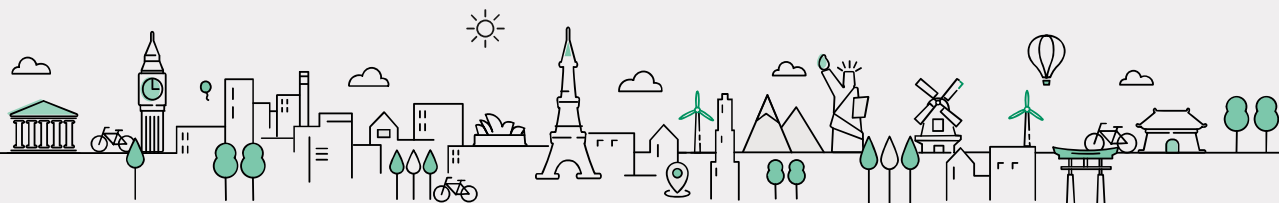


# AMSelect

AN OPEN-ENDED INVESTMENT COMPANY  
INCORPORATED UNDER LUXEMBOURG LAW



PROSPECTUS JULY 2024



**BNP PARIBAS**  
**ASSET MANAGEMENT**

The asset manager  
for a changing  
world

**INFORMATION REQUESTS**

AMSelect

10 rue Edward Steichen  
L-2540 Luxembourg  
Grand Duchy of Luxembourg

**NOTICE**

This Prospectus may not be used for the purpose of an offer or solicitation to sell in any country or any circumstance in which such an offer or entreaty is not authorised.

The Company is approved as an Undertaking for Collective Investment in Transferable Securities (UCITS) in Luxembourg. It is specifically authorised to market its shares in Luxembourg, Belgium, France, Germany, Italy, Spain and Switzerland. Not all the sub-funds, categories, or classes of shares are necessarily registered in these countries. It is vital that before subscribing, potential investors ensure that they are informed about the sub-funds, categories, or classes of shares that are authorised to be marketed in their country of residence and the constraints applicable in each of these countries.

In particular, the Company's shares have not been registered in accordance with any legal or regulatory provisions in the United States of America. Consequently, this document may not be introduced, transmitted or distributed in that country, or its territories or possessions, or sent to its residents, nationals, or any other companies, associations, employee benefit plans or entities whose assets constitute employee benefit plan assets whether or not subject to the United States Employee Retirement Income Securities Act of 1974, as amended (collectively, "Benefit Plans"), or entities incorporated in or governed by the laws of that country. Furthermore, the Company's shares may not be offered or sold to such persons.

In addition, no one may issue any information other than that presented in the Prospectus or the documents mentioned in it, which may be consulted by the public. The Company's Board of Directors vouches for the accuracy of the information contained in the Prospectus on the date of publication.

Lastly, the Prospectus may be updated to take account of additional or closed sub-funds or any significant changes to the Company's structure and operating methods. Therefore, subscribers are recommended to request any more recent documents as mentioned below under "Information for Shareholders". Subscribers are also recommended to seek advice on the laws and regulations (such as those relating to taxation and exchange control) applicable to the subscription, purchase, holding and redemption of shares in their country of origin, residence or domicile.

The Prospectus is only valid if accompanied by the latest audited annual report as well as the latest interim report if the latter is more recent than the annual report.

If there is any inconsistency or ambiguity regarding the meaning of a word or sentence in any translation of the Prospectus, the English version shall prevail.

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**BOOK III OF THE PROSPECTUS**

An information section is available relating to each particular sub-fund. It specifies each sub-fund's investment policy and objective, the features of the shares, their Accounting Currency, valuation day, methods of subscription, redemption and/or conversion, applicable fees, and, if applicable, the history and other specific characteristics of the sub-fund in question. Investors are reminded that, unless otherwise provided in Book II, the general regulations stipulated in Book I will apply to each sub-fund.

# BOOK I

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## GENERAL INFORMATION

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**REGISTERED OFFICE**

AMSelect  
 10 rue Edward Steichen  
 L-2540 Luxembourg  
 Grand Duchy of Luxembourg

**THE COMPANY'S BOARD OF DIRECTORS****Chair**

Mr Lucien CARTON, Head of Solutions and Client Advisory, BNP PARIBAS ASSET MANAGEMENT Europe, Netherlands Branch, Amsterdam

**Members**

Mrs Isabelle TILLIER, Head of Fund Selection, BNP PARIBAS ASSET MANAGEMENT Europe, Paris  
 Mrs Saulé UALIYEVA, Senior Strategic Marketing & Innovation Manager, BNP PARIBAS ASSET MANAGEMENT Europe, Paris  
 Mr Robert VEDEILHIE, Head of Advisory & Execution, BNP PARIBAS WEALTH MANAGEMENT Europe, Paris

**MANAGEMENT COMPANY**

BNP PARIBAS ASSET MANAGEMENT Luxembourg  
 10 rue Edward Steichen  
 L-2540 Luxembourg  
 Grand Duchy of Luxembourg

BNP PARIBAS ASSET MANAGEMENT Luxembourg is a Management Company as defined by Chapter 15 of the Luxembourg Law of 17 December 2010 concerning undertakings for collective investment.

The Management Company performs the administration, portfolio management and marketing duties.

**THE MANAGEMENT COMPANY'S BOARD OF DIRECTORS****Chair**

Mr Pierre MOULIN, Global Head of Products and Strategic Marketing, BNP PARIBAS ASSET MANAGEMENT Europe, Paris

**Members**

Mr Stéphane BRUNET, Chief Executive Officer, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg  
 Mr Georges ENGEL, Independent Director, Vincennes, France  
 Mrs Marie-Sophie PASTANT, Head of ETF, Index & Synthetic Systematic Strategies Portfolio Management, BNP PARIBAS ASSET MANAGEMENT Europe, Paris

**NAV CALCULATION**

BNP Paribas, Luxembourg Branch  
 60 avenue J.F. Kennedy  
 L-1855 Luxembourg  
 Grand Duchy of Luxembourg

**TRANSFER AND REGISTRAR AGENT**

BNP Paribas, Luxembourg Branch  
 60 avenue J.F. Kennedy  
 L-1855 Luxembourg  
 Grand Duchy of Luxembourg

**DEPOSITARY**

BNP Paribas, Luxembourg Branch  
 60 avenue J.F. Kennedy  
 L-1855 Luxembourg  
 Grand Duchy of Luxembourg

**INVESTMENT MANAGERS**

BNP PARIBAS Group management entities:

- **BNP PARIBAS ASSET MANAGEMENT Europe**  
1 boulevard Haussmann, F-75009 Paris, France  
The role of this investment manager is to provide support during changes of non-affiliated investment managers.
- **BNP PARIBAS ASSET MANAGEMENT UK Ltd.**  
5 Aldermanbury Square, London EC2V 7BP, United Kingdom  
This investment manager is used for share class hedging.

Non-group management entities

Each of them acting as manager of the sub-funds that comprise their name.

- **AllianceBernstein L.P.**  
501 Commerce Street, Nashville, TN 37203 USA
- **Allianz Global Investors GmbH**  
Bockenheimer Landstrasse 42-44, 60323 Frankfurt-Am-Main, Germany  
Also acting through **Allianz Global Investors GmbH, France Branch**  
3, boulevard des Italiens, Case Courrier P401, 75118 Paris Cedex, France  
Both, sub-delegating to **Allianz Global Investors UK Ltd**  
199 Bishopsgate, London EC2M 3TY, United Kingdom
- **Amundi Ireland Limited**  
1 George's Quay Plaza, George's Quay Dublin 2, Ireland  
With sub-delegation to **Amundi Asset Management US, Inc**  
60 State street, Boston MA 02109
- **BlackRock Investment Management UK Limited**  
12 Throgmorton Avenue London, EC2N 2DL, UK
- **RBC Global Asset Management (UK) Limited**  
4th Floor, 100 Bishopsgate, London, EC2N 4AA, United Kingdom
- **Degroof Petercam Asset Management (DPAM)**  
Rue Guimard 18, B-1040 Brussels, Belgium
- **HSBC Global Asset Management (France)**  
Immeuble Coeur Défense, 110 Esplanade du Général de Gaulle 92400 Courbevoie, France
- **Janus Henderson Investors UK Limited**  
201 Bishopsgate London, EC2M 3AE, UK
- **JP Morgan Asset Management (UK) Limited**  
25 Bank Street London, E14 5JP, UK  
With sub-delegation to **JP Morgan Investment Management Inc.**  
C/O CT Corporation, 1209 Orange Street, Wilmington DE2 19801-1120, Delaware, USA
- **Financière de l'Echiquier (LFDE)**  
53 avenue d'Iena, 75116 Paris, France
- **FIL Luxembourg S.A.**  
2a, rue Albert Borschette L-1246 Luxembourg  
With sub-delegation to **FIL Investments International**  
Beechgate, Millfield Lane, Lower Kingswood, Tadworth, KT20 6RP Surrey, United Kingdom
- **PIMCO Europe GmbH**  
Seidlstr. 24-24a, 80335 Munich, Germany  
With sub-delegation to **Pacific Investment Management Company LLC**  
650 Newport Center Drive, Newport Beach, California 92660, USA
- **Pictet Asset Management (EUROPE) S.A. - Italian Branch**  
Via della Moscova, 3, 20121 Milan, Italy
- **Robeco Institutional Asset Management B.V. (RIAM)**  
Weena 850, 3014 DA Rotterdam, The Netherlands
- **Sycomore Asset Management**  
14 avenue Hoche, 75008 Paris, France
- **Vontobel Asset Management AG**  
Gotthardstrasse 43 8002 Zürich, Switzerland

· **Wellington Management International Limited**

Cardinal Place, 80 Victoria Street, London SW1E5JL, UK  
With sub-delegation to **Wellington Management Company LLP**  
280 Congress Street Boston, MA USA

**AUDITOR**

PricewaterhouseCoopers, Société coopérative  
2 rue Gerhard Mercator  
B.P. 1443  
L-1014 Luxembourg  
Grand Duchy of Luxembourg

**ARTICLES OF ASSOCIATION**

The Company was incorporated on 27 May 2021, and the Articles of Association have been published on the *Recueil Electronique des Sociétés et Associations* (RESA, [www.lbr.lu](http://www.lbr.lu)) on 17 June 2021.

The Articles of Association has been filed with the Trade and Companies Registrar of Luxembourg, where any interested party may consult it and obtain a copy (website [www.lbr.lu](http://www.lbr.lu)).

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**TERMINOLOGY**


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For purposes of this document, the following terms shall have the following meanings. The below terminology is a generic list of terms. Some of them may therefore not be used in the present document.

<b><u>ABS:</u></b>	<b>Asset-Backed Securities:</b> Securities backed by the cash flows of a pool of assets (mortgage and non-mortgage assets) such as home equity loans, company receivables, truck and auto loans, leases, credit card receivables and student loans. ABS are issued in tranches in format or as pass-through certificates, which represent undivided fractional ownership interests in the underlying pools of assets. Therefore, repayment depends largely on the cash flows generated by the assets backing the securities
<b><u>Accounting Currency:</u></b>	Currency in which the assets of a sub-fund are stated for accounting purposes, which may be different of the share category valuation currency
<b><u>Active Trading:</u></b>	Subscription, conversion, or redemption in the same sub-fund over a short period of time and involving substantial amounts, usually with the aim of making a quick profit. This activity is prejudicial to other shareholders as it affects the sub-fund's performance and disrupts management of the assets
<b><u>ADR / GDR:</u></b>	ADR / GDR refer to all categories of American Depositary Receipts and Global Depositary Receipts, mirror substitutes for shares which cannot be bought locally for legal reasons. ADRs and GDRs are not listed locally but on such markets as New York or London and are issued by major banks and/or financial institutions in industrialised countries in return for deposit of the securities mentioned in the sub-fund's investment policy
<b><u>Alternative Investments:</u></b>	Investments outside of the traditional asset classes of equities, debt securities and cash: they include UCITS/UCIs with alternative strategies in so far as they fulfil the requirements of the section "Units or Shares of UCITS or other UCIs" of the Appendix 1 of the Book I of the Prospectus, Managed Futures, Real Estate Investments (indirectly), Commodities Investments (indirectly), Inflation-linked Products and Derivatives Contracts. Alternative investments strategies may pursue the following strategies: Equity Long / Short, Equity Market Neutral, Convertible Arbitrage, Fixed Income Arbitrage (yield curve arbitrage or corporate spread arbitrage), Global Macro, Distressed Securities, Multi-strategy, Managed Futures, Take-over / merger arbitrage, Volatility arbitrage, Total Return
<b><u>Asset Securitisation:</u></b>	Financial package (off-balance sheet) which consists of issuing securities backed to a basket of assets (mortgages: residential and commercial mortgages, consumer loans, automobile loans, student loans, credit card financing, equipment loans and leases, business trade receivables, inventories among others) and based on the quality of the collateral they offer or their level of risk. The underlying assets are virtually "transformed" into securities, hence "securitisation"
<b><u>Authorised Investors:</u></b>	Investors specially approved by the Board of Directors of the Company
<b><u>Benchmark Register:</u></b>	The Benchmark Index Administrators Register held by ESMA, in accordance with Article 36 of the Benchmark Regulation 2016/1011
<b><u>BMTN:</u></b>	<b>Mid-Term Negotiable Notes</b> (in French <i>Bons à Moyen Terme Négociables</i> ) belong to the French category of negotiable debt securities (TCN : <i>Titres de créances négociables</i> ); they are negotiable debt securities with a greater than one-year initial duration; generally they are issued by credit institutions
<b><u>Bond Connect:</u></b>	The "Bond Connect" is 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.
<b><u>CDS:</u></b>	<b>Credit Default Swap:</b> When buying or selling a CDS the Company hedges against the risk of an issuer's default by paying a quarterly premium. In the event of payment default, settlement may be made either in cash, in which case the buyer of the protection receives the difference between the face value and the recoverable value, or in the form of an in-kind settlement, in which case the buyer of the protection sells the defaulting security, or another security chosen from a basket of deliverable securities agreed in the CDS contract, to the seller of the protection and recovers the face value. The events that constitute default are defined in the CDS contract, along with the procedures for delivery of the bonds and debt certificates
<b><u>CDSC:</u></b>	<b>Contingent Deferred Sales Charge:</b> A charge, paid to the Management Company and serving to cover remuneration of the distributors, that is deducted from redemption proceeds and calculated on the redemption NAV, as further detailed in Book I (The Shares)
<b><u>CFD:</u></b>	<b>Contract for Difference:</b> Contract between two parties whereby they agree on a cash payment between them in the amount of the difference between two valuations of the underlying asset, at least one of which is unknown when they enter into the contract. By entering into a CFD, the Company undertakes to pay (or receive) the difference between the valuation of the underlying asset at the time of entering into the contract and the valuation of the underlying asset at a particular moment in the future
<b><u>Circular 08/356:</u></b>	Circular issued by the CSSF on 4 June 2008 concerning the rules applicable to undertakings for collective investment when they utilise certain techniques and instruments based on transferable securities and money market instruments. This document is available on the CSSF website ( <a href="http://www.cssf.lu">www.cssf.lu</a> )
<b><u>Circular 11/512:</u></b>	Circular issued by the CSSF on 30 May 2011 concerning: a) The presentation of the main regulatory changes in risk management following the publication of the CSSF Regulation 10-4 and ESMA clarifications; b) Further clarification from the CSSF on risk management rules; c) Definition of the content and format of the risk management process to be communicated to the CSSF. This document is available on the CSSF website ( <a href="http://www.cssf.lu">www.cssf.lu</a> )
<b><u>Circular 14/592:</u></b>	Circular issued by the CSSF on 30 September 2014 concerning ESMA guidelines on ETF and other UCITS issues. This document is available on the CSSF website ( <a href="http://www.cssf.lu">www.cssf.lu</a> )



<b><u>Closed-ended REIT:</u></b>	Real Estate Investment Trust which complies with the provisions of article 2 of the Grand Ducal Regulation dated 8 February 2008, the units of which are listed on a Regulated Market is classified as a transferable security listed on a Regulated Market, investments in closed-ended REITs which are not listed on a Regulated Market, are currently limited to 10% of the net assets of a sub-fund
<b><u>CBO:</u></b>	<b>Collateralised Bond Obligation:</b> Bonds backed by a collection of low-grade debt securities (such as junk bonds); CBOs are separated into tranches based on various levels of credit risk (called tiers) that are determined by the quality of bonds involved. When issuing CBO, the issuer can post more collateral than necessary in an attempt to obtain a better debt rating from a credit rating agency (overcollateralisation)
<b><u>CDO:</u></b>	<b>Collateralised Debt Obligation:</b> A structured financial product that pools together cash flow-generating assets and repackages this asset pool into discrete tranches that can be sold to investors. A CDO is so-called because the pooled assets, such as mortgages, bonds and loans, are essentially debt obligations that serve as collateral for the CDO. The tranches in a CDO vary substantially in their risk profile. The senior tranches are relatively safer because they have first priority on the collateral in the event of default. As a result, the senior tranches of a CDO generally have a higher credit rating and offer lower coupon rates than the junior tranches, which offer higher coupon rates to compensate for their higher default risk. CDOs include CBOs, CLOs and CMOs
<b><u>CLO:</u></b>	<b>Collateralised Loan Obligation:</b> A security backed by a pool of bank (commercial or personal) loans (often low-rated corporate loans) structured so that there are several classes of bondholders with varying credit qualities called tranches
<b><u>CMO:</u></b>	<b>Collateralised Mortgage Obligation:</b> A type of MBS created by redirecting the cash flows from underlying pools of mortgages to different classes of bonds called tranches. The redistribution of scheduled principal, unscheduled principal and interest from the underlying mortgage pool to different tranches creates securities with different coupon rates, average lives and price sensitivities. Consequently, these instruments can be used to match an investor's particular risk and return objectives more closely
<b><u>CMBS:</u></b>	<b>Commercial (or Collateralised) Mortgage Backed Security:</b> A security created by pooling a group of (non-residential) mortgages on commercial real estate, office building, warehousing facilities, multi-family real estate. CMBS are structured so that there are several classes of bondholders with varying credit qualities called tranches
<b><u>Company:</u></b>	AMSelect
<b><u>Contingent Convertible:</u></b>	A Contingent Convertible is a type of Subordinated Debt for banks designed to absorb large loss threatening the capital, via an automatic conversion into equity. Contingent Convertibles can be Tier 1 or Tier 2 instruments. <u>Contingent Convertible Characteristics</u> <ul style="list-style-type: none"> <li>- Trigger: the automatic conversion into equity is triggered by the level of Common Equity Tier 1 (CET1) capital, which can be high (around 7%), or low (5.125%) in 2014. As such, low trigger Contingent Convertibles are less risky than high triggers</li> <li>- Loss Absorption Mechanism: it is the mode of transformation of the debt instrument into core equity. It can be a conversion into shares for listed banks, or a write-down (the bank books a capital gain in its Profits &amp; Losses balance sheet). Write-downs can be full or partial, permanent or temporary. In case of temporary write-down, later write-ups are possible under certain conditions</li> <li>- Coupons: Tier 1 Contingent Convertibles are with fully discretionary and not cumulative coupons, whereas Tier 2 Contingent Convertibles have coupon that have to be paid ("Must Pay"). In addition, if the capital ratios of the bank get too close to a regulatory minimum (10-12% in 2014) depending on banks), coupons are subject to mandatory cancellation. They are reset every five years, when the Contingent Convertible is callable</li> <li>- Maturity: Tier 2 Contingent Convertibles are dated, and can be entirely paid all at once on the maturity date (bullet) or can be redeemed any time before reaching maturity date (callable). Tier 1 Contingent Convertibles are perpetual, usually with a call option every five years</li> <li>- Point Of Non Viability (PONV): this is the moment when the banks' supervisory authorities decide that the bank is facing liquidity problems and subsequently take control and take actions to solve this issue. The determination of the PONV is left to the National banks' supervisory authorities on a case by case basis</li> </ul> <u>Additional Tier 1 Capital (AT1)</u> is made up of: <ul style="list-style-type: none"> <li>- Subordinated and perpetual Tier 1 capital instruments issued by a bank that are not included in CET1;</li> <li>- Share premium resulting from the issue of AT1 capital instruments;</li> <li>- Instruments issued by consolidated bank subsidiaries and held by third parties. The instruments must meet AT1 capital requirements criteria and not included in CET1;</li> <li>- Regulatory adjustments applied in the calculation of AT1.</li> </ul> <u>Common Equity Tier 1 (CET1)</u> A measurement of a bank's core equity capital compared with its total risk-weighted assets. This is the measure of a bank's financial strength. The Tier 1 common capital ratio excludes any preferred shares or non-controlling interests when determining the calculation <u>Tier 1 capital</u> It includes only permanent shareholders' equity (issued and fully-paid ordinary shares/common stock and perpetual non-cumulative preference shares) and disclosed reserves (created or increased by appropriations of retained earnings or other surplus, e.g. share premiums, retained profit, general reserves and legal reserves). Disclosed reserves also include general funds (Basle Capital Accord)

**Tier 2 capital**

It is designated as "supplementary capital", and is composed of items such as undisclosed reserves, revaluation reserves, general provisions/general loan-loss reserves, hybrid (debt/equity) capital instruments and subordinated term debt. Tier 2 capital is the secondary component of bank capital, in addition to Tier 1 capital, that makes up a bank's required reserves

**Covered Bond:**

Debt security issued by a financial institution and backed by a separate group of assets; in the event the financial institution becomes insolvent, the bond is covered.

**CSSF:**

*Commission de Surveillance du Secteur Financier*, the regulatory authority for UCI in the Grand Duchy of Luxembourg

**Currencies:**

**EUR:** Euro

**USD:** US Dollar

**AUD:** Australian Dollar

**HKD:** Hong Kong Dollar

**SGD:** Singapore Dollar

**Direct CIBM Access:**

Direct CIBM Access is a program introduced by People's Bank of China allowing eligible foreign institutional investors to invest in the China interbank bond market ("CIBM") without quota limit. Foreign institutional investors can invest in cash bonds available in CIBM as well as derivative products (e.g. bond lending, bond forward, forward rate agreement and interest rate swap) for hedging purpose

**Directive 78/660:**

European Council Directive 78/660/EEC of 25 July 1978 concerning the annual accounts of certain forms of companies, as amended

**Directive 83/349:**

European Council Directive 83/349/EEC of 13 June 1983 concerning consolidated accounts, as amended

**Directive 2014/65:**

**MiFID:** European Council Directive 2014/65/EU of 15 May 2014 on markets in financial instruments repealing the Directive/2004/39/EC of 21 April 2004

**Directive 2009/65:**

European Council Directive 2009/65/EC of 13 July 2009 regarding the coordination of legislative, regulatory and administrative provisions concerning undertakings for collective investment in transferable securities (UCITS IV) as amended by the Directive 2014/91

**Directive 2011/16:**

European Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation as amended by the Directive 2014/107

**Directive 2013/34:**

European Council Directive 2013/34/EU of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings

**Directive 2014/91:**

European Parliament and of the Council Directive 2014/91/EU on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions (UCITS V) amending the Directive 2009/65

**Directive 2014/107:**

European Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16 as regards mandatory automatic exchange of information (AEOI) in the field of taxation

**Distressed (default) securities:**

Financial instruments of companies or government entities or central bank that is near or is currently going through default and or bankruptcy (inability to meet financial obligations; reorganisation, restructuring). As a result, this financial instrument suffers a substantial reduction in value (when yield to maturity is greater than 8% to 10% above the risk free rate of return and or when rated CCC or below). Distressed securities include corporate bonds, common and preferred shares, bank debt, trade claims (goods owed), warrants, convertible bonds

**EDS:**

**Equity Default Swap:** When buying equity default swap the Company hedges against the risk of a sharp fall (the current market norm is 70%) in the value of the underlying security on the stock markets, regardless of the cause for the fall, by paying a quarterly premium. When the risk is realised, i.e. when the closing price on the stock market reaches or exceeds the threshold (of - 70%), the payment is made in cash: the buyer of the protection receives a pre-determined percentage (the current European market norm is 50%) of the notional amount initially assured

**EEA:**

European Economic Area

**Eligible Supra & Public Debt Collateral :**

Issuer belonging to the following category of national and/or supranational entities for reverse repurchase agreements by way of derogation to article 15.6 of Regulation 2017/1131, provided that a favourable internal credit quality assessment has been received:

- the Union,
- a central authority or central bank of a Member State (for example: Republic of France or the "Caisse d'amortissement de la dette sociale - CADES" in France),
- the European Central Bank,
- the European Investment Bank,
- the European Stability Mechanism,
- the European Financial Stability Facility,
- a central authority or central bank of a Third Country, (such as the Federal Reserve System of the United States of America - FED).

**ELN:**

**Equity Linked Notes:** Equity financial derivative instrument structured by combining a long call option on equity (basket of equities or equity index) with a long discount bond position; it provides investors fixed income

principal protection along with equity market upside exposure. The coupon or final payment at maturity is determined by the appreciation of the underlying equity

**Emerging markets:**

non OECD countries prior to 1 January 1994 together with Turkey and Greece

In the Emerging markets, 2 different categories may be identified by the main providers of indices:

- Frontier markets: a sub-category of emerging markets designating growing economies with widely varying characteristics in terms of development, growth, human capital, demographics and political openness.
- Advanced emerging markets: a sub-category of countries in the group of emerging markets gathering the best ranked countries in terms of market efficiency, regulatory environment, custody and settlement procedures and dealing tools available

**EMTN:**

**Euro Medium Term Notes:** Medium-term debt securities characterised by their high level of flexibility for both the issuer (corporate issuers and public bodies) and the investor. EMTN are issued according to an EMTN programme, which means that use of debt funding can be staggered and the amounts involved varied. The arranger of the issue will not necessarily underwrite it, which means that the issuer cannot be certain of raising the full amount envisaged (it is therefore in the issuer's interest to have a good credit rating)

**Equity:**

A stock or any other security representing an ownership interest

**Equity equivalent security:**

ADR, GDR and investment certificates

**ESMA:**

European Securities and Markets Authority

**ESMA/2011/112:**

Guidelines to competent authorities and UCITS management companies on risk measurement and the calculation of global exposure for certain types of structured UCITS issued by the ESMA on April 14, 2011. This document is available on the ESMA website ([www.esma.europa.eu](http://www.esma.europa.eu))

**ESG:**

Environmental, Social and Governance

**ETC:**

**Exchange Traded Commodities:** Trade and settle like ETFs but are structured as debt instruments. They track both broad and single commodity indices. ETC either physically hold the underlying commodity (e.g. physical gold) or get their exposure through fully collateralised swaps

**ETF:**

**Exchange Traded Funds:** Exchange traded products that are structured and regulated as mutual funds or collective investment schemes

To be eligible an ETF shall be a UCITS, or a UCI compliant with the conditions set out in the Appendix I of the Prospectus

**ETN:**

**Exchange Traded Notes:** Unsecured, unsubordinated debt securities issued by a bank and traded on a major exchange; ETN offered return based on the performance of a market index minus applicable fees, with no period coupon payments distributed and no principal protections. As ETN are issued by banks, their value also depends on the credit rating of the issuer. ETN can be linked to commodities, equities, bullions.

**FII:**

Qualified Foreign Institutional Investor pursuant to the FII Regulations

**FII Regulations:**

The PRC (People's Republic China) laws, rules, regulations, circulars, orders, notices, directives or directions governing the establishment and operation of the qualified foreign institutional investors regime in the PRC (including the Qualified Foreign Institutional Investor program ("QFII program") and the RMB Qualified Foreign Institutional Investor program ("RQFII program")), as may be promulgated and/or amended from time to time. Collective investment schemes which can fully or partially invest into mainland Chinese domestic securities via the FII License

**FII sub-funds:**

**GSS:**

The Global Sustainability policy which governs the approach to sustainability of BNP Paribas Asset Management and can be found under the following link: [Global Sustainability Strategy](#)

**Hard Currencies:**

AUD, CAD, CHF, EUR, GBP, JPY, and USD

**HELOC:**

Home Equity Line of Credit: A line of credit extended to a homeowner that uses the borrower's home as collateral. Once a maximum loan balance is established, the homeowner may draw on the line of credit at his or her discretion. Interest is charged on a predetermined variable rate, which is usually based on prevailing prime rates

**High Yield Bonds:**

These bond investments correspond to the ratings assigned by the rating agencies for borrowers rated below BBB- on the Standard & Poor's or Fitch rating scale and below Baa3 on the Moody's rating scale. Such high-yield bond issues are loans that generally take the form of bonds with a 5-, 7- or 10-year maturity. The bonds are issued by companies with a weak financial base. The return on the securities, and their level of risk, is significant, making them highly speculative. In the case, of securities rated by two or more agencies, the worst rate available will be considered

**Hybrid Security:**

A single financial security that combines two or more different financial instruments. Hybrid securities, often referred to as "hybrids," generally combine both debt and equity characteristics. The most common type of hybrid security is a convertible bond that has features of an ordinary bond but is heavily influenced by the price movements of the stock into which it is convertible.

**Institutional Investors:**

Legal entities, considered as professionals for the purpose of Annex II to Directive 2014/65 (MiFID), or may, on request, be treated as professionals according to applicable local legislation ("Professionals"), who hold their own account, UCI, and insurance companies or pension funds subscribing within the scope of a group savings scheme or an equivalent scheme. Portfolio managers subscribing within the scope of discretionary portfolios management mandates for other than Institutional Investors qualified as Professionals are not included in this category.

**Investment Grade Bonds:**

These bond investments correspond to the ratings assigned by the rating agencies for borrowers rated between AAA and BBB- on the Standard & Poor's or Fitch rating scale and Aaa and Baa3 on the Moody's rating scale. In the case of securities rated by two agencies, the best rating among the two available will be

taken. In the case of securities rated by three agencies, the two best ratings among the three available will be taken

<b><u>IRS:</u></b>	<b>Interest Rate Swap:</b> OTC agreement between two parties to exchange one stream of interest payments for another, over a set period of time without exchange of notionals. IRS allow portfolio managers to adjust interest rate exposure and offset the risks posed by interest rate volatility. By increasing or decreasing interest rate exposure in various parts of the yield curve using swaps, managers can either increase or neutralize their exposure to changes in the shape of the curve.
<b><u>KID:</u></b>	Key Information Document within the meaning of Regulation 1286/2014.
<b><u>Law:</u></b>	Luxembourg law of 17 December 2010 concerning undertakings for collective investment. This law implements Directive 2009/65/EC (UCITS IV) of 13 July 2009 into Luxembourg law
<b><u>Law of 10 August 1915:</u></b>	Luxembourg law of 10 August 1915 on commercial companies, as amended
<b><u>Mainland China Securities:</u></b>	Securities traded in People's Republic of China included but not limited to China 'A' Shares (Shares listed in CNY in the Shanghai or Shenzhen stock exchanges and which are exclusively reserved to Chinese or eligible foreign investors), China 'B' Shares (Shares listed in foreign currencies in the Shanghai or Shenzhen stock exchanges and reserved to foreign investors) and/or any other equities and debt securities issued or settled in CNY and/or P-Notes linked to those securities. China 'H' shares (Shares listed in HKD in Hong Kong Stock exchange) are not concerned
<b><u>Managers:</u></b>	Portfolio managers subscribing within the scope of discretionary individual portfolios management mandates
<b><u>Market Timing:</u></b>	Arbitrage technique whereby an investor systematically subscribes and redeems or converts units or shares in a single UCITS within a short space of time by taking advantage of time differences and/or imperfections or deficiencies in the system of determining the NAV of the UCITS. This technique is not authorised by the Company
<b><u>MBS:</u></b>	<p><b>Mortgage Backed Security:</b> also known as "mortgage-related security". A type of security that is backed (collateralised) by a mortgage loan or collection of mortgages loan with similar characteristics. These securities usually pay periodic payments that are similar to coupon payments; the mortgage must have originated from a regulated and authorized financial institution. Mortgage securities are backed by a wide variety of loans with generally 4 borrower characteristics (agency mortgages, prime jumbo mortgages, Alt-A mortgages and subprime mortgages)</p> <p>Loans that satisfy the underwriting standard of the agencies are typically used to create RMBS that are referred to as <u>agency</u> mortgage-backed securities (MBS). All other loans are included in what is referred to generically as <u>non-agency</u> MBS; the agency MBS market includes three types of securities:</p> <ul style="list-style-type: none"> <li>- agency mortgage pass-through securities</li> <li>- agency collateralized mortgage obligations (CMOs)</li> <li>- agency stripped MBS</li> </ul>
<b><u>Member State:</u></b>	Member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this agreement and related acts are considered as equivalent to Member States of the European Union
<b><u>Money Market Instruments:</u></b>	Instruments normally dealt on the money market that are liquid and whose value can be accurately determined at any time.
<b><u>NAV:</u></b>	Net Asset Value
<b><u>OECD:</u></b>	Organisation for Economic Co-operation and Development
<b><u>OTC:</u></b>	Over The Counter
<b><u>P-Notes:</u></b>	<b>Participatory Notes:</b> offshore OTC transferable securities issued by registered foreign institutional investors (FII) (associates of local based foreign brokerages and domestic institutional brokerages) to overseas investors, who wish to invest in some specific restricted local stock markets (India, China Shenzhen and Shanghai for China A-shares, some Middle East markets, North African markets and Korea) without registering themselves with the market regulator
<b><u>PRC:</u></b>	People's Republic of China
<b><u>PRC Broker:</u></b>	A broker based in the PRC selected by the Investment Manager to act on its behalf in each of the two onshore PRC securities markets
<b><u>PRC Custodian:</u></b>	A custodian based in the PRC to locally maintain assets of the relevant sub-fund in custody
<b><u>Prospectus:</u></b>	The present document
<b><u>RBC Policy:</u></b>	The BNP Paribas Asset Management's Responsible Business Conduct Policy defining 1) norms-based screens, such as the UN Nations Global Compact principles and OECD Guidelines for Multinational Enterprises, and 2) BNP Paribas Asset Management sector policies. More information are available on the following link: <a href="#">Responsible Business Conduct policy</a>
<b><u>Real Estate Investments:</u></b>	Investments in Real Estate certificates, shares of companies linked to Real Estate, closed-ended REITs
<b><u>Reference Currency:</u></b>	Main currency when several valuation currencies are available for a same share
<b><u>Regulation 1060/2009:</u></b>	Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies
<b><u>Regulation 1286/2014:</u></b>	Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPS)

<b><u>Regulation 2015/2365:</u></b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/2012 (SFTR)
<b><u>Regulation 2016/679:</u></b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation – “GDPR”)
<b><u>Regulation 2016/1011:</u></b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds
<b><u>Regulation 2019/2088:</u></b>	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 ( <b>SFDR</b> ) and that lays down harmonised rules for financial market participants on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products.
<b><u>Regulation 2020/852:</u></b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments, and amending Regulation (EU) 2019/2088 (Taxonomy Regulation), and that implements the criteria for determining whether an economic activity qualifies as environmentally sustainable.
<b><u>Repurchase / Reverse Repurchase transaction:</u></b>	A transaction governed by an agreement by which a counterparty transfers securities, or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them
<b><u>RESA:</u></b>	Recueil Electronique des Sociétés et Associations
<b><u>RMBS:</u></b>	<b>Residential Mortgage Backed Security:</b> A type of mortgage-backed debt obligation created by banks and other financial institutions whose cash flows come from residential debt, such as mortgages, home-equity loans and subprime mortgages
<b><u>Securities Lending or Borrowing:</u></b>	A transaction by which a counterparty transfers securities subject to a commitment that the borrower will return the securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred.
<b><u>SFT:</u></b>	<b>Securities Financing Transactions</b> which means: <ul style="list-style-type: none"> <li>- a repurchase or reverse repurchase transaction;</li> <li>- securities lending and securities borrowing;</li> <li>- a buy-sell back transaction or sell-buy back transaction</li> <li>- a margin lending transaction</li> </ul>
<b><u>Social Bonds:</u></b>	Issuer self-labelled bonds where the issuer commits to allocate proceeds raised from the bond's issuance towards projects, assets, and/or activities that deliver benefits towards some social objective(s) (e.g. access to essential services, access to basic infrastructure). Social bond issuers typically use international guidelines such as the ones defined by the International Capital Market Association Social Bond Principles to structure their social bond. Social bonds typically have a structure of four components – use of proceeds, project selection process, management of proceeds, reporting. The Sustainability Center of BNP PARIBAS ASSET MANAGEMENT will assess the Social Bonds on the basis of these criteria.
<b><u>Sovereign Eligible Issuer:</u></b>	Issuer belonging to the following category of national and/or supranational entities eligible for diversification by way of derogation to article 17.7 of Regulation 2017/1131: <ul style="list-style-type: none"> <li>- the Union,</li> <li>- the national administrations (countries or state agencies - for example: Republic of Singapore or the “<i>Caisse d’amortissement de la dette sociale</i> - CADES” in France,</li> <li>- regional (for example: 18 regions or 101 French departments) and local (for example: Société du Grand Paris, Rennes Métropole but also City of Stockholm or City of Turin) of the Member States or their central banks administrations,</li> <li>- the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility,</li> <li>- a central authority or the central bank of a Third Country such as the Federal Reserve System of the United States of America (FED)</li> <li>- the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements</li> </ul>
<b><u>Stock Connect:</u></b>	The “Stock Connect” is a program which aims to achieve mutual stock market access between Mainland China and Hong Kong. Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited (“HKEx”), Shanghai Stock Exchange (“SSE”), Shenzhen Stock Exchange (“SZSE”) and China Securities Depository and Clearing Corporation Limited (“ChinaClear”). Hong Kong and overseas investors (including the FII sub-funds), through their Hong Kong brokers and subsidiaries established by The Stock Exchange of Hong Kong Limited (“SEHK”), may be able to trade certain predefined eligible shares listed on SSE/SZSE by routing orders to SSE/SZSE. It is expected that the list of eligible

shares and stock exchanges in Mainland China in respect of Stock Connect will be subject to review from time to time. Trading under the Stock Connect will be subject to a daily quota ("Daily Quota"). The trading quota rules may be subject to review

<b><u>STP:</u></b>	Straight-Through Processing, process transactions to be conducted electronically without the need for re-keying or manual intervention
<b><u>Structured Debt Securities:</u></b>	Debt instruments created through asset securitisation which include ABS, CBO, CDO, CMO, MBS, CMBS, RMBS and CLO
<b><u>Subordinated Debt:</u></b>	Subordinated debt securities are more likely to suffer a partial or complete loss in the case of any default or bankruptcy of the issuer, because all obligations to holders of senior debt must be satisfied first.
<b><u>Sustainability Bonds:</u></b>	Issuer self-labelled bonds where the issuer commits to allocate proceeds raised from the bond's issuance towards projects, assets, and/or activities that deliver benefits towards some environmental and social objective(s) (e.g. climate change mitigation, access to essential services, access to basic infrastructure). Sustainability bond issuers typically use international guidelines such as the ones defined by the International Capital Market Association Sustainability Bond Guidelines, to structure their sustainability bond. Sustainability bonds typically have a structure of four components – use of proceeds, project selection process, management of proceeds, reporting. The Sustainability Center of BNP PARIBAS ASSET MANAGEMENT will assess the Sustainability Bonds on the basis of these criteria.
<b><u>Sustainable Investment:</u></b>	According to SFDR, an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
<b><u>TBA:</u></b>	<b>To Be Announced:</b> A TBA transaction is a contract for the purchase or sale of a Mortgage-Backed Security for future settlement at an agreed upon date but does not include a specified mortgage pool number, number of mortgage pools, or precise amount to be delivered
<b><u>Third Country:</u></b>	A country part of the OECD, Brazil, People's Republic of China, India, Russia, Singapore, South Africa and any other country member of the G20 organisation
<b><u>Transferable Securities:</u></b>	Those classes of securities which are negotiable on the capital market (with the exception of instruments of payment) such as: <ul style="list-style-type: none"> <li>- Equity and Equity equivalent securities, partnerships or other entities, and depositary receipts in respect of Equity;</li> <li>- Bonds or other forms of securitised debt, including depositary receipts in respect of such securities;</li> <li>- any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures</li> </ul>
<b><u>TRS:</u></b>	<b>Total Return Swap:</b> Derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference asset (equity, equity index, bond, bank loan) to another counterparty.  TRS are in principle unfunded (" <b>Unfunded TRS</b> "): the total return receiver pays no upfront amount in return for the total return of the reference asset; then it allows both parties to gain exposure to a specific asset in cost-effective manner (the asset can be held without having to pay additional costs).  TRS may also be funded (" <b>Funded TRS</b> ") when it involves an upfront payment (often based on the market value of the asset) at inception in return for the total return of the reference asset
<b><u>UCI:</u></b>	Undertaking for Collective Investment
<b><u>UCITS:</u></b>	Undertaking for Collective Investment in Transferable Securities
<b><u>Valuation Currency(ies):</u></b>	Currency in which the net asset values of a sub-fund, share category, or share class are calculated. There may be several valuation currencies for the same sub-fund, share category, or share class (so called "Multi-Currency" facility). When the currency available in the share category, or share class is different from the Accounting Currency, subscription/conversion/redemption orders may be taken into account without suffering exchange rate charges
<b><u>Valuation Day:</u></b>	Each open bank day in Luxembourg and subject to exceptions available in the Book II: It corresponds also to: <ul style="list-style-type: none"> <li>- Date attached to the NAV when it is published</li> <li>- Trade date attached to orders</li> <li>- With regards to exceptions in the valuation rules, closing date prices used for the valuation of the underlying assets in the sub-funds portfolios</li> </ul>
<b><u>VaR:</u></b>	<b>Value at risk:</b> It is a statistical methodology used to assess an amount of potential loss according to a probability of occurrence and a time frame (see Appendix 2)
<b><u>Warrant:</u></b>	Financial Derivative Instrument that give the right, but not the obligation, to buy (call warrant) or sell (put warrant) a security—commonly an equity—at a certain price (strike price) before the expiration date (American warrant) or at the expiration date (European warrant). The vast majority of warrants are "attached" to newly issued bonds or preferred stock permitting the holder to purchase common stock of the issuer. Warrant are

often detachable which means that if an investor holds a bond with attached warrants, he can sell the warrants and keep the bond.

