

## PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## PRODUCT

**Sustainable Euro Bond, a sub-fund of BNP Paribas Funds, share class: Classic Distribution (LU0828230770)**

**Manufacturer:** BNP PARIBAS ASSET MANAGEMENT Luxembourg ("BNPP AM Luxembourg")

**Website:** <https://www.bnpparibas-am.com>

Call (+352 26.46.30.02) for more information.

The Commission de Surveillance du Secteur Financier ("CSSF") is responsible for supervising the Product and BNPP AM Luxembourg.

**Date of production of the KID:** 01/05/2023

## WHAT IS THIS PRODUCT?

## Type

This Product is an undertaking for collective investment in transferable securities (UCITS). It is a sub-fund of BNP Paribas Funds, an open-ended investment company (société d'investissement à capital variable "SICAV") governed by the provisions of Part I of the Luxembourg Law of 17 December 2010 (the "2010 Law") relating to undertakings for collective investment as well as by UCITS Directive 2009/65.

## Term

This Product has no maturity date.

BNPP AM Luxembourg is not entitled to terminate the Product unilaterally. The board of directors of the SICAV has the authority to decide on the merger, split, liquidation or the closure of the sub-fund. Furthermore, the SICAV may be wound up by decision of an extraordinary general meeting of shareholders.

## Objectives

The Fund seeks to increase the value of its assets over the medium term by investing in euro denominated bonds or other debt instruments issued by companies which are considered the best according to their practices in terms of sustainable development (social responsibility and/or environmental responsibility and/or corporate governance).

Investment grade structured debts may represent up to 20% of the assets

It is actively managed and as such may invest in securities that are not included in the index which is Bloomberg Barclays Euro Aggregate 500MM (RI).

The investment team applies also BNP PARIBAS ASSET MANAGEMENT's sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria such as but not limited to reduction of emissions of greenhouse gas, respect of human rights, respect of minority shareholders rights, at each step of the investment process of the Fund.

The Fund follows the Enhanced ESG approach which means that the Fund implements more explicit ESG tilts (Invest in the most sustainable companies according to specific criteria and/or incorporating a wider range of exclusions) leading to more stringent ESG and/or Carbon performance targets.

The approach is implemented in order to consistently eliminate at least 20% of the index prior to applying ESG filters.

An extra-financial strategy may comprise methodological limitations such as the ESG Investment Risk as defined by the asset manager.

A dividend may be distributed.

Investors are able to redeem on a daily basis (on Luxembourg bank business days) as described in the prospectus.

## Intended retail investors

This Product is designed for retail investors who have neither financial expertise nor any specific knowledge to understand the Product but nevertheless may bear a total capital loss. It is suited for clients who seek growth of and/or income from capital. Potential investors should have an investment horizon of at least 3 years.

## Practical Information

■ Depositary: BNP PARIBAS, Luxembourg Branch

■ This key information document is prepared for the aforementioned share class and describes a sub-fund of BNP Paribas Funds. Further information about the Product is contained in the prospectus and periodical reports which are issued at the level of the SICAV. Under the 2010 Law, there is segregated liability between sub-funds, meaning that the assets of the sub-fund will not be available to meet a claim of a creditor or another third-party made against another sub-fund.

■ Investors may switch between sub-funds of the SICAV. Please see the prospectus or contact your financial adviser for details.

■ Further information about the Product including the latest prospectus, Articles of Association, key information document, net asset values, latest published prices of share(s), periodical report, investment description, may be obtained free of cost, in English, from BNPP AM Luxembourg or online at <https://www.bnpparibas-am.com>.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

## Risk Indicator



The risk indicator assumes you keep the Product for 3 years.



The summary risk indicator is a guide to the level of risk of this Product compared to other Products. It shows how likely it is that the Product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this Product as 2 out of 7, which is a low risk class. The risk category is justified by the investment mainly in interest rate instruments. The investor's attention is drawn to the fact that an increase in interest rates results in a decrease in the value of investments in bonds and debt instruments and more generally fixed income instruments.

**Be aware of currency risk. If the currency of your account is different from the currency of this Product, the payments you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

Other risks materially relevant to the Product not included in the summary risk indicator:

■ **Credit risk:** the risk that the creditworthiness of an issuer may deteriorate or that it may default, potentially causing the value of the associated instruments to fall.

■ **Operational risk:** In the event of an operational breakdown within the management company, one of its representatives or the depositary, investors could face various disruptions (late payment, delivery etc.).

For additional details regarding the risks, please refer to the prospectus.

