mobility within and across Asian cities such as public transport, with a preference for low-carbon options such as public transport
- Improving Asian cities' basic infrastructure to operate and thrive, as well as improving cities' resilience to extreme weather events such as storm water management or flood protection
- Promoting integrated development of Asian cities to balance a mix of social, economic, nature-based activities such as city's special economic zones or urban wetland installation
- Building health and education facilities in Asian cities to increase provision and improve access to healthcare and education
- Supporting innovative and technological solutions to support sustainable development of Asian cities.

The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's sustainable investment policy as set out in the Prospectus, which takes into account ESG standards and integration in the investment process of the sub-fund.

BNP PARIBAS ASSET MANAGEMENT has also defined a series of ESG guidelines relating to investments in sensitive sectors including but not limited to palm oil, wood pulp, mining activities, nuclear, coal-fired power generation, tobacco, controversial weapons, unconventional oil and gas and asbestos.

The sub-fund would exclude investment in (i) securities issued by companies that violate any of the principles of the United Nations Global Compact or OECD Guidelines for Multinational Enterprises and (ii) securities issued by companies from the sensitive sectors above that do not comply with the guidelines defined by BNP PARIBAS ASSET MANAGEMENT.

The remaining portion, namely a maximum of 25% of its total assets, may be invested in any other debt securities, ancillary liquid assets ((i.e. bank deposits at sight) for maximum 20% of the assets; money market instruments for maximum 10% of the assets, and other collective investment schemes for maximum 10% of the assets of the sub-fund.

In respect of the above investments limits, the sub-fund invests at least 60% in investment grade debt securities of its total assets.

The sub-fund may invest in non-investment grade debt securities rated above B- (S&P) or B3 (Moody's) (i.e. debt securities rated between BBB- to B- (S&P) or Baa3 to B3 (Moody's)) for up to 40% of its total assets, Within the non-investment grade debt securities portion, the sub-fund may invest in perpetual callable debt securities for up to 20% of its total assets.

The sub-fund's total investments into debt securities traded on the China Interbank Bond market may reach up to 25% of its total assets.

After hedging, the sub-fund exposure to currencies other than USD may not exceed 5% of its total asset.

Use of Derivatives/Investment in Derivatives

The sub-fund's net derivative exposure may be up to 50% of the sub-fund's NAV.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

Investment Risk

- When investing in a fund, there is a risk that the final outcome may deviate from the initial expectations. The sub-fund's investment portfolio may fall in value due to any of the key risks below and therefore may suffer losses. In addition, there is no guarantee of principal repayment.

Environmental, Social and Governance Risk

- The use of ESG standards and analysis may affect the sub-fund's investment performance and, as such, the sub-fund may perform differently including underperforming compared to similar funds that do not use such standards.
- The use of ESG criteria may also result in the sub-fund being concentrated in companies with ESG focus and the value maybe more volatile than that of fund having a more diverse portfolio of investment.
- ESG-based exclusionary standards used by the sub-fund may result in the sub-fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their ESG characteristics when it might be disadvantageous to do so.
- In evaluating a security based on ESG standard, the investment manager may use information and data from third party providers, which may be incomplete, inaccurate or unavailable.
- Investment selection of the sub-fund is based on subjective judgement from the investment manager. The investment manager may incorrectly assess the ESG characteristics of a security and may wrongly exclude eligible security.
- Due to the lack of standardized taxonomy, the investment manager may not apply the relevant ESG standards correctly or that the sub-fund could have indirect exposure to security which do not meet the relevant ESG standards used by the sub-fund.
- ESG standard and expectation are evolving. There is a risk of style drift within the investment limits of the sub-fund.

Geographical Concentration Risk

- The sub-fund's investments are concentrated in Asia (excluding Japan). This may result in greater volatility than funds which comprise broad-based global investments. The sub-fund may be more susceptible to adverse fluctuations in value resulting from adverse condition in Asia (excluding Japan) and the sub-fund's value may be adversely affected.