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## GENERAL PROVISIONS

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AMSelect is an open-ended investment company (*société d'investissement à capital variable* – abbreviated to “SICAV”), incorporated under Luxembourg law on 27 May 2021 for an indefinite period.

The Company is currently governed by the provisions of Part I of the Law of 17 December 2010 governing undertakings for collective investment as well as by Directive 2009/65 and the provisions of Regulation 2017/1131.

The Company's capital is expressed in euros (“EUR”) and is at all times equal to the total net assets of the various sub-funds. It is represented by fully paid-up shares issued without a designated par value, described below under “The Shares”. The capital varies automatically without the notification and specific recording measures required for increases and decreases in the capital of limited companies. Its minimum capital is defined by the Law.

The Company is registered in the Luxembourg Trade and Companies Register under the number B255860.

The Company is an umbrella fund, which comprises multiple sub-funds, each with distinct assets and liabilities of the Company. Each sub-fund shall have an investment policy and an Accounting Currency that shall be specific to it as determined by the Board of Directors.

The Company is a single legal entity.

In accordance with Article 181 of the Law:

- the rights of shareholders and creditors in relation to a sub-fund or arising from the constitution, operation or liquidation of a sub-fund are limited to the assets of that sub-fund;
- the assets of a sub-fund are the exclusive property of shareholders in that sub-fund and of creditors where the credit arises from the constitution, operation or liquidation of the sub-fund;
- in relations between shareholders, each sub-fund is treated as a separate entity.

The Board of Directors may at any time create new sub-funds, investment policy and offering methods of which will be communicated at the appropriate time by an update to the Prospectus. Shareholders may also be informed via press publications if required by regulations or if deemed appropriate by the Board of Directors. Similarly, the Board of Directors may close sub-funds, in accordance with the provisions of Appendix 4.

All the Benchmark Indexes mentioned in this Prospectus, which are used either for asset allocation purposes, or for computing performance fees, are published by Benchmark index's administrators registered in the Benchmark Register, except if otherwise provided in Book II. The Prospectus will be updated with newly registered Benchmark index's administrators in a timely manner.

The Management Company has produced and maintains robust written plans setting out the actions that it will take if a Benchmark Index materially changes or ceases to be provided, or if the Benchmark Index's administrator loses its registration with ESMA. These plans may be obtained free of charge and upon request from the Management Company.



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## ADMINISTRATION AND MANAGEMENT

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The Company is directed and represented by the Board of Directors acting under the authority of the General Shareholders' Meeting. The Company outsources management, audit and asset custody services. The roles and responsibilities associated with these functions are described below. The composition of the Board of Directors and the names, addresses and detailed information about the service providers are listed above in "General Information".

### Conflicts of Interest

The Management Company, the Investment Managers, the Depositary, the Administrative agent, Distributors and other service providers and their respective affiliates, directors, officers and shareholders are or may be involved in other financial, investment and professional activities that may create conflicts of interest with the management and administration of the Company. These include the management of other funds, purchases and sales of securities, brokerage services, depositary and safekeeping services, and serving as directors, officers, advisors or agents for other funds or other companies, including companies in which a sub-fund may invest. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such other involvement that they might have. In the event that a conflict of interest does arise, the Directors and the relevant Parties involved shall endeavour to resolve it fairly, within reasonable time and in the interest of the Company.

### **Board of Directors**

The Board of Directors assumes ultimate responsibility for the management of the Company and is therefore responsible for the Company's investment policy definition and implementation.

### **Management Company**

BNP PARIBAS ASSET MANAGEMENT Luxembourg was incorporated as a limited company (*société anonyme*) in Luxembourg on 19 February 1988. Its Articles of Association have been modified at various times, most recently at the Extraordinary General Meeting held on 17 May 2017 with effect on 01 June 2017, with publication in the RESA on 2 June 2017. Its share capital is EUR 3 million, fully paid up.

The Management Company performs administration, portfolio management and marketing tasks on behalf of the Company.

Under its own responsibility and at its own expense, the Management Company is authorised to delegate some or all of these tasks to third parties of its choice.

It has used this authority to delegate:

- the functions of NAV calculation, Registrar (both for registered and bearer shares) and Transfer Agent to BNP Paribas, Luxembourg branch;
- the management of the Company's holdings, and the observance of its investment policy and restrictions, to the investment managers listed above in "General Information". A list of the investment managers effectively in charge of management and details of the portfolios managed is appended to the Company's periodic reports. Investors may request an up-to-date list of investment managers specifying the portfolios managed by each.

In executing securities transactions and in selecting any broker, dealer, or other counterparty, the Management Company and any Investment Managers will use due diligence in seeking the best overall terms available. For any transaction, this will involve consideration of all factors deemed relevant, such as market breadth, security price and the financial condition and execution capability of the counterparty. An investment manager may select counterparties from within BNP PARIBAS so long as they appear to offer the best overall terms available.

In addition, the Management Company may decide to appoint Distributors/Nominees to assist in the distribution of the Company's shares in the countries where they are marketed.

Distribution and Nominee contracts will be concluded between the Management Company and the various Distributors/Nominees.

In accordance with the Distribution and Nominee Contract, the Nominee will be recorded in the register of shareholders in place of the end shareholders.

Shareholders who have invested in the Company through a Nominee can at any time request the transfer to their own name of the shares subscribed via the Nominee. In this case, the shareholders will be recorded in the register of shareholders in their own name as soon as the transfer instruction is received from the Nominee.

Investors may subscribe to the Company directly without necessarily subscribing via a Distributor/Nominee.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, (notably the right to participate in general shareholders' meetings) if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

**Remuneration policy:**

The Management Company applies a sound, effective and sustainable Remuneration Policy in line with the strategy, risk tolerance, goals and values of the Company.

The Remuneration Policy is in line with and contributes to sound and effective risk management and doesn't encourage taking more risk than appropriate within the investment policy and terms and conditions of the Company.

The key principles of the remuneration policy are:

- Deliver a market-competitive remuneration policy and practice to attract, motivate and retain best performing employees;
- Avoid conflicts of interest;
- Achieve sound and effective remuneration policy & practice, avoiding excessive risk-taking;
- Ensure long-term risk alignment, and reward of long-term goals;
- Design and implement a sustainable and responsible remuneration strategy, with pay levels and structure which make economic sense for the business.

The details of the up-to-date Remuneration Policy can be found on the website under <https://www.bnpparibas-am.com/en/remuneration-disclosure/>, and will also be made available free of charge by the Management Company upon request.

**Depositary**

BNP Paribas, Luxembourg Branch is a branch of BNP Paribas. BNP Paribas is a licensed bank incorporated in France as a Société Anonyme (public limited company) registered with the Registre du commerce et des sociétés Paris (Trade and Companies' Register) under number No. 662 042 449, authorised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and supervised by the Autorité des Marchés Financiers (AMF), with its registered address at 16 Boulevard des Italiens, 75009 Paris, France, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B23968 and supervised by the CSSF.

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Art 34(1) of the Law), (ii) the monitoring of the cash flows of the Company (as set out in Art 34(2) of the Law) and (iii) the safekeeping of the Company's assets (as set out in Art 34(3) of the Law).

Under its oversight duties, the Depositary is required to:

- (1) ensure that the sale, issue, repurchase, redemption and cancellation of shares effected on behalf of the Company are carried out in accordance with the Law or with the Articles of Association,
- (2) ensure that the value of shares is calculated in accordance with the Law and the Articles of Association,
- (3) carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the Law or the Company's Articles of Association,
- (4) ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits;
- (5) ensure that the Company's revenues are allocated in accordance with the Law and its Articles of Association.

The overriding objective of the Depositary is to protect the interests of the shareholders, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with BNP Paribas, Luxembourg Branch in parallel with an appointment of BNP Paribas, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to:

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas or its affiliates act as agent of the Company or the Management Company, or
- Selection of BNP Paribas or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - o Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - o Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned shareholders, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - o Implementing a deontological policy;
  - o recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
  - o setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the shareholders are fairly treated.

The Depositary may delegate to third parties the safekeeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from cristalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available in the website:

<https://securities.cib.bnpparibas/app/uploads/sites/3/2021/11/ucitsv-list-of-delegates-sub-delegates-en.pdf>

Such list may be updated from time to time.

Updated information on the Depositary's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

BNP Paribas, Luxembourg Branch, being part of a group providing clients with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. The entities involved in the support of internal organisation, banking services, central administration and transfer agency service are listed in the website: <https://securities.cib.bnpparibas/luxembourg/>.

Further information on BNP Paribas, Luxembourg Branch international operating model linked to the Company may be provided upon request by the Depositary, the Company and/or the Management Company.

#### Independence requirement

The selection of the Depositary by the Management Company is based on robust, objective and pre-defined criteria and warrants the sole interest of the Company and its investors. Details about this selection process can be provided to investors upon request by the Management Company.

#### Auditor

All the Company's accounts and transactions are subject to an annual audit by the Auditor.

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## INVESTMENT POLICY, OBJECTIVES, RESTRICTIONS AND TECHNIQUES

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The Company's general objective is to provide its investors with the highest possible appreciation of capital invested while offering them a broad distribution of risks. To this end, the Company will principally invest its assets in a range of transferable securities, money market instruments, units, or shares in UCIs, credit institution deposits, and financial derivative instruments denominated in various currencies and issued in different countries.

The Company's investment policy is determined by the Board of Directors in light of current political, economic, financial and monetary circumstances. The policy will vary for different sub-funds, within the limits of, and in accordance with, the specific features and objective of each as stipulated in Book II.

The investment policy will be conducted with strict adherence to the principle of diversification and spread of risks. To this end, without prejudice to anything that may be specified for one or more individual sub-funds, the Company will be subject to a series of investment restrictions as stipulated in Appendix 1. In this respect, the attention of investors is drawn to the investment risks described in Appendix 3.

Furthermore, the Company is authorised to utilise techniques and instruments on transferable securities and money market instruments under the conditions and limits defined in Appendix 2, provided that these techniques and financial derivative instruments are employed for the purposes of efficient portfolio management. When these operations involve the use of financial derivative instruments, these conditions and limits must comply with the provisions of the Law. Under no circumstances can these operations cause the Company and its sub-funds to deviate from the investment objectives as described in the Prospectus.

Unless otherwise provided in each sub-fund's investment policy on book II, no guarantee can be given on the realisation of the investment objectives of the sub-funds, and past performance is not an indicator of future performance.

### **Class Action Policy**

The Management Company has defined a class action policy applicable to Undertakings for Collective Investments (UCI) that it manages. A class action can typically be described as a collective legal procedure, seeking compensation for multiple persons having been harmed by the same (illegal) activity.

As a matter of policy, the Management Company:

- Does, in principle, not participate in active class actions (i.e., the Management Company does not initiate, act as a plaintiff, or otherwise take an active role in a class action against an issuer);
- May participate in passive class actions in jurisdictions where the Management Company considers, at its sole discretion, that (i) the class action process is sufficiently effective (e.g. where the anticipated revenue exceeds the predictable cost of the process), (ii) the class action process is sufficiently predictable and (iii) the relevant data required for the assessment of eligibility to the class action process are reasonably available and can be efficiently and robustly managed;
- Transfers any monies which are paid to the Management Company in the context of a class action, net of external costs, to the funds which are involved in the relevant class action.

The Management Company may at any time amend its class actions policy and may deviate from the principles set out therein in specific circumstances.

The applicable principles of the class actions policy are available on the website of the Management Company <https://www.bnpparibas-am.com/en/footer/class-actions-policy/>

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## SUSTAINABLE INVESTMENT POLICY<sup>1</sup>

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BNP PARIBAS ASSET MANAGEMENT's Global Sustainability Strategy governs the approach of BNP Paribas Asset Management to sustainability, which consists in particular of the implementation of ESG integration, responsible business conduct standards and stewardship activities into the investment processes applied by the investment managers of each sub-fund.

**ESG** stands for **E**nvironmental, **S**ocial and **G**overnance; these are criteria commonly used to assess the level of sustainability of an investment.

BNP PARIBAS ASSET MANAGEMENT is committed having a sustainability approach for its investments. Nonetheless, the extent and manner in which this approach is applied varies according to the delegated asset manager, type of sub-fund, asset class, region and instrument used. Consequently, the implementation of the sustainability approach applies individually across all sub-funds.

ESG criteria taken into account at the level of the funds include:

- Environmental criteria, such as energy efficiency, reduction of emissions of greenhouse gases, treatment of waste;
- Social criteria, such as respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);
- Governance criteria, such as Board of Directors independence, managers' remuneration, respect of minority shareholders rights.

The sustainability approach, including the integration of sustainability risks, is incorporated at each step of the investment process of each sub-fund and includes the implementation of the following elements:

- **Responsible business conduct standards:** As defined in the BNP PARIBAS ASSET MANAGEMENT's Responsible Business Conduct policy ("RBC"), they include respecting: 1) norms-based screens, such as the UN Nations Global Compact principles and OECD Guidelines for Multinational Enterprises, and 2) BNP Paribas Asset Management sector policies.
  - 1) Norms-based screens: The United Nations Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) defines 10 principles for businesses to uphold in the areas of human rights, labour standards, environmental stewardship and anti-corruption. Similarly, the OECD Guidelines for Multinational Enterprises sets out principles for the responsible business conduct of businesses. These two shared frameworks are recognized worldwide and applicable to all industry sectors. Companies that violate one or more of the principles are excluded from the sub-funds' investments, and those at risk of breaching them are closely monitored, and may also be excluded.
  - 2) BNP PARIBAS ASSET MANAGEMENT has also defined a series of guidelines relating to investments in sensitive sectors, listed in the RBC. Companies from these sensitive sectors that do not comply with the minimum principles specified in these guidelines are excluded from the sub-funds' investments. The sectors concerned include, *but are not limited to*, palm oil, wood pulp, mining activities, nuclear, coal-fired power generation, tobacco, controversial weapons, unconventional oil and gas and asbestos.
- **ESG integration:** It involves the evaluation of environmental, social and governance criteria, also referred to as extra-financial criteria, at the level of the issuers in which the sub-funds invest. This evaluation is based on the investment managers' own scoring methods.
- **Stewardship:** It is designed to enhance the long-term value of shareholdings and the management of long-term risk for clients, as part of BNP PARIBAS ASSET MANAGEMENT's commitment to act as an efficient and diligent steward of assets. Stewardship activities include the following categories of engagement:
  - Company Engagement: the aim is to foster, through dialogue with companies, corporate governance best practices, social responsibility and environmental stewardship. A key component of company engagement is voting at annual general meetings. BNP PARIBAS ASSET MANAGEMENT publishes detailed proxy-voting guidelines on a range of ESG issues.
  - Public Policy Engagement: BNP PARIBAS ASSET MANAGEMENT aims to embed sustainability considerations more fully into the markets in which it invests and in the rules that guide and govern company behavior as per its Public Policy Stewardship Strategy.

### **Methodological limitations**

Applying an extra-financial strategy may comprise methodological limitations such as the "Environmental, Social and Governance (ESG) Investment Risks" as defined in the appendix 3 of this Prospectus.

In the event the extra-financial criteria as specified above or in Book II for any sub-fund are no longer met from time to time, the Investment Manager will promptly adjust the portfolio in the best interest of the shareholders.

In particular, it should be noted that the proprietary methodologies used to take into account ESG non-financial criteria may be subject to reviews in the event of regulatory developments or updates that may lead, in accordance with the applicable regulations, to the increase or decrease of the classification of products, of the indicators used or of the minimum investment commitment levels set.

### **SFDR's Sustainable Investments**

In addition to the above, some sub-funds may have either a sustainable investment objective, in the meaning of Article 9 of SFDR, or intend to invest part of their assets in sustainable investments, as disclosed in Appendix 5.

The determination of these sustainable investments is based on the investment managers' own methodology, as disclosed in Book III.

### **Taxonomy-aligned Investments**

The Taxonomy Regulation aims to establish the criteria for determining whether an economic activity is considered environmentally sustainable. The EU Taxonomy is a classification system establishing a list of environmentally sustainable economic activities in respect of the six EU's climate and environmental objectives defined by this regulation.

Thus, for the purpose of determining the environmental sustainability of a given economic activity, six environmental objectives are defined and covered by the Taxonomy Regulation: climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems.

To be qualified as Taxonomy-aligned, an economic activity has to meet the following four conditions:

- Be mapped as an eligible economic activity within the Technical Screening Criteria (TSC);

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<sup>1</sup> in the meaning of global sustainability approach

- Make a substantial contribution to at least one of the above mentioned environmental objective;
- Do no significant harm (DNSH) to any other environmental objective;
- Comply with minimum social safeguards through the implementation of procedures to meet minimum social requirements embedded in the OECD Guidelines on Multinational Enterprises (MNEs), the UN Global Compact (UNGC) and the ten UN Guiding Principles on Business and Human Rights (UNGP), with specific reference to the International Bill of Human Rights and the ILO Core Labour Conventions and Fundamental Principles and Rights at Work.

Nonetheless, taxonomy alignment data is not yet widely communicated or published and the activities of certain issuers require additional fundamental analysis in order to be accounted for and are therefore not taken into account by the taxonomy data that we use.

BNP PARIBAS ASSET MANAGEMENT and the investment manager, as the case may be, are currently improving their Taxonomy-alignment data collection to ensure the accuracy and suitability of its Taxonomy sustainability-related disclosures. Further prospectus updates will be made accordingly.

### **Transparency of adverse sustainability impacts**

The sub-funds consider principal adverse impacts on sustainability factors (PAI) as indicated in Appendix 5 of Book I.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Due to the nature of this Company, consideration of PAI may differ depending on the delegated asset manager's ESG integration methodology.

Through the application of the RBC respecting norms-based screens and BNP Paribas Asset Management's sector policies, all the sub-funds consider at least the indicator n°10 on violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the indicator n°14 on the exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) in their investment processes.

The list of PAI that the Management Company is looking at is the one of SFDR and therefore will depend on the underlying assets of the sub-funds. The list is the following and the definition of each PAI can be found in such regulation:

#### **Corporate mandatory indicators:**

- 1. GreenHouse Gas (GHG) Emissions
- 2. Carbon footprint
- 3. GHG intensity of investee companies
- 4. Exposure to companies active in the fossil fuel sector
- 5. Share of non-renewable energy consumption and production
- 6. Energy consumption intensity per high impact climate sector
- 7. Activities negatively affecting biodiversity sensitive areas
- 8. Emissions to water
- 9. Hazardous waste ratio
- 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 12. Unadjusted gender pay gap
- 13. Board gender diversity
- 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

#### **Corporate voluntary indicators**

##### *Environment*

- 4. Investments in companies without carbon emission reduction initiatives

##### *Social*

- 4. Lack of a supplier code of conduct
- 9. Lack of a human rights policy

#### **Sovereign mandatory indicators**

- 15. GHG intensity
- 16. Investee countries subject to social violations

The exact PAI considered and addressed or mitigated per sub-fund is listed in Appendix 5 of Book I.

### **Categorization as per SFDR**

According to SFDR, sub-funds shall be classified into 3 categories:

- Sub-funds having a sustainable investment as their objectives (referred to as "**Article 9**"): Sustainable investment is defined as an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

- Sub-funds promoting environmental or social characteristics (referred to as “**Article 8**”): These sub-funds promote among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.
- Other sub-funds not categorised under Article 8 or Article 9. These sub-funds’ investments do not take into account the EU criteria for environmentally sustainable economic activities.

The SFDR category of each sub-fund is mentioned in Book II.

**Among Article 8 and Article 9, BNP PARIBAS ASSET MANAGEMENT has defined an internal classification and some sub-funds can be classified as “Labelled” as follows:**

- **Labelled:** these sub-funds satisfy the requirements of the Belgian Towards Sustainability label and are recognized as such by an independent certifying entity.

As of the date of this Prospectus, the sub-funds listed below benefit from the Belgian Towards Sustainability label:

- Allianz Euro Credit
- Amundi Europe Equity Value
- Amundi US Equity
- JP Morgan Global Bond
- JP Morgan Global Equity Emerging
- Robeco Global Credit Income
- Robeco Global Equity Emerging
- Sycomore Euro Equity Growth
- Vontobel Global Equity Emerging
- Wellington Global Equity

Investors’ attention is drawn to the fact that the constraints imposed by the label provider may evolve from time to time and may therefore trigger amendments to the sustainable investment policy of the relevant sub-funds.

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## LIQUIDITY RISK POLICY

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The Management Company has established, implemented and consistently applies a liquidity management policy and has put in place a prudent and rigorous liquidity management procedure which enable it to monitor the liquidity risks of the sub-funds and to ensure that the sub-funds can normally meet at all times their obligation to redeem their Shares at the request of Shareholders. Qualitative and quantitative measures are used to ensure investment portfolios are appropriately liquid and that sub-funds are able to honour Shareholders' redemption requests. In addition, Shareholders' concentrations are regularly reviewed to assess their potential impact on liquidity of the sub-funds.

Sub-funds are reviewed individually with respect to liquidity risks. The Management Company's liquidity management policy takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and shareholder base. The Board of Directors, or the Management Company, where deemed necessary and appropriate to protect Shareholders, may also make use, among others, of certain tools to manage liquidity risk as described in the following sections of the Prospectus:

ü Section "Suspension of the calculation of the Net Asset Value and the issue, conversion and redemption of shares":

The Board of Directors may temporarily suspend the calculation of the net asset value and the right of any Shareholder to request redemption of any share in any sub-fund or Share Class of any sub-fund and the issue of Shares in any sub-fund or Share Class of any sub-fund.

ü Section "Subscription, Conversion and redemption of shares":

The Board of Directors may decide to satisfy payment of the redemption price to any Shareholder who agrees, in whole or in part, by an in-kind allocation of securities in compliance with the conditions set forth by Luxembourg law. If the Company receives requests on one valuation day for net redemptions (and switches into another sub-fund) of more than 10% of the net asset value of the relevant sub-fund, the Board of Directors, in its sole discretion, may elect to limit each redemption (and switch) request pro rata such that the aggregate amount redeemed in that valuation day will not exceed 10% of the net asset Value of the relevant sub-fund.

ü Section "Swing Pricing":

The net asset value per Share of a sub-fund may be adjusted on a valuation date in certain circumstances.

Shareholders that wish to assess the underlying assets' liquidity risk for themselves should note that the sub-funds complete portfolio holdings are indicated in the latest annual report or the latest semi-annual report where this is more recent.



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**THE SHARES**


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**SHARE CATEGORIES, SUB-CATEGORIES AND CLASSES****A. CATEGORIES**

Within each sub-fund, the Board of Directors will be able to create and issue the share categories listed below and add new valuation currencies to existing shares.

<b>Category</b>	<b>Investors</b>	<b>Initial subscription Price per share<sup>(1)(2)</sup></b>	<b>Minimum initial subscription amount<sup>(2)</sup></b> <i>(in EUR or its equivalent in any other Valuation Currency)</i>
Classic	All	100.- in the Reference Currencies	None
Privilege	Distributors <sup>(3)</sup> , Managers, All		- <u>Distributors</u> <sup>(2)</sup> : none - <u>Managers</u> : none - <u>Others</u> : 3 million per sub-fund,
I	Institutional Investors, UCIs		<u>Institutional Investors</u> : 3 million per sub-fund or 10 million in the Company <u>UCIs</u> : none
X	Authorised Investors	100,000.- in the Reference Currencies	None

(1) *Entry Fees excluded, if any*

(2) *Unless otherwise provided by the Board of Directors*

(3) *Distributors which provide only fee-based independent advisory services as defined by MiFID, with respect to distributors that are incorporated in the EEA*

**B. SUB-CATEGORIES**

In some sub-funds, following sub-categories may be created:

**- MD / QD**

These sub-categories pay dividend on a monthly (MD) or quarterly (QD) basis

Such sub-categories may be duplicated (for example "MD2", "MD3"... ) to accommodate different dividend distribution arrangements.

The differences between such same classes within a sub-fund are explained in Book II.

**- Hedged (H)**

These sub-categories aim at hedging the Currency Exchange risk of the sub-fund's portfolio against their Reference Currency. In the event of changes in the net asset value of the portfolio and/or of subscriptions and/or redemptions, hedging will be operated to the extent possible within specific bandwidths (should those limits not be respected from time to time, hedging readjustment will be operated). As a consequence, we cannot guarantee the currency exchange risk will be completely neutralised.

**- Return Hedged (RH)**

These sub-categories aim at hedging the portfolio return from Accounting Currency of the sub-fund (and not the underlying currency exposures) to the currency denomination of the sub-category.

In the event of changes in the net asset value of the portfolio and/or of subscriptions and/or redemptions, hedging will be operated to the extent possible within specific bandwidths (should those limits not be respected from time to time, hedging readjustment will be operated).

**- Mono-Currency**

These sub-categories are valued and issued solely in the Reference Currency, indicated by the denomination of the sub-category, which is different from the Accounting Currency of the sub-fund (for example "Classic USD" for a category issued and valued only in USD when the Accounting Currency of the sub-fund is EUR).

**- Series of shares**

X categories may be duplicated as many times there are specific authorised distributors (for example "X2", "X3" ...).

Other characteristics of these sub-categories as well as the fee structure are the same as those of their mother-category in the same sub-fund.

**C. CAPITALISATION / DISTRIBUTIONS CLASSES**

Any of the above share categories / sub-categories are issued in Capitalisation ("CAP") and/or Distribution ("DIS") classes as defined below.

**1. CAP**

CAP shares retain their income to reinvest it.

**2. DIS**

DIS shares may pay dividend to shareholders on an annual, monthly or quarterly basis.

The general meeting of shareholders holding DIS shares for each sub-fund concerned decides each year on the Board of Directors' proposal to pay a dividend, which is calculated in accordance with the limitations defined by law and the Articles of Association. In this respect, the general meeting reserves the right to distribute the net assets of each of the Company's sub-funds up to the limit of the legal minimum capital. Distributions may be paid out of net investment income or capital.

If, given market conditions, it is in the shareholders' interest not to distribute a dividend, then no such distribution will be carried out.

If it deems it advisable, the Board of Directors may decide to distribute interim dividends.

The Board of Directors determines the payment methods for the dividends and interim dividends that have been decided upon. Dividends will, in principle, be paid in the Reference Currency of the class (exchange costs incurred for payments in different currencies will be borne by the investor).

The Board of Directors may decide that dividends will be paid by issuing new shares.

Declared dividends and interim dividends not collected by shareholders within a period of five years from the payment date will lapse and revert to the sub-fund concerned.

Interest will not be paid on declared and unclaimed dividends or interim dividends, which will be held by the Company on behalf of the shareholders of the sub-fund for the duration of the legal limitation period.

#### **D. SHARE LEGAL FORMS**

All the shares are issued in registered form.

The shares are all listed into specific registers kept in Luxembourg by the Registrar Agent indicated in the section "General Information". Unless otherwise provided, shareholders will not receive a certificate representing their shares. Instead, they will receive a confirmation of their entry into the register.

Further to the Luxembourg law of 28 July 2014, all physical bearer shares have been cancelled. The cash equivalent of such cancelled shares has been deposited with the Luxembourg *Caisse de Consignation*.

#### **E. GENERAL PROVISION AVAILABLE FOR ALL SHARES**

The Board of Directors has the option of adding new valuation currencies to existing categories or classes and, with the previous approval of the CSSF, of adding new share categories, sub-categories and classes to existing sub-funds with the same specification as those described above on points A, B and C. Such a decision will not be published but the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com) and the next version of the Prospectus will be updated accordingly.

The Board of Directors may depart from the initial subscription price per share. However, the equal treatment of shareholders shall be preserved at all time.

The Board of Directors may decide at any time to split or consolidate the shares issued within one same sub-fund, category, or class into a number of shares determined by the Board itself. The total net asset value of such shares must be equal to the net asset value of the subdivided/consolidated shares existing at the time of the splitting/consolidation event.

If the assets of a category/class fall below EUR 1,000,000.00 or equivalent, the Board of Directors reserves the right to liquidate or merge it with another category/class if it decides it is in the best interest of shareholders.

If it transpires that shares are held by persons other than those authorised, they will be converted to the appropriate category, class or currency.

The shares must be fully paid-up and are issued without a par value. Unless otherwise provided, there is no limitation on their number. The rights attached to the shares are those described in the law of 10 August 1915, unless exempted by the Law.

Fractions of shares may be issued up to one-thousandth of a share.

All the Company's whole shares, whatever their value, have equal voting rights. The shares of each sub-fund, category, or class have an equal right to the liquidation proceeds of the sub-fund, category, or class.

If no specific information is given by the investor, orders received will be processed in the Reference Currency of the category.

When trading through a financial intermediary (such as a platform or clearing house) in a multi-currency share class, the investor must ensure that this intermediary is able to correctly deal in the additional currency other than the Reference Currency.

The Board of Directors may decide to cancel existing share classes in the case they are not launched.

#### **SUBSCRIPTION, CONVERSION AND REDEMPTION OF SHARES**

The shares of the Company may be locally offered for subscription via regular savings plans, redemption and conversion programs, specific to this local supply, and may be subject to additional charges.

In the event that a regular savings plan is terminated prior to the agreed final date, the sum of entry fees payable by the shareholders concerned may be greater than would have been the case for standard subscriptions.

Investors may be required to appoint a paying agent as nominee (the "Nominee") for all actions connected with their shareholding in the Company.

On the basis of this mandate, the Nominee is specifically required to:

- send requests for subscription, conversion, and redemption, grouped by share category, share class, sub-fund and distributor to the Company;
- be listed on the Company's register in its name "on behalf of a third party"; and
- exercise the investor's voting right (if any), according to the investor's instructions.

The Nominee must make every effort to keep an up-to-date electronic list of investors' names and addresses and the number of shares held; the status of shareholder can be verified via the confirmation letter sent to the investor by the Nominee.

Investors are informed that they may be required to pay additional fees for the activity of the above Nominee.

For further details, investors are invited to read the subscription documents available from their usual distributor.

#### **Preliminary Information**

Subscriptions, conversions and redemptions of shares are made with reference to their unknown net asset value (NAV). They may concern a number of shares or an amount.

The Board of Directors reserves the right to:

- (a) refuse a subscription, or conversion request for any reason whatsoever in whole or in part;
- (b) redeem, at any time, shares held by persons who are not authorised to buy or hold the Company's shares;
- (c) reject subscription, conversion or redemption requests from any investor who it suspects of using practices associated with Market Timing and Active Trading, and, where applicable, take necessary measures to protect the other investors in the Company, notably by charging an additional exit fees up to 2% of the order amount, to be retained by the sub-fund.

The Board of Directors is authorised to set minimum amounts for subscription, conversion, redemption and holding.

Subscriptions from entities which submit subscription applications and whose names show that they belong to one and the same group, or which have one central decision-making body, will be grouped together to calculate these minimum subscription amounts.

Should a share redemption or conversion request, a merger/splitting procedure, or any other event, have the effect of reducing the number or the total net book value of the shares held by a shareholder to below the number or value decided upon by the Board of Directors, the Company may redeem all the shares.

In certain cases stipulated in the section on suspension of the calculation of the NAV, the Board of Directors is authorised to temporarily suspend the issue, conversion and redemption of shares and the calculation of their net asset value.

The Board of Directors may decide, in the interest of the shareholders, to close a sub-fund, category and/or class for subscription or conversion in, under certain conditions and for the time it defines. Such a decision will not be published but the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com) will be updated accordingly.

