



PRODUCT KEY FACTS

BNP Paribas Funds Sustainable Multi-Asset Balanced 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 (and corresponding hedged share classes)	1.89%	
Base currency:	EUR	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:	None		

The ongoing charges figure is calculated based on expenses for the year ended at 31 December 2021. 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

Increase the value of its assets over the medium term by investing directly and indirectly (through other collective investment schemes or exchange traded funds (collectively, the “underlying funds”)) in bonds or equity shares of issuers selected based on their practices and activities linked to sustainable development.

Strategy

The sub-fund invests at least 90% of its assets (excluding cash) based on sustainable thematic approach and/or best-in-class approach.

The sustainable thematic approach tends to select companies that conduct a significant part of their business (i.e. at least 20% of the total turnover) in offering products, services and solutions that help to address specific environmental and/or social challenges, for example, companies that facilitate the transition towards low-carbon and/or inclusive economy (represented by companies that contribute positively to diversity and inclusion; which reduce inequalities related to income, education, gender, ethnicity, geographical origin, age, or disability).

The best-in-class approach tends to select companies that are leaders in their sector in terms of social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity. The underlying funds using best-in-class approach would exclude investment in the lowest ESG rated securities in the respective investment universe. Assessment will be conducted based on the BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy or similar standard as further elaborated below.

The sub-fund invests at least 75% of its total assets through underlying funds (including funds managed by BNP Paribas group).

The equity bucket of the sub-fund will be invested through underlying funds in companies selected based on the best-in-class approach or sustainable thematic approach.

The bond bucket of the sub-fund will be invested through underlying funds in:

- issuers selected based on the best-in-class approach or sustainable thematic approach,
- green bonds (as defined by International Capital Market Association) issued by corporates, supranational sovereign agencies, local entities or government to support environmental projects.

The sub-fund may also invest a maximum 25% of its total assets directly in bond or equity shares fulfilling the conditions above.

Under normal market conditions, the sub-fund will aim to reach its performance objectives by maintaining the below asset class weightings through direct or indirect exposures:

- equity: 50% of the sub-fund's total assets
- bond: 50% of the sub-fund's total assets

For efficient portfolio management, the Investment Manager may deviate significantly from the above target weightings based on market conditions and forecasts. The allowable bandwidths across the asset classes through direct or indirect exposures are:

- equity: 25-75% of the sub-fund's total assets
- bond: 25-75% of the sub-fund's total assets

As an elaboration on the Sustainable Investment Policy under best-in-class approach above, BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, as defined in the Prospectus, takes into account Environmental, Social and Governance (“ESG”) standards and integration in the investment process of the sub-fund.

ESG standards are integrated in the investment process of the sub-fund. The ESG standards comprise 1) the 10 principles of the United Nations Global Compact and OECD Guidelines for Multinational Enterprises and 2) the BNP PARIBAS ASSET MANAGEMENT sector policies.

BNP Paribas Funds Sustainable Multi-Asset Balanced

The United Nations Global Compact is a shared framework, recognized worldwide and applicable to all industry sectors. The 10 principles of the United Nations Global Compact in the areas of human rights, labour standards, environmental stewardship and anti-corruption are integrated in the investment process. Similarly, the OECD Guidelines for Multinational Enterprises set out principles for the responsible business conduct of businesses.

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 ESG integration involves the evaluation of the three non- financial indicators below:

- 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.

The sub-fund and the underlying funds 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 sub-fund will invest less than 30% of its net asset value in underlying funds which invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade and/or unrated.

The sub-fund will invest less than 30% of its net asset value in underlying funds which may use financial derivative instruments primarily / extensively for investment purposes.

The sub-fund does not hold any listed closed-ended real estate investment trusts (REITs).

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.

Risk in connection with investments via other funds

- The sub-fund invests primarily in other funds and will be subject to the risks associated with the underlying funds. The sub-fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the NAV of the sub-fund.
- The underlying funds in which the sub-fund may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying funds. Where the sub-fund invests in other funds, there may be additional costs of investing in these funds which may increase the TER and/or ongoing charges. These costs may adversely affect the net asset value of the sub-fund.

BNP Paribas Funds Sustainable Multi-Asset Balanced

- While the sub-fund will invest in underlying funds which provide daily liquidity, there can be no assurance that the liquidity of the underlying funds will always be sufficient to meet the redemption request and there is a possibility that the sub-fund may not be able to redeem or sell its holding if the underlying collective investment schemes imposes restriction on a particular dealing day or during the trade cessation days of the underlying exchange traded funds.
- The sub-fund invests in underlying funds managed by the Management Company or connected person of BNP Paribas Group, potential conflict of interest may arise from such investment.