This Product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

## Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The unfavourable, moderate and favourable scenarios presented represent examples using the best and worst performance, as well as the average performance of the Product and/or appropriate benchmark over the last 10 years. The markets could develop very differently in the future.

| Recommended holding period: 3 years |                          |                           |
|-------------------------------------|--------------------------|---------------------------|
| Example Investment: EUR 10,000      | If you exit after 1 year | If you exit after 3 years |

### Scenarios

|                     |   |               |               |
|---------------------|---|---------------|---------------|
| <b>Minimum</b>      | There is no minimum guaranteed return. You could lose some or all of your investment. |               |               |
| <b>Stress</b>       | <b>What you might get back after costs</b>  | 6,762.91 EUR  | 6,784.57 EUR  |
|                     | Average return each year  | -32.37%       | -12.13%       |
| <b>Unfavourable</b> | <b>What you might get back after costs</b>  | 8,003.82 EUR  | 7,762.14 EUR  |
|                     | Average return each year  | -19.96%       | -8.10%        |
| <b>Moderate</b>     | <b>What you might get back after costs</b>  | 9,724.38 EUR  | 10,019.09 EUR |
|                     | Average return each year  | -2.76%        | 0.06%         |
| <b>Favourable</b>   | <b>What you might get back after costs</b>  | 10,638.15 EUR | 11,320.84 EUR |
|                     | Average return each year  | 6.38%         | 4.22%         |

The figures shown include all the costs of the Product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The stress scenario shows what you might get back in extreme market circumstances.

This type of scenario occurred for an investment between 2012 and 2022.

## WHAT HAPPENS IF BNPP AM LUXEMBOURG IS UNABLE TO PAY OUT?

The SICAV is incorporated as a separate entity distinct from BNPP AM Luxembourg. In the event BNPP AM Luxembourg would default, the assets of the Product/SICAV, held by a depositary, would not be affected by this default.

In case of default of the depositary, the risk of financial loss of the Product/SICAV is mitigated by the legal segregation of the assets of the depositary from those of the Product/SICAV.

## WHAT ARE THE COSTS?

The person advising on or selling you this Product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment. If this Product is used as an underlying of an insurance policy or a capitalization policy, the costs presented do not include any costs related to such policies.

### Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the Product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

■ in the first year, you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the Product performs as shown in the moderate scenario.

■ EUR 10,000 is invested.

|                               | If you exit after 1 year | If you exit after 3 years |
|-------------------------------|--------------------------|---------------------------|
| <b>Total Cost</b>             | 426.33 EUR               | 696.57 EUR                |
| <b>Annual Cost Impact (*)</b> | 4.30%                    | 2.34%                     |

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 2.40% before costs and 0.06% after costs.

### Composition of costs

| One-off entry or exit costs | If you exit after 1 year  |               |
|-----------------------------|---|---------------|
| <b>Entry costs</b>          | Up to 3.00% of the amount you pay in when entering this investment. | Up to 300 EUR |



|  |   |            |
|--|---|------------|
| <b>Exit costs</b>  | We do not charge an exit cost.  | 0 EUR      |
| <b>Recurring costs levied annually</b>                               |   |            |
| <b>Management costs and other administrative and operating costs</b> | 1.15% of the value of your investment per year. The amount is based on past expenses calculated on 31/12/2022.  | 111.55 EUR |
| <b>Transaction costs</b>   | 0.15% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the Product. The actual amount will vary depending on how much we buy and sell. | 14.78 EUR  |
| <b>Incidental costs taken under specific conditions</b>              |   |            |
| <b>Performance fees</b>  | There is no performance fee for this Product.   | 0 EUR      |

In case of conversion, the investors may be charged a maximum fee of 1.50%.

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

### Recommended holding period ("RHP"): 3 years.

The RHP has been defined and based on the risk and reward profile of the Product.

Investors are able to redeem on a daily basis (on Luxembourg bank business days) as described in the prospectus.

Any redemption occurring before the end of the RHP may adversely impact the performance profile of the Product.

## HOW CAN I COMPLAIN?

For any claim, you are invited to contact your usual relationship manager that advised you on the Product. You can also contact BNPP AM Luxembourg, as described on its website [www.bnpparibas-am.lu](http://www.bnpparibas-am.lu) (Footnote 'Complaints management policy'), by sending an email to [amlu.complaints@bnpparibas.com](mailto:amlu.complaints@bnpparibas.com) or by writing to BNPP AM Luxembourg - Client Services - 10, rue Edward Steichen L-2540 Luxembourg.

## OTHER RELEVANT INFORMATION

- In order to access the Product's past performances and performance scenarios, please follow the instructions below:  
(1) Click on <https://www.bnpparibas-am.lu> (2) On the welcome page, keep 'Luxembourg' country and choose the language and your investor profile; accept web site terms and conditions (3) Go to tab 'FUNDS' and 'Fund explorer' (4) Search for the Product using the ISIN code or the Product's name and click on the Product (5) Click on the 'Performance' tab.
- The chart on the website shows the Product's performance as the percentage loss or gain per year over the last 9 years.
- Information for investors in Switzerland: the prospectus, the key information document, the articles of association as well as the annual and semi-annual reports can be obtained, free of cost, from the representative in Switzerland, BNP PARIBAS, Paris, Zurich branch, 16, Selnaustrasse, 8002 Zurich; the paying agent in Switzerland is BNP PARIBAS, Paris, Zurich branch, 16, Selnaustrasse, 8002 Zurich.