**In connection with anti-money laundering procedures, the subscription form must be accompanied, in the case of an individual, by the identity card or passport of the subscriber, authenticated by a competent authority (for example, an embassy, consulate, notary, police superintendent) or by a financial institution subject to equivalent identification standards to those applicable in Luxembourg or the Articles of Association; and by an extract from the trade and companies register for a legal entity, in the following cases:**

1. **direct subscription to the Company;**
2. **subscription through a professional financial sector intermediary resident in a country that is not subject to an obligation for identification equivalent to Luxembourg standards as regards preventing the use of the financial system for the purposes of money laundering;**
3. **subscription through a subsidiary or branch office, the parent company of which would be subject to an obligation for identification equivalent to that required under Luxembourg law, if the law applicable to the parent company does not oblige it to ensure that its subsidiaries or branch offices adhere to these provisions.**

**The Company is also bound to identify the source of funds if they come from financial institutions that are not subject to an obligation for identification equivalent to those required under Luxembourg law. Subscriptions may be temporarily frozen pending identification of the source of the funds.**

**It is generally accepted that finance sector professionals resident in countries that have signed up to the conclusions of the FATF (Financial Action Task Force) on money laundering are deemed to have an obligation for identification equivalent to that required under Luxembourg law.**

#### **Processing of Personal Data**

In accordance with GDPR, when submitting a subscription request, personal data of the investor ("Personal Data") may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company and the Management Company (as data controllers) with a view to managing its account and business relationship (such as to maintain the register of shareholder, process requests, provide shareholder services, guard against unauthorised account access, conduct statistical analyses, provide information on other products and services and/or comply with various laws and regulations). To the extent that this usage so requires, the investor further authorises the sharing of this information with different service providers of the Company, including some of which that may be established outside of the European Union, who may need to process these Personal Data for carrying out their services and complying with their own legal obligations, but which may not have data protection requirements deemed equivalent to those prevailing in the European Union. The Personal Data may notably be processed for purposes of filing, order processing, responding to shareholder's requests, and providing them with information on other products and services. Neither the Company nor its Management Company will disclose such Personal Data on shareholder unless required to do so by specific regulations or where necessary for legitimate business interests.

Further detailed information in relation to the processing of Personal Data can be found in the Management Company's "Data Protection Notice" as well as on the "Personal Data Privacy Charter", which are accessible via the following link <https://www.bnpparibas-am.com/en/footer/data-protection/>

Each shareholder whose Personal Data has been processed has a right of access to his/her/its Personal Data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

#### **Subscriptions**

The shares will be issued at a price corresponding to the net asset value per share plus the entry fees as described in the above table.

For an order to be executed at the net asset value on a given Valuation Day, it must be received by the Company before the time and date specified in the detailed conditions for each sub-fund in Book II. Orders received after this deadline will be processed at the net asset value on the next Valuation Day.

In order to be accepted by the Company, the order must include all necessary information relating to the identification of the subscribed shares and the identity of the subscriber as described above.

Unless otherwise provided for a particular sub-fund, the subscription price of each share is payable in one of the valuation currencies of the shares concerned within the time period defined in Book II, increased, where necessary, by the applicable entry fees. At the shareholder's request, the payment may be made in a currency other than one of the valuation currencies. The exchange expenses will then be borne by the shareholder.

The Company reserves the right to postpone, and/or cancel subscription requests if it is not certain that the appropriate payment will reach the Depository within the required payment time or if the order is incomplete. The Board of Directors or its agent may process the request by applying an additional charge to reflect interest owed at the customary market rates; or cancelling the share allotment, as applicable accompanied by a request for compensation for any loss owing to failure to make payment before the stipulated time limit. The shares will not be assigned until the duly completed subscription request has been received accompanied by the payment or a document irrevocably guaranteeing that the payment will be made before the deadline. The Company cannot be held responsible for the delayed processing of incomplete orders.

Any outstanding balance remaining after subscription will be reimbursed to the shareholder, unless the amount is less than EUR 15 or its currency equivalent, as the case may be. Amounts thus not reimbursed will be retained by the relevant sub-fund.

The Board of Directors may accept the issue of shares in exchange for the contribution in kind of transferable securities, in accordance with the conditions defined by Luxembourg Law, in particular with respect to the obligation for the submission of a valuation report by the Auditor mentioned under "General Information" above, and provided that these transferable securities meet the Company's investment policy and restrictions for the sub-fund concerned as described in Book II. Unless otherwise provided, the costs of such a transaction will be borne by the applicant.

**Conversions**

Without prejudice to the specific provisions of a sub-fund, category, or class, shareholders may request the conversion of some or all of their shares into shares of another sub-fund, category, or class. The number of newly issued shares and the costs arising from the transaction are calculated in accordance with the formula described below.

Conversions are only permitted between the following categories:

ToFrom	Classic	Privilege	I	X
Classic	Yes	Yes	Yes	No
Privilege	Yes	Yes	Yes	No
I	Yes	Yes	Yes	No
X	Yes	Yes	Yes	Yes

Conversion principles of the sub-categories are the same as those of their mother-category.

For a conversion order to be executed at the net asset value on a given valuation day, it must be received by the Company before the time and date specified for each sub-fund in Book II. Orders received after this deadline will be processed at the net asset value on the next valuation day.

**Conversion Formula**

The number of shares allocated to a new sub-fund, category or class will be established according to the following formula:

$$A = \frac{B \times C \times E}{D}$$

*A* being the number of shares to be allocated in the new sub-fund;

*B* being the number of shares of the original sub-fund to be converted;

*C* being the prevailing net asset value per share of the original sub-fund on the relevant Valuation Day;

*D* being the prevailing net asset value per share of the new sub-fund on the relevant Valuation Day; and

*E* being the exchange rate applicable at the time of the transaction between the currencies of the two concerned sub-funds

Investors will be charged for any foreign exchange transactions carried out at their request.

In the case of shares held in account (with or without attribution of fractions of shares), any outstanding balance remaining after conversion will be reimbursed to the shareholder, unless the amount is less than EUR 15 or its currency equivalent, as the case may be. Amounts thus not reimbursed will be deemed belonging to the relevant sub-fund.

**Redemptions****I. General Rules**

Subject to the exceptions and limitations prescribed in the Prospectus, all shareholders are entitled, at any time, to have their shares redeemed by the Company.

For an order to be executed at the net asset value on a given Valuation Day, it must be received by the Company before the time and date specified in the conditions for each sub-fund in Book II. Orders received after this deadline will be processed at the net asset value on the next Valuation Day.

In order to be accepted by the Company, the order must include all necessary information relating to the identification of the shares in question and the identity of the shareholder as described above.

Unless otherwise provided for a particular sub-fund, the redemption amount for each share will be reimbursed in the subscription currency, less, where necessary, the applicable exit fees.

At the shareholder's request, the payment may be made in a currency other than the subscription currency of the redeemed shares, in which case the exchange costs will be borne by the shareholder and charged against the redemption price. The redemption price of shares may be higher or lower than the price paid at the time of subscription (or conversion), depending on whether the net asset value has appreciated or depreciated in the interval.

The Company reserves the right to postpone redemption requests if the order is incomplete. The Company cannot be held responsible for the delayed processing of incomplete orders.

Redemptions in kind are possible upon specific approval of the Board of Directors, provided that the remaining shareholders are not prejudiced and that a valuation report is produced by the Company's Auditor. The type and kind of assets that may be transferred in such cases will be determined by the manager, taking into account the investment policy and restrictions of the sub-fund in question. The costs of such transfers may be borne by the applicant.

In the event that the total net redemption/conversion applications received for a given sub-fund on a Valuation Day equals or exceeds 10% of the net assets of the sub-fund in question, the Board of Directors may decide to split and/or defer the redemption/conversion applications on a pro-rata basis so as to reduce the number of shares redeemed/converted to date to 10% of the net assets of the sub-fund concerned. Any redemption/conversion applications deferred shall be given in priority in relation to redemption/conversion applications received on the next Valuation Day, again subject to the limit of 10% of net assets.

In the case of shares held in account (with or without attribution of fractions of shares), any outstanding balance remaining after redemption will be reimbursed to the shareholder, unless the amount is less than EUR 15 or its currency equivalent, as the case may be. Amounts thus not reimbursed will be deemed belonging to the relevant sub-fund.

**Stock exchange listing**

By decision of the Board of Directors, the shares may be admitted to official listing on the Luxembourg Stock Exchange and/or as applicable on another securities exchange.

At the date of this Prospectus, there are no shares listed on any stock exchange.

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## FEES AND COSTS

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### **Costs payable by the Investors**

Maximum charges paid directly by the investors which may be paid solely at the occurrence of a specific operation (entry, conversion, exit):

shares	Entry	Conversion	Exit
Classic	3%	1.50%	None
Privilege	3%		
I	None	None	
X			

Conversion:

- ü In the event of conversion to a sub-fund with a higher Entry Fees, the difference may be payable.

### **Fees and Expenses payable by the sub-funds**

Each sub-fund is charged fees or generate expenses specifically attributable thereto. Fees and expenses not attributable to any particular sub-fund are allocated among all the sub-funds on a pro rata basis in relation to their respective net asset values.

These fees and expenses are calculated each Valuation Day and paid monthly from the average net assets of a sub-fund, share category, or share class, paid to the Management Company. The amount charged varies depending on the value of the NAV.

Please refer to Book II of this Prospectus for detailed information on the annual fees and charges applicable to the sub-fund(s) you are invested in.

#### **Distribution Fee**

Fee serving to cover remuneration of the distributors, supplemental to the portion of the management fee that they receive for their services.

#### **Extraordinary Expenses**

Expenses other than management, performance, distribution and other fees borne by each sub-fund. These expenses include but are not limited to:

- Interest and full amount of any duty, levy and tax or similar charge imposed on a sub-fund
- litigation or tax reclaim expenses

#### **Management Fee**

Fee serving to cover remuneration of the investment managers and, unless otherwise provided in Book II, also distributors in connection with the marketing of the Company's stock.

#### **Other Fee**

Fee serving to cover notably the following services:

- administration, domiciliary and fund accounting
- audit
- custody, depositary and safekeeping
- documentation, such as preparing, printing, translating and distributing the Prospectus, KIDs, financial reports
- ESG certification and service fees
- financial index licensing (if applicable)
- legal expenses
- listing of shares on a stock exchange (if applicable)
- management company expenses (including among other AML/CFT, KYC, Risk and oversight of delegated activities)
- marketing operations
- publishing fund performance data
- registration expenses including translation
- services associated with the required collection, tax and regulatory reporting, and publication of data about the Company, its investments and shareholders
- transfer, registrar and payment agency

These fee do not include fees paid to independent Directors and reasonable out-of-pocket expenses paid to all Directors, expenses for operating hedged shares, duties, taxes and transaction costs associated with buying and selling assets, brokerage and other transactions fees, interest and bank fees.

#### **Regulatory and Tax Fees**

These fees include:

- the Luxembourg taxe d'abonnement (subscription tax)
- foreign UCI's tax and/or other regulatory levy in the country where the sub-fund is registered for distribution

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## NET ASSET VALUE

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### CALCULATION OF THE NET ASSET VALUE PER SHARE

Each net asset value calculation will be made as follows under the responsibility of the Board of Directors:

- (1) The net asset value will be calculated as specified in Book II.
- (2) The net asset value per share will be calculated with reference to the total net assets of the corresponding sub-fund, category, or class. The total net assets of each sub-fund, category, or class will be calculated by adding all the asset items held by each (including the entitlements or percentages held in certain internal sub-portfolios as more fully described in point 4, below) from which any related liabilities and commitments will be subtracted, all in accordance with the description in point 4, paragraph 4, below.
- (3) The net asset value per share of each sub-fund, category, or class will be calculated by dividing its respective total net assets by the number of shares in issue up to two decimal places.
- (4) Internally, in order to ensure the overall financial and administrative management of the set of assets belonging to one or more sub-funds, categories, or classes, the Board of Directors may create as many internal sub-portfolios as there are sets of assets to be managed (the "internal sub-portfolios").

Accordingly, one or more sub-funds, categories, or classes that have entirely or partially the same investment policy may combine the assets acquired by each of them in order to implement this investment policy in an internal sub-portfolio created for this purpose. The portion held by each sub-fund, category, or class within each of these internal sub-portfolios may be expressed either in terms of percentages or in terms of entitlements, as specified in the following two paragraphs. The creation of an internal sub-portfolio will have the sole objective of facilitating the Company's financial and administrative management.

The holding percentages will be established solely on the basis of the contribution ratio of the assets of a given internal sub-portfolio. These holding percentages will be recalculated on each valuation day to take account of any redemptions, issues, conversions, distributions or any other events generally of any kind affecting any of the sub-funds, categories, or classes concerned that would increase or decrease their participation in the internal sub-portfolio concerned.

The entitlements issued by a given internal sub-portfolio will be valued as regularly and according to identical methods as those mentioned in points 1, 2 and 3, above. The total number of entitlements issued will vary according to the distributions, redemptions, issues, conversions, or any other events generally of any kind affecting any of the sub-funds, categories, or classes concerned that would increase or decrease their participation in the internal sub-portfolio concerned.

- (5) Whatever the number of categories, or classes created within a particular sub-fund, the total net assets of the sub-fund will be calculated at the intervals defined by Luxembourg Law, the Articles of Association, or the Prospectus. The total net assets of each sub-fund will be calculated by adding together the total net assets of each category, or class created within the sub-fund.
- (6) Without prejudice to the information in point 4, above, concerning entitlements and holding percentages, and without prejudice to the particular rules that may be defined for one or more particular sub-funds, the net assets of the various sub-funds will be valued in accordance with the rules stipulated below.

### COMPOSITION OF ASSETS

The Company's assets primarily include:

- (1) cash in hand and cash deposit including interest accrued but not yet received and interest accrued on these deposits until the payment date;
- (2) all notes and bills payable on demand and accounts receivable (including the results of sales of securities before the proceeds have been received);
- (3) all securities, units, shares, bonds, options or subscription rights and other investments and securities which are the property of the Company;
- (4) all dividends and distributions to be received by the Company in cash or securities that the Company is aware of;
- (5) all interest accrued but not yet received and all interest generated up to the payment date by securities which are the property of the Company, unless such interest is included in the principal of these securities;
- (6) the Company's formation expenses, insofar as these have not been written down;
- (7) all other assets, whatever their nature, including prepaid expenses.

### VALUATION RULES

The assets of each sub-fund shall be valued as follows:

- (1) The value of cash in hand and cash deposit, prepaid expenses, and dividends and interest due but not yet received, shall comprise the nominal value of these assets, unless it is unlikely that this value could be received; in that event, the value will be determined by deducting an amount which the Company deems adequate to reflect the actual value of these assets;
- (2) The value of shares or units in undertakings for collective investment shall be determined on the basis of the last net asset value available on the Valuation Day. If this price is not a true reflection, the valuation shall be based on the probable sale price estimated by the Board of Directors in a prudent and bona fide manner.
- (3) The valuation of all securities listed on a stock exchange or any other regulated market, which functions regularly, is recognised and accessible to the public, is based on the last known closing price on the Valuation Day, and, if the securities concerned are traded on several markets, on the basis of the last known closing price on the major market on which they are traded.

If the last known closing price is not a true reflection, the valuation shall be based on the probable sale price estimated by the Board of Directors in a prudent and bona fide manner.

- (4) Unlisted securities or securities not traded on a stock exchange or another regulated market which functions in a regular manner, is recognised and accessible to the public, shall be valued on the basis of the probable sale price estimated in a prudent and bona fide manner by a qualified professional appointed for this purpose by the Board of Directors;
- (5) Securities denominated in a currency other than the currency in which the sub-fund concerned is denominated shall be converted at the exchange rate prevailing on the Valuation Day;

- (6) If permitted by market practice, liquid assets, money market instruments and all other instruments may be valued at their nominal value plus accrued interest or according to the linear amortisation method. Any decision to value the assets in the portfolio using the linear amortisation method must be approved by the Board of Directors, which will record the reasons for such a decision. The Board of Directors will put in place appropriate checks and controls concerning the valuation of the instruments;
- (7) The Board of Directors is authorised to draw up or amend the rules in respect of the relevant valuation principles after concertation with the different parties;
- (8) IRS shall be valued on the basis of the difference between the value of all future interest payable by the Company to its counterparty on the valuation date at the zero coupon swap rate corresponding to the maturity of these payments and the value of all future interest payable by the counterparty to the Company on the valuation date at the zero coupon swap rate corresponding to the maturity of these payments;
- (9) The internal valuation model for CDS utilises as inputs the CDS rate curve, the recovery rate and a discount rate (€STR/SOFR or market swap rate) to calculate the mark-to-market. This internal model also produces the rate curve for default probabilities. To establish the CDS rate curve, data from a certain number of counterparties active in the CDS market are used. The manager uses the valuation of the counterparties' CDS to compare them with the values obtained from the internal model. The starting point for the construction of the internal model is parity between the variable portion and fixed portion of the CDS on signing the CDS.
- (10) Since EDS are triggered by an event affecting a share, their valuation depends mainly on the volatility of the share and its asymmetrical position. The higher the volatility, the greater the risk that the share will reach the 70% threshold and therefore the greater the EDS spread. The spread of a company's CDS also reflects its volatility, since high volatility of the share indicates high volatility of the assets of the company in question and therefore a high probability of a credit event. Given that the spreads of both EDS and CDS are correlated with the implicit volatility of the shares, and that these relations have a tendency to remain stable over time, an EDS can be considered as a proxy for a CDS. The key point in the valuation of an EDS is to calculate the implicit probability of a share event. Two methods are generally accepted: the first consists of using the market spread of the CDS as input in a model to evaluate the EDS; the second uses historical data for the share in question to estimate the probability. Although historical data are not necessarily a proper guide as to what may happen in the future, such data can reflect the general behaviour of a share in crisis situation. In comparing the two approaches, it is very rare to see historic probabilities higher than the shares' implicit probabilities;
- (11) The valuation of a CFD and TRS shall at any given time reflect the difference between the latest known price of the underlying stock and the valuation that was taken into account when the transaction was signed.

#### COMPOSITION OF LIABILITIES

The Company's liabilities primarily include:

- (1) all loans, matured bills and accounts payable;
- (2) all known liabilities, whether or not due, including all contractual obligations due and relating to payment in cash or kind, including the amount of dividends announced by the Company but yet to be paid;
- (3) all reserves, authorised or approved by the Board of Directors, including reserves set up in order to cover a potential capital loss on certain of the Company's investments;
- (4) any other undertakings given by the Company, except for those represented by the Company's equity. For the valuation of the amount of these liabilities, the Company shall take account of all the charges for which it is liable, including, without restriction, the costs of amendments to the Articles of Association, the Prospectus and any other document relating to the Company, management, advisory, charity, performance and other fees and extraordinary expenses, any taxes and duties payable to government departments and stock exchanges, the costs of financial charges, bank charges or brokerage incurred upon the purchase and sale of assets or otherwise. When assessing the amount of these liabilities, the Company shall take account of regular and periodic administrative and other expenses on a prorata temporis basis.

The assets, liabilities, expenses and fees not allocated to a sub-fund, category or class shall be apportioned to the various sub-funds, categories, or classes in equal parts or, subject to the amounts involved justifying this, proportionally to their respective net assets. Each of the Company's shares which is in the process of being redeemed shall be considered as a share issued and existing until closure on the Valuation Day relating to the redemption of such share and its price shall be considered as a liability of the Company as from closing on the date in question until such time as the price has been duly paid. Each share to be issued by the Company in accordance with subscription applications received shall be considered as being an amount due to the Company until such time as it has been duly received by the Company. As far as possible, account shall be taken of any investment or divestment decided by the Company until the Valuation Day.

#### SUSPENSION OF THE CALCULATION OF NET ASSET VALUE AND THE ISSUE, CONVERSION AND REDEMPTION OF SHARES

Without prejudice to legal causes for suspension, the Board of Directors may at any time temporarily suspend the calculation of the net asset value of shares of one or more sub-funds, as well as the issue, conversion and redemption in the following cases:

- (1) during any period when one or more currency markets, or a stock exchange, which are the main markets or exchanges where a substantial portion of a sub-fund's investments at a given time are listed, is/are closed, except for normal closing days, or during which trading is subject to major restrictions or is suspended;
- (2) when the political, economic, military, currency, social situation, or any event of *force majeure* beyond the responsibility or power of the Company makes it impossible to dispose of one assets by reasonable and normal means, without seriously harming the shareholders' interests;
- (3) during any failure in the means of communication normally used to determine the price of any of the Company's investments or the going prices on a particular market or exchange;
- (4) when restrictions on foreign exchange or transfer of capital prevents transactions from being carried out on behalf of the Company or when purchases or sales of the Company's assets cannot be carried out at normal exchange rates;
- (5) as soon as a decision has been taken to either liquidate the Company or one or more sub-funds, categories or classes;
- (6) to determine an exchange parity under a merger, partial business transfer, splitting or any restructuring operation within, by or in one or more sub-funds, categories, or classes;
- (7) for a "Feeder" sub-fund, when the net asset value, issue, conversion, or redemption of units, or shares of the "Master" sub-fund are suspended;
- (8) any other cases when the Board of Directors estimates by a justified decision that such a suspension is necessary to safeguard the general interests of the shareholders concerned.

In the event the calculation of the net asset value is suspended, the Company shall immediately and in an appropriate manner inform the shareholders who requested the subscription, conversion or redemption of the shares of the sub-fund(s) in question.

In exceptional circumstances which could have a negative impact on shareholders' interests, or in the event of subscription, redemption or conversion applications exceeding 10% of a sub-funds' net assets, the Board of Directors reserves the right not to determine the value of a share until such time as the required purchases and sales of securities have been made on behalf of the sub-fund. In that event, subscription, redemption and conversion applications in the pipeline will be processed simultaneously on the basis of the net asset value so calculated.

Pending subscription, conversion and redemption applications may be withdrawn by written notification provided that such notification is received by the company prior to lifting of the suspension. Pending applications will be taken into account on the first calculation date following lifting of the suspension. If all pending applications cannot be processed on the same calculation date, the earliest applications shall take precedence over more recent applications.

#### **SWING PRICING**

A sub-fund may suffer reduction of the net asset value due to investors purchasing, selling and/or switching in and out of the sub-fund at a price that does not reflect the dealing costs associated with this sub-fund's portfolio trades undertaken by the Investment Manager to accommodate such cash inflows or outflows. In order to mitigate this effect and enhance the protection of existing unitholders, the mechanism known as "swing pricing" may be applied at the discretion of the Board of Directors of the Management Company.

Such swing pricing mechanism may be applied to a given sub-fund when its total capital activity (i.e. net amount of subscriptions and redemptions) exceeds a pre-determined threshold determined as a percentage of the net assets value for a given valuation day. The net asset value of the relevant sub-fund may then be adjusted by an amount (the "swing factor") to compensate for the expected transaction costs resulting from the capital activity. The level of thresholds, if and when applicable, will be decided on the basis of certain parameters which may include the size of the sub-fund, the liquidity of the underlying market in which the respective sub-fund invests, the cash management of the respective sub-fund or the type of instruments that are used to manage the capital activity. The swing factor is, amongst others, based on the estimated transaction costs of the financial instruments in which the respective sub-fund may invest. Typically, such adjustment will increase the net asset value when there are net subscriptions into the sub-fund and decrease the net asset value when there are net redemptions. Swing pricing does not address the specific circumstances of each individual investor transaction. An ad hoc internal committee is in charge of the implementation and periodic review of the operational decisions associated with swing pricing. This committee is responsible for decisions relating to swing pricing and the ongoing approval of swing factors which form the basis of pre-determined standing instructions.

In principle, the swing factor will not exceed 1% of the respective sub-fund's net asset value. Such limit may however, on a temporary basis and to protect interests of the shareholders, be raised beyond this maximum level when facing exceptional market conditions. Situations such as a global pandemic, a financial crisis, a geopolitical crisis, or any other exceptional event causing a severe deterioration of the liquidity.

The swing pricing mechanism may be applied across all sub-funds of the Company. In the event that, in addition to the swing pricing mechanism, another anti-dilution mechanism is available for a given sub-fund as decided by the Board of Directors of the Management Company, such mechanisms shall not be cumulatively applied. On certain unit classes, the Management Company may be entitled to a performance fee. Where applicable, this will be based on the unswung net asset value.



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## TAX PROVISIONS

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### TAXATION OF THE COMPANY

At the date of the Prospectus, the Company is not liable to any Luxembourg income tax or capital gains tax.

The Company is liable to an annual *taxe d'abonnement* in Luxembourg representing 0.05% of the net asset value. This rate is reduced to 0.01% for:

- a) sub-funds with the exclusive objective of collective investments in money market instruments and deposits with credit institutions;
- b) sub-funds with the exclusive objective of collective investments with credit institutions;
- c) sub-funds, categories, or classes reserved for Institutional Investors, Managers, and UCIs.

The following are exempt from this *taxe d'abonnement*:

- a) the value of assets represented by units, or shares in other UCIs, provided that these units or shares have already been subject to the *taxe d'abonnement*;
- b) sub-funds, categories and/or classes:
  - (i) whose securities are reserved to Institutional Investors, Managers or UCIs and
  - (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and
  - (iii) whose weighted residual portfolio maturity does not exceed 90 days, and
  - (iv) that have obtained the highest possible rating from a recognised rating agency;
- c) sub-funds, categories and/or classes reserved to:
  - (i) institutions for occupational retirement pension or similar investment vehicles, set up at the initiative of one or more employers for the benefit of their employees, and
  - (ii) companies having one or more employers investing funds to provide pension benefits to their employees;
- d) sub-funds whose main objective is investment in microfinance institutions;
- e) sub-funds, categories and/or classes:
  - (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly that is recognized and open to the public, and
  - (ii) whose exclusive object is to replicate the performance of one or several indices.

When due, the *taxe d'abonnement* is payable quarterly based on the relevant net assets and calculated at the end of the quarter for which it is applicable.

In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.

### TAXATION OF THE COMPANY'S INVESTMENTS

Some of the Company's portfolio income, especially income in dividends and interest, as well as certain capital gains, may be subject to tax at various rates and of different types in the countries in which they are generated. This income and capital gains may also be subject to withholding tax. Under certain circumstances, the Company may not be eligible for the international agreements preventing double taxation that exist between the Grand Duchy of Luxembourg and other countries. Some countries will only consider that persons taxable in Luxembourg qualify under these agreements.

### TAXATION OF SHAREHOLDERS

#### a) Residents of the Grand Duchy of Luxembourg

On the date of the Prospectus, the dividends earned and capital gains made on the sale of shares by residents of the Grand Duchy of Luxembourg are not subject to withholding tax.

Dividends are subject to income tax at the personal tax rate.

Capital gains made on the sale of shares are not subject to income tax if the shares are held for a period of over six months, except in the case of resident shareholders holding over 10% of the shares of the Company.

#### b) Non-residents

In principle, according to current law:

- the dividends earned and the capital gains made on the sale of shares by non-residents are not subject to Luxembourg withholding tax;
- the capital gains made by non-residents on the sale of shares are not subject to Luxembourg income tax.

Nevertheless, if there is a dual tax convention between the Grand Duchy and the shareholder's country of residence, the capital gains made on the sale of shares are tax-exempt in principle in Luxembourg, with the taxation authority being attributed to the shareholder's country of residence.

**EXCHANGE OF INFORMATION**

- a) Residents of another member state of the European Union, including the French overseas departments, the Azores, Madeira, the Canary Islands, the Åland Islands and Gibraltar.

Any individual who receives dividends from the Company or the proceeds from the sale of shares in the Company through a paying agent based in a state other than the one in which he resides is advised to seek information on the legal and regulatory provisions applicable to him.

In most countries covered by Directive 2011/16 and 2014/107, the total gross amount distributed by the Company and/or the total gross proceeds from the sale, refunding or redemption of shares in the Company will be reported to the tax authorities in the state of residence of the beneficial owner of the income.

- b) Residents of third countries or territories

No withholding tax is levied on interest paid to residents of third countries or territories.

Nevertheless, in the framework of Automatic Exchange of Information package (AEOI) covering fiscal matters elaborated by OECD. The Management Company may need to collect and disclose information about the Company's shareholders to third parties, including the tax authorities of the participating country in which the beneficiary is tax resident, for the purpose of onward transmission to the relevant jurisdictions. The data of financial and personal information as defined by this regulation which will be disclosed may include (but is not limited to) the identity of the Company's shareholders and their direct or indirect beneficiaries, beneficial owners and controlling persons. A shareholder will therefore be required to comply with any reasonable request from the Management Company for such information, to allow the Management Company to comply with its reporting requirements. The list of AEOI participating countries is available on the website <http://www.oecd.org/tax/automatic-exchange/>

- c) US Tax

Under the Foreign Account Tax Compliance Act ("FATCA") provisions which entered into force as from 1<sup>st</sup> July 2014, in the case the Company invests directly or indirectly in US assets, income received from such US investments might be subject to a 30% US withholding tax.

To avoid such withholding tax the Grand Duchy of Luxembourg has entered, on 28<sup>th</sup> March 2014, into an intergovernmental agreement (the "IGA") with the United States under which the Luxembourg financial institutions have to undertake due diligence to report certain information on their U.S. investors to the Luxembourg Tax authorities. Such information will be onward reported by the Luxembourg tax authorities to the U.S. Internal Revenue Service.

**The foregoing provisions are based on the Law and practices currently in force, and might be subject to change. Potential investors are advised to seek information in their country of origin, place of tax residence or domicile on the possible tax consequences associated with their investment. The attention of investors is also drawn to certain tax provisions specific to several countries in which the Company publicly trades its shares.**

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## GENERAL MEETINGS AND INFORMATION FOR SHAREHOLDERS

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### GENERAL SHAREHOLDERS' MEETINGS

The Annual General Shareholders' Meeting is held at 10:00 a.m. on 4 May at the Company's registered office or any other location in the Grand Duchy of Luxembourg specified in the notice to attend the meeting. If that day is not a bank business day in Luxembourg, the Annual General Meeting will be held on the following bank business day. Other General Meetings may be convened in accordance with the prescriptions of Luxembourg law and the Company's Articles of Association.

Notices inviting shareholders to attend General Meetings will be published according to the forms and times prescribed in Luxembourg law and the Company's Articles of Association, and at least with a 14 days prior notice.

Similarly, General Meetings will be conducted as prescribed by Luxembourg law and the Company's Articles of Association.

Every share, irrespective of its unit value, entitles its holder to one vote. All shares have equal weight in decisions taken at the General Meeting when decisions concern the Company as a whole. When decisions concern the specific rights of shareholders of one sub-fund, category, or class, only the holders of shares of that sub-fund, category, or class may vote.

### INFORMATION FOR SHAREHOLDERS

#### **Net Asset Values and Dividends**

The Company publishes the legally required information in the Grand Duchy of Luxembourg and in all other countries where the shares are publicly offered.

This information is also available on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Financial Year**

The Company's financial year starts on 1<sup>st</sup> January and ends on 31<sup>st</sup> December.

#### **Financial Reports**

The Company publishes an annual report closed on the last day of the financial year, certified by the auditors, as well as a non-certified, semi-annual interim report closed on the last day of the sixth month of the financial year. The Company is authorised to publish a simplified version of the financial report when required.

The financial reports of each sub-fund are published in the Accounting Currency of the sub-fund, although the consolidated accounts of the Company are expressed in euro.

The annual report is made public within four months of the end of the financial year and the interim report within two months of the end of the half-year.

The financial reports of the Company will be prepared in accordance with Luxembourg GAAP\*.

\* *Luxembourg GAAP is a combination of authoritative standards and the commonly accepted ways of recording and reporting accounting information. GAAP aims to improve the clarity, consistency, and comparability of the communication of financial information.*

#### **Documents for Consultation**

The Articles of Association, the Prospectus, the KID, and periodic reports may be consulted at the Company's registered office and at the establishments responsible for the Company's financial service. Copies of the Articles of Association and the annual and interim reports are available upon request.

Except for the newspaper publications required by Law, the official media to obtain any notice to shareholders from the Company will be the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

Documents and information are also available on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

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**APPENDIX 1 – INVESTMENT RESTRICTIONS**


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**I. GENERAL RULES****ELIGIBLE ASSETS****1. Transferable securities**

Transferable securities must be listed or traded on an official stock exchange or on a regulated market (a market that operated regularly, is recognised and is open to the public) in an eligible state (i.e. a Member State or a Third Country).

Recently issued transferable securities must include in their terms of issue an undertaking that an application will be made for admission to official listing on a regulated market and such admission must be secured within a year of issue.

**2. Money market instruments**

A money market instrument shall fall within one of the categories below:

- a) it is listed or traded on an official stock exchange, or on a regulated market (a market that operated regularly, is recognised and is open to the public) in an eligible state (i.e. a Member State or a Third Country);
- b) it does not meet the requirements of point (a) but it is subject (at the securities or issuer level) to regulation aimed at protecting investors and savings, provided that it is:
  - i. issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or a member of a federation; or
  - ii. issued by an undertaking any securities of which are dealt in on regulated markets referred to in point (a); or
  - iii. issued or guaranteed by an establishment subject to, and which complies with European Union prudential supervision rules or others rules at least considered to be stringent; or
  - iv. issued by other bodies belonging to the categories approved by the CSSF provided that the investments in such instruments are subject to investor protection equivalent to that laid down in points (i), (ii) or (iii) above, and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 000 000 and which presents and publishes its annual accounts in accordance with the Directive 78/660, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**3. Units or Shares of UCITS or other UCIs**

A sub-fund may invest in units or shares of UCITS and/or other UCIs, whether or not established in a Member State, provided that:

- a) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU legislation, and that cooperation between authorities is sufficiently ensured;
- b) the level of protection to unitholders or shareholders in these other UCIs is equivalent to that provided for unitholders or shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65;
- c) the business of these other UCIs is reported in semi-annual interim and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; and
- d) no more than 10% of the assets of the UCITS or of the other UCIs whose acquisition is contemplated can, according to their management regulations or articles of association, be invested in aggregate in units or shares of other UCITS or other UCIs.

**4. Shares of other sub-funds of the Company**

A sub-fund may acquire shares of one or more other sub-funds of the Company (the target sub-fund), provided that:

- the target sub-fund does not, in turn, invest in the sub-fund;
- the proportion of assets that each target sub-fund invests in other target sub-funds of the Company does not exceed 10%;
- any voting rights attached to the shares of the target sub-funds are suspended for as long as they are held by the sub-fund and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any events, for as long as these target sub-fund shares are held by the Company, their value shall not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of net assets required by the law.

**5. Deposits with credit institutions**

A deposit with a credit institution is eligible for investment by a sub-fund provided that all of the following conditions are fulfilled:

- a) The deposit is repayable on demand or is able to be withdrawn at any time;
- b) The deposit matures in no more than 12 months;
- c) The credit institution has its registered office in a Member State or, where the credit institution has its registered office in a Third Country, it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU legislation.

**6. Financial derivatives instruments**

Financial derivative instruments, including equivalent cash-settled instruments, must be dealt in on a regulated market referred to in point 1 above or financial derivative instruments dealt in over-the-counter (OTC) derivatives, provided that:

- a) The underlying of the derivative consists of instruments covered by points 1, 2, 3 and 6 above, financial indices, interest rates, foreign exchange rates or currencies, in which the corresponding sub-fund may invest according to its investment objectives as stated in the Company's Articles of Association;
- b) The counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF, and
- c) The OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

**7. Ancillary Liquid Assets**

Each sub-fund may hold ancillary liquid assets limited to bank deposits at sight (other than those mentioned on above point 5), such as cash held in current accounts with a bank accessible at any time, in order to:

- 1) cover current or exceptional payments, or
- 2) for the time necessary to reinvest in eligible assets foreseen in its investment policy, or
- 3) for a period of time strictly necessary in case of unfavourable market conditions.

Such holding is limited to 20% of the net assets of the sub-fund.

This 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors, for instance in highly serious circumstances.

**8. Movable and immovable properties**

The Company may acquire movable or immovable property which is essential for the direct pursuit of its business.

**9. Borrowing**

A sub-fund may acquire currencies by means of "back-to-back" loans.

A sub-fund may borrow provided that such borrowing:

- a) is made on a temporary basis and represents no more than 10% of its assets; or
- b) allows the acquisition of immovable property essential for the direct pursuit of its business and represents no more than 10% of its assets.

Such borrowing shall not exceed 15% of its assets in total.

**PROHIBITED ACTIVITIES**

A sub-fund shall not:

- a) Acquire either precious metals or certificates representing them;
- b) Grant loans or act as a guarantor on behalf of third parties; this shall not prevent a sub-fund from acquiring transferable securities, money market instruments or other financial instruments referred to as Eligible Assets which are not fully paid;
- c) Carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to as Eligible Assets.

**DIVERSIFICATION RULES**

The sub-funds are not required to comply with the limits laid down in this Appendix when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

While ensuring observance of the principle of risk spreading, recently authorised sub-funds are allowed to derogate from Diversification Rules below for six months following the date of their authorisation.

If these limits are exceeded for reasons beyond the control of the sub-fund or as a result of the exercise of subscription rights, the sub-fund shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

A sub-fund may, in compliance with the applicable limits laid down in this Appendix and in the best interest of the shareholders, temporarily adopt a more defensive attitude by holding more liquid assets in the portfolio. This could be as a result of the prevailing market conditions or on account of liquidation or merger events or when the sub-fund approached maturity. In such circumstances, the sub-fund concerned may prove to be incapable in the interest the shareholders of pursuing its investment objective as a temporary measure, which may affect its performance.