Asset Allocation Risk

- The performance of the sub-fund is dependent on the success of the asset allocation strategy employed by the sub-fund. There is no assurance that the strategy employed by the sub-fund will be successful under all circumstances and market conditions. In adverse situation, the sub-fund's asset allocation strategy may become ineffective and may result in losses to the sub-fund. The investments of the sub-fund may be periodically rebalanced and therefore may incur greater transaction costs than a fund with static allocation strategy.

Environmental, Social and Governance Risk

- The use of ESG standards and analysis may affect the underlying funds and the sub-fund's investment performance and, as such, the underlying funds and 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 and the underlying funds 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 underlying funds and the sub-fund may result in the underlying funds and 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 and an underlying fund 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 and underlying funds 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 underlying funds and the sub-fund could have indirect exposure to security which do not meet the relevant ESG standards used by the underlying funds and the sub-fund.
- ESG standard and expectation are evolving. There is a risk of style drift within the investment limits of the underlying funds and the sub-fund.

Liquidity Risk

- Investments made by the underlying funds and 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 underlying funds and the sub-fund.

Interest Rate Risk

- The underlying funds and the sub-fund may invest in bonds. The value of an investment of the underlying funds and 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 bonds and debt instruments and the value of investments of the underlying funds and the sub-fund may go down.

Credit Risk

- The ability of bond 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 bonds, leading to greater price volatility of the bonds. The underlying funds and the sub-fund may subject to the risk that the bond issuer not making payment on interest and principal of the bonds, causing the value of the investment of the underlying funds and the sub-fund to go down.

BNP Paribas Funds Sustainable Multi-Asset Balanced

- In the event of the default of bond issuer, the underlying funds and the sub-fund may experience both delays in liquidating the bonds and losses including a decline in value of the bonds during the period when the underlying funds and the sub-fund seek 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 underlying funds and the sub-fund may be exposed to significant losses in the event of a counterparty default.

Downgrading risk for investment grade debt securities

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

Risk in connection with Investments in Sovereign Debt

- The underlying funds and 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 underlying funds and the sub-fund may be adversely affected when there is a default of sovereign debt issuers.

Risk related to Equity Markets

- The underlying funds and the sub-fund may invest in equity. Investments in equity include significant fluctuations in prices, negative information about the issuer or market. Moreover, these fluctuations are often amplified in the short term and may 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. Investment in equity is also subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors. The value of investments of the underlying funds and the sub-fund may go down and it is possible that investors will not recover their initial investment.

Currency Exchange Risk

- A share class may be designed in a currency other than the base currency of the sub-fund. Further, the underlying funds and 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, underlying funds 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 underlying funds and the sub-fund. Exposure to financial derivative instruments may lead to a high risk of significant loss by the underlying funds and the sub-fund.

Risk in connection with Dividend Payment

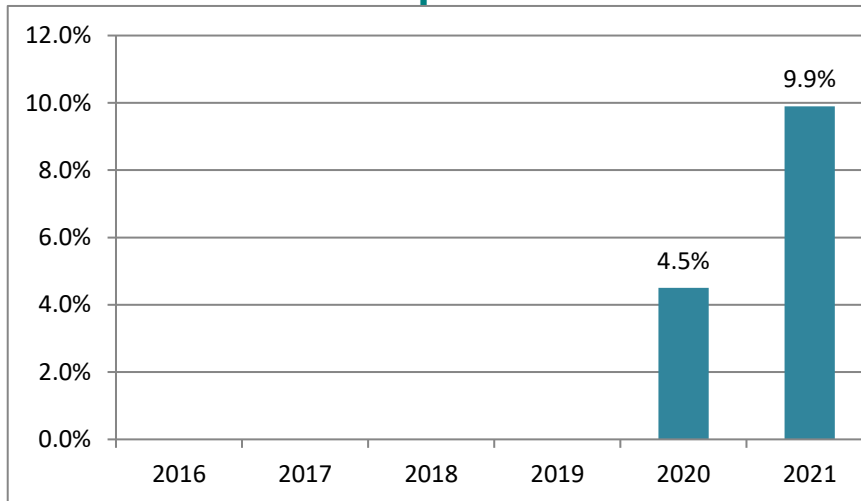
- The Management Company may at its discretion pay dividends out of the capital of the sub-fund. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the sub-fund's capital may result in an immediate reduction of net asset value per share.

BNP Paribas Funds Sustainable Multi-Asset Balanced

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 EUR including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- BNP Paribas Funds Sustainable Multi-Asset Balanced launch date: 5 December 2019
- Classic Capitalisation share class launch date: 5 December 2019
- On 10 March 2022, BNP Paribas Funds Sustainable Multi-Asset Balanced absorbed a Luxembourg fund which is not authorized by the SFC.

BNP Paribas Funds Sustainable Multi-Asset Balanced

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	Up to 1.30%
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)	Up to 0.30%

Other fees

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

BNP Paribas Funds Sustainable Multi-Asset Balanced

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 published 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.