Emerging Market Risk

- The sub-fund may invest in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. Investing in emerging markets is likely to be subject to a higher than average volatility, less liquidity and greater sensitivity than investing in more developed markets due to, among other factors, greater uncertainty, greater political, tax, economic, social, foreign exchange, liquidity and regulatory risks. The price fluctuations of the investments are often amplified in the short term and the value of investments of the sub-fund may go down.

Liquidity Risk

- Investments made by the sub-fund may become illiquid. It may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in the sub-fund.

Interest Rate Risk

- The sub-fund may invest in debt securities. The value of an investment of the sub-fund may be affected by interest rate fluctuations. Interest rates may be influenced by several elements or events, such as monetary policy, the discount rate, inflation, etc. An increase in interest rates may result in a decrease in the value of investments in debt instruments and the value of investments of the sub-fund may go down.

Credit Risk

- The ability of debt security issuer to honour its commitments depends on the financial condition of the issuer. An adverse change in the financial condition of the issuer could lower the quality of the debt securities, leading to greater price volatility of the debt securities. The sub-fund may subject to the risk that the debt security issuer not making payment on interest and principal of the debt securities, causing the value of the investment of the sub-fund to go down.
- In the event of the default of debt security issuer, the sub-fund may experience both delays in liquidating the debt securities and losses including a decline in value of the debt securities during the period when the sub-fund seeks to enforce its rights.

Counterparty Risk

- This risk is associated with the ability of a counterparty in a financial transaction to fulfil its commitments like payment, delivery and reimbursement. The sub-fund may be exposed to significant losses in the event of a counterparty default.

Downgrading Risk

- Debt securities face the risk that their ratings can be downgraded by the rating agencies when these securities are invested by the sub-fund. Downgrading of a particular security may lead to reduced value of the security concerned and may result in losses to the sub-fund.
- Downgrades of a rating of debt security issue or issuer may lead to a drop in the value of debt securities in which the sub-fund have invested. Such debt securities may have less liquidity, making it more difficult to sell and their values may be more volatile.

Risk in connection with Investments in Non-Investment Grade Debt Securities

- The sub-fund may invest in non-investment grade debt securities. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities. Investing in non-investment grade debt securities may subject the sub-fund to higher credit risk/risk of default than investment grade debt securities. The sub-fund may be exposed to significant losses if the issuers of securities of the sub-fund default payments. The market of non-investment grade debt securities may be less active, making it more difficult to sell the securities. Valuation of such securities is more difficult and thus the sub-fund’s price may be more volatile.

Risk in connection with Investments in Sovereign Debt

- The sub-fund may invest in sovereign debt. Investment in sovereign debt issued or guaranteed by governments or governmental entities largely in-debt involves a higher degree of risk. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. The value of investments of the sub-fund may be adversely affected when there is a default of sovereign debt issuers.

Currency Exchange Risk

- A share class may be designed in a currency other than the base currency of the sub-fund. Further, the sub-fund may hold assets denominated in currencies that differ from the base currency of the sub-fund, and may be affected by exchange rate fluctuations between the base currency and the other currencies and by changes in exchange rate controls. A depreciation of the denomination currency will lead to a depreciation in the exchange value of the security. There is no guarantee that the hedging of currency exchange risk (if any) will be completely effective and the value of specific share class and the sub-fund may be adversely affected.

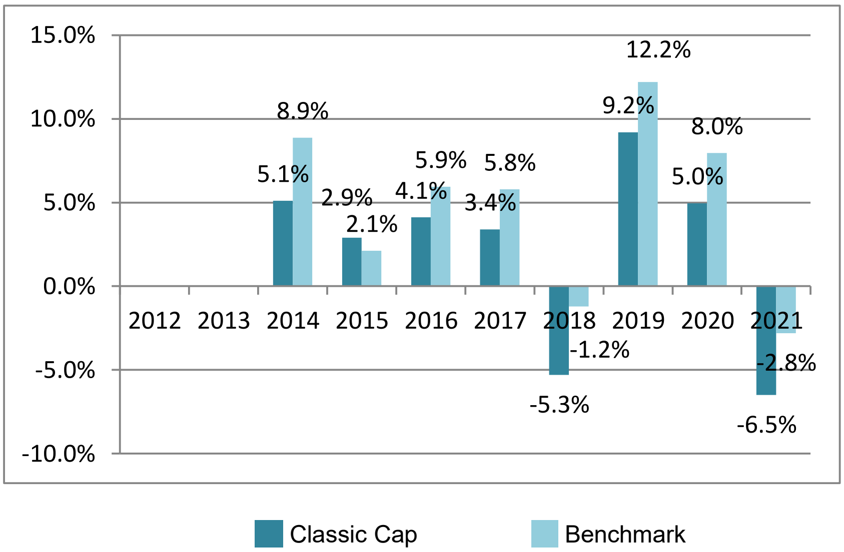
Risk associated with investments in financial derivative instruments