1. A sub-fund shall not invest more than 10% of its assets in transferable securities, or money market instruments other than those referred to as Eligible Assets.
2.
  - a) A sub-fund shall invest no more than:
    - i. 10% of its assets in transferable securities or money market instruments issued by the same body; or
    - ii. 20% of its assets in deposits made with the same body.
 The risk exposure to a counterparty of a sub-fund in an OTC derivative transaction shall not exceed either:
    - i. 10% of its assets when the counterparty is a credit institution referred to in point 5 of Eligible Assets; or
    - ii. 5% of its assets, in other cases.
  - b) The total value of the transferable securities and the money market instruments held by a sub-fund in the issuing bodies in each of which it invests more than 5% of its assets shall not exceed 40% of the value of its assets. That limitation shall not apply to deposits or OTC derivative transactions made with financial institutions subject to prudential supervision.
 Notwithstanding the individual limits laid down in paragraph a), a sub-fund shall not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:
    - i. investments in transferable securities or money market instruments issued by that body;
    - ii. deposits made with that body; or
    - iii. exposure arising from OTC derivative transactions undertaken with that body.
  - c) The 10% limit laid down in paragraph a) point (i) may be raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a Third Country or by public international body to which one or more Member States belong.
  - d) The 10% limit laid down in the paragraph a) point (i) may be raised to a maximum of 25% where bonds are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

Where a sub-fund invests more than 5% of its assets in the bonds referred to in this paragraph d) which are issued by a single issuer, the total value of these investments shall not exceed 80% of the value of the assets of the sub-fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph b).  
The limits provided for in paragraph a), b), c) and d) shall not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with paragraph a), b), c) and d) shall not exceed in total 35% of the assets of the sub-fund.  
Companies which are included in the same group for the purposes of consolidated accounts, as defined in Directive 83/349 or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in this section.  
A sub-fund may cumulatively invest in transferable securities and money market instruments within the same group up to 20% of its assets.
3. Without prejudice to the Limits to Prevent Concentration of Ownership below., the limits laid down in point 2. are raised to a maximum of 20% for investments in shares or debt securities issued by the same body, when the aim of the sub-fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
- its composition is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers; and
  - it is published in an appropriate manner.
- This limit of 20% shall be raised to a maximum of 35% where that proves to be justified by exceptional market conditions (such as, but not limited to, disruptive market conditions or extremely volatile markets) in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to that limit shall be permitted only for a single issuer.
4. **As an exception to point 2., in accordance with the principle of risk-spreading, a sub-fund shall invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a Third Country part of the OECD, Brazil, People's Republic of China, India, Russia, Singapore and South Africa, or a public international body to which one or more Member States belong.**  
**Such a sub-fund shall hold securities from at least six different issues, but securities from any single issue shall not account for more than 30% of its total assets.**
- 5.
- A sub-fund may acquire the units or shares of UCITS or other UCIs referred to as Eligible Assets, provided that no more than 20% of its assets are invested in units or shares of a single UCITS or other UCI. For the purposes of the application of this investment limit, each sub-fund in a multi-sub-fund UCI, is considered as a separate issuer, provided that the principle of segregation of the commitments of the different sub-funds with regard to third parties is assured.
  - Investments made in units or shares of UCIs other than UCITS shall not exceed, in aggregate, 30% of the assets of a sub-fund. Where a sub-fund has acquired units or shares of another UCITS or UCIs, the assets of the respective UCITS or other UCIs are not combined for the purposes of the limits laid down in point 2.
  - Due to the fact that the Company may invest in UCI units, or shares, the investor is exposed to a risk of fees doubling (for example, the management fees of the UCI in which the Company is invested).  
A sub-fund may not invest in a UCITS, or other UCI (underlying), with a management fee exceeding 3% per annum.  
Where a sub-fund invests in the units or shares of other UCITS or UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, the sub-fund will not incur any entry or exit costs for the units or shares of these underlying assets.  
The maximum annual management fee payable directly by the sub-fund is defined in Book II.

#### LIMIT TO PREVENT CONCENTRATION OF OWNERSHIP

- The Company shall not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- A sub-fund may acquire no more than:
  - 10% of the non-voting shares of a single issuing body;
  - 10% of debt securities of a single issuing body;
  - 25% of the units or shares of a UCITS or UCI (umbrella level); or
  - 10% of the money market instruments of a single issuing body.

The limits laid down in points ii., iii. and iv. may be disregarded at the time of acquisition if, at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue, cannot be calculated.
- Points 1. and 2. above do not apply with regard to:
  - transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - transferable securities and money market instruments issued or guaranteed by a country which is not a European Union Member State;
  - transferable securities and money market instruments issued by a public international body to which one or more European Union Member States belong;
  - shares held by the Company in the capital of a company incorporated in a Third Country investing its assets mainly in the securities of issuing bodies having their registered offices in that country, where under the legislation of that country, such a holding represents the only way in which the Company can invest in the securities of issuing of that country. This derogation shall apply only if in its investment policy the company from the Third Country complies with the limits laid down in Diversification Rules (points 2 and 5) and Limits To Prevent Concentration of Ownership (points 1 and 2).

**MASTER-FEEDER STRUCTURE**

By way of derogation to Diversification Rules above, a sub-fund designed as "the Feeder" may invest:

- a) at least 85% of its assets in units, or shares of another UCITS or another sub-fund of UCITS (the "Master");
- b) up to 15% of its assets in one or more of the following:
  - ancillary liquid assets,
  - financial derivative instruments, which may be used only for hedging purpose in accordance with Appendix 2;
  - movable and immovable property which is essential for the direct pursuit of its business.

**ADDITIONAL RESTRICTIONS IMPOSED BY SPECIFIC JURISDICTIONS**

Any sub-fund registered in multiple jurisdictions will comply with the restrictions for all jurisdictions where it is registered.

**1. France**

Following sub-funds are compliant with the French Plan d'Epargne en Actions (PEA), as at all times, they invest at least 75% of their assets in equities issued by companies that have their registered office in a member country of the EEA, other than non-cooperative countries in the fight against fraud and tax evasion, as well as in UCI eligible to the PEA.:

"BlackRock Euro Equity", "Echiquier Europe Equity Mid Cap", "HSBC Euro Equity Value", "Sycomore Euro Equity Growth"

**2. Germany**

In accordance with the German Investment tax Act, the following sub-funds registered in the Federal Republic of Germany shall invest at least 50% of their assets in Equity:

"AB US Equity Growth", "Allianz Europe Equity Growth", "Amundi Europe Equity Value", "Amundi US Equity", "BlackRock Euro Equity", "Echiquier Europe Equity Mid Cap", "HSBC Euro Equity Value", "Janus Henderson Europe Equity", "JP Morgan Global Equity Emerging", "JP Morgan US Equity Value", "Robeco Global Equity Emerging", "Sycomore Euro Equity Growth", "Vontobel Global Equity Emerging", "Wellington Global Equity".

In the context of the German Investment Tax Act, "Equity" does not include: derivative swap, Equity equivalent security, partnership, REIT, right, units/shares of a non-equity target fund.

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## APPENDIX 2 – TECHNIQUES, FINANCIAL INSTRUMENTS, AND INVESTMENT POLICIES

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### FINANCIAL DERIVATIVE INSTRUMENTS

#### 1. General Information

Without prejudice to any stipulations for one or more particular sub-funds, the Company is authorised, for each sub-fund and in conformity with the conditions set out below, to use financial derivative instruments for hedging, efficient portfolio management or trading (investment) purposes, in accordance with point 6 of Eligible Assets in Appendix 1 of the Prospectus (the "Appendix 1").

Each sub-fund may, in the context of its investment policy and within the limits defined in Appendix 1, invest in financial derivative instruments provided that the total risk to which the underlying assets are exposed does not exceed the investment limits stipulated in Diversification Rules of Appendix 1. When a sub-fund invests in financial derivative instruments based on an **index**, these investments are not necessarily combined with the Diversification Rules.

When a transferable security or a money market instrument comprises a derivative instrument, the derivative instrument must be taken into account for the application of the present provisions.

#### **Calculation of counterparty risk linked to OTC derivative instruments**

In conformity with the Diversification Rules, the counterparty risk linked to OTC derivatives and efficient portfolio management techniques concluded by a sub-fund may not exceed 10% of its assets when the counterparty is a credit institution cited in point 5 of Eligible Assets in Appendix 1, or 5% of its assets in other cases.

The counterparty risk linked to OTC financial derivatives shall be based, as the positive mark to market value of the contract.

#### **Valuation of OTC derivatives**

The Management Company will establish, document, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of OTC derivatives.

#### **Efficient Portfolio Management techniques**

A sub-fund can use financial derivative instruments and Securities Financing Transactions for efficient portfolio management purpose provided that:

- (a) They are economically appropriate in that they are realised in a cost-effective way;
- (b) They are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for a sub-fund with a level of risk which is consistent with the risk profile of the sub-fund and the Diversification Rules;
- (c) Their risks are adequately captured by the risk management process of the sub-fund.

Efficient portfolio management shall not:

- a) result in a change of the investment objective of the concerned sub-fund; or
- b) add substantial additional risks in comparison to the original risk policy of the sub-fund.

Direct and indirect operational costs/fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to the concerned sub-funds. These costs and fees will not include hidden revenues.

The following information is disclosed in the annual report of the Company:

- a) the exposure of each sub-fund obtained through efficient portfolio management techniques;
- b) the identity of the counterparty(ies) to these efficient portfolio management techniques;
- c) the type and amount of collateral received by the sub-funds to reduce counterparty exposure; and
- d) the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

#### 2. Types of Financial Derivative Instruments

In compliance with its investment policy as detailed in Book II, a sub-fund may use a range of core derivatives and/or additional derivatives as described below.

##### 2.1. Core Derivatives

A sub-fund may use a range of core derivatives such as:

- (i) Foreign exchange swaps;
- (ii) Forwards, such as foreign exchange contracts;
- (iii) Interest Rate Swaps – IRS;
- (iv) Financial Futures (on equities, interest rates, indices, bonds, currencies, commodity indices, or volatility indices);
- (v) Options (on equities, interest rates, indices, bonds, currencies, or commodity indices).



## 2.2. Additional Derivatives

A sub-fund may use a range of additional derivatives such as:

- (i) Credit Default Swap - CDS (on Bonds, indices...), in order to express views on changes in perceived or actual creditworthiness of borrowers including companies, agencies, and governments, and the hedging of those risks;
- (ii) Total Return Swaps - TRS (as defined in point 5 below);
- (iii) All other Swaps: Equity Basket Swaps, Commodity Index Swaps, variance and volatility swaps, inflation swaps;
- (iv) Equity Linked Notes – ELN;
- (v) Contract For Difference – CFD;
- (vi) Warrants;
- (vii) Swaptions;
- (viii) structured financial derivatives, such as credit-linked and equity-linked securities;
- (ix) To-be-announced (TBA).

## 3. Usage of Financial Derivative Instruments

A sub-fund may have recourse to derivatives as described below:

### 3.1. Hedging

Hedging aims at reducing such as but not limited to the credit risks, currency risks, market risks, interest rate (duration) risks, Inflation risks.

Hedging occurs at a portfolio level or, in respect of currency, at share class level.

### 3.2. Efficient Portfolio Management (EPM)

Efficient portfolio management aims at using derivatives instead of a direct investment when derivatives are a cost effective way, the quickest way or the only authorized way to get exposure to particular market a particular security or an acceptable proxy to perform any ex-post exposure adjustment to a particular markets, sectors or currencies, managing duration, yield curve exposure or credit spread volatility in order to reach the investment objective of the sub-fund.

### 3.3. Investment

Investment purpose aims at using derivatives such as but not limited to enhance returns for the sub-fund, gaining on a particular markets, sectors or currencies and/or implementing investment strategies that can only be achieved through derivatives, such as a “long-short” strategy.

The table below sets out the main types of derivatives used for each sub-fund and what they are used for:

Sub-funds	Structural use of derivative	VaR	Core	Additional Derivatives							Purpose of derivatives			
				TRS	CDS	Other Swaps	Swaption	Warrant	CFD	others	hedging	EPM	investment	
AB US Equity Growth	No	No	X									X	X	
Allianz Euro Credit	No	No	X		X							X	X	
Allianz Europe Equity Growth	No	No	X									X	X	
Amundi Europe Equity Value	No	No	X									X	X	
Amundi US Equity	No	No	X									X	X	
BlackRock Euro Equity	No	No	X									X	X	
BlueBay Euro Bond Aggregate	Yes	Yes	X		X	X						X	X	X
DPAM Emerging Bond Local Currency	No	No	X		X							X	X	
Echiquier Europe Equity Mid Cap	No	No	X									X	X	
Fidelity US Bond Aggregate	Yes	Yes	X		X	X						X	X	X
HSBC Euro Equity Value	No	No	X									X	X	
Janus Henderson Europe Equity	No	No	X									X	X	
JP Morgan Global Bond	Yes	Yes	X		X	X						X	X	X
JP Morgan Global Equity Emerging	No	No	X									X	X	
JP Morgan US Equity Value	No	No	X									X	X	
Pictet Global Multi-Asset	Yes	Yes	X		X	X						X	X	X
PIMCO Emerging Bond Hard Currency	Yes	Yes	X		X							X	X	X
Robeco Global Credit Income	No	No	X		X							X	X	
Robeco Global Equity Emerging	No	No	X									X	X	
Sycamore Euro Equity Growth	No	No	X									X	X	
Vontobel Global Equity Emerging	No	No	X									X	X	
Wellington Global Equity	No	No	X									X	X	

## 4. Global Exposure

### Determination of the global exposure

According to the Circular 11/512, the Management Company must calculate the sub-fund's global exposure at least **once a day**. The limits on global exposure must be complied with on an ongoing basis.

It is the responsibility of the Management Company to select an appropriate methodology to calculate the global exposure. More specifically, the selection should be based on the self-assessment by the Management Company of the sub-fund's risk profile resulting from its investment policy (including its use of financial derivative instruments).

**Risk measurement methodology according to the sub-fund's risk profile**

The sub-funds are classified after a self-assessment of their risk profile resulting from their investments policy including their inherent derivative investment strategy that determines two risk measurements methodologies:

- The advanced risk measurement methodology such as the Value-at-Risk (VaR) approach to calculate global exposure where:
  - (a) The sub-fund engages in complex investment strategies which represent more than a negligible part of the sub-funds' investment policy;
  - (b) The sub-fund has more than a negligible exposure to exotic financial derivative instruments; or
  - (c) The commitment approach doesn't adequately capture the market risk of the portfolio.

**The sub-fund(s) under VaR are listed in point 4.2.**

- The commitment approach methodology to calculate the global exposure should be used in every other case.

**4.1. Commitment approach methodology**

- The commitment conversion methodology for **standard derivatives** is always the market value of the equivalent position in the underlying asset. This may be replaced by the notional value or the price of the futures contract where this is more conservative.
- For **non-standard derivatives**, an alternative approach may be used provided that the total amount of the financial derivative instruments represents a negligible portion of the sub-fund's portfolio;
- For **structured sub-funds**, the calculation method is described in the ESMA/2011/112 guidelines.

A financial derivative instrument is not taken into account when calculating the commitment if it meets both of the following conditions:

- (a) The combined holding by the sub-fund of a financial derivative instrument relating to a financial asset and cash which is invested in risk free assets is equivalent to holding a cash position in the given financial asset.
- (b) The financial derivative instrument is not considered to generate any incremental exposure and leverage or market risk.

The sub-fund's total commitment to financial derivative instruments, limited to 100 % of the portfolio's total net value, is quantified as the sum, as an absolute value, of the individual commitments, after possible netting and hedging arrangements.

**4.2. VaR (Value at Risk) methodology**

The global exposure is determined on a daily basis by calculating, the maximum potential loss at a given confidence level over a specific time period under normal market conditions.

Given the sub-fund's risk profile and investment strategy, the **relative VaR approach** or the **absolute VaR approach** can be used:

- In the **relative VaR approach**, a leverage free reference portfolio reflecting the investment strategy is defined and the sub-fund's VaR cannot be greater than twice the reference portfolio VaR.
- The **absolute VaR approach** concerns sub-funds investing in multi-asset classes and that do not define any investment target in relation to a benchmark but rather as an absolute return target; the level of the absolute VaR is strictly limited to 20%.

The **VaR limits** should always be set according to the defined risk profile.

To calculate VaR, the following parameters must be used: a 99% degree of confidence, a holding period of one month (20 days), an actual (historical) observation period for risk factors of at least 1 year (250 days)

The Management Company carries out a monthly **back testing** program and reports on a quarterly basis the excessive number of outlier to the senior management.

The Management Company calculates **stress tests** on a monthly basis in order to facilitate the management of risks associated with possible abnormal movements of the market.

The sub-funds using the VaR methodology, their reference portfolio and leverage levels are listed below.

The expected leverage is defined as the sum of the absolute value of the derivatives notionals (without any netting or hedging arrangement) divided by NAV (notionals methodology).

However, there are possibilities that sub-funds deviate from the expected level disclosed below and reach higher leverage levels during their life time.

<b>Sub-funds</b>	<b>VaR approach</b>	<b>Reference Portfolio</b>	<b>Average Expected leverage</b>
BlueBay Euro Bond Aggregate	Relative	Bloomberg Euro Aggregate Bond	3.00
<u>PIMCO Emerging Bond Hard Currency</u>	Relative	JP Morgan EMBI Global Diversified	2.00
Fidelity US Bond Aggregate	Relative	ICE BoA US Large Cap Corporate & Govt Index	2.00
JP Morgan Global Bond	Absolute		2.50
Pictet Global Multi-Asset	Absolute		2.00

**4.3. Global Exposure for Feeder sub-funds:**

The global exposure of a Feeder sub-fund will be calculated by combining its own exposure through financial derivative instruments, with either:

- a) the Master actual exposure through financial derivative instruments in proportion to the Feeder investment into the Master; or
- b) the Master potential maximal global exposure related to financial derivative instruments as defined by the Master' management rules, or Articles of Association in proportion to the Feeder investment into the Master.

## 5. TRS

When a sub-fund enters into a TRS or invests in other financial derivative instruments with similar characteristics, its assets will also comply with the provisions of Appendix 1. The underlying exposures of the TRS or other financial derivative instruments with similar characteristics shall be taken into accounts to calculate the Diversification Rules laid down in Appendix 1.

When a sub-fund enters into TRS or invests in financial derivative instruments with similar characteristics, the underlying strategy and composition of the investment portfolio or index are described in Book II and the following information will be disclosed in the annual report of the Company:

- a) The identification of the counterparty(ies) of the transactions;
- b) The underlying exposure obtained through financial derivative instruments;
- c) The type and amount of collateral received by the sub-funds to reduce counterparty exposure.

The counterparty does not assume any discretion over the composition or management of the sub-funds' investment portfolio or over the underlying of the financial derivative instruments, and its approval is not required in relation to any sub-fund investment portfolio transaction.

### *Policy on sharing of return generated by TRS*

The return of the swap transaction, being the spread between the two legs of the transaction, is completely allocated to the sub-fund when positive, or completely charged to the sub-fund when negative. There are neither costs nor fees specific to the swap transaction charged to the sub-fund that would constitute revenue for the Management Company or another party.

### *List of sub-funds using TRS*

None current sub-fund uses TRS.

## SECURITIES FINANCING TRANSACTIONS ("SFT")

None current sub-fund uses SFT (Repurchase transactions (REPO and reverse REPO), Securities or commodities lending and securities or commodities borrowing, Buy-sell back or sell-buy back transactions, or Margin lending transactions).

## MANAGEMENT OF COLLATERAL IN RESPECT OF OTC DERIVATIVES

Assets received from counterparties in respect of Financial Derivative Instruments and Securities Financial Transactions other than currency forwards constitute collateral in accordance with the Regulation 2015/2365 and Circular 14/592.

All collateral used to reduce counterparty risk exposure will comply with the following criteria at all times:

### *Liquidity*

Any collateral received other than cash will be highly liquid and dealt in on a regulated market or multilateral trading facility with transparent pricing in order to be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the Limit To Prevent Concentration of Ownership of Appendix 1.

### *Valuation*

Collateral received will be valued on at least a daily basis, according to mark-to-market, and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place, dependant on the issuer's credit quality and the maturity of the received securities.

### *Risks*

Risk linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated by the risk management process.

### *Safe-keeping*

Where there is a title transfer, the collateral received will be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

### *Enforcement*

Collateral received will be capable of being fully enforced at any time without reference to or approval from the counterparty. The Company must ensure that it is able to claim its right on the collateral in case of the occurrence of any event requiring the execution thereof. Therefore the collateral must be available at all time either directly or through the intermediary of the counterparty, in such a manner that the Company is able to appropriate or realise the securities given as collateral without delay if the counterparty fails to comply with its obligation to return the securities.

### *Collateral diversification (asset concentration)*

Collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the sub-fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a sub-fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any European Union Member State, one or more of its local authorities, a third country part of the OECD, Brazil, People's Republic of China, India, Russia, Singapore and South Africa, or a public international body to which one or more European Union Member States belong. Such a sub-fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the sub-fund' net asset value.

The collateral received by a sub-fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

### *Stress testing*

For all the sub-funds receiving collateral for at least 30% of their assets, the Management Company will set up, in accordance with the Circular 14/592, an appropriate stress testing policy to ensure regular stress tests under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral.

**Haircut policy**

The Management Company will set up, in accordance with the Circular 14/592, a clear haircut policy adapted for each class of assets received as collateral

**Acceptable Collateral - Public regulatory grid**

Asset Class	Minimum Rating accepted	Margin required / NAV	Cap by asset class / NAV	Cap by Issuer / NAV
Cash (EUR, USD, GBP or other Valuation Currency)		[100 - 110%]	100%	
Fixed Income				
Eligible OECD Government Bonds	BBB	[100 - 115%]	100%	20%
Eligible Supra & Agencies	AA-	[100 - 110%]	100%	20%
Other Eligible Countries Government Bonds	BBB	[100 - 115%]	100%	20%
Eligible OECD Corporate Bonds	A	[100 - 117%]	100%	20%
Eligible OECD Corporate Bonds	BBB	[100 - 140%]	[10% - 30%]	20%
Eligible OECD Convertible Bonds	A	[100 - 117%]	[10% - 30%]	20%
Eligible OECD Convertible Bonds	BBB	[100 - 140%]	[10% - 30%]	20%
Money Market Units (1)	UCITS IV	[100 - 110%]	100%	20%
CD's (eligible OECD and other eligible countries)	A	[100 - 107%]	[10% - 30%]	20%
Eligible indices & Single equities linked		[100% - 140%]	100%	20%
Securitization (2)		[100% - 132%]	100%	20%

(1) Only Money Markets funds managed by BNPP AM. Any other UCITS eligible only upon ad-hoc approval by BNPP AM Risk

(2) Subject to conditions and ad-hoc approval by BNPP AM Risk

**Applicable limits****(i) Limits applicable to non-cash collateral**

In accordance with ESMA guidelines, non-cash collateral received by the Company should not be sold, re-invested or pledged.

Given the high quality of the acceptable collateral and the high quality nature of the selected counterparties, there is no maturity constraints applicable to the collateral received.

**(ii) Limits applicable to cash collateral**

Cash collateral received should only be:

- placed on deposit with entities prescribed in Eligible Assets;
- invested in high-quality government bonds;
- used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the sub-fund is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European money market Funds.

**(iii) Reuse of cash collateral**

The Company may re-invest the cash it has received as collateral in the following eligible instruments:

- Money market UCIs (daily calculation and S&P AAA rating or equivalent);
- Short-term bank deposits;
- Money market instruments;
- Short-term bonds issued or guaranteed by a Member State of the European Union, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- Bonds issued or guaranteed by first class issuers offering adequate liquidity, and

The financial assets other than bank deposit and units of UCIs that the Company has acquired by reinvesting the cash collateral must not be issued by an entity affiliated to the counterparty;

The financial assets acquired via the reinvestment of the cash collateral must not be kept with the counterparty, except if it is legally segregated from the counterparty's assets;

The financial assets acquired via the reinvestment of the cash collateral may not be pledged unless the Company has sufficient liquidities to be able to return the received collateral in the form of cash.

Reinvested cash collateral limits applicable may lead to several risks such as currency exchange risk, counterparty risk, issuer risk, valuation and settlement risk, which can have an impact on the performance of the sub-fund concerned

Exposures arising from the reinvestment of collateral received by the Company shall be taken into account within the diversification limits applicable under the Appendix 1.

*Criteria used to select Counterparties*

The Company will enter into transactions with counterparties which the Management Company believes to be creditworthy. They may be related companies at BNP Paribas Group.

Counterparties will be selected by the Management Company with respect for the following criteria:

- leading financial institutions;
- sound financial situation;
- ability to offer a range of products and services corresponding to the requirements of the Management Company;
- ability to offer reactivity for operational and legal points;
- ability to offer competitive price; and
- quality of the execution.

Approved counterparties are required to have a minimum rating of investment grade for OTC derivative counterparties provided however that credit quality assessment of counterparties does not rely only on external credit ratings. Alternative quality parameters are considered such as internal credit analysis assessment and liquidity and maturity of collateral selected. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. Furthermore counterparties should comply with prudential rules considered by the CSSF as equivalent to EU prudential rules. The selected counterparties do not assume any discretion over the composition or management of the sub-funds' investment portfolios or over the underlying of the financial derivative instruments, and their approval is not be required in relation to any sub-fund investment portfolio transaction.

The Company' annual report contains details regarding:

- a) the list of appointed counterparties to efficient portfolio management techniques and OTC derivatives;
- b) the identity of the issuer where collateral received has exceeded 20% of the assets of a sub-fund;
- c) whether a sub-fund has been fully collateralised.

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## APPENDIX 3 – INVESTMENT RISKS

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Investors must read the Prospectus carefully before investing in any of the sub-funds.

The value of the Shares will increase as the value of the securities owned by any sub-fund increases and will decrease as the value of the sub-fund's investments decreases. In this way, investors participate in any change in the value of the securities owned by the relevant sub-fund(s). In addition to the factors that affect the value of any particular security that a sub-fund owns, the value of the sub-fund's shares may also change with movements in the stock and bond markets as a whole. Investors are also warned that sub-fund performance may not be in line with the stated "Investment objective" and that the capital they invest (after subscription commissions have been deducted) may not be returned to them in full.

A sub-fund may own securities of different types, or from different asset classes (e.g. equities, bonds, money market instruments, financial derivative instruments) depending on the sub-fund's investment objective. Different investments have different types of investment risk. The sub-funds also have different kinds of risks, depending on the securities they hold. This "Investment Risks" section contains explanations of the various types of investment risks that may be applicable to the sub-funds. Please refer to the Book II of this Prospectus for details as to the principal risks applicable to each sub-fund. Investors should be aware that other risks may also be relevant to the sub-funds from time to time.

### I. GENERAL RISKS

This section explains some of the risks that apply to all the sub-funds. It does not aim to be a complete explanation and other risks may also be relevant from time to time. In particular, the Company's performance may be affected by changes in market and/or economic and political conditions, and in legal, regulatory and tax requirements. No guarantee or representation is made that the investment program will be successful and there can be no assurance that the sub-fund(s)' investment objective(s) will be achieved. Also, past performance is no guide to future performance, and the value of investments may go down as well as up. Changes in rates of exchange between currencies may cause the value of a Fund's investments to diminish or increase.

The Company or any of its sub-funds may be exposed to risks that are outside of their control – for example legal and regulatory risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress or as a result of the registration of the sub-funds in non-EU jurisdictions, the sub-funds may be subject, without any notice to the shareholders in the sub-funds concerned, to more restrictive regulatory regimes potentially preventing the sub-funds from making the fullest possible use of the investment limits. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Company could be substantial and adverse. The sub-funds may be exposed to the risk of terrorist actions, to the risk that economic and diplomatic sanctions may be in place or imposed on certain States and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity. Investors are reminded that in certain circumstances their right to redeem Shares may be suspended as further described in the Book I.

The Company or any of its Funds may be exposed to operational risks, being the risk that operational processes, including those related to the safekeeping of assets, valuation and transaction processing may fail, resulting in losses. Potential causes of failure may arise from human errors, physical and electronic system failures and other business execution risks as well as external events.

Unmanaged or unmitigated sustainability risks can impact the returns of financial products. For instance, should an environmental, social or governance event or condition occur, it could cause an actual or a potential material negative impact on the value of an investment. The occurrence of such event or condition may lead as well to the reshuffle of a sub-fund investment strategy, including the exclusion of securities of certain issuers.

Specifically, the likely impact from sustainability risks can affect issuers via a range of mechanisms including: 1) lower revenue; 2) higher costs; 3) damage to, or impairment of, asset value; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific topics such as climate change, the chance of sustainability risks impacting the returns of financial products is likely to increase over longer-term time horizons.

### II. SPECIFIC RISKS

#### Alternative Investment Strategies Risks

Alternative investment strategies involve risks that depend on the type of investment strategy: investment risk (specific risk), model risk, portfolio construction risk, valuation risk (when OTC derivative), counterparty risk, credit risk, liquidity risk, leverage risk (risk that losses exceed the initial investment), financial derivative instruments short selling risk (cf. risks due to short selling via financial derivative instruments).

#### Cash Collateral Reinvestment Risk

Cash received as collateral may be reinvested, in compliance with the diversification rules specified in the Art. 43 (e) of CSSF Circular 14/592 exclusively in eligible risk free assets. There is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance, the sub-fund would be required to cover the shortfall.

#### Collateral Management Risk

Collateral may be used to mitigate counterparty risk. There is a risk that the collateral taken, especially where it is in the form of securities, when realized does not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate collateral pricing, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Please also refer to "Liquidity Risk" below in respect of liquidity risk which may be particularly relevant when collateral takes the form of securities. Where a sub-fund is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral placed is higher than the cash or investments received by the sub-fund. In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the sub-funds may face difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

#### Commodity Related Exposure Risk

A sub-fund's exposure to investments in commodities related instruments presents unique risks. Investing in commodities related instruments, including trading in commodities indices and financial derivative instruments related to commodities, can be extremely volatile. Market prices of commodities may fluctuate rapidly based on numerous factors, including: changes in supply and demand relationships (whether actual, perceived, anticipated, unanticipated or unrealised), weather, agriculture, trade, domestic and foreign political and economic events and policies, diseases, pestilence, technological developments, monetary and other governmental policies.

### Concentration Risk

Some sub-funds may have an Investment Policy that invests a large portion of the assets in a limited number of issuers, industries, sectors or a limited geographical area. Being less diversified, such sub-funds may be more volatile than broadly diversified sub-funds and carry a greater risk of loss.

### Contingent Convertible Risk

Contingent convertible securities ("Cocos") are a form of hybrid debt security that are intended to either automatically convert into equity or have their principal written down upon the occurrence of certain "triggers" linked to regulatory capital thresholds or where the issuing banking institution's regulatory authorities considers this to be necessary. CoCos will have unique equity conversion or principal write-down features which are tailored to the issuing banking institution and its regulatory requirements. Some additional risks associated with CoCos are set forth below:

- *Trigger level risk:* Trigger levels differ and determine exposure to conversion risk depending on the capital structure of the issuer. The conversion triggers will be disclosed in the Prospectus of each issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.
- *Capital structure inversion risk:* Contrary to classic capital hierarchy, CoCos investors may suffer a loss of capital when equity holders do not, e.g. when a high trigger principal write-down CoCos is activated. These cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCos when equity holders will already have suffered loss. Moreover, high trigger CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger CoCos and equity.
- *Liquidity and concentration risks:* In normal market conditions CoCos comprise mainly realisable investments which can be readily sold. The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons it is not known whether the market will view the issue as an idiosyncratic or systemic event. In the latter case, potential price contagion and volatility to the entire asset class is possible. Furthermore, in an illiquid market, price formation may be increasingly stressed. While diversified from an individual company perspective the nature of the universe means that the sub-fund may be concentrated in a specific industry sector and the Net Asset Value of the sub-fund may be more volatile as a result of this concentration of holdings relative to a sub-fund which diversifies across a larger number of sectors.
- *Valuation risk:* The attractive return on this type of instrument may not be the only criterion guiding the valuation and the investment decision. It should be viewed as a complexity and risk premium, investors have to fully consider the underlying risks.
- *Call extension risk:* as CoCos can be issued as perpetual instruments, investors may not be able to recover their capital if expected on call date or indeed at any date.
- *Risk of coupon cancellation:* with certain types of CoCo Bonds, the payment of coupons is discretionary and may be cancelled by the issuer at any time and for an indeterminate period.

### Counterparty Risk

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause. When over-the-counter (OTC) or other bilateral contracts are entered into (inter alia OTC derivatives, repurchase agreements, security lending, etc.), the Company may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts. If counterparty does not live up to its contractual obligations, it may affect investor returns.

### Credit Risk

Credit risk, a fundamental risk relating to all fixed income securities as well as Money Market Instruments, is the risk that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer (particularly a sovereign or supranational issuer), are all factors that may have an adverse impact on an issuer's credit quality and security values. Related to credit risk is the risk of downgrade by a rating agency. Rating agencies such as Standard & Poor's, Moody's and Fitch, among others, provide ratings for a wide array of fixed income securities (corporate, sovereign, or supranational) which are based on their creditworthiness. The agencies may change their ratings from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the value of the affected securities.

### Currency Exchange Risk

This risk is present in each sub-fund having positions denominated in currencies that differ from its Accounting Currency. If the currency in which a security is denominated appreciates in relation to the Accounting Currency of the sub-fund, the exchange value of the security in the Accounting Currency will appreciate; conversely, a depreciation of the denomination currency will lead to a depreciation in the exchange value of the security. When the manager is willing to hedge the currency exchange risk of a transaction, there is no guarantee that such operation will be completely effective.

### Custody Risk

Assets of the Company are safe kept by the Custodian and Investors are exposed to the risk of the custodian not being able to fully meet its obligation to reconstitute in a short timeframe all of the assets of the Company in the case of bankruptcy of the Custodian. The assets of the Company will be identified in the Custodian's books as belonging to the Company. Securities and debt obligations held by the Custodian will be segregated from other assets of the Custodian which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy. The Custodian does not keep all the assets of the Company itself but uses a network of Sub-Custodians which are not part of the same group of companies as the Custodian. Investors are also exposed to the risk of bankruptcy of the Sub-Custodians. A sub-fund may invest in markets where custodial and/or settlement systems are not fully developed.

### Derivatives Risk

The Company may use various derivative instruments to reduce risks or costs or to generate additional capital or income in order to meet the investment objectives of a sub-fund. Certain sub-funds may also use derivatives extensively and/or for more complex strategies as further

described in their respective investment objectives. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks associated with more traditional investments. The use of derivatives may give rise to a form of leverage, which may cause the Net Asset Value of these sub-funds to be more volatile and/or change by greater amounts than if they had not been leveraged, since leverage tends to exaggerate the effect of any increase or decrease in the value of the respective sub-funds' portfolio securities. Before investing in Shares, investors must ensure to understand that their investments may be subject to the following risk factors relating to the use of derivative instruments:

- **Market risk:** Where the value of the underlying asset of a derivative instrument changes, the value of the instrument will become positive or negative, depending on the performance of the underlying asset. For non-option derivatives the absolute size of the fluctuation in value of a derivative will be very similar to the fluctuation in value of the underlying security or reference index. In the case of options, the absolute change in value of an option will not necessarily be similar to the change in value of the underlying because, as explained further below, changes in options values are dependent on a number of other variables.
- **Liquidity risk:** If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.
- **Counterparty risk:** When OTC derivative contracts are entered into, the sub-funds may be exposed to risks arising from the solvency and liquidity of its counterparts and from their ability to respect the conditions of these contracts. The sub-funds may enter into forwards, options and swap contracts, or use other derivative techniques, each of which involves the risk that the counterpart will fail to respect its commitments under the terms of each contract. In order to mitigate the risk, the Company will ensure that the trading of bilateral OTC derivative instruments is conducted on the basis of strict selection and review criteria.
- **Settlement risk:** Settlement risk exists when a derivative instrument is not settled in a timely manner, thereby increasing counterparty risk prior to settlement and potentially incurring funding costs that would otherwise not be experienced. Should the settlement never occur the loss incurred by the sub-fund will correspond to the difference in value between the original and the replacement contracts. If the original transaction is not replaced, the loss incurred by the sub-fund will be equal to the value of the contract at the time it becomes void.
- **Other risks:** Other risks in using derivative instruments include the risk of mispricing or improper valuation. Some derivative instruments, in particular OTC derivative instruments, do not have prices observable on an exchange and so involve the use of formulae, with prices of underlying securities or reference indices obtained from other sources of market price data. OTC options involve the use of models, with assumptions, which increases the risk of pricing errors. Improper valuations could result in increased cash payment requirements to counterparties or a loss of value to the sub-funds. Derivative instruments do not always perfectly or even highly correlate or track the value of the assets, rates or Indices they are designed to track. Consequently, the sub-funds' use of derivative instruments may not always be an effective means of, and sometimes could be counterproductive to, furthering the sub-funds' investment objective. In adverse situations, the sub-funds' use of derivative instruments may become ineffective and the sub-funds may suffer significant losses.

Total Return Swaps (TRS) represent a combined market and credit default derivative and their value will change as a result of fluctuations in interest rates as well as credit events and credit outlook. A TRS involves that receiving the total return is similar in risk profile to actually owning the underlying reference security(ies). Furthermore, these transactions may be less liquid than interest rate swaps as there is no standardisation of the underlying reference index and this may adversely affect the ability to close out a TRS position or the price at which such a close out is transacted. The swap contract is an agreement between two parties and therefore each party bears the other's counterparty risk and collateral is arranged to mitigate this risk. All the revenues arising from TRS will be returned to the relevant sub-fund.

#### **Distressed Securities Risk**

Distressed securities may be defined as debt securities that are officially in restructuring or in payment default and whose rating (by at least one of the major rating agencies) is lower than CCC-. Investment in distressed securities may cause additional risks for a sub-fund. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and may be subordinated to other outstanding securities and creditors of the issuer. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. Therefore, a sub-fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Recovery of interest and principal may involve additional cost for the relevant sub-fund.

#### **Emerging Markets Risk**

A sub-fund may invest in less developed or emerging markets. These markets may be volatile and illiquid and the investments of the sub-fund in such markets may be considered speculative and subject to significant delays in settlement. Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the sub-fund will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a sub-fund is unable to acquire or dispose of a security. The risk of significant fluctuations in the net asset value and of the suspension of redemptions in those sub-funds may be higher than for sub-funds investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in emerging markets and assets could be compulsorily acquired without adequate compensation. The assets of a sub-fund investing in such markets, as well as the income derived from the sub-fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of Shares of that sub-fund may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such countries may be subject to unexpected closure.

#### **Extra-financial criteria Investment Risk**

An extra-financial approach may be implemented in a different way by management companies when setting investment management objectives for financial products, in particular in view of the absence of common or harmonized labels at European Level. This also means that it may be difficult to compare strategies integrating extra-financial criteria to the extent that the selection and weightings applied to select investments may be based on metrics that may share the same name but have different underlying meanings. In evaluating a security based on the extra-financial criteria, the Investment Manager may also use data sources provided by external extra-financial research providers. Given the evolving nature of the extra-financial field, these data sources may for the time being be incomplete, inaccurate, unavailable or updated. Applying responsible business conduct standards as well as extra-financial criteria in the investment process may lead to the exclusion of securities of certain issuers. Consequently, the sub-fund's financial performance may at times be better or worse than the performance of comparable funds that do not apply such standards. In addition, the proprietary methodologies used to take into account ESG non-financial criteria may be subject to reviews in the event of regulatory developments or updates that may lead, in accordance with the applicable regulations, to the increase or decrease of the classification of products, of the indicators used or of the minimum investment commitment levels set.



### Equity Risk

The risks associated with investments in equity (and similar instruments) include significant fluctuations in prices, negative information about the issuer or market and the subordination of a Company's shares to its bonds. Moreover, such fluctuations are often exacerbated in the short-term. The risk that one or more companies suffer a downturn or fail to grow can 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. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial investment.

Some Funds may invest in initial public offerings ("IPOs"). IPO risk is the risk that the market values of IPO shares may experience high volatility from factors such as the absence of a prior public market, unseasoned trading, the limited number of shares available for trading and limited information about the issuer. Additionally, a sub-fund may hold IPO shares for a very short period of time, which may increase a sub-fund's expenses. Some investments in IPOs may have an immediate and significant impact on a sub-fund's performance.

sub-funds investing in growth stocks may be more volatile than the market in general and may react differently to economic, political and market developments and to specific information about the issuer. Growth stocks traditionally show higher volatility than other stocks, especially over short periods. These stocks may also be more expensive in relation to their profits than the market in general. Consequently, growth stocks may react with more volatility to variations in profit growth.

### Hedge Share Class Contagion Risk

Where a Hedged or Return Hedged share class is available in a sub-fund, the use of derivatives that are specific to this share-class may have an adverse impact on other share-classes of the same sub-fund. In particular, the use of a derivative overlay in a currency risk hedged share class introduces potential counterparty and operational risks for all investors in the sub-fund. This could lead to a risk of contagion to other share classes, some of which might not have any derivative overlay in place.

### High Yield Bond Risk

When investing in fixed income securities rated below investment grade, there is a higher risk that such the issuer is unable or unwilling to meet its obligations, therefore exposing the sub-fund to a loss corresponding to the amount invested in such security.

### Market Risk

Market risk is a general risk that affects all investments. Price for financial instruments are mainly determined by the financial markets and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each relevant country.

### Legal Risk

There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, illegality, change in tax or accounting laws. In such circumstances, a sub-fund may be required to cover any losses incurred. Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject to a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions. The use of derivatives may also expose a sub-fund to the risk of loss resulting from changing laws or from the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

### Liquidity Risk

Liquidity risk takes two forms: asset side liquidity risk and liability side liquidity risk. Asset side liquidity risk refers to the inability of a sub-fund to sell a security or position at its quoted price or market value due to such factors as a sudden change in the perceived value or credit worthiness of the position, or due to adverse market conditions generally. Liability side liquidity risk refers to the inability of a sub-fund to meet a redemption request, due to the inability of the sub-fund to sell securities or positions in order to raise sufficient cash to meet the redemption request. Markets where the sub-fund's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities. Reduced liquidity due to these factors may have an adverse impact on the Net Asset Value of the sub-fund and on the ability of the sub-fund to meet redemption requests in a timely manner.

### Real Estate Related Exposure Risk

Sub-funds may indirectly invest in the real estate sector via transferable securities and/or real estate funds. Real estate values rise and fall in response to a variety of factors, including local, regional and national economic conditions, interest rates and tax considerations. When economic growth is slow, demand for property decreases and prices may decline. Property values may decrease because of overbuilding, increases in property taxes and operating expenses, changes in zoning laws, environmental regulations or hazards, uninsured casualty or condemnation losses, or general decline in neighbourhood values.

### Risks Related to Investments in Some Countries

Investments in some countries (e.g. China, Greece, India, Indonesia, Japan, Saudi Arabia and Thailand) involve risks linked to restrictions imposed on foreign investors and counterparties, higher market volatility and lack of liquidity. Consequently, some shares may not be available to the sub-fund due to the number of foreign shareholders authorized or if the total investment permitted for foreign shareholders has been reached. In addition, the repatriation by foreign investors of their share, capital and/or dividends may be restricted or require the approval of the government. The Company will only invest if it considers that the restrictions are acceptable. However, no guarantee can be given that additional restrictions will not be imposed in future.

### Securitised Products Risk

Sub-Fund investing in securitised products, such as Mortgage-Backed Securities (MBS) and other Asset-Backed Securities (ABS), are exposed to the following risks:

- *Interest rate risk:* Prices may fall as interest rates rise due to fixed coupon rates.
- *Prepayment risk:* The risk that the mortgage holder (the borrower) will pay back the mortgage before its maturity date, which reduces the amount of interest the investor would have otherwise received. Prepayment, in this sense, is a payment in excess of the scheduled principal payment. This situation may arise if the current market interest rate falls below the interest rate of the mortgage, since the homeowner is more likely to refinance the mortgage. Unanticipated prepayments can change the value of some securitised products.
- *Term structure risk:* Monthly principal cash flows cause a laddered structure. The value of securities can be affected by a steepening or flattening of the yield curve.

- *Credit risk:* While the agency market has little or no credit risk, the non-agency market has varying levels of credit risk.
- *Default risk and downgrading risk:* It can be due to the borrower's failure to make timely interest and principal payments when due. Default may result from a borrower's failure to meet other obligations as well as the maintenance of collateral as specified in the Prospectus. An investor's indicator of a security's default can be its credit rating. Because of the credit enhancements required for Asset Backed Securities (ABS) by the rating agencies, the senior tranches are mostly rated triple-A, the highest rating available. The B, C and any lower tranches of an ABS issue are lower-rated or unrated and are designed to absorb any losses before the senior tranches. Prospective buyers of these classes of an issue must decide if the increased risk of default is balanced by the higher returns these classes pay.
- *Liquidity risk:* The market for privately (non – Agency) issued MBS is smaller and less liquid than the market for Agency MBS. The Company will only invest in securitised products that the Investment Manager trusts to be liquid.
- *Legal Risk:* Non-mortgage related ABS may not have the benefit of any legal title on the underlying assets and recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities.

More detailed risk warnings:

- *About MBS and ABS:* The yield characteristics of MBS and other ABS differ from traditional debt securities. A major difference is that the principal amount of the obligation generally may be prepaid at any time because the underlying assets generally may be prepaid at any time. As a result, if an ABS is purchased at a premium, a prepayment rate that is faster than expected will reduce the yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect of increasing the yield to maturity. Conversely, if an ABS is purchased at a discount, faster than expected prepayments will increase the yield to maturity, while slower than expected prepayments will decrease the yield to maturity. Generally, pre-payments on fixed-rate mortgage loans will increase during a period of falling interest rates and decrease during a period of rising interest rates. MBS and ABS may also decrease in value as a result of increases in interest rates and, because of prepayments, may benefit less than other fixed income securities from declining interest rates. Reinvestment of prepayments may occur at lower interest rates than the original investment, thus adversely affecting a sub-fund's yield. Actual prepayment experience may cause the yield of ABS to differ from what was assumed when the Company purchased the security.
- *About Collateralised Mortgage Obligation (MBO), Collateralised Bond Obligation (CBO), Collateralised Debt Obligation (CDO) and Collateralised Loan Obligation (CLO):* Classes or tranches may be specially structured in a manner that provides any of a wide variety of investment characteristics, such as yield, effective maturity and interest rate sensitivity. As market conditions change, however, and especially during periods of rapid or unanticipated changes in market interest rates, the attractiveness of some CDO tranches and the ability of the structure to provide the anticipated investment characteristics may be significantly reduced. These changes can result in volatility in the market value, and in some instances reduced liquidity, of the CDO tranches. Certain tranches of CMOs are structured in a manner that makes them extremely sensitive to changes in prepayments rates. IO (Interest Only) and PO (Principal Only) tranches are examples of this. IO tranches are entitled to receive all or a portion of the interest, but none (or only a nominal amount) of the principal payments, from the underlying mortgage assets. If the mortgage assets underlying of an IO experience greater than anticipated principal prepayments, the total amount of interest payments allocable to the IO Class, and therefore the yield to investors, generally will be reduced. In some instances, an investor in an IO may fail to recover all of its initial investment, even when the securities are government guaranteed or considered to be of the highest quality (rated AAA or the equivalent). Conversely, PO Classes are entitled to receive all or a portion of the principal payments, but none of the interest, from the underlying mortgage assets. PO Classes are purchased at substantial discounts from par, and the yield to investors will be reduced if principal prepayments are slower than expected. Some IOs and POs, as well as other CMO tranches, are structured to have special protections against the effect of prepayments. However, these structural protections normally are effective only within certain ranges of prepayments rates and thus will not protect investors in all circumstances. Inverse floating rate CMO Classes also may be extremely volatile. These tranches pay interest at a rate that decreases when a specified index of market rates increases.

#### **Small Cap, Specialised or Restricted Sectors Risk**

Sub-funds investing in small caps or specialised or restricted sectors are likely to be subject to a higher than average volatility due to a high degree of concentration, greater uncertainty because less information is available, there is less liquidity, or due to greater sensitivity to changes in market conditions. Smaller companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating-rate.

#### **Swing Pricing Risk**

The actual cost of purchasing or selling the underlying investments of a sub-fund may be different from the carrying value of these investments in the sub-fund's valuation. The difference may arise due to dealing and other costs (such as taxes) and/or any spread between the buying and selling prices of the underlying investments. These dilution costs can have an adverse effect on the overall value of a sub-fund and thus the net asset value per share may be adjusted in order to avoid disadvantaging the value of investments for existing shareholders.

#### **Tracking Error Risk**

The performance of the sub-fund may deviate from the actual performance of the underlying index due to factors including but not limited to liquidity of the index constituents, possible stock suspensions, trade band limits decided by the stock exchanges, changes in taxation of capital gains and dividends, discrepancies between the tax rates applied to the sub-fund and to the index on capital gains and dividends, limitations or restrictions on foreign investors ownership of shares imposed by the governments, fees and expenses, changes to the underlying index and operational inefficiencies. In addition, the sub-fund may not be able to invest in certain securities included in the underlying index or invest in them in the exact proportions they represent of the index due to legal restrictions imposed by the governments, a lack of liquidity on stock exchanges or other reasons. There could be other factors which can impact the Tracking Error.

#### **Warrant Risk**

Warrants are complex, volatile, high-risk instruments. One of the principal characteristics of warrants is the "leverage effect" whereby a change in the value of the underlying asset can have a disproportionate effect on the value of the warrant. There is no guarantee that, in the event of an illiquid market, it will be possible to sell the warrant on a secondary market.

### **III. SPECIFIC RISKS RELATED TO INVESTMENTS IN MAINLAND CHINA**

Certain sub-funds may invest in Chinese domestic securities market, i.e. China A-Shares, debt instruments traded on the China Interbank Bond market and other permitted domestic securities in accordance with the investment policies of the relevant sub-fund. Investing in the PRC ("People's

Republic of China") carries a high degree of risk. Apart from the usual investment risks, investing in the PRC is also subject to certain other inherent risks and uncertainties.

**Government intervention and restriction risk:**

The economy of China, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, state of development, growth rate, control of foreign exchange and allocation of resources. Such interventions or restrictions by the PRC government may affect the trading of Chinese domestic securities and have an adverse effect of the relevant sub-funds,

The PRC government has in recent years implemented economic reform measures emphasising the utilisation of market forces in the development of the PRC's economy and a high level of management autonomy. However, there can be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any adjustment and modification of those economic policies may have an adverse impact on the securities markets in the PRC as well as on overseas companies which trade with or invest in the PRC.

Moreover, the PRC government may intervene in the economy, possible interventions include restrictions on investment in companies or industries deemed sensitive to relevant national interests. In addition, the PRC government may also intervene in the financial markets by, such as but not limited to, the imposition of trading restrictions or the suspension of short selling for certain stocks. Such interventions may induce a negative impact on the market sentiment which may in turn affect the performance of the sub-funds. Investment objective of the sub-funds may be failed to achieve as a result.

The PRC legal system may not have the level of consistency or predictability as in other countries with more developed legal systems. Due to such inconsistency and unpredictability, if the sub-funds were to be involved in any legal dispute in the PRC, it may experience difficulties in obtaining legal redress or in enforcing its legal rights. Thus, such inconsistency or future changes in legislation or the interpretation thereof may have adverse impact upon the investments and the performance of the sub-funds in the PRC.

**PRC Political, Economic and Social Risks:**

The economy of the PRC has experienced significant growth in the past twenty years, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. The PRC government may from time to time adopt corrective measures to control inflation and restrain the rate of economic growth, which may also have an adverse impact on the capital growth and performance of the sub-funds. Further, political changes, social instability and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions including the expropriation of assets, confiscatory taxes or nationalisation of some or all of the investments held by the underlying securities in which the sub-funds may invest.

**Government control of cross-border currency conversion and future movements in exchange rates:**

Currently, the RMB is traded in two different and separated markets, i.e. one in the Mainland China, and one outside the Mainland China (primarily in Hong Kong). The two RMB markets operate independently where the flow between them is highly restricted. Though the CNH is a proxy's of the CNY, they do not necessarily have the same exchange rate and their movement may not be in the same direction. This is because these currencies act in separate jurisdictions, which leads to separate supply and demand conditions for each, and therefore separate but related currency markets. While the RMB traded outside the Mainland China, the CNH, is subject to different regulatory requirements and is more freely tradable, the RMB traded in the Mainland China, the CNY, is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation restrictions imposed by the central government of the Mainland China, that could possibly be amended from time to time, which will affect the ability of the sub-funds to repatriate monies. Investors should also note that such restrictions may limit the depth of the RMB market available outside of Mainland China. If such policies or restrictions change in the future, the position of the sub-funds or its Shareholders may be adversely affected. Generally speaking, the conversion of CNY into another currency for capital account transactions is subject to SAFE ("State Administration of Foreign Exchange") approvals. Such conversion rate is based on a managed floating exchange rate system which allows the value of CNY to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. Any divergence between CNH and CNY may adversely impact investors who intend to gain exposure to CNY through investments in a sub-fund.

**Accounting and Reporting Standards:**

PRC companies which may issue RMB securities to be invested by the sub-funds are required to follow PRC accounting standards and practices which follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with the PRC accounting standards and practice and those prepared in accordance with international accounting standards. As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about Chinese issuers. Therefore, less information may be available to the sub-funds and other investors. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

**PRC Taxation Risk:**

Investment in the sub-funds may involve risks due to uncertainty in tax laws and practices in the PRC. According to PRC tax laws, regulations and policies ("PRC Tax Rules"), a non-PRC tax resident enterprise (such as FII and certain eligible foreign institutional investors) without a permanent establishment or place in the PRC (such as FII) will generally be subject to withholding income tax of 10% on its PRC sourced income, subject to below elaboration:

***Capital gain***

According to a tax circular issued by the Ministry of Finance of the PRC ("MoF"), SAT and CSRC dated 31 October 2014, capital gain derived from the transfer of PRC equity investment assets such as China A-Shares on or after 17 November 2014 is temporarily exempt from PRC income tax. However, capital gain realised by FIIs prior to 17 November 2014 is subject to PRC income tax in accordance with the provisions of the laws. The MoF, the SAT and the CSRC also issued joint circulars in 2014 and 2016 to clarify the taxation of the Stock Connect, in which capital gain realized from the transfer of China A-Shares via Stock Connect is temporarily exempt from PRC income tax.

Based on verbal comments from the PRC tax authorities, gains realized by foreign investors (including FIIs) from investment in PRC debt securities are non-PRC sourced income and thus should not be subject to PRC income tax. However, there are no written tax regulations issued by the PRC tax authorities to confirm that interpretation. As a matter of practice, the PRC tax authorities have not levied PRC income tax on capital gains realised by FIIs from the trading of debt securities, including those traded via CIBM.

***Dividend***

Under the current PRC Tax Rules, non-PRC tax resident enterprises are subject to PRC withholding income tax on cash dividends and bonus distributions from PRC enterprises. The general rate applicable is 10%, subject to reduction under an applicable double tax treaty and agreement by the PRC tax authorities.

#### *Interest*

Unless a specific exemption is applicable, non-PRC tax resident enterprises are subject to PRC withholding tax on the payment of interests on debt instruments issued by PRC tax resident enterprises, including bonds issued by enterprises established within the PRC. The general withholding tax rate applicable is 10%, subject to reduction under an applicable double tax treaty and agreement by the PRC tax authorities.

Interest derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council is exempt from income tax under PRC Tax Rules.

According to a tax circular jointly issued by the Ministry of Finance of the PRC ("MoF") and the State Administration of Taxation of the PRC ("SAT") on 7 November 2018, foreign institutional investors are temporarily exempt from PRC income tax with respect to bond interest income derived in the PRC bond market for the period from 7 November 2018 to 6 November 2021. However, there is no guarantee that such temporary tax exemption will continue to apply, will not be repealed and imposed on a retrospective basis, or that no new tax regulations and practice in China specifically relating to the PRC bond market will not be promulgated in the future.

#### *Value-added tax ("VAT")*

VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities starting from 1 May 2016. According to the latest PRC Tax Rules, the gains derived from trading of marketable securities (including A-shares and other PRC listed securities) are exempted from VAT. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT.

According to a tax circular, foreign institutional investors are temporarily exempt from VAT with respect to bond interest income derived in the PRC bond market for the period from 7 November 2018 to 6 November 2021. However, there is no guarantee that such temporary tax exemption will continue to apply, will not be repealed and imposed on a retrospective basis, or that no new tax regulations and practice in China specifically relating to the PRC bond market will not be promulgated in the future.

Dividend income or profit distributions on equity investment derived from PRC are not included in the taxable scope of VAT.

There are no specific PRC Tax Rules which govern the taxation of gains on the disposal of other investments, and the current practice of exemption may not be consistently applied to all such investments and is based on verbal comments and practice of the tax administration. The PRC Tax Rules may not be interpreted and applied as consistent and transparent as those of more developed countries and may vary from city to city and in some cases certain taxes which could be considered payable are not actively enforced for collection, nor is any mechanism provided for payment. Moreover, the existing PRC Tax Rules and practices may be changed or amended in the future, e.g.: the PRC government may abolish temporary tax incentives that are currently offered to foreign investors, and they may be changed with retrospective effect and could be applied along with penalties and / or late payment interest. Such new PRC Tax Rules may operate to the advantage or disadvantage of the investors.

Tax provisions could be made for the sub-funds. In light of the uncertainty and in order to meet the potential tax liability, the Company reserves the right to adjust such provision as deemed necessary. Investors should be aware that the net asset value of the sub-funds on any Valuation Day may not accurately reflect Chinese tax liabilities. Depending on the tax liabilities payable, it may bring positive or negative impact to the performance and net asset value of the sub-funds. In the event penalties or late payment interest could be applicable due to factors such as retrospective amendments, changes in practice or uncertain regulations, this could impact the net asset value at the time of settlement with the PRC tax authorities. In the case where the amount of tax provisions made is less than the tax liabilities payable, the amount of shortfall will be deducted from the sub-fund's assets and affecting the sub-fund's net asset value adversely. In the opposite case where the amount of tax provisions made is more than the tax liabilities payable, the release of extra tax provision will affect the sub-fund's net asset value positively. This will only benefit existing investors. Investors who have redeemed their Shares before the tax liabilities amount is determined will not be entitled to any part of such release of extra tax provision.

#### Specific risks related to investments in Mainland China equity securities

In common with other emerging markets, the Chinese market may be faced with relatively low transaction volumes, and endure periods of lack of liquidity or considerable price volatility. The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, such China A-Shares. The price at which securities may be purchased or sold by the sub-funds and the net asset value of the sub-funds may be adversely affected if trading volumes on markets for China A-Shares (Shanghai Stock Exchange and Shenzhen Stock Exchange) are limited or absent. The China A-Share market may be more volatile and unstable (for example, due to government intervention or in the case where a particular stock resumes trading at a very different level of price after its suspension). Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the sub-funds. Subscriptions and redemptions of Shares in the sub-funds may also be disrupted accordingly.

#### Trading limitations Risk:

Trading band limits are imposed by the stock exchanges in the PRC on China A-Shares, where trading in any China A-Share on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. Considering that PRC securities markets can be frequently affected by trading halts and low trading volume, investors should be aware that A-share markets are more likely to suffer from illiquidity and greater price volatility, which is mostly due to greater government restriction and control relating to A-share markets. A suspension (or a sequence of suspensions) will render the management of the securities involved complicated or make it impossible for the Investment Manager to liquidate positions and/or sell its positions at a favorable price at the worst moment.

#### Risks related to FII investments

##### Regulatory Risks:

The FII regime is governed by FII Regulations. FII Regulations may be amended from time to time. It is not possible to predict how such changes could affect the relevant sub-fund.

Rules on investment restrictions and rules on repatriation of principal and profits, imposed by the Chinese government may be applicable to the FII as a whole and not only to the investments made by the relevant sub-fund and may have an adverse effect on the sub-fund's liquidity and performance.

A FII sub-Fund may invest in securities and investments permitted to be held or made under the relevant FII Regulations through institutions that have obtained FII status in China. Should such FII status be lost, a FII sub-fund may no longer be able to invest directly in China or may be

required to dispose of its investments in the Chinese domestic securities markets, which could have an adverse effect on its performance or result in a significant loss.

**Investment Restrictions and Repatriation Risks:**

A FII sub-fund may be impacted by the rules and restrictions under the FII Regulations (including investment restrictions, limitations on foreign ownership or holdings), which may have an adverse impact on its performance and/or its liquidity. The SAFE regulates and monitors the repatriation of funds out of the PRC by FIIs pursuant to the FII Regulations. Repatriations by FIIs in respect of an open-ended fund, such as the FII sub-funds, are not subject to repatriation restrictions or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Although the relevant FII Regulations have recently been revised to relax regulatory restrictions on the onshore capital management by FIIs (including removing investment quota limit and simplifying process for repatriation of investment proceeds), it is a very new development therefore subject to uncertainties as to how well it will be implemented in practice, especially at such an early stage.

Any restrictions on repatriation of the invested capital and net profits may impact on the FII sub-funds' ability to meet redemption requests from the Shareholders. In extreme circumstances, the FII sub-funds may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to FII investment restrictions, illiquidity of the PRC's securities markets, and delay or disruption in execution of trades or in settlement of trades.

**PRC Custodian Risks:**

The Investment Manager (in its capacity as a FII's licence holder) and the Depositary have appointed a local sub-custodian approved by Chinese authorities (the "PRC Custodian") to maintain the FII sub-funds' assets in custody in the PRC, pursuant to relevant laws and regulations. Onshore PRC securities are registered in the name of "the full name of the FII – the name of the FII sub-fund" in accordance with the relevant rules and regulations, and maintained by the PRC Custodian in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited ("ChinaClear") and cash shall be maintained in a cash account with the PRC Custodian.

The Depositary will make arrangements to ensure that the PRC Custodian has appropriate procedures to properly safe-keep the FII sub-funds' securities, including maintaining records that clearly show that such FII sub-funds' securities are recorded in the name of such FII sub-fund and segregated from the other assets of the PRC Custodian. Investors should however note that cash deposited in the cash account of the FII sub-funds with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the FII sub-funds. Such cash will be commingled with cash belonging to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the FII sub-funds will not have any proprietary rights to the cash deposited in such cash account, and will be treated and ranked an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. The FII sub-funds may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the FII sub-funds will suffer losses. Also, the FII sub-funds may incur losses due to the acts or omissions of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

**PRC Brokerage Risk:**

The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers ("PRC Brokers") appointed by the Investment Manager. Reasonably competitive commission rates and prices of securities will generally be sought to execute the relevant transactions in PRC markets. It is possible that, in circumstances where only a single PRC Broker is appointed where it is considered appropriate to do so by the Investment Manager, the FII sub-funds may not necessarily pay the lowest commission or spread available, but the transaction execution will be consistent with best execution standards and in the best interest of the Shareholders. Notwithstanding the foregoing, the Investment Manager will seek to obtain the best net results for the FII sub-funds, taking into account such factors as prevailing market conditions, price (including the applicable brokerage commission or dealer spread), size of order, difficulties of execution and operational facilities of the PRC Broker involved and the PRC Broker's ability to position efficiently the relevant block of securities.

**PRC Settlement Agent Risks:**

The PRC Settlement Agent is appointed to provide trading and agency services of CIBM investments for the FII sub-funds pursuant to the relevant laws and regulations. The FII sub-funds will have to rely on the PRC Settlement Agent to perform its duties. If the PRC Settlement Agent fails to perform any part of its duties, the CIBM transactions of the FII sub-funds may be affected.

**Risk related to Direct CIBM Access**

**Regulatory risk:**

Participation in CIBM by foreign institutional investors (such as the sub-funds) is governed by rules and regulations as promulgated by the Mainland Chinese authorities, i.e., the People's Bank of China ("PBOC") and the State Administration of Foreign Exchange ("SAFE"). The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend trading on the CIBM, the sub-fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the sub-fund may suffer substantial losses as a result.

The regulations which regulate investments into CIBM by Direct CIBM Access are relatively new. The application and interpretation of the regulations are therefore relatively untested and there is uncertainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

**Investment Restrictions and Repatriation Risks:**

Investors should also note that investments in CIBM through Direct CIBM Access are subject to compliance with various rules and restrictions, which may have an adverse impact on its performance and/or its liquidity. PBOC and SAFE regulate and monitor the remittance and the repatriation of funds into and out of the Mainland China pursuant to the related regulations. Sub-funds may remit investment principal in RMB or foreign currency into Mainland China for investing in the CIBM. Where a sub-fund repatriates funds out of Mainland China, the ratio of RMB to foreign currency should generally match the original ratio when the investment principal was remitted into Mainland China. Repatriations of a sub-fund are not subject to prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation may impact on the sub-funds' ability to meet redemption requests from the Shareholders. In extreme circumstances, the sub-funds may incur significant loss due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy.

**PRC Settlement Agent Risks:**

The PRC Settlement Agent is appointed, in respect of Direct CIBM Access, as a settlement agent approved by the Chinese authorities to handle

all aspects of Direct CIBM Access for the sub-funds, including but not limited to, trading and settlement agency services, related registrations with Chinese authorities, CIBM specific local and foreign currency account opening, as well as fund remittance and repatriation in relation to trading in the CIBM, pursuant to the relevant laws and regulations. The Company and its sub-funds will have to rely on the PRC Settlement Agent to perform its duties. If the PRC Settlement Agent fails to perform any part of its duties, the CIBM transactions of the sub-funds and fund remittance and repatriation may be affected.

### **Risks related to Stock Connect**

#### **Eligible securities**

Stock Connect comprises a Northbound trading link and a Southbound trading link. Under the Northbound trading link, Hong Kong and overseas investors will be able to trade certain stocks listed on the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE") markets. These include:

1. All the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index
2. All the constituent stocks from time to time of the SZSE Component Index and SZSE Small / Mid Cap Innovation Index with market capitalization at least RMB 6 billion
3. All the SZSE-listed China A-Shares and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices, which have corresponding H-Shares listed on Hong Kong Exchanges and Clearing Limited ("SEHK"), except the following:
  - (a) SSE/SZSE-listed shares which are not traded in RMB;
  - (b) SSE/SZSE-listed shares which are risk alert shares; and
  - (c) SZSE-listed shares which are under delisting arrangement.

It is expected that the list of eligible securities will be subject to review. If a stock is recalled from the scope of eligible securities for trading via Stock Connect, the stock can only be sold and cannot be bought. This may affect the investment portfolio or strategies of investors. Investors should therefore pay close attention to the list of eligible securities as provided and renewed from time to time by SSE, SZSE and SEHK.

#### **Differences in trading day:**

Stock Connect will only operate on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but the sub-funds cannot carry out any China A-Shares trading. The sub-funds may be subject to a risk of price fluctuations in China A-Shares during the time when Stock Connect is not trading as a result. This may adversely affect the sub-funds' ability to access mainland China and effectively pursue their investment strategies. This may also adversely affect the sub-funds' liquidity.

#### **Settlement and Custody:**

The Hong Kong Securities Clearing Company Limited ("HKSCC") will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The China A-Shares traded through Stock Connect are issued in scriptless form, so sub-funds will not hold any physical China A-Shares. Sub-funds should maintain the China A-Shares with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

#### **Trading fees:**

In addition to paying trading fees in connection with China A-Shares trading, the sub-funds may be subject to new fees which are yet to be determined by the relevant authorities.

#### **Quota limitations:**

The Stock Connect is subject to quota limitations. In particular, once the Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the sub-fund's ability to invest in China A-Shares through Stock Connect on a timely basis, and the sub-funds may not be able to effectively pursue its investment strategies.

#### **Operational risk:**

The Stock Connect provides a channel for investors from Hong Kong and overseas to access the China stock market directly. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Due to their recent implementation and the uncertainty about their efficiency, accuracy and security, there is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The sub-fund's ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected. Consequently, investors in the China A-Share market should be aware of the economic risk of an investment in those shares, which may lead to a partial or total loss of the invested capital.

#### **Clearing and settlement risk:**

The HKSCC and ChinaClear will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. Should ChinaClear be declared as a defaulter, HKSCC's liabilities in trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. In that event, the sub-funds may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

#### **Regulatory risk:**

The Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong from time to time. The regulations are untested and there is no certainty as to how they will be applied.

#### **Ownership of China A-Shares:**

China A-Shares acquired by the sub-funds through the Stock Connect are recorded in the name of HKSCC in its omnibus account held with ChinaClear. The China A-Shares are held in custody under the depository of ChinaClear and registered in the shareholders' register of the relevant listed Companies. HKSCC will record such China A-Shares in the CCASS stock account of the clearing participant.

Under Hong Kong law, HKSCC will be regarded as the legal owner (nominee owner) of the China A-Shares, holding the beneficial entitlement to the China A-Shares on behalf of the relevant clearing participant.

Under PRC law there is a lack of a clear definition of, and distinction between, “legal ownership” and “beneficial ownership”. The regulatory intention appears to be that the concept of ‘nominee owner’ is recognised under PRC laws and that the overseas investors should have proprietary rights over the China A-Shares. However, as the Stock Connect is a recent initiative there may be some uncertainty surrounding such arrangements. Accordingly, the sub-fund’s ability to enforce its rights and interests in the China A-Shares may be adversely affected or suffer delay.

#### Investor compensation

Since the sub-funds will carry out Northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC.

Further information about Stock Connect is available online at the website: <https://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en>

#### **Risk related to Bond Connect**

##### Regulatory risk:

Participation in CIBM by foreign institutional investors (such as the sub-funds) is governed by rules and regulations as promulgated by the Mainland Chinese authorities. The relevant rules and regulations is subject to change from time to time which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend trading on the Bond Connect, the sub-fund’s ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the sub-fund may suffer substantial losses as a result.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect (“Northbound Trading Link”). There will be no investment quota for Northbound Trading Link.

##### Operational risk:

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event the relevant systems fails to perform properly, trading through Bond Connect may be disrupted and a sub-fund’s ability to pursue its investment strategy may be adversely affected.

##### Settlement and Custody:

An offshore custody agent recognized by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Central Depository & Clearing Co., Ltd and/or the Shanghai Clearing House). All debt securities traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such debt securities as a nominee owner. As such, the sub-fund is subject to the risks of default or errors on the part of such third parties.

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## APPENDIX 4 – LIQUIDATION, MERGER, TRANSFER AND SPLITTING PROCEDURES

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### **Liquidation, Merger, Transfer, and Splitting of sub-funds**

The Board of Directors shall have sole authority to decide on the effectiveness and terms of the following, under the limitations and conditions prescribed by the Law:

- 1) either the pure and simple liquidation of a sub-fund;
- 2) or the closure of a sub-fund (merging sub-fund) by transfer to another sub-fund of the Company;
- 3) or the closure of a sub-fund (merging sub-fund) by transfer to another UCI, whether incorporated under Luxembourg law or established in another member state of the European Union;
- 4) or the transfer to a sub-fund (receiving sub-fund) a) of another sub-fund of the Company, and/or b) of a sub-fund of another collective investment undertaking, whether incorporated under Luxembourg law or established in another member state of the European Union, and/or c) of another collective investment undertaking, whether incorporated under Luxembourg law or established in another member state of the European Union;
- 5) or the splitting of a sub-fund.

The splitting techniques will be the same as the merger one foreseen by the Law.

As an exception to the foregoing, if the Company should cease to exist as a result of such a merger, the effectiveness of this merger must be decided by a General Meeting of Shareholders of the Company resolving validly whatever the portion of the capital represented. The resolutions are taken by a simple majority of the votes expressed. The expressed votes do not include those attached to the shares for which the shareholder did not take part in the vote, abstained or voted white or no.

To avoid any investment breach due to the merger, and in the interest of the shareholders, the investment manager might need to rebalance the portfolio of the Merging sub-fund before the merger. Such rebalancing shall be compliant with the investment policy of the Receiving sub-fund .

In the event of the pure and simple liquidation of a sub-fund, the net assets shall be distributed between the eligible parties in proportion to the assets they own in said sub-fund. The assets not distributed at the time of the closure of the liquidation and normally within nine months of the date of the decision to liquidate shall be deposited with the Luxembourg *Caisse de Consignation* until the end of the legally specified limitation period.

Pursuant to this matter, the decision adopted at the level of a sub-fund may be adopted similarly at the level of a category or a class.

### **Liquidation of a Feeder sub-fund**

A Feeder sub-fund will be liquidated:

- a) when the Master is liquidated, unless the CSSF grants approval to the feeder to:
  - invest at least 85% of the assets in units, or shares of another Master; or
  - amend its investment policy in order to convert into a non-Feeder.
- b) when the Master merges with another UCITS, or sub-fund or is divided into two or more UCITS, or sub-fund unless the CSSF grants approval to the feeder to:
  - continue to be a Feeder of the same Master or the Master resulting from the merger or division of the Master;
  - invest at least 85% of its assets in units, or shares of another Master; or
  - amend its investment policy in order to convert into a non-Feeder.

### **Dissolution and Liquidation of the Company**

The Board of Directors may, at any time and for any reason whatsoever, propose to the General Meeting the dissolution and liquidation of the Company. The General Meeting will give its ruling in accordance with the same procedure as for amendments to the Articles of Association.

If the Company's capital falls below two-thirds of the minimum legal capital, the Board of Directors may submit the question of the Company's dissolution to the General Meeting. The General Meeting, for which no quorum is applicable, will decide based on a simple majority of the votes of shareholders present or represented, account shall not be taken of abstentions.

If the Company's capital falls below one-quarter of the minimum legal capital, the Board of Directors shall submit the question of the Company's dissolution to the General Meeting. The General Meeting, for which no quorum is applicable, will decide based on a part of one-quarter of the votes of shareholders present or represented, account shall not be taken of abstentions.

In the event of the Company's dissolution, the liquidation will be conducted by one or more liquidators that may be individuals or legal entities. They will be appointed by the General Shareholders' Meeting, which will determine their powers and remuneration, without prejudice to the application of the Law.

The net proceeds of the liquidation of each sub-fund, category, or class will be distributed by the liquidators to the shareholders of each sub-fund, category, or class in proportion to the number of shares they hold in the sub-fund, category, or class.