- Risk associated with financial derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instruments by the sub-fund. Exposure to financial derivative instruments may lead to a high risk of significant loss by the sub-fund.

Risk in connection with Dividend Payment

- The Management Company may at its discretion pay dividends out of the capital of the sub-fund. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the sub-fund's capital may result in an immediate reduction of net asset value per share. The Management Company may change the policy in relation to payment of dividends out of capital subject to the SFC 's prior approval and by giving not less than one month's notice to investors.
- The distribution amount and NAV of the hedged share class may be adversely affected by differences in the interest rates of the reference currency of the hedged share class and the sub-fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence further negative impact on capital than other non-hedged share classes.

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- Classic Capitalisation, being a share class with the same reference currency as the sub-fund with the longest track record among all share classes and not restricted to certain types of clients, is selected as the representative share class.
- These figures show by how much the Classic Capitalisation share class increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and

redemption fee you might have to pay.

- The sub-fund changed its investment objective and strategy on 6 May 2022. Prior to this, performance of the sub-fund was achieved under circumstances that no longer apply.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The benchmark of the sub-fund is JPM Asia Credit (RI) until 31 May 2018. From 1 June 2018 to 5 May 2022, the benchmark of the sub-fund is 50% JPM Asia Credit Index + 50% Markit iBoxx Asian Local Bond Index. From 6 May 2022, the benchmark of the sub-fund is JPM Asia Credit Index.
- BNP Paribas Funds Sustainable Asian Cities Bond launch date: 21 May 2013
- Classic Capitalisation share class launch date: 21 May 2013

Is there any guarantee?

This sub-fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the sub-fund.

Fee	What you pay
Subscription fee (Entry cost)	Up to 3% of the net asset value of the relevant share class subscribed
Switching fee (Conversion fee)	Up to 1.5% of the net asset value of the relevant share class converted
Redemption fee (Exit cost)	Nil

Ongoing fees payable by the sub-fund

The following expenses will be paid out of the sub-fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the net asset value of the relevant share category)
Management fee	“Classic” categories – Up to 0.90% “Privilege” categories – Up to 0.45%
Custodian fee	Included in Other costs

Performance fee	Not applicable
Administration fee	Included in Other costs
Other costs (Other costs cover the general asset custody expenses payable to the custodian and the daily administration expenses)	"Classic" categories – Up to 0.30% "Privilege" categories – Up to 0.20%

Other fees

You may have to pay other fees when dealing in the shares of the sub-fund.

Additional Information

- You generally buy and redeem shares at the sub-fund's next determined subscription price and redemption price through your authorised distributor after the transaction servicing agent receives your request via your authorised distributors in good order on or before 6 pm (Hong Kong time) on a Hong Kong business day. Investors should note that different distributors may have different dealing cut-off which may be earlier than the time specified in this document. Investors should check with the relevant authorised distributors accordingly.
- The net asset value of this sub-fund is calculated and the price of shares daily on the website at http://www.bnpparibas-am.hk.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the website at http://www.bnpparibas-am.hk.
- The compositions of the dividends for the last 12 months are available from the Hong Kong representative on request and also on the website at http://www.bnpparibas-am.hk.
- Investors may obtain information on the intermediaries from our hotline (852) 2533 0088.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.