In the case of straightforward liquidation of the Company, the net assets will be distributed to the eligible parties in proportion to the shares held in the Company. Net assets not distributed at the time of the closure of the liquidation and normally within a maximum period of nine months effective from the date of the liquidation will be deposited at the Luxembourg *Caisse de Consignation* until the end of the legally specified limitation period.

The calculation of the net asset value, and all subscriptions, conversions and redemptions of shares in these sub-funds, categories, or classes will also be suspended throughout the liquidation period.

The General Meeting must be held within forty days of the date on which it is ascertained that the Company's net assets have fallen below the minimum legal threshold of two-thirds or one-quarter, as applicable.



**APPENDIX 5 – PRE-CONTRACTUAL DISCLOSURES FOR THE PRODUCTS REFERRED TO IN ARTICLE 8 AND 9 OF SFDR AND ARTICLE 5 AND 6 OF THE TAXONOMY REGULATION**

Name of the sub-fund	SFDR Category	Minimum proportion of sustainable investments in the meaning of SFDR	To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?		Does this financial product consider principal adverse impacts on sustainability factors?
			Minimum percentage of investments aligned with the EU Taxonomy <sup>2</sup> Including sovereign bonds	Minimum Share of investments in transitional and enabling activities	
AMSelect AB US Equity Growth	Article 8	N/A	0%	0%	Corporate Mandatory Indicators n°10 and 14
AMSelect Allianz Euro Credit	Article 8	15%	0.5%	0%	- Corporate Mandatory Indicators n°4, 10 and 14 - Sovereign Mandatory Indicator n°16
AMSelect Allianz Europe Equity Growth	Article 8	N/A	0%	0%	Corporate Mandatory Indicators n° 1, 10 and 14
AMSelect Amundi Europe Equity Value	Article 8	N/A	0%	0%	- Corporate Mandatory Indicators n°1 to 14 - Sovereign Mandatory Indicator n°16
AMSelect Amundi US Equity	Article 8	N/A	0%	0%	Corporate Mandatory Indicators n°1 to 14
AMSelect BlackRock Euro Equity	Article 8	20%	0%	0%	Corporate Mandatory Indicators n°1, 2, 10 and 14
AMSelect BlueBay Euro Bond Aggregate	Article 8	N/A	0%	0%	Corporate Mandatory Indicators n°10 and 14
AMSelect DPAM Emerging Bond Local Currency	Article 8	1.5%	0%	0%	- Corporate Mandatory Indicators n°10, 14 - Sovereign Mandatory Indicators n°15 and 16
AMSelect Echiquier Europe Equity Mid Cap	Article 8	25%	0%	0%	- All the Corporate Mandatory Indicators - Corporate Voluntary Indicators n°2.4 and 3.1
AMSelect Fidelity US Bond Aggregate	Article 8	2.5%	0%	0%	Corporate Mandatory Indicators n°10, 13 and 14
AMSelect HSBC Euro Equity Value	Article 8	10%	0%	0%	Corporate Mandatory Indicators n°10, 13 and 14
AMSelect Janus Henderson Europe Equity	Article 8	N/A	0%	0%	Corporate Mandatory Indicators n°10 and 14
AMSelect JP Morgan Global Bond	Article 8	10%	0%	0%	Corporate Mandatory Indicators n°3 to 5, 10, 13 and 14
AMSelect JP Morgan Global Equity Emerging	Article 8	25%	0%	0%	Corporate Mandatory Indicators n° 3, 4, 5, 10,13, 14 and 16
AMSelect JP Morgan US Equity Value	Article 8	5%	0%	0%	Corporate Mandatory Indicators n°10 and 14
AMSelect Pictet Global Multi-Asset	Article 8	N/A	0%	0%	Corporate Mandatory Indicators n°3, 10 and 14
AMSelect PIMCO Emerging Bond Hard Currency	Article 8	10%	0%	0%	Corporate Mandatory Indicators n°10 and 14
AMSelect Robeco Global Credit Income	Article 8	70%	0%	0%	- Corporate Mandatory Indicators n°1 to 14 - Sovereign Mandatory Indicator n° 16
AMSelect Robeco Global Equity Emerging	Article 8	35%	0%	0%	- All the Corporate Mandatory Indicators - Sovereign Mandatory Indicator n°16
AMSelect Sycomore Euro Equity Growth	Article 8	70%	0%	0%	- All the Corporate Mandatory Indicators - Sovereign Mandatory Indicator n°16 - 11 Voluntary Indicators*
AMSelect Vontobel Global Equity Emerging	Article 8	N/A	0%	0%	- Corporate Mandatory Indicators n°1, 3, 4, 10 and 14 - Sovereign Mandatory Indicator n°16
AMSelect Wellington Global Equity	Article 8	25%	0%	0%	Corporate Mandatory Indicators n°1 to 14

\* the exact list of voluntary indicators is available on the investment manager's website, <https://en.sycomore-am.com/Our-responsible-approach>

# BOOK II

## AMSelect AB US Equity Growth

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI USA Growth index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in US companies.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in the USA.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Bonds and other debt securities: 15%
- ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to have above-average or stable growth prospects (growth-oriented bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by AllianceBernstein LP, has a binding ESG integration approach at each step of the investment process. It aims to reduce its environmental footprint, as measured by greenhouse gas emissions, compared to the benchmark.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund.

In addition, the average portfolio carbon footprint of the sub-fund is better than the one of its benchmark, based on the investment manager's internal scoring methodology. The investment manager will favour companies with lower carbon footprint (based on scope 1 & 2 emissions).

Applying such extra-financial strategy may comprise methodological limitations due to the access to data and the fact that the scope 3 emissions are not currently taken into account.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.alliancebernstein.com/corporate/en/corporate-responsibility/responsible-investing.html](http://www.alliancebernstein.com/corporate/en/corporate-responsibility/responsible-investing.html)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it does not commit to make any sustainable investment within the meaning of SFDR.

## **INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing
- ü Are looking for exposure to a regional developed equity market for diversification purposes
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains
- ü Can tolerate high temporary losses
- ü Have an investment horizon of 5 years.

## AMSelect AB US Equity Growth

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day, except if the New York Stock Exchange is closed.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday or a New York stock exchange holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 17 June 2021

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Allianz Euro Credit

### **Investment objective**

Increase the value of its assets primarily through income as well as investment growth.

### **Benchmark**

The Bloomberg Euro Aggregate Corporate Total Return (EUR) index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in corporate bonds that are investment grade and denominated in EUR and issued by socially responsible companies, taking into account ESG criteria.

Specifically, the sub-fund invests at least two thirds of assets in the bonds described above and in other debt securities issued by companies that are domiciled, or do most of their business, in Europe.

The sub-fund may invest up to one third of assets in other bonds such as convertible and high-yield bonds from anywhere in the world, including emerging markets, and in other securities, such as equities and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Convertible bonds: 20%, including contingent convertible bonds up to 10% (used for diversification or for seeking additional returns)
- ü Investment grade securitised products: 20%
- ü UCITS and other UCIs: 10%

The sub-fund does not invest in securities rated below B-, as well as in distressed securities. Any portfolio security that falls below the sub-fund's minimum credit criteria will be sold if it is in the interest of the shareholders.

After hedging, the sub-fund's exposure to currencies other than EUR will not exceed 5%.

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses macroeconomic, market and proprietary credit analysis to select securities that appear to offer a favourable risk-adjusted return (bottom-up and top-down approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Allianz Global Investors GmbH, France Branch has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to the benchmark.

This sub-fund follows a best-in-class approach that selects issuers demonstrating superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum exclusion criteria.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund. At least 25% of the benchmark is **de facto** eliminated based on low rated securities and/or sector exclusions.

In addition, the average portfolio ESG score of the sub-fund is better than the one of its benchmark, based on the investment manager's internal scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.allianzgi.com](http://www.allianzgi.com)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments, and CDS, may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Contingent Convertible Risk
- Credit Risk
- Extra-Financial Criteria Investment Risk
- Securitised Products Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

## AMSelect Allianz Euro Credit

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in an income-focused investment, while favouring sustainable investing;
- ü Are looking for exposure to regional developed bond markets for diversification purposes;
- ü Can accept potentially low to medium risks and volatility in exchange for potentially more stable returns;
- ü Can tolerate moderate temporary losses;
- ü Have an investment horizon of 3 years.

### **Accounting Currency**

EUR

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	0.90%	none	none	0.25%	0.05%
Privilege	0.45%	none	none	0.20%	0.05%
I	0.40%	none	none	0.17%	0.01%
X	0.30%	none	none	0.17%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 1<sup>st</sup> February 2022

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Allianz Europe Equity Growth

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI Europe Growth index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in European companies while engaging with the top carbon emitting issuers to encourage their transition pathway to a low carbon economy.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in a member state of the European Economic Area (EEA), in Switzerland or in the UK.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Bonds and other debt securities: 15%
- ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to have above-average or stable growth prospects (growth-oriented bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Allianz Global Investors GmbH, has a binding and significant ESG integration approach at each step of the investment process and aims to reduce its environmental footprint, as measured by greenhouse gas emissions, compared to its benchmark.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund.

In addition, the average carbon footprint calculated at portfolio level must be lower than the average of the benchmark calculated after eliminating at least 20% of the worst values for this indicator (based on scope 1 & 2 emissions).

Applying such extra-financial strategy may comprise methodological limitations due to the access to data and the fact that the scope 3 emissions are not currently taken into account.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.allianzgi.com](http://www.allianzgi.com)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it does not commit to make any sustainable investment within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to regional developed equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

## AMSelect Allianz Europe Equity Growth

### **Accounting Currency**

EUR

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 24 June 2021

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.



## AMSelect Amundi Europe Equity Value

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI Europe Value index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in European companies.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in a member state of the European Economic Area (EEA), in Switzerland or in the UK.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

ü Bonds and other debt securities: 15%

ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to be undervalued (value-oriented bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Amundi Ireland Limited, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison, the MSCI Europe.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 20% of the universe of reference for ESG comparison is de facto eliminated based on low rated securities (based on the investment manager's internal scoring methodology) and/or sector exclusions.

In addition, the average portfolio ESG score of the sub-fund is at least 15 % better than the one of its benchmark, based on the investment manager's internal scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.amundi.fr/fr\\_instit/ESG](http://www.amundi.fr/fr_instit/ESG)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it does not commit to make any sustainable investment within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to regional developed equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

## AMSelect Amundi Europe Equity Value

### **Accounting Currency**

EUR

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 17 June 2021

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Amundi US Equity

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI USA index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in US companies.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in the USA.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to be undervalued or to have above-average or stable growth prospects (bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Amundi Ireland Limited, has a binding ESG integration approach at each step of the investment process and aims to improve its ESG profile compared to its benchmark.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund. In addition, the GHG intensity of the portfolio shall be at least 15% better than the GHG intensity of the portfolio's reference benchmark.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.amundi.fr/fr\\_instit/ESG](http://www.amundi.fr/fr_instit/ESG)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging purposes as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it does not commit to make any sustainable investment within the meaning of SFDR.

## **INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to regional developed equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

### **Accounting Currency**

USD

## AMSelect Amundi US Equity

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day, except if the New York Stock Exchange is closed.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday or a New York stock exchange holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 22 January 2024.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect BlackRock Euro Equity

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI EMU index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in companies in the eurozone selected on the basis of both financial and extra-financial criteria.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities that are denominated or traded in EUR and issued by companies that are domiciled, or do most of their business, in a member state of the eurozone.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

ü Bonds and other debt securities: 15%

ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to be undervalued or to have an above-average potential for earnings growth (bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by BlackRock Investment Management UK Limited, has a binding and significant ESG integration approach at each step of the investment process.

This sub-fund follows a best-in-class approach that selects issuers demonstrating above-average social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum exclusion criteria.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 20% of the universe of reference for ESG comparison is de facto eliminated based on low rated securities and/or sector exclusions.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.blackrock.com/corporate/sustainability](http://www.blackrock.com/corporate/sustainability)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

## **INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing
- ü Are looking for exposure to regional developed equity markets for diversification purposes
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains
- ü Can tolerate high temporary losses
- ü Have an investment horizon of 5 years

## AMSelect BlackRock Euro Equity

### **Accounting Currency**

EUR

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 24 June 2021

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect BlueBay Euro Bond Aggregate

### **Investment objective**

Increase the value of its assets primarily through income as well as investment growth.

### **Benchmark**

The Bloomberg Euro Aggregate Bond index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in corporate and government bonds that are investment grade and denominated in EUR.

Specifically, the sub-fund invests at least two thirds of assets in the bonds described above and in other debt securities issued by a member state of the European Union or by companies that are domiciled, or do most of their business, in Europe.

The sub-fund may invest up to one third of assets in other bonds and in other securities, such as equities and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Investment grade securitised products: 20%
- ü Contingent convertible bonds<sup>(1)</sup>: 10%
- ü Inflation swaps: 10%
- ü UCITS and other UCIs: 10%

<sup>(1)</sup> The sub-fund favours contingent convertible bonds issuers that run appropriate buffers to conversion trigger levels and whose issues appear to have a lower risk of coupon loss.

After hedging, the sub-fund's exposure to currencies other than EUR will not exceed 5%..

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses macroeconomic, market and proprietary credit analysis to select securities that appear to offer a favourable risk-adjusted return (top-down approach)

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by RBC Global Asset Management (UK) Limited, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its benchmark. The ESG integration approach results in screening out securities with the lowest ESG rating based on the investment manager's proprietary ESG rating methodology.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 20% of the benchmark is de facto eliminated based on low rated securities and/or sector exclusions.

In addition, the average portfolio ESG score of the sub-fund is better than the ones of its benchmark, based on the investment manager's internal scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I and due to the access to data and the fact that the scope 3 emissions are not currently taken into account.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website <https://www.rbcbluebay.com/en/institutional/>

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments, CDS, and other swaps (inflation swaps), may be used for efficient portfolio management, hedging, and investment purposes, as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it does not commit to make any sustainable investment within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Collateral Management Risk
- Contingent Convertible Risk
- Counterparty Risk
- Credit Risk
- Derivatives Risk
- Extra-Financial Criteria Investment Risk
- Securitised Products Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

## AMSelect BlueBay Euro Bond Aggregate

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in an income-focused investment, while favouring sustainable investing;
- ü Are looking for exposure to regional developed bond markets for diversification purposes;
- ü Can accept potentially low to medium risks and volatility in exchange for potentially more stable returns;
- ü Can tolerate moderate temporary losses;
- ü Have an investment horizon of 3 years.

### **Accounting Currency**

EUR

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	0.75%	none	none	0.25%	0.05%
Privilege	0.35%	none	none	0.20%	0.05%
I	0.30%	none	none	0.17%	0.01%
X	0.25%	none	none	0.17%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 5 July 2021

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.



## AMSelect DPAM Emerging Bond Local Currency

### **Investment objective**

Increase the value of its assets, primarily through income as well as investment growth.

### **Benchmark**

The JP Morgan Government Bond – EM Global Diversified index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests at least two thirds of assets in corporate and government bonds that are investment grade or high yield and in other debt securities (such as but not limited to convertible bonds, covered bonds, inflation bond, credit linked notes) denominated in any local currency. The portfolio allocation is based on the investment manager's insight and on market circumstances with the best risk/return profile. The investment manager generally has a bias towards higher quality issuers, and seeks for diversification. In addition, the investment manager tends to favour countries, on the basis of sustainable development criteria such as social equity, respect for the environment and socially equitable political and economic governance where higher levels of transparency and data dissemination enable such analysis. The aforementioned assets are issued (or guaranteed) by emerging countries, including their regional public authorities and public (or equivalent) bodies or by international public bodies such as the World Bank or the European Bank for Reconstruction and Development and selected on the basis of sustainable development criteria such as social equity, respect for the environment and socially equitable political and economic governance. The sub-fund may invest up to one third of assets in other bonds (such as but not limited to bonds issued within the United States of America or Europe) and in other securities, such as equities and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü High Yield :
  - Emerging corporate bonds: 10%
  - Emerging sovereigns and corporate bonds (state guaranteed): 66%
- ü UCITS and other UCIs: 10%
- ü Distressed (default) securities: 5%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses macroeconomic, market and proprietary credit analysis to select securities that appear to offer a favourable risk-adjusted return (top-down approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by DPAM, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile, compared to the universe of reference for ESG comparison (the Emerging Market and Developing Countries as defined by the IMF World Economic Outlook Database).

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and de facto reduces its universe of reference for ESG comparison by at least 20% based on low rated countries (lower weight) and normative exclusions.

In addition, the average portfolio ESG score of the sub-fund is better than the ones of its universe of reference for ESG comparison, based on the investment manager's internal scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website <https://www.dpamfunds.com/responsible-investment.html>.

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments, and CDS, may be used for efficient portfolio management and hedging, as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

## AMSelect DPAM Emerging Bond Local Currency

### **Risk profile**

Specific market risks:

- Credit Risk
- Emerging Markets Risk
- Extra-Financial Criteria Investment Risk
- High Yield Bond Risk
- Securitised Products Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in an income-focused investment, while favouring sustainable investing;
- ü Are looking for exposure to regional developed bond markets for diversification purposes;
- ü Can accept potentially low to medium risks and volatility in exchange for potentially more stable returns;
- ü Can tolerate moderate temporary losses;
- ü Have an investment horizon of 5 years.

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.40%	none	none	0.25%	0.05%
Privilege	0.70%	none	none	0.25%	0.05%
I	0.60%	none	none	0.17%	0.01%
X	0.50%	none	none	0.17%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date.*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 5 April 2023.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Echiquier Europe Equity Mid Cap

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI Europe Mid Cap index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in socially responsible European mid-cap companies, taking into account environmental, social and governance (ESG) criteria. ESG indicators and scores are taken into account in the selection of the aforementioned companies. As such, only securities compliant with the sub-fund's and the investment manager's ESG strategy are invested in.

Specifically, the sub-fund invests at least 75% of its assets in mid-cap equities which have market capitalisation less than EUR 15 billions at any time and equity-related securities of companies that are domiciled, or do most of their business, in a member state of the European Economic Area (EEA), in Switzerland or in the UK.

The sub-fund may invest up to 25% of assets in other equities (such as but not limited to small and large cap equities) and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

ü Bonds and other debt securities (Investment Grade, Corporate and Government bonds): 15%

ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to be undervalued or to have an above-average potential for earnings growth (bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Financière de l'Echiquier, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison. The universe of reference for ESG comparison is made of European mid cap companies with a market capitalisation of between EUR 1 and EUR 10 billions, i.e. around 860 stocks and supplemented for the negotiable debt securities component by around 80 European corporate issuers which regularly issue treasury bills.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 20% of the universe of reference for ESG comparison is de facto eliminated based on low rated securities and/or sector exclusions.

In addition, the average portfolio ESG score of the sub-fund is better than the one of its universe of reference for ESG comparison, based on the investment manager's internal ESG scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website <https://www.lfde.com/en-int/responsible-investment/our-methodology/>

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

## AMSelect Echiquier Europe Equity Mid Cap

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to regional developed equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

### **Accounting Currency**

EUR

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.90%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date.*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 13 March 2023.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Fidelity US Bond Aggregate

### **Investment objective**

Increase the value of its assets primarily through income as well as investment growth.

### **Benchmark**

The ICE BofA US Large Capitalisation Corporate & Government index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in corporate bonds (mainly large cap companies) and government bonds that are investment grade and denominated in USD.

Specifically, the sub-fund invests at least two thirds of assets in the bonds described above issued by the United States of America or by companies that are domiciled, registered or do most of their business, in the USA.

The sub-fund may invest up to one third of assets in other securities such as debt (whatever the rating) which are not issued by the USA or by companies not domiciled in the USA and money market instruments. The sub-fund may also invest in High Yielded bonds.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Investment grade securitised products: 20%
- ü Emerging bonds (hard currencies): 15%
- ü Convertible bonds: 10%
- ü Non-rated bonds: 10%
- ü UCITS and other UCIs: 10%

After hedging, the sub-fund's exposure to currencies other than USD will not exceed 10%.

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses macroeconomic, market and proprietary credit analysis to select securities that appear to offer a favourable risk-adjusted return (bottom-up and top-down approach)

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by FIL (Luxembourg) S.A., has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its benchmark. The ESG integration approach results in screening out securities with the lowest ESG rating based on the investment manager's proprietary ESG rating methodology.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and the average portfolio ESG score of the sub-fund is better than the one of its benchmark, based on the investment manager's internal scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I and due to the access to data and the fact that the scope 3 emissions are not currently taken into account.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website <https://fidelityinternational.com/sustainable-investing-framework/>.

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments, CDS, and other swaps (inflation swaps), may be used for efficient portfolio management, hedging, and investment purposes, as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

## AMSelect Fidelity US Bond Aggregate

### **Risk profile**

Specific market risks:

- Collateral Management Risk
- Counterparty Risk
- Credit Risk
- Derivatives Risk
- Extra-Financial Criteria Investment Risk
- High Yield Bond Risk
- Emerging Markets Risk
- Securitised Products Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in an income-focused investment, while favouring sustainable investing;
- ü Are looking for exposure to regional developed bond markets for diversification purposes;
- ü Can accept potentially low to medium risks and volatility in exchange for potentially more stable returns;
- ü Can tolerate moderate temporary losses;
- ü Have an investment horizon of 3 years.

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	0.75%	none	none	0.25%	0.05%
Privilege	0.35%	none	none	0.20%	0.05%
I	0.30%	none	none	0.17%	0.01%
X	0.25%	none	none	0.17%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day, except if the New York Stock Exchange is closed.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund not yet launched at the date of this Prospectus.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect HSBC Euro Equity Value

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI EMU Value index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in companies in the eurozone.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities that are denominated or traded in EUR or issued by companies that are domiciled, or do most of their business, in a member state of the eurozone.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Bonds and other debt securities: 15%
- ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to be undervalued (value-oriented bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by HSBC Global Asset Management (France), has a binding ESG integration approach at each step of the investment process and improves its ESG profile compared to its benchmark.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund.

In addition, the average portfolio ESG score of the sub-fund is better than the one of its benchmark, based on the investment manager's internal scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.assetmanagement.hsbc.co.uk/en/intermediary/about-us/](http://www.assetmanagement.hsbc.co.uk/en/intermediary/about-us/)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

## **INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to regional developed equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

## AMSelect HSBC Euro Equity Value

### **Accounting Currency**

EUR

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 17 June 2021

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.



## AMSelect Janus Henderson Europe Equity

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI Europe index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in socially responsible European companies, taking into account environmental, social and governance (ESG) criteria. ESG indicators and scores are taken into account in the selection of the aforementioned companies. As such, only securities compliant with the sub-fund's ESG strategy are invested in.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in a member state of the European Economic Area (EEA), in Switzerland or in the UK.

The sub-fund may invest up to 25% of assets in other equities (such as but not limited to the US and emerging equities) and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Bonds and other debt securities (Investment Grade, Corporate and Government bonds): 15%
- ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to be undervalued or to have an above-average potential for earnings growth (bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Janus Henderson, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison (MSCI Europe EMI if the market capitalisation is higher than EUR 1 billion). The investment manager has a two-stage exclusion process: the first stage is based on revenue exclusions with the second stage based on ESG rating exclusions.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 20% of the universe of reference for ESG comparison is de facto eliminated based on low rated securities and/or sector exclusions.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website ESG at Janus Henderson - Janus Henderson Investors.

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it does not commit to make any sustainable investment within the meaning of SFDR.

## **INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to regional developed equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

## AMSelect Janus Henderson Europe Equity

### **Accounting Currency**

EUR

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched 12 December 2022.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect JP Morgan Global Bond

### **Investment objective**

Increase the value of its assets, primarily through income as well as investment growth.

### **Benchmark**

The Bloomberg Global Aggregate index hedged in USD is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests at least two thirds of assets in corporate and government bonds that are denominated in any currency. Some of these investment may be below investment grade (high yield) and/or from emerging markets.

The sub-fund may invest up to one third of assets in other securities, such as equities and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Below investment grade bonds (non-emerging countries): 35%
- ü Emerging market bonds: 25%
- ü Non-rated bonds: 20%
- ü Convertible bonds: 15%, including contingent convertible bonds up to 10% (used for diversification or for seeking additional returns)
- ü Investment grade securitised products: 20%
- ü UCITS and other UCIs: 10%

The sub-fund does not invest in securities rated below CCC+, as well as in distressed securities at the time of purchase. In the case a portfolio security falls below the sub-fund's minimum credit criteria, the Investment Manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders.

After hedging, the sub-fund's exposure to currencies other than USD will not exceed 15%.

The sub-fund may invest up to 20% of its net asset in China onshore securities. It may invest in bonds and other debt securities denominated in RMB through (i) the QFI status granted to the investment manager (ii) Bond Connect. Investments in Chinese bonds may be performed, inter alia, on the China Interbank Bond Market ("CIBM") either directly or through a status granted to the investment manager or through Bond Connect.

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager invests opportunistically in an unconstrained portfolio of debt securities and currencies, using derivatives where appropriate (bottom-up and top-down approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by JP Morgan Asset Management (UK) Limited, has a binding ESG integration approach at each step of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and excludes the bottom 20% of corporate debt securities from its investable universe based on its ESG criteria based on low rated securities (based on the investment manager's internal scoring methodology) and/or sector exclusion. In addition, the investment manager will maintain an average asset-weighted MSCI ESG score above the average MSCI ESG score of the fixed income universe weighted to match the sub-fund's sector allocation, excluding cash holdings and currencies. The average portfolio GHG Intensity of the sub-fund is improved by at least 15% compared to its investment universe.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I. More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.jpmorganassetmanagement.lu](http://www.jpmorganassetmanagement.lu).

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments, CDS and other SWAPS may be used for efficient portfolio management, hedging and investment purposes as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

## AMSelect JP Morgan Global Bond

### **Risk profile**

Specific market risks:

- Contingent Convertible Risk
- Collateral Management Risk
- Counterparty Risk
- Derivatives Risk
- Credit Risk
- Emerging Markets Risk
- Extra-Financial Criteria Investment Risk
- High Yield Bond Risk

Specific risks related to investments in Mainland China:

- Risks related to Bond Connect

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in an income-focused investment, while favouring sustainable investing;
- ü Are looking for exposure to global bond markets for diversification purposes;
- ü Can accept potentially low to medium risks and volatility in exchange for potentially more stable returns;
- ü Can tolerate moderate temporary losses;
- ü Have an investment horizon of 4 years.

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	0.90%	none	none	0.25%	0.05%
Privilege	0.45%	none	none	0.20%	0.05%
I	0.40%	none	none	0.17%	0.01%
X	0.30%	none	none	0.17%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

The subfund can start opening subscriptions with an offering period during which the subfund is marketed towards investors, but no investments will be made until the end of such period.

#### **Historical information:**

Sub-fund not yet launched at the date of this Prospectus.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect JP Morgan Global Equity Emerging

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI Emerging Markets index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in socially responsible companies in emerging markets, taking into account ESG criteria.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in emerging countries.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

ü Securities via the Stock Connect program: 30%

ü Bonds and other debt securities: 15%

ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to have higher quality businesses and an above-average potential for earnings growth (bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by JP Morgan Asset Management (UK) Limited, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison, composed of global emerging market companies.

This sub-fund follows a best-in-class approach that selects issuers demonstrating superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum exclusion criteria.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 25% of the universe of reference for ESG comparison is de facto eliminated based on low rated securities and/or sector exclusions.

In addition, the average portfolio ESG score of the sub-fund is better than the one of its universe of reference for ESG comparison, based on the investment manager's internal scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.am.jpmorgan.com/ch/en/asset-management/per/products/jpm-emerging-markets-sustainable-equity-i-acc-eur-lu2051469620#esg-information](http://www.am.jpmorgan.com/ch/en/asset-management/per/products/jpm-emerging-markets-sustainable-equity-i-acc-eur-lu2051469620#esg-information)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Emerging Markets Risk
- Extra-Financial Criteria Investment Risk
- Equity Risk

Specific risks related to investments in Mainland China

- Changes in PRC taxation risk
- Risks related to Stock Connect

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

## AMSelect JP Morgan Global Equity Emerging

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing
- ü Are looking for exposure to emerging equity markets for diversification purposes
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains
- ü Can tolerate high temporary losses
- ü Have an investment horizon of 5 years.

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.75%	none	none	0.30%	0.05%
Privilege	0.90%	none	none	0.25%	0.05%
I	0.85%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 25 April 2022.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect JP Morgan US Equity Value

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI USA Value index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in US companies.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are registered, domiciled, or do most of their business, in the USA.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a fundamental company analysis to select companies that appear to be undervalued (strategy of investing mainly in equities that are trading at a discount with respect to their fundamentals such as turnover, earnings and assets) and are therefore considered to be undervalued. The investment strategy tends to favour stocks whose intrinsic value is not reflected in their stock price.

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by JP Morgan Asset Management (UK) Limited, has a binding ESG integration approach at each step of the investment process and improves its ESG profile compared to its benchmark.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund.

In addition, at least 51% of assets are invested in companies with positive environmental and/or social characteristics that follow good governance practices as measured through the investment manager's proprietary ESG / Sustainability framework and/or third party data.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found on [www.jpmorganassetmanagement.lu](http://www.jpmorganassetmanagement.lu).

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging purposes as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

## **INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing
- ü Are looking for exposure to regional developed equity markets for diversification purposes
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains
- ü Can tolerate high temporary losses
- ü Have an investment horizon of 5 years.

## AMSelect JP Morgan US Equity Value

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day, except if the New York Stock Exchange is closed.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday or a New York stock exchange holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund not yet launched at the date of this Prospectus.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.



## AMSelect Pictet Global Multi-Asset

### **Investment objective**

Increase the value of its assets, through income as well as investment growth.

### **Benchmark**

The index, composed of 30 % of the MSCI All Country World and 70% of the Bloomberg Global Aggregate Excluding Securitized Index Hedged in Euro, is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests globally in equity, debt of both corporate and governmental issuers and in money market instruments. The universe includes developed, emerging countries and High Yield fixed income.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Equity: 50%
- ü Below investment grade bonds (non-emerging countries): 20%
- ü Emerging market bonds: 30%
- ü Non-rated bonds: 10%
- ü Convertible bonds: 15%, including contingent convertible bonds up to 10% (used for diversification or for seeking additional returns)
- ü UCITS and other UCIs: 10%

The sub-fund can only invest in Asset-Backed Securities or Mortgage-Backed Securities via passive exchange-traded funds and should not exceed 10% of its total net asset at any time. The sub-fund does not invest in securities rated below CCC+, as well as in distressed securities at the time of purchase. In the case a portfolio security falls below the sub-fund's minimum credit criteria, the Investment Manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders.

The sub-fund may invest up to 20% of its net asset in China onshore securities. It may invest in China A Shares, bonds and other debt securities denominated in RMB through (i) the QFI status granted to the investment manager (ii) Bond Connect. It may also invest in China A Shares through the Shanghai-Hong Kong Stock Connect programme, the Shenzhen-Hong Kong Stock Connect programme. The sub-fund may also use financial derivative instruments on China A Shares.

Investments in Chinese bonds may be performed, inter alia, on the China Interbank Bond Market ("CIBM") either directly or through a status granted to the investment manager or through Bond Connect.

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the fund, the investment manager uses a risk-managed approach to seek additional performance opportunities, and pursues a flexible asset allocation strategy (bottom-up and top-down approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Pictet Asset Management (Europe S.A.) Italian branch, has a binding ESG integration approach at each step of the investment process.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund. In addition, the investment manager aim to achieve a better average portfolio ESG score of the sub-fund than the one of its benchmark, based on the investment manager's internal scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [Responsible Investment - Pictet Asset Management \(am.pictet\)](https://www.am.pictet.com).

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments, CDS and other swaps may be used for efficient portfolio management, hedging and investment purposes as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it does not commit to make any sustainable investment within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

## AMSelect Pictet Global Multi-Asset

### Risk profile

Specific market risks:

- Equity Risk
- Collateral Management Risk
- Derivatives Risk
- Counterparty Risk
- Currency Exchange Risk
- Contingent Convertible Risk
- Credit Risk
- Emerging Markets Risk
- Extra-Financial Criteria Investment Risk
- High Yield Bond Risk

Specific risks related to investments in Mainland China:

- PRC taxation risk
- Risks related to Stock Connect
- Risks related to Bond Connect

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### Investor type profile

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for a diversification of their investments through exposure to a range of asset classes, globally;
- ü Can accept potentially low to medium risks and volatility in exchange for potentially more stable returns;
- ü Can tolerate moderate temporary losses;
- ü Have an investment horizon of 5 years.

### Accounting Currency

EUR

### Fees payable by the sub-fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.30%	none	none	0.25%	0.05%
Privilege	0.65%	none	none	0.20%	0.05%
I	0.60%	none	none	0.17%	0.01%
X	0.30%	none	none	0.17%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### Additional information

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

## AMSelect Pictet Global Multi-Asset

The subfund can start opening subscriptions with an offering period during which the subfund is marketed towards investors, but no investments will be made until the end of such period.

**Historical information:**

Sub-fund launched on 15 March 2024.

**Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect PIMCO Emerging Bond Hard Currency

### **Investment objective**

Increase the value of its assets, primarily through income as well as investment growth.

### **Benchmark**

The JP Morgan EMBI Global Diversified index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests at least two thirds of assets in corporate and government bonds that are investment grade or high yield and in other debt securities, denominated in hard currencies, issued (or guaranteed) by governments or companies in, or economically tied to, emerging or developing economy as defined by the World Bank or its related organisations or the United Nations or its authorities, while focusing on environmental, social and governance (ESG) factors. ESG indicators and scores are taken into account in the selection of the aforementioned securities. As such, only securities compliant with the sub-fund's ESG strategy are invested in. The decision to allocate to investment grade or high yield depends on where the investment manager sees the best risk/return profile. The investment manager generally has a bias towards higher quality issuers, and seeks to avoid concentrating portfolios in lower-rated securities (specifically CCC and below). Moreover, the investment manager tends to favour countries where higher levels of transparency and data dissemination enable such analysis. The percentages may vary based on changing market cycles and economic environments.

The sub-fund may invest up to one third of assets in other bonds and in other securities, such as equities and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü High Yield bonds: 66%
- ü Convertible bonds: 15%, including 10% contingent convertible bonds
- ü Investment grade securitised products (including ABS and MBS): 10%
- ü UCITS and other UCIs: 10%
- ü Distressed (default) securities: 10%

After hedging, the sub-fund's exposure to currencies other than USD will not exceed 10%. The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses macroeconomic, market and proprietary credit analysis to select securities that appear to offer a favourable risk-adjusted return (top-down approach) and to be undervalued or have a reasonable valuation (bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), sector exclusions and engagement with issuers, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by PIMCO Europe GmbH, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to the universe of reference for ESG comparison, (JPMorgan Emerging Markets Bond Index Global and the JPMorgan Corporate Emerging Markets Bond Index Broad).

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 20% of the universe of reference for ESG comparison is de facto eliminated based on exclusions.

In addition, the average portfolio ESG score of the sub-fund is better than the one of its benchmark, based on the investment manager's internal scoring methodology. Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website <https://www.pimco.co.uk/en-gb/investments/esg-investing>.

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments, and CDS, may be used for efficient portfolio management, hedging, and investment purposes as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

## AMSelect PIMCO Emerging Bond Hard Currency

### **Risk profile**

Specific market risks:

- Collateral Management Risk
- Contingent Convertible Risk
- Counterparty Risk
- Credit Risk
- Derivatives Risk
- Distressed Securities Risk
- Emerging Markets Risk
- Extra-Financial Criteria Investment Risk
- High Yield Bond Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in an income-focused investment, while favouring sustainable investing
- ü Are looking for exposure to regional developed bond markets for diversification purposes
- ü Can accept potentially low to medium risks and volatility in exchange for potentially more stable returns
- ü Can tolerate moderate temporary losses
- ü Have an investment horizon of 5 years.

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.40%	none	none	0.25%	0.05%
Privilege	0.70%	none	none	0.20%	0.05%
I	0.60%	none	none	0.17%	0.01%
X	0.50%	none	none	0.17%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund not yet launched at the date of this Prospectus.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Robeco Global Credit Income

### **Investment objective**

Increase the value of its assets, primarily through income as well as investment growth.

### **Benchmark**

The sub-fund is actively managed without reference to an index.

### **Investment policy**

The sub-fund invests mainly in corporate and government bonds that are denominated in any currency. Some of these investments may be below investment grade (high yield) and/or from emerging markets.

Specifically, the sub-fund invests at least two thirds of assets in the bonds described above and in other debt securities issued by governments or companies anywhere in the world.

The sub-fund may invest up to one third of assets in other bonds, and in other securities, such as equities and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Below investment grade bonds (non-emerging countries): 45%
- ü Emerging market bonds: 40%
- ü Convertible bonds: 20%, including contingent convertible bonds up to 10% (used for diversification or for seeking additional returns)
- ü Investment grade securitised products: 20%
- ü UCITS and other UCIs: 10%

The sub-fund does not invest in securities rated below CCC+, as well as in distressed securities. Any portfolio security that falls below the sub-fund's minimum credit criteria will be sold if it is in the interest of the shareholders.

After hedging, the sub-fund's exposure to currencies other than USD will not exceed 10%.

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses macroeconomic, market and proprietary credit analysis to select securities that appear to offer a favourable risk-adjusted return (top-down approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison.

This sub-fund, managed by Robeco Institutional Asset Management B.V., follows a best-in-class approach that selects issuers demonstrating superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum exclusion criteria.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 25 % of the universe of reference for ESG comparison is de facto eliminated based on low rated securities and/or sector exclusions.

The investment manager advances the United Nations Sustainable Development Goals (UN SDGs) by investing in issuers whose business models and operational practices are aligned with targets defined by these goals and that have a positive or neutral SDG score, as measured through the application of the investment manager's own proprietary SDG rating methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.robeco.com/si](http://www.robeco.com/si)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments, and CDS, may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

## AMSelect Robeco Global Credit Income

### **Risk profile**

Specific market risks:

- Contingent Convertible Risk
- Credit Risk
- Emerging Markets Risk
- Extra-Financial Criteria Investment Risk
- High Yield Bond Risk
- Securitised Products Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in an income-focused investment, while favouring sustainable investing;
- ü Are looking for exposure to global bond markets for diversification purposes;
- ü Can accept potentially low to medium risks and volatility in exchange for potentially more stable returns;
- ü Can tolerate moderate temporary losses;
- ü Have an investment horizon of 3 years.

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	0.90%	none	none	0.25%	0.05%
Privilege	0.45%	none	none	0.20%	0.05%
I	0.40%	none	none	0.17%	0.01%
X	0.30%	none	none	0.17%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 10 December 2021.

Sub-fund downgraded from Article 9 to Article 8 under SFDR on 12 December 2022.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Robeco Global Equity Emerging

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI Emerging Markets index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in companies in emerging markets.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in emerging countries.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Securities via the Stock Connect program: 30%
- ü Bonds and other debt securities: 15%
- ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to be undervalued or have a reasonable valuation (bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Robeco Institutional Asset Management B.V., has a binding ESG integration approach at each step of the investment process and improves its ESG profile compared to its benchmark.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund.

In addition, the average portfolio ESG score of the sub-fund is at least 15% better than the one of its benchmark, based on the investment manager's internal scoring methodology.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.robeco.com/si](http://www.robeco.com/si)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

## **INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Emerging Markets Risk
- Extra-Financial Criteria Investment Risk
- Equity Risk

Specific risks related to investments in Mainland China

- Changes in PRC taxation risk
- Risks related to Stock Connect

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.



## AMSelect Robeco Global Equity Emerging

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to emerging equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.75%	none	none	0.30%	0.05%
Privilege	0.90%	none	none	0.25%	0.05%
I	0.85%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 25 April 2022.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Sycomore Euro Equity Growth

### **Investment objective**

Increase the value of its assets through investment growth, using a socially responsible multi-thematic process, taking into account the priorities identified by the United Nations Sustainable Development Goals (UN SDGs), and deploying indicators and targets designed to enable their achievement.

### **Benchmark**

The MSCI EMU Growth index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in companies in the eurozone considered as sustainable investments as per SFDR. Indeed, at least 90% of assets contribute to environmental or social priorities such as the ones identified by the UN SDGs. This contribution is measured through the application of the investment manager's own proprietary SPICE scoring, as well as the Net Environmental Contribution and the Social Contribution indicators. More information on these scoring frameworks can be found at the website [en.sycomore-am.com/Our-responsible-approach](https://en.sycomore-am.com/Our-responsible-approach).

The sub-fund invests at least 75% of assets in equities and equity-related securities that are denominated or traded in EUR and issued by companies that are domiciled, or do most of their business, in a member state of the eurozone.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Bonds and other debt securities: 15%
- ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to have above-average or stable growth prospects (growth-oriented bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Sycomore Asset Management, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison, being equities listed on European Union markets.

This sub-fund follows the following sustainable approaches:

- primarily, a thematic approach that selects companies providing concrete solutions to specific environmental and/ or social challenges such as the ones identified by the UN SDGs, seeking to benefit from future growth anticipated in these areas while contributing capital towards the transition to a low-carbon, inclusive economy
- secondly, a best-in-universe approach that selects the best issuers in the investment universe and investment in companies making visible efforts in sustainable development, even though they might not yet be among the best in the ESG investment universe (best effort basis).

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 25% of the universe of reference for ESG comparison is **de facto** eliminated based on low rated securities and/or sector exclusions.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website <https://en.sycomore-am.com/Our-responsible-approach>

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT SUSTAINABLE INVESTMENT RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

## AMSelect Sycomore Euro Equity Growth

### **Risk profile**

Specific market risks:

- Equity Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to regional developed equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

### **Accounting Currency**

EUR

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 10 June 2021.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Vontobel Global Equity Emerging

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI Emerging Markets index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in socially responsible companies in emerging markets, taking into account ESG criteria.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in emerging countries.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

- ü Securities via the Stock Connect program: 30%
- ü Bonds and other debt securities: 15%
- ü UCITS and other UCIs: 10%

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager uses a combination of market and fundamental company analysis to select companies that appear to be undervalued or to have an above-average potential for earnings growth (bottom-up approach).

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Vontobel Asset Management AG, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its benchmark.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and at least 25% of the benchmark is de facto eliminated based on low rated securities and/or sector exclusions.

Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk as defined in the Appendix 3 of Book I.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website <https://am.vontobel.com/en/sustainable-investing>

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it does not commit to make any sustainable investment within the meaning of SFDR.

## **INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Emerging Markets Risk
- Extra-Financial Criteria Investment Risk
- Equity Risk

Specific risks related to investments in Mainland China

- Changes in PRC taxation risk
- Risks related to Stock Connect

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

## AMSelect Vontobel Global Equity Emerging

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to emerging equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.75%	none	none	0.30%	0.05%
Privilege	0.90%	none	none	0.25%	0.05%
I	0.85%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day.*

*Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 19 July 2021

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

## AMSelect Wellington Global Equity

### **Investment objective**

Increase the value of its assets through investment growth.

### **Benchmark**

The MSCI All Country World index is used for performance comparison only.

The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

### **Investment policy**

The sub-fund invests mainly in companies in developed or emerging markets.

Specifically, the sub-fund invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, registered or do most of their business, in developed or emerging markets.

The sub-fund may invest up to 25% of assets in other equities and in other securities, such as money market instruments.

The sub-fund may invest in, or be exposed to, the following asset classes up to the percentages of assets indicated:

ü UCITS and other UCIs: 10%

The sub-fund may invest in developed countries and up to 20% of its Net Asset Value in emerging markets.

The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.

### **Investment Process**

In actively managing the sub-fund, the investment manager primarily invests in equity securities issued by large-cap companies worldwide. The sub-fund uses an investment approach based on bottom-up fundamental research into companies that exhibit attractive and persistent returns on equity and stewardship excellence.

### **Sustainable Investment policy**

The investment team applies the BNP Paribas Asset Management's Responsible Business Conduct Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria in the investment process as set out in Book I.

This sub-fund, managed by Wellington Management International Ltd, has a binding ESG integration approach at each step of the investment process and aims to reduce its environmental footprint, as measured by greenhouse gas emissions, compared to its benchmark.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund. In addition, the investment manager will have an approach based on a significant commitment by favouring companies that have at least one of the following three attributes: a net zero science-based target, an alternative public active emissions reduction target, or a combined scope 1 and 2 intensity (tons CO<sub>2</sub>/\$M revenue) that is at least 25% below their industry average.

Applying such extra-financial strategy may comprise methodological limitations due to the access to data and the fact that the scope 3 emissions are not currently taken into account.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.wellington.com/en-us/institutional/sustainability/](http://www.wellington.com/en-us/institutional/sustainability/)

### **Derivatives and Securities Financing Transactions**

Core Financial Derivative Instruments may be used for efficient portfolio management and hedging purposes as described in points 2 and 3 of Appendix 2 of Book I.

### **Information relating to SFDR and Taxonomy Regulation**

The sub-fund promotes environmental and / or social characteristics, provided that the companies in which the investments are made follow good governance practices, in accordance with article 8 of SFDR, and it will have a minimum proportion of its assets considered as sustainable investments within the meaning of SFDR.

**INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS RELATING TO THIS SUB-FUND IS AVAILABLE IN THE ANNEX OF THE PROSPECTUS SET OUT IN BOOK III.**

**A summary of the commitments is also available in Appendix 5 of Book I.**

### **Risk profile**

Specific market risks:

- Equity Risk
- Emerging Markets Risk
- Extra-Financial Criteria Investment Risk

For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.

## AMSelect Wellington Global Equity

### **Investor type profile**

Designed for investors who understand the risks of the sub-fund and plan to invest for the medium term.

The sub-fund may appeal to professional and retail investors with basic investment knowledge who:

- ü Are interested in investment growth, while favouring sustainable investing;
- ü Are looking for exposure to global developed equity markets for diversification purposes;
- ü Can accept potentially high risks and volatility in exchange for potentially increased gains;
- ü Can tolerate high temporary losses;
- ü Have an investment horizon of 5 years.

### **Accounting Currency**

USD

### **Fees payable by the sub-fund**

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	TAB <sup>(1)</sup>
Classic	1.50%	none	none	0.30%	0.05%
Privilege	0.75%	none	none	0.25%	0.05%
I	0.75%	none	none	0.20%	0.01%
X	0.50%	none	none	0.20%	0.01%

(1) *Taxe d'abonnement. In addition, the Company may be subject to foreign UCI's tax, and/or other regulators levy, in the country where the sub-fund is registered for distribution.*

The complete list of shares offered is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

For each active share, a KID is available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

### **Additional information**

#### **Valuation Day:**

For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

#### **Terms of subscription / conversion / redemption:**

Subscription, redemption and conversion orders will be processed at an unknown net asset value in accordance with the rules set out below, only on Valuation Days, and the time mentioned is Luxembourg time.

Centralisation of orders <sup>(2)</sup>	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) <sup>(1)</sup>

(1) *If the settlement day is a currency holiday, the settlement will occur the following business day. Each time the "Orders Settlement Date" occurs before or on the same day of the "NAV calculation and publication date", the "Orders Settlement Date" will instead happen the next bank business day following the "NAV calculation and publication date."*

(2) *Centralisation for December 24 and 31 will be exceptionally advanced to 12:00 CET for STP orders due to an early closure of markets.*

#### **Historical information:**

Sub-fund launched on 12 February 2024.

#### **Taxation:**

Potential shareholders are recommended to seek full information in their country of origin, place of residence or domicile on the possible tax consequences associated with their investment.

# BOOK III

## Pre-contractual disclosures

for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of SFDR and Article 6, first paragraph, of the Taxonomy Regulation and in Article 9, paragraphs 1 to 4a, of SFDR and Article 5, first paragraph, of the Taxonomy Regulation.



Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect AB US Equity Growth

Legal entity identifier: 2138001GJIMELWSA67K63

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product, managed by AllianceBernstein LP (AB) as the Investment Manager selected by the Management Company, promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria, *inter alia*, using the AB's ESG internal proprietary methodology and the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

The environmental and/or social characteristics ("E/S Characteristics") promoted by the product include:

- ESG Integration: when making investment decisions, including the ongoing assessment and monitoring of the portfolio's holdings, AB uses fundamental research to assess target issuers. As part of the AB Stewardship Approach, fundamental research includes the consideration of ESG Factors, meaning AB will assess ESG Factors for a target issuer at every stage of the investment decision-making process.
- Engagement: AB encourages issuers to undertake actions that may promote better outcomes for environmental and/or social objectives as well as benefits to financial outcomes of the issuer and/or the portfolio.

- Exclusions: applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management RBC Policy.

The financial product has a binding ESG integration approach as part of its investment process through AB's ESG internal proprietary methodology and aims to reduce its environmental footprint, as measured by greenhouse gas intensity, compared to the benchmark (MSCI USA Growth used for performance comparison only).

In addition, the financial product acts in accordance with BNP Paribas Asset Management's ambition to have a sustainability approach for its investments. The financial product complies with the exclusion criteria applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management RBC Policy. The financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The financial product also complies with the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on countries and/or activities considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

More information on AB's Sustainability-Related Disclosures can be found at: [www.alliancebernstein.com](http://www.alliancebernstein.com) on the BNP Paribas Asset Management RBC Policy at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#).

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#);
- The percentage of the financial product's portfolio covered by ESG analysis based on AllianceBernstein LP's ESG internal proprietary methodology and its measurement of documented ESG research and engagement subject to satisfactory data and data sourcing;
- The carbon intensity (tons CO<sub>2</sub>e / \$M Sales) of the financial product's portfolio compared to the one of its benchmark based on AllianceBernstein LP's, the MSCI USA Growth, (based on scope 1 & 2 emissions).

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product does not intend to make any sustainable investment.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The financial product does not intend to make any sustainable investment.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- How have the indicators for adverse impacts on sustainability factors been taken into account?  
Not Applicable.
- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:  
Not Applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The product considers some principal adverse impacts on sustainability factors.

The investment manager applies the BNP Paribas Asset Management RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts, including violation of international norms. As part of this Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts (PAI) based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified. In addition, the average portfolio carbon intensity of the financial product is better than the one of its benchmark, based on the investment manager’s internal scoring methodology. The investment manager will favour companies with lower carbon footprint (based on scope 1 & 2 emissions).

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions include the following provisions:

- Exclusion of issuers that are in violation of international norms or conventions and issuers involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- In case of equity holdings, voting at Annual General Meetings of companies the financial product is invested in to promote good governance and advance environmental and social issues.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse impacts (PAI):

Corporate mandatory indicators:

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

AB considers each PAI as follow:

10. AB monitors for breaches of the UN Global Compact principles for securities held by financial product, and for any breach, AB will undertake additional research and evaluation to define whether a security should remain in the investible universe.

14. The financial product excludes controversial weapons.

Information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

The financial product seeks to increase the value of its assets over the medium term by investing mainly in shares of companies that are domiciled or do most of their business in the USA. It may also invest a minor part of its assets in other shares, bonds and money market instruments. The financial product can use derivatives for hedging or efficient portfolio management. The financial product uses a combination of market and fundamental company analysis to select companies that appear to have above-average or stable growth prospects (growth-oriented bottom-up approach).

When seeking to achieve the investment objective, AB uses the AB Stewardship Approach. Through this proprietary approach, fundamental research includes ESG integration process, whereby AB assesses and incorporates ESG factors in all phases of the investment process.

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

Overall, the financial product promotes E/S Characteristics by holding securities that AB believes promote E/S Characteristics. A security may be deemed to promote one or more E/S Characteristics if the following binding elements are satisfied:

- Documented ESG integration via evidenced ESG research and Engagements;
- The issuer of the security follows good governance practices according to AB's Good Governance Policy as described below;
- The investment exclusions criteria are met.

Besides, the investment manager also applies BNP Paribas Asset Management RBC Policy, including norm-based screens, exclusion lists and stewardship activities when taking into account Environmental, Social and Governance (ESG) criteria in the investments of the Fund.

Eventually, AB's investment process favours companies with lower carbon footprint (based on scope 1 & 2 emissions). The average portfolio carbon intensity is better than the one of its benchmark, based on AB's methodology. The (tons CO<sub>2</sub>e / \$M Sales) metric is calculated directly by MSCI ESG CarbonMetrics, based on its proprietary carbon database. To be noted that the original portfolio weights are adjusted after excluding any company for which MSCI does not possess data.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. Sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com).

- The financial product has at least 90% of its assets covered by an ESG analysis according to AB's ESG internal proprietary methodology.
- The financial product targets a lower relative carbon intensity than its benchmark, the MSCI USA Growth, based on Direct and Indirect emissions (scope 1 and 2 emissions), based on AB's metric (tons CO<sub>2</sub>e / \$M Sales) calculated through MSCI ESG CarbonMetrics.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

AB has developed a proprietary Good Governance Policy which consists of security-specific analysis and scoring based on specific governance criteria, including sound management structures, employee relations, remuneration of staff and tax compliance, using a combination of external and internal data sources. The specific governance indicators include, inter alia, UNGC principles and controversies related to the aforementioned governance criteria. If at any point a security breaches the scoring threshold for any of the Good Governance indicators, then the security is deemed to fail the criteria for inclusion in the portfolio. This methodology, including the relevant data sources, may evolve over time as more data becomes available and tools evolve.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

At least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

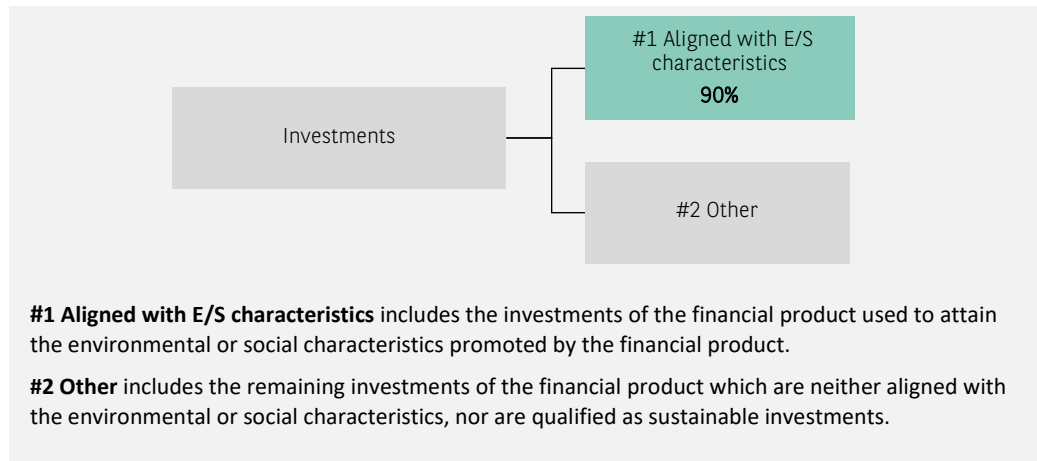
For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 0%.

**Asset allocation** describes the share of investments in specific assets.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

Based on the financial product's net assets, all numbers are shown based on normal market conditions and on the average holdings of each month end for the fiscal year.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:  In fossil gas  In nuclear energy

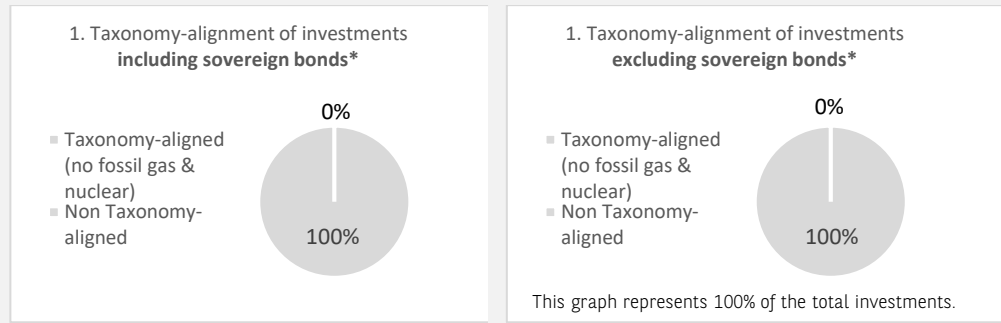
No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214. There is currently no data to measure whether the Portfolio invests in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy. It may, as a result of the implementation of its specific investment strategy, hold investments having a marginal exposure to such activities, but until there is external vendor data enabling measurement of such exposure, the Portfolio does not commit to any minimum exposure.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The remaining proportion of the investments is used for liquidity, efficient portfolio management, and/or hedging purposes. This includes:

- Securities that AB believes can be held in order to achieve its investment objective but are not deemed to promote E/S Characteristics, as outlined above, subject to satisfaction of AB's Good Governance Policy.
- Cash and cash-equivalents held as liquidity, risk management purposes, or collateral management purposes.
- Derivatives used for hedging and/or efficient portfolio management purposes. Exposure to securities that promote E/S Characteristics will be captured in #1 Aligned with E/S Characteristics.

For these assets, there are no minimum environmental or social safeguards.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.



Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Allianz Euro Credit

Legal entity Identifier: 2138000742RKS5IDS722

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product, managed by Allianz Global Investors GmbH (AGI), promotes environmental and/or social characteristics as the investment manager integrates into the investment process 5 pillars: environmental, social, human rights, governance, and business behaviour factors (this domain does not apply for sovereigns issued by a Sovereign Entity) through the integration of a best-in-class approach. This encompasses the evaluation of corporate or sovereign issuers based on AGI's Sustainable and Responsible Investment (SRI) Rating methodology that it is used to construct the portfolio. It is to be noted that the process excludes from investment issuers in violation of international norms and standards, or operate in sensitive sectors as defined by the AGI sustainable minimum exclusion criteria, related to AGI Sustainable and Responsible Investment Exclusion (SRIE) Policy for direct investments.

Overall, the financial product also has an objective to improve its ESG profile compared to the benchmark (Bloomberg Euro Aggregate Corporate Total Return (EUR) index).

More information on AGI general ESG investment framework can be found at the website [www.allianzgi.com](http://www.allianzgi.com).

In addition, the financial product acts in accordance with BNP Paribas Asset Management's ambition to have a sustainability approach for its investments. The financial product complies with the exclusion criteria applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy. The financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The financial product also complies with the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on countries and/or activities considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- § The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/en/sustainability);
- § The percentage of the financial product's portfolio compliant with AGI SRIE exclusions (details are available at: [www.allianzgi.com](https://www.allianzgi.com));
- § The percentage of the financial product's investment universe reduction due to the implementation of the Allianz Global Investors' Exclusion Policy and Best-in-Class process, as well as the sector exclusions as per the BNP Paribas Asset Management RBC Policy above-mentioned;
- § The percentage of the financial product's portfolio covered by ESG analysis based on AGI proprietary methodology (SRI Rating) ;
- § The actual percentage of the financial product's portfolio (portfolio in this respect does not comprise non-rated derivatives and instruments that are non-rated by nature (e. g. cash and deposits)) invested in best-in-class issuers compared to the actual percentage of the benchmarks best-in-class issuers (issuers with a minimum SRI Rating of 2 out of a scale from 0-4; 0 being the worst rating or without an SRI rating based on AGI proprietary methodology).
- § The percentage of the financial product's portfolio invested in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments made by the financial product are to finance companies that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

Sustainable investments contribute to environmental and/or social objectives, for which the investment manager uses as reference frameworks, among others, the UN Sustainable Development Goals (SDGs), as well as the objectives of the EU Taxonomy:

1. Climate Change Mitigation
2. Climate Change Adaptation
3. Sustainable and Protection of Water and Marine Resources
4. Transition to a Circular Economy
5. Pollution Prevention and Control

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## 6. Protection and Restoration of Biodiversity and Ecosystems

The assessment of the positive contribution to the environmental or social objectives is based on an AGI proprietary framework which combines quantitative elements with qualitative inputs from internal research. The methodology applies first a quantitative break down of an investee company into its business activities. The qualitative element of the framework is an assessment if business activities contribute positively to an environmental or a social objective. To calculate the positive contribution on the financial product level, the revenue share of each issuer attributable to business activities contributing to environmental and/or social objectives is considered provided the issuer is satisfying the Do No Significant Harm ("DNSH") and Good Governance principles, and an asset-weighted aggregation is performed as a second step. Moreover, for certain types of securities, which finance specific projects contributing to environmental or social objectives the overall investment is considered to contribute to environmental and/or social objectives, but also for these a DNSH as well as a Good Governance check for issuers is performed.

More information on the internal methodology can be found on the website of the investment manager: [www.allianzgi.com](http://www.allianzgi.com).

### *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

In order to ensure that Sustainable Investments do not significantly harm any other environmental and/or social objective, the Investment Manager is leveraging the Principal adverse impacts (PAI) indicators, whereby significance thresholds have been defined to identify significantly harmful issuers. Issuers not meeting the significance threshold can be engaged for a limited time period to remediate the adverse impact. Otherwise, if the issuer does not meet the defined significance thresholds twice subsequently or in case of a failed engagement, it does not pass the DNSH assessment. Investments in securities of issuers who do not pass the DNSH assessment are not counted as sustainable investments.

#### How have the indicators for adverse impacts on sustainability factors been taken into account?

Principal adverse impacts indicators are considered by the investment manager either as part of the application of the exclusion criteria or through thresholds on a sectorial or absolute basis, as part of its investment process. Significance thresholds have been defined and they refer to a qualitative or quantitative criteria.

Recognizing the lack of data coverage for some of the PAI indicators, equivalent data points are used to assess PAI indicators when applying the DNSH assessment when relevant, for the following indicators for (1) corporates: share of non-renewable energy consumption and production, activities negatively affecting biodiversity-sensitive areas, emissions to water, lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises; (2) sovereigns: GHG Intensity and investee countries subject to social violations.

The Investment Manager will strive to increase data coverage for PAI indicators with low data coverage by engaging with issuers and data providers. The Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

#### How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The investment manager's sustainable minimum exclusion list screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The product considers some principal adverse impacts on sustainability factors.

The investment manager applies the AGI SRIE and the BNP Paribas Asset Management RBC policies establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms:

- § Allianz Global SRIE Policy prevents investments in: (1) securities issued by companies having a severe violation of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights, (2) securities issued by companies involved in controversial weapons, (3) securities issued by companies that derive more than 10% of their revenues from weapons, military equipment, and related services, (4) securities issued by companies that derive more than 10% of their revenue from thermal coal extraction, (5) securities issued by utility companies that generate more than 20% of their revenues from coal, (6) securities issued by companies involved in the production of tobacco, and securities issued by companies involved in the distribution of tobacco with more than 5% of their revenues.. The current exclusion criteria may be updated from time to time and can be consulted on the website <https://regulatory.allianzgi.com/en/esg/exclusion-specific-sustainable>.
- § The RBC sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The investment manager is investing in securities in accordance with its SRI “Best-in-Class” approach. Its SRI rating methodology covers the following domains: Environmental, Social, Human rights, Governance, Business behaviour (this domain does not apply for securities issued by a sovereign entity). Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product. At least 25% of the benchmark is de facto eliminated.

In addition, the average portfolio ESG score of the financial product is better than the one of its benchmark, based on the investment manager’s internal scoring methodology.

Thus, principal adverse sustainability impacts are considered throughout the investment process. Besides, the BNP Paribas Asset Management Stewardship team regularly identifies adverse

impacts through research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the SRIE and the RBC Policies, the financial product ESG integration, as well as its Engagement and Voting Policy which include the following provisions:

- § Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- § Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- § In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- § Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the underlying assets, the financial product considers and addresses or mitigates, notably through the means of exclusions, the following principal adverse sustainability impacts:

Corporate mandatory indicators:

- 4. Exposure to companies active in the fossil fuel sector
- 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Sovereign mandatory indicators

- 16. Investee countries subject to social violations

Information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account as part of its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In addition, the Investment Manager relies on the internal sustainable investment methodology, as defined in the answer to the question *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives*, to determine issuers that contribute to environmental and/or social objectives.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements are:

- § The financial product shall comply with the BNP Paribas Asset Management RBC Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/en/sustainability);
- § The financial product shall have at least 90% of its assets covered by an ESG analysis based on AGI internal proprietary methodology (SRI Rating). Portfolio in this respect does not comprise non-rated derivatives and instruments that are non-rated by nature (e.g., cash and deposits)). While most holdings of Funds will have a corresponding SRI Rating some investments cannot be rated according to the SRI Research methodology. Examples of instruments not attaining to the SRI Rating include, but are not limited to cash, deposits, Target Funds and non-rated investments.
- § The investments of the financial product in securities without an AGI SRI Rating or with an AGI SRI Rating below 2 (out of a rating scale from 0 – 4; 0 being the worst rating and 4 the best rating) shall not exceed 10% of its total net asset.
- § The financial product shall comply with the AGI SRI exclusion framework.  
The following sustainable minimum exclusion criteria for direct investments apply:
  - securities issued by companies having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues,
  - securities issued by companies involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),
  - securities issued by companies that derive more than 10% of their revenues from weapons, military equipment, and services,
  - securities issued by companies that derive more than 10% of their revenue from thermal coal extraction,
  - securities issued by utility companies that generate more than 20% of their revenues from coal,
  - securities issued by companies involved in the production of tobacco, and those issued by companies involved in the distribution of tobacco with more than 5% of their revenues.
- § The financial product's investment universe (Bloomberg Barclays Euro Aggregate Corporate Total Return (Euro)) shall be reduced by a minimum of 25% due to the implementation of the exclusion policies and Best-in-Class approach.
- § The financial product shall invest at least 15% of its assets in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation and as disclosed in the asset allocation

section below.

- *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

- *What is the policy to assess good governance practices of the investee companies?*

Good governance principles are considered by screening out companies based on their involvement in controversies around international norms corresponding to the four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance. Besides, for certain cases, flagged issuers shall be on a watch list. These companies will appear on this watch list when the Investment Manager believes that engagement may lead to improvements or when the company is assessed to take remedial actions. Companies on the watch list remain investible unless the Investment Manager believes that the engagement or the remedial actions of the company does not lead to the desired remedy of the severe controversy.

A significant part of the investment manager research focuses on understanding risks associated with its investments, including those related to environmental, social and governance factors. In addition, the financial product's investment manager is committed to actively encourage open dialogues with investee companies on corporate governance, proxy voting and broader sustainability issues in advance of shareholder meetings.

The Management Company's approach to proxy voting and company engagement is set out in the Management Company's Stewardship Statement, which also explains how conflicts of interest that may arise in relation to stewardship activities are managed. Further the BNP Paribas Asset Management Stewardship Policy, the Management Company conducts due diligence meetings to better understand a company's approach to corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

At least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

The minimum proportion of sustainable investments of the financial product is 15%.

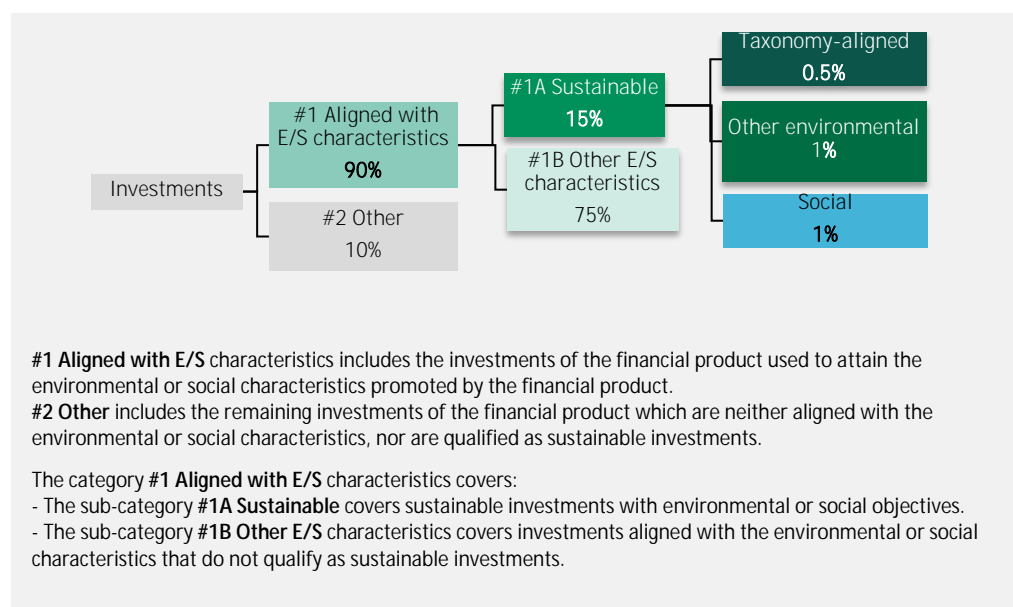
For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Taxonomy-aligned investments include debt and/or equity in environmentally sustainable economic activities aligned with the EU-Taxonomy. The minimum percentage of investments that are aligned with the EU Taxonomy is 0.50%. Taxonomy-aligned data is provided by an external data provider. The Investment Manager has assessed the quality of such data. The data will not be subject to an assurance provided by auditors or a review by third parties. The data will not reflect any data in government bonds. As of today, there is no recognized methodology available to determine the proportion of Taxonomy-aligned activities when investing in government bonds.

Taxonomy-aligned activities in this disclosure are based on share of turnover. Pre-contractual figures use turnover as its financial metric as a default in line with the regulatory requirements and based on the fact that complete, verifiable or up-to date data for CAPEX and/or OPEX as financial metric is even less available.

Taxonomy-aligned data is only in rare cases data reported by companies in accordance with the EU Taxonomy. The data provider has derived Taxonomy-aligned data from other available equivalent public data.

Allianz Global Investors GmbH and the Management Company are improving the Taxonomy-alignment framework to ensure the accuracy and suitability of the financial product Taxonomy sustainability-related disclosures. Further subsequent prospectus and Taxonomy-alignment updates will be made accordingly.

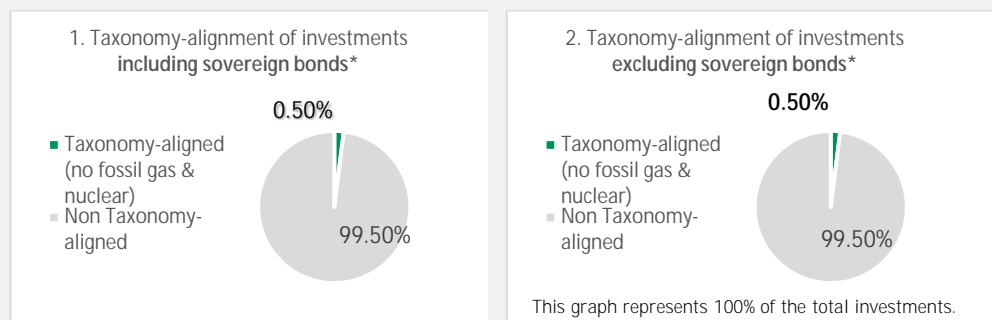
Economic activities that are not recognised by the Taxonomy Regulation are not necessarily environmentally harmful or unsustainable. In addition, all activities that can make a substantial contribution to environmental as well as social objectives are not yet part of the Taxonomy Regulation.



● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
   
 In fossil gas     In nuclear energy
   
 No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 1%

Taxonomy aligned investments are considered a sub-category of Sustainable Investments. If an investment is not taxonomy aligned since the activity is not yet covered under the EU taxonomy or the positive contribution is not substantial enough to comply with the Taxonomy technical screening criteria, the investment can still be considered an environmentally Sustainable Investment provided it complies with all criteria. The investment manager does not commit to a minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy. The overall sustainable investment share may also include investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments within the financial product is 1%.

The Investment Manager defines Sustainable Investments based on internal research, which uses, among others, the UN Sustainable Development Goals (SDGs). SDGs contain environmental as well as social objectives. The overall sustainable investment share may also include investments with a social objective.



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Under “#2 Other” investments into cash, Targets Funds, or derivatives can be included. The remaining proportion of the investments is used for liquidity, efficient portfolio management and/or hedging purposes. Derivatives might be used for efficient portfolio management (including risk hedging) and/or investment purposes, and Target Funds to benefit from a specific strategy. For those investments no environmental or social safeguards are applied.

These investments, if any, are made in compliance with the internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.

Target Funds means any UCITS and/or UCI which is either managed, directly or indirectly, by the Management Company itself or by any other company with which the Management Company is linked by a substantial direct or indirect participation or any other third company.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Allianz Europe Equity Growth

Legal entity Identifier: 213800SCF4HXACMI6369

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not** make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

This financial product, managed by Allianz Global Investors GmbH (Allianz GI), takes a binding and significant ESG integration approach within the investment process and aims to have a reduced CO2 footprint, as measured by greenhouse gas intensity, compared to its benchmark.

This financial product is managed according to the Allianz GI Sustainability Key Performance Indicator Strategy (Relative) ("KPI Strategy (Relative)") and promotes environmental characteristics by addressing greenhouse gas (GHG) Intensity. The "Sustainability KPI" measures the GHG Intensity defined by the weighted average intensity of greenhouse gas emissions based on company's annual sales ("GHG Intensity"). GHG Intensity will be addressed by outperforming the Weighted Average GHG Intensity against its benchmark.

In addition, exclusion criteria are applied with regard to issuers that are in violation of international norms and standards, or operate in sensitive sectors as defined by the Allianz GI Sustainable minimum exclusion criteria, related to Allianz GI Sustainable and Responsible Investment Exclusion (SRIE) Policy for direct investments and the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

More information on Allianz GI general ESG investment framework can be found at the website [www.allianzgi.com](http://www.allianzgi.com).

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](http://www.bnpparibas-am.com);
- The percentage of the financial product's portfolio compliant with Allianz GI SRIE exclusions;
- The actual percentage of KPI (Actual coverage of GHG Intensity (in tCO<sub>2</sub>e per Millions of sales) coverage of the financial product's portfolio and its benchmark based on Allianz GI's methodology;
- The actual weighted average GHG Intensity (in tCO<sub>2</sub>e per Millions of sales) of the financial product's portfolio compared to the one of its benchmark, the MSCI Europe Growth, (based on scope 1 & 2 emissions) as defined by Allianz GI's methodology;
- The percentage of the financial product's investment universe reduction due to the elimination of at least 20% of the worst values of the aforementioned indicator (actual weighted average GHG Intensity) based on Allianz GI's methodology;
- The percentage of the financial product's portfolio covered by an extra-financial analysis based on Allianz GI's methodology.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product does not intend to make any sustainable investment.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The financial product does not intend to make any sustainable investment.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not Applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not Applicable.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The product considers some principal adverse impacts on sustainability factors.

The investment manager applies the Allianz GI SRIE and the BNP Paribas Asset Management RBC policies establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms:

- § Allianz Global SRIE Policy prevents investments in: (1) securities issued by companies having a severe violation of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights, (2) securities issued by companies involved in controversial weapons, (3) securities issued by companies that derive more than 10% of their revenues from weapons, military equipment, and related services, (4) securities issued by companies that derive more than 10% of their revenue from thermal coal extraction, (5) securities issued by utility companies that generate more than 20% of their revenues from coal, (6) securities issued by companies involved in the production of tobacco, and securities issued by companies involved in the distribution of tobacco with more than 5% of their revenues. The current exclusion criteria may be updated from time to time and can be consulted on the website <https://regulatory.allianzgi.com/en/esg/exclusion-specific-sustainable>.
- § The RBC sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

Besides, this financial product managed by Allianz GI has a binding and significant ESG integration approach in the investment process and aims to reduce CO2 footprint, as measured by greenhouse gas (GHG) intensity, compared to its benchmark. As such, Allianz GI applies an extra-financial analysis on a minimum of 90% of the assets of the financial product. In addition, the average carbon footprint calculated at portfolio level must be lower than the average of the benchmark calculated after eliminating at least 20% of the worst values for this indicator (based on scope 1 & 2 emissions).

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Thus, the investment manager considers principal adverse sustainability impacts throughout the investment process. Furthermore, the BNP Paribas Asset Management Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the Allianz GI SRIE and the BNP Paribas Asset Management RBC policies, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- § Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- § Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- § BNP Paribas Asset Management voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- § Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

1. PAI 1: GHG emissions.
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account during its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

Then the Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a reduced CO2 footprint as measured by greenhouse gas intensity, compared to its benchmark. This financial product is managed according to the Allianz GI Sustainability Key Performance Indicator Strategy (Relative) ("KPI Strategy (Relative)") and promotes environmental characteristics by addressing greenhouse gas (GHG) Intensity. The "Sustainability KPI" measures the GHG Intensity defined by the weighted average intensity of greenhouse gas emissions based on company's annual sales ("GHG

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Intensity"). GHG Intensity will be addressed by outperforming the Weighted Average GHG Intensity against its benchmark.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements are:

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com).

- The financial product shall comply with the Allianz GI SRIE exclusions;
- The actual weighted average GHG Intensity (in tCO<sub>2</sub>e per Millions of sales), as defined by the investment manager, of the financial product's portfolio should be lower than the one of its benchmark (MSCI Europe Growth) after eliminating at least 20% of the worst values for this indicator based on Allianz GI's methodology (based on scope 1 & 2 emissions);
- The percentage of the financial product's investment universe reduction due to the elimination of at least 20% of the worst values of the aforementioned indicator (actual weighted average GHG Intensity) based on Allianz GI's methodology;
- The financial product has at least 90% of its assets covered by the Allianz GI GHG Intensity indicator (financial product in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g. cash and deposits));
- The financial product shall have at least 90% of its assets covered by an extra-financial analysis based on Allianz GI's approach (financial product in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g. cash and deposits)).

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance principles are considered by the investment manager by screening out companies based on their involvement in controversies around international norms corresponding to the four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance.

A significant part of the investment manager's research focuses on understanding risks associated with its investments, including those related to environmental, social and governance (ESG) factors. In addition, the financial product's Investment Manager is committed to actively encourage open dialogues with investee companies on corporate governance, proxy voting and broader sustainability issues in advance of shareholder meetings.

The Management Company's approach to proxy voting and company engagement is set out in the Management Company's Stewardship Statement, which also explains how conflicts of interest

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



that may arise in relation to stewardship activities are managed. Further to the BNP Paribas Asset Management Stewardship Policy, the Management Company conducts due diligence meetings to better understand a company's approach to corporate governance.



## What is the asset allocation planned for this financial product?

At least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 0%.

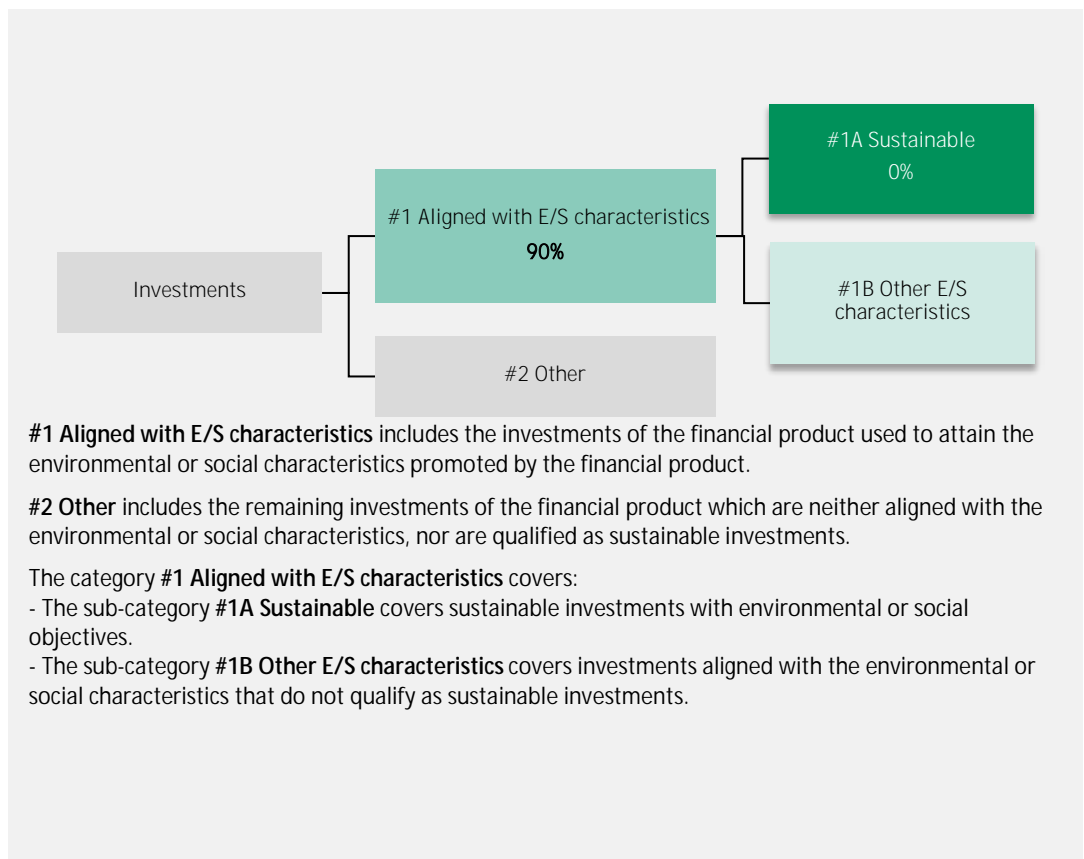
The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

### ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

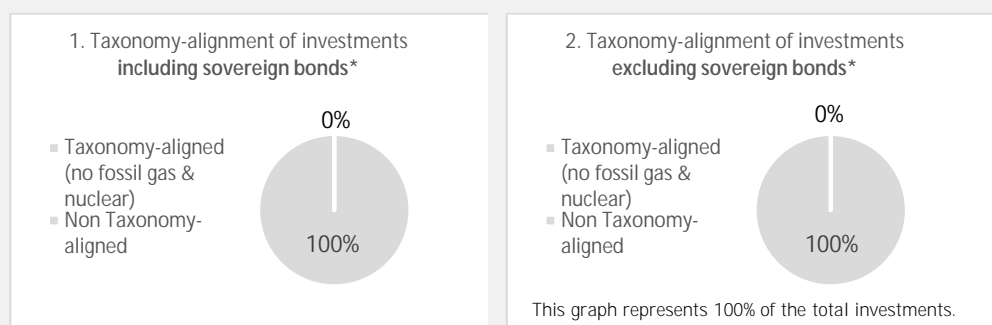
- *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas  In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- *What is the minimum share of investments in transitional and enabling activities?*

Not applicable.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?



Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining proportion of the investments, mostly in cash and cash equivalents, are used for liquidity, efficient portfolio management and/or hedging purposes.

These investments, if any, are made in compliance with the internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

## Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section “Sustainability-related disclosures” dedicated to the product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Amundi Europe Equity Value

Legal entity Identifier: 213800PXTSUOG6JGIF44

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by Amundi Ireland Limited (Amundi), has a binding and significant ESG integration approach as part of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison (MSCI Europe).

The investment manager applies a series of exclusion criteria with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy but also through its own ESG integration approach, including its ESG factors strategy.

More information on the general integration of Sustainability Factors (Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery) in the investment process and the approach based on the Amundi ESG rating methodology can be found at the website: <https://www.amundi.com/int/ESG>.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- § The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/en/sustainability);
- § The percentage of the financial product's portfolio compliant with the Amundi exclusion policies (normative and sectorial);
- § The percentage of the financial product's portfolio covered by ESG analysis based on Amundi's internal methodology.
- § The percentage of the financial product's universe of reference reduction due to the financial product's own scoring methodology and restriction process implemented by Amundi;
- § The ESG scores of the issuers compared to the ESG scores of the universe of investments based on Amundi's proprietary ESG rating methodology;

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product does not intend to make any sustainable investment.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The financial product does not intend to make any sustainable investment.

— How have the indicators for adverse impacts on sustainability factors been taken into account?

Not Applicable.

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not Applicable.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The product considers some principal adverse impacts on sustainability factors.

Amundi considers all the mandatory Principal Adverse Impacts applying to the financial product's strategy and relies on a combination of its exclusion policies (normative and sectorial), ESG rating integration into the investment process, engagement and voting approaches. Amundi constantly monitors all mandatory Principal Adverse Impact indicators (included in Annex 1 of the Commission Delegated Regulation (EU) 22 / 1288) where the investment manager has robust data available. The quality of available data is expected to improve over time.

In addition, Amundi complies with the BNP Paribas Asset Management RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Furthermore, the Stewardship teams regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the BNP Paribas Asset Management RBC Policy, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- § Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- § Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- § In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- § Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies

4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Sovereign mandatory indicators
16. Investee countries subject to social violations

For any indication on how mandatory Principal Adverse Impact indicators are used, please refer to the Amundi ESG Regulatory Statement available at [www.amundi.com](http://www.amundi.com)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The financial product seeks to increase the value of its assets through investment growth. Specifically, the financial product invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in a member state of the European Economic Area (EEA), in Switzerland or in the UK. The financial product may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments. ESG analysis is part of the investment manager's fundamental analysis and selection process.

The investment team notably applies the BNP Paribas Asset Management RBC Policy, including norm-based screens, exclusion lists and stewardship activities when taking into account ESG criteria in the investments of the financial product. In addition, the investment teams applies its own ESG integration methodologies. Overall, the investment manager excludes at least 20% of the universe of reference based on low rated securities and/or sector exclusions, and a qualitative ESG analysis part of the investment manager's fundamental analysis.

In addition, the average portfolio ESG score of the financial product is at least 15% better than the one of its benchmark, based on the investment manager's internal scoring methodology.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

§ The financial product shall comply with the BNP Paribas Asset Management RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com).

§ The financial product shall comply with the Amundi's exclusion list;

§ The financial product shall have at least 90% of its assets covered by a ESG analysis based on the ESG internal proprietary methodology;

§ The financial product's investment universe (MSCI Europe) shall be reduced by a minimum of 20% due to the implementation of its sustainable investment policy.

§ The financial product's ESG score shall be at least 15% better than the benchmark (MSCI Europe Value) based on the investment manager's internal scoring process.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Following the implementation of the sustainable investment strategy, more than 20% of the MSCI Europe universe is non-eligible.

● ***What is the policy to assess good governance practices of the investee companies?***

The investment manager assesses an issuer' ability to ensure an effective corporate governance framework that guarantees it will meet its long-term objectives (e.g. guaranteeing the issuer's value over the long term). Amundi's governance criteria considered for the financial product are: board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy.

The ESG analysis goes beyond the framework to look at a more qualitative assessment of how the insights from the ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

At least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 0%.

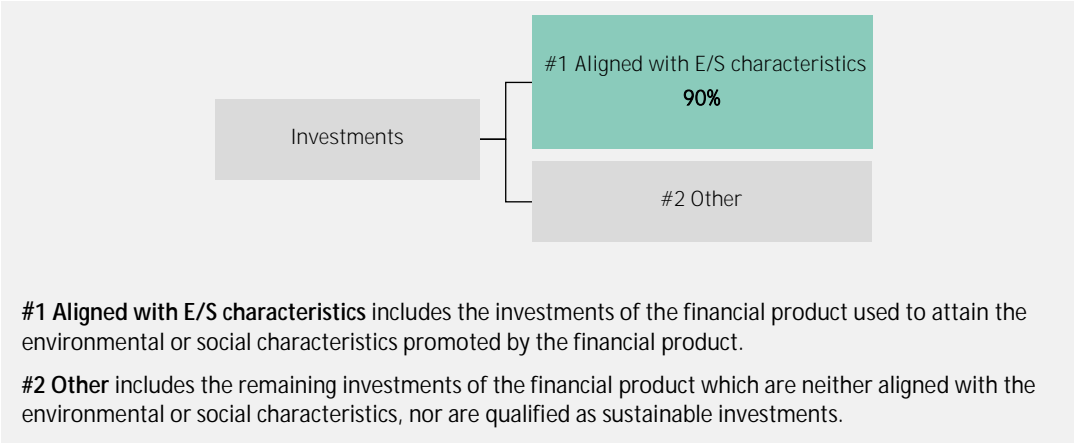
**Asset allocation** describes the share of investments in specific assets.



The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

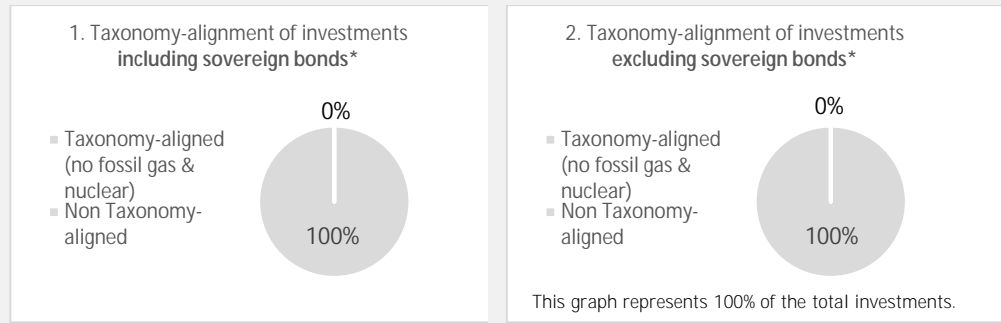
No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The remaining proportion of the investments, mostly in cash and cash equivalents, is used for liquidity, efficient portfolio management and/or hedging purposes. These investments, if any, are made in compliance with the internal processes, including the management company risk management policy and RBC policy as minimum environmental or social safeguards.

The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Amundi US Equity

Legal entity Identifier: 213800LXKRCV4UQX2W44

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by Amundi Ireland Limited (Amundi), has a binding and significant ESG integration approach as part of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison (MSCI USA).

The investment manager applies a series of exclusion criteria with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy but also through its own ESG integration approach, including its ESG factors strategy.

More information on the general integration of Sustainability Factors (Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery) in the investment process and the approach based on the Amundi ESG rating methodology can be found at the website: <https://www.amundi.com/int/ESG>.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

§ The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/sustainability-documents);

§ The percentage of the financial product's portfolio compliant with the Amundi exclusion policies (normative and sectorial);

§ The ESG scores of the issuers of the universe of investments based on Amundi's proprietary ESG rating methodology;

§ The actual average portfolio ESG score of the financial product's portfolio compared to the one of its benchmark, the MSCI USA Value, as defined by Amundi's methodology;

§ .

§ The GHG intensity of the portfolio compared to the GHG intensity of the portfolio's reference benchmark

§

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product does not intend to make any sustainable investment.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The financial product does not intend to make any sustainable investment.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not Applicable.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not Applicable.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The product considers some principal adverse impacts on sustainability factors.

Amundi considers all the mandatory Principal Adverse Impacts applying to the financial product's strategy and relies on a combination of its exclusion policies (normative and sectorial), ESG rating integration into the investment process, engagement and voting approaches. Amundi constantly monitors all mandatory Principal Adverse Impact indicators (included in Annex 1 of the Commission Delegated Regulation (EU) 22 / 1288) where the investment manager has robust data available. The quality of available data is expected to improve over time.

In addition, Amundi complies with the BNP Paribas Asset Management RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Furthermore, the Stewardship teams regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the BNP Paribas Asset Management RBC Policy, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- § Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- § Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- § In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- § Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Sovereign mandatory indicators

16. Investee countries subject to social violations

For any indication on how mandatory Principal Adverse Impact indicators are used, please refer to the Amundi ESG Regulatory Statement available at [www.amundi.com](http://www.amundi.com)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The financial product seeks to increase the value of its assets through investment growth. Specifically, the financial product invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business in, the U.S.A. The financial product may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments. ESG analysis is part of the investment manager's fundamental analysis and selection process.

The investment team notably applies the BNP Paribas Asset Management RBC Policy, including norm-based screens, exclusion lists and stewardship activities when taking into account ESG criteria in the investments of the financial product. In addition, the investment teams applies its own ESG integration methodologies.

In addition, the GHG intensity of the portfolio shall be at least 15% better than the GHG intensity of the portfolio's reference benchmark. The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the investment manager.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

§ The financial product shall comply with the BNP Paribas Asset Management RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/en/sustainability).

§ The financial product shall comply with the Amundi's exclusion list;

§ The financial product shall have at least 90% of its assets covered by an ESG analysis based on Amundi's ESG internal proprietary methodology;

§ The GHG intensity of the portfolio shall be at least 15% better than the GHG intensity of the portfolio's reference benchmark

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not Applicable

● ***What is the policy to assess good governance practices of the investee companies?***

The investment manager assesses an issuer' ability to ensure an effective corporate governance framework that guarantees it will meet its long-term objectives (e.g. guaranteeing the issuer's value over the long term). Amundi's governance criteria considered for the financial product are: board structure, audit and control, remuneration, shareholders' rights, ethics, tax practices and ESG strategy.

The ESG analysis goes beyond the framework to look at a more qualitative assessment of how the insights from the ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.

 **What is the asset allocation planned for this financial product?**

At least 75% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 0%.

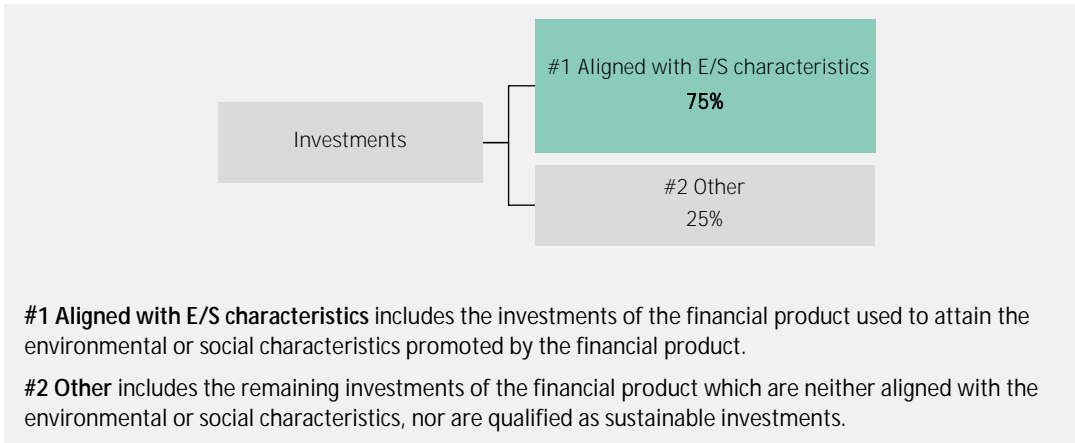
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

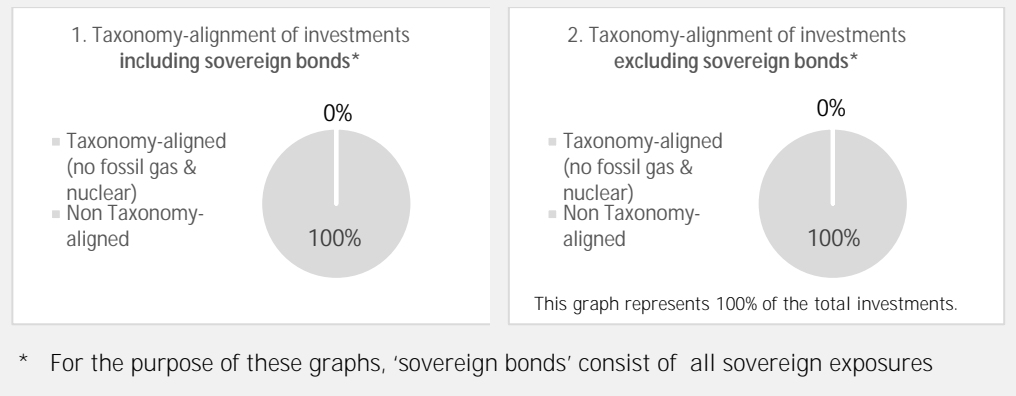
In fossil gas     In nuclear energy

No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The remaining proportion of the investments, mostly in cash and cash equivalents, is used for liquidity, efficient portfolio management and/or hedging purposes. These investments, if any, are made in compliance with the internal processes, including the management company risk management policy and RBC policy as minimum environmental or social safeguards.

The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect BlackRock Euro Equity

Legal entity identifier: 549300QXP30FD81KVQ43

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by BlackRock Investment Management (UK) Limited (BIM UK), follows a best-in-class approach that selects issuers demonstrating above-average social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum exclusion criteria. Under this approach, the financial product has a binding and significant ESG integration approach at each step of the investment process.

The investment manager applies a series of exclusion criteria with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy but also through its own baseline exclusion screens, best-in-class selection and the reduction of the financial product's carbon footprint.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.blackrock.com/corporate/sustainability](http://www.blackrock.com/corporate/sustainability).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](http://Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com));
- The percentage of the financial product's portfolio covered by ESG analysis based on the ESG internal proprietary methodology;
- The percentage of the financial product's investment universe (MSCI EMU Net) reduction due to BIM UK's own process of exclusionary sectorial and activities screens, best-in-class selection and carbon footprint reduction.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

This Portfolio invests at least 20% of its holdings in sustainable investments further the Investment Manager's methodology and framework. BlackRock has developed a proprietary methodology for determining sustainable investments which is broken down into a four-part assessment:

1. Economic activity contribution to environmental and/or social objective
2. Do no significant harm
3. Meets minimum safeguards
4. Good governance (where relevant)

Environmental and social objectives

BlackRock invests in sustainable investments which contribute to a range of environmental and / or social objectives which may include but are not limited to, alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals ("Environmental and Social Objectives").

Economic activity assessment

An investment will be assessed as contributing to an Environmental and/or Social Objective where:

- a) a minimum proportion of the issuer's business activity contributes to an Environmental and/or Social Objective; or

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

the issuer's business practices contribute to an Environmental and/or Social Objective. Further information on steps 2 to 4 is set out in the sections "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?" and "What is the policy to assess good governance practices of the investee companies?".

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an issuer or investment does significant harm. BlackRock assesses Do No Significant Harm through a series of tests using third party data to determine exclusions or controversy scores on all fourteen mandatory PAI indicators. Investments considered to be causing significant harm do not qualify as Sustainable Investments.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The indicators for adverse impacts on sustainability factors for each type of investment are assessed using BlackRock's Sustainable Investments proprietary methodology. PAIs are evaluated throughout the portfolio using our fundamental insights and specific PAIs are systematically considered through exclusions and/or portfolio commitments. BlackRock uses third-party data and/or fundamental analysis to identify investments which negatively impact sustainability factors and cause significant harm.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Sustainable Investments are assessed to consider any detrimental impacts and ensure compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The product considers some principal adverse impacts on sustainability factors.

The investment manager applies BIM UK's exclusionary framework and RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place. More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.blackrock.com/corporate/sustainability](http://www.blackrock.com/corporate/sustainability).

This financial product follows a best-in-class approach that selects issuers demonstrating above-average social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum exclusion criteria. As such, at least 20% of the universe of reference is de facto eliminated and an internal extra-financial analysis is performed on a minimum of 90% of the assets of the product.

Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Furthermore, the Stewardship teams regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

The manager monitors the impact of the ESG Policy on the financial products investment universe to ensure this is reduced by at least 20% compared to the investable universe/the Index.

The binding elements of the investment strategy are as follows:

1. Maintain that the financial product holds at least 20% in Sustainable Investments
2. Apply BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists
3. Apply the BlackRock EMEA Baseline Screens and exclusionary screens
4. Maintain that the ESG policy reduces the investment universe of the financial product compared to the Index by at least 20%
5. Maintain that the financial product's best-in-class process
6. Maintain the financial product's carbon footprint reduction relative to the benchmark

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

### ● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

- The financial product shall comply with the BNP Paribas Asset Management RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment.

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com).

- The financial product shall invest at least 20% of its assets in "sustainable investments" as defined in Article 2(17) of the SFDR regulation. BlackRock uses its own framework to determine which issuers constitute a sustainable investment as referred to in art 2(17) SFDR.
- The financial product's investment universe (MSCI EMU Net) shall be reduced by a minimum of 20% due to the implementation of BIM UK's own process of exclusionary sectorial and activities screens, best-in-class selection and carbon footprint reduction;. The financial product shall have at least 90% of its assets covered by an ESG analysis based on the ESG internal proprietary methodology.



- *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

Following the implementation of the Exclusion Policy and Best-in-Class process, more than 20% of the MSCI EMU universe is non-eligible.

- *What is the policy to assess good governance practices of the investee companies?*

The investment manager assesses good governance practices of the investee companies by combining proprietary insights and shareholder engagement, with data from external ESG research providers.

BIM UK uses data from external ESG research providers to initially identify issuers which may not have satisfactory governance practices in relation to key performance indicators (KPIs) related to sound management structure, employee relations, remuneration of staff and tax compliance.

Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where BIM UK agrees with this external assessment, BIM UK is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on BIM UK's direct engagement with the issuer. BIM UK may also decide to reduce exposure to such issuers.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

At least 80% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

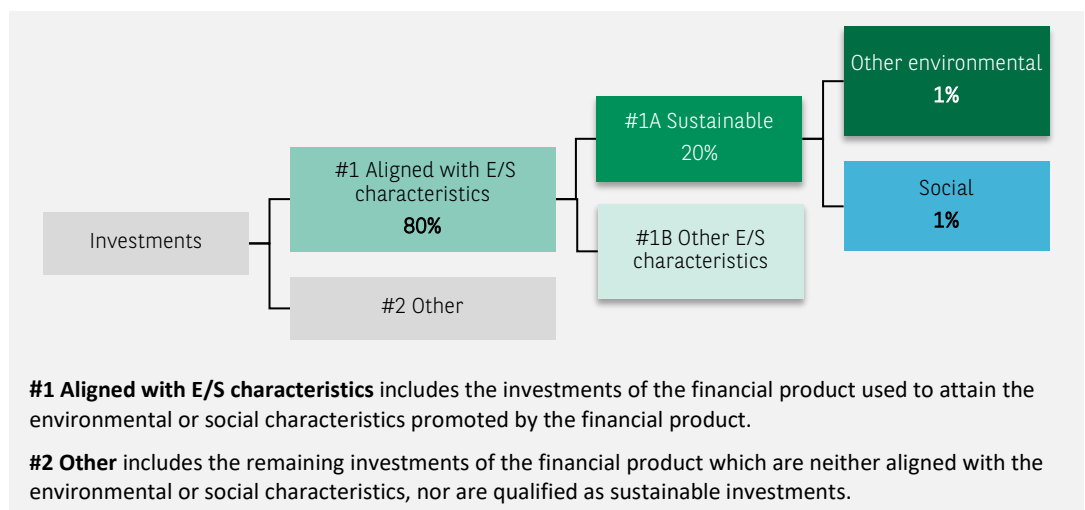
The minimum proportion of sustainable investments of the financial product is 20%. **The financial product does not commit to a minimum percentage of investments that are aligned with the EU Taxonomy, or with other environmental or social objectives.**

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



- *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

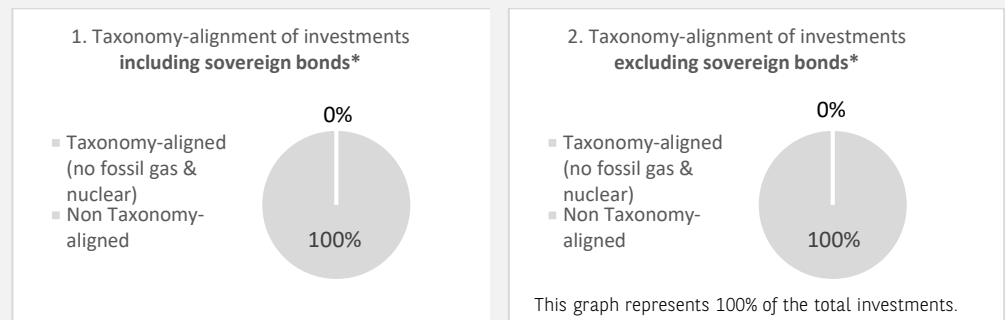
- *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- *What is the minimum share of investments in transitional and enabling activities?*

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

A minimum of 1% of the Portfolio's total assets will be invested in sustainable investments with environmental objectives that are not aligned with the EU Taxonomy.

The Portfolio invests in sustainable investments that are not aligned with the EU Taxonomy for the following reasons: (i) it is part of the investment strategy of the Portfolio; (ii) data to determine EU Taxonomy-alignment may be unavailable; and / or (iii) underlying economic activities may not be eligible under the EU Taxonomy's available technical screening criteria or may not comply with all requirements set out in such technical screening criteria.



## What is the minimum share of socially sustainable investments?

A minimum of 1% of the Portfolio's total assets will be invested in sustainable investments with a social objective.



## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The remaining proportion of the investments is used for liquidity, efficient portfolio management and/or hedging purposes. These investments, if any, are made in compliance with the investment manager and management company internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section “Sustainability-related disclosures” dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect BlueBay Euro Bond Aggregate

Legal entity Identifier: 213800FPALUQVYHLKD49

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by BlueBay Asset Management LLP (BlueBay), promotes environmental and social characteristics by favouring investment in issuers whose business activities and/or conduct take an appropriate and responsible approach to ESG matters. On the environmental front, where relevant, this includes mainly appropriate and responsible management of climate change and waste. On the social front, where relevant, this includes notably appropriate and responsible management of employee relations and health and safety practices

The Financial product aims to only invest in fixed income securities which contribute to the attainment of the ESG characteristics promoted by the financial product:

BlueBay's ESG evaluation applies to all in-scope fixed income securities held and ESG Factors applied by the financial product are binding independent of any investment materiality. In-scope securities include: (1) securities with direct exposure to the issuer, such as corporate or sovereign bonds as well as Securitised Credit Securities, and (2) financial derivative instruments with indirect exposure where the corporate or sovereign issuer is the underlying, such as credit default swap, which contribute to the attainment of the ESG characteristics promoted.

The financial product's ESG characteristics is achieved through the application of binding ESG requirements resulting from (i) ESG Exclusions / Screening, and (ii) **ESG Integration which can additionally restrict issuers depending on the outcome of the ESG evaluation**. To be noted, BlueBay applies to the financial product applies for corporates, an activity based screen on controversial weapons production (firm level policy); and for sovereigns, exclusions based on controversial jurisdictions (Financial Action Task Force (high risk) and UN Security Council Sanctions. The Financial product shall also implement enhanced ESG engagement as part of its stewardship commitment, which means dialogue which not only consider ESG risks (those which are likely to be investment material) but also ESG factors.

The financial product's benchmark (Bloomberg Barclays Euro Aggregate index) does not implement any of the ESG specific considerations which apply to the financial product and is therefore used for performance comparison only.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at: [www.bluebay.com/en/funds/sustainability-related-disclosures/](http://www.bluebay.com/en/funds/sustainability-related-disclosures/).

In addition, the financial product acts in accordance with BNP Paribas Asset Management's ambition to have a sustainability approach for its investments. The financial product complies with the exclusion criteria applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy. The financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The financial product also complies with the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on countries and/or activities considered as being particularly exposed to money laundering and terrorism financing related risks.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. More information on the RBC Policy can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](http://www.bnpparibas-am.com);
- The percentage of the financial product's portfolio (for in-scope fixed income securities) compliant BlueBay's exclusions of securities (in controversial weapons production and sovereigns in controversial jurisdictions); ESG Integration screening (which excludes issuers with a 'very high' or 'high' Fundamental ESG (Risk) Rating) as per BlueBay's proprietary ESG evaluation); and low ESG score (based on third party ESG information providers methodology);
- The percentage of the financial product's investment universe (Bloomberg Barclays Euro Aggregate index) reduction due to exclusion of securities with high ESG risk, low ESG score resulting from the exclusionary framework and BlueBay's ESG evaluation methodology (applicable to all fixed income securities excluding those used for the purposes of capital preservation);
- The percentage of the financial product's portfolio (for in-scope fixed income securities) covered by ESG analysis based on BlueBay's ESG internal proprietary evaluation methodology;

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- The average portfolio ESG score of the sub-fund and the one of its benchmark, based on BlueBay's internal scoring methodology.

In-scope securities include 1) securities with direct exposure to the issuer, such as corporate or sovereign bonds as well as Securitised Credit Securities, and 2) financial derivative instruments with indirect exposure where the corporate or sovereign issuer is the underlying, such as credit default swap, which contribute to the attainment of the ESG characteristics promoted).

- *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*

The financial product does not intend to make any sustainable investment.

- *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

The financial product does not intend to make any sustainable investment.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not Applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not Applicable.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## Does this financial product consider principal adverse impacts on sustainability factors?



Yes

The product considers some principal adverse impacts on sustainability factors.

BlueBay applies a series of exclusions defined for the financial product (in controversial weapons production and sovereigns in controversial jurisdictions) and the BNP Paribas Asset Management RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts (PAI) based on the nature of the economic activities, and in many cases, the geography in which these activities take place.

This financial product, managed by BlueBay, assesses the environmental and social impacts of the activities of all fixed income securities held (where in-scope securities include 1) securities with direct exposure to the issuer, such as corporate or sovereign bonds as well as Securitised Credit Securities, and 2) financial derivative instruments with indirect exposure where the corporate or sovereign issuer is the underlying, such as credit default swap, which contribute to the attainment of the ESG characteristics promoted) by the financial product on an ongoing basis through the ESG Integration process. The consideration of PAI indicators provides additional input to the Environment and Social pillar of the ESG evaluation of issuers and may, in some cases, lead to exclusions or conditional inclusions of fixed income securities predicated on certain conditions being met. The investment manager monitors and evaluates a range of PAI indicators, but as the reporting of many of these metrics by investee entities are currently voluntary, the availability of data on some indicators is limited. As such, the integration of PAI indicators is conducted on a best-efforts basis, reflecting the availability of such information. However, as data availability improves, it is expected that PAI indicators will cover a greater portion of the investment manager's investable universe and therefore allow for better insight in the adverse impacts caused by investee entities.

The combination of the exclusionary framework and the ESG integration means the financial product improves its ESG profile compared to its benchmark. The ESG integration approach results in screening out securities with the lowest ESG rating based on the investment manager's proprietary ESG rating methodology. As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified. At least 20% of the investment universe (Bloomberg Barclays Euro Aggregate index) is de facto eliminated and the final portfolio ESG score should be higher than the one of the benchmark based on BlueBay's internal methodology.

Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Thus, the investment manager considers principal adverse sustainability impacts throughout the investment process. Furthermore, the BNP Paribas Asset Management Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, and BlueBay's ESG approach as it relates to exclusions, ESG integration, and engagement.

Based on the above approach, and depending on the underlying assets, the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, as relevant and appropriate, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.



No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account within its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

This financial product, managed by BlueBay applies its own ESG framework as well as BNP Paribas Asset Management's RBC Policy, both of 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, within the investment process of the Financial product.

The investment universe of the financial product is screened against BNP Paribas Asset Management's RBC Policy (to identify issuers for exclusion that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights and issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices).

In addition, the Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager. BlueBay applies its own proprietary issuer ESG evaluation framework to analyze and evaluate corporate and sovereign issuers on their ESG practices and performance. The credit analysts conduct the initial ESG evaluation assigning the ESG metrics, this is based on a qualitative judgement, balancing consideration of the various ESG factors/risks included in the analysis. These are then reviewed and finalised by the ESG investment team, prioritised depending on the assigned ESG risk. The process operates by consensus. There is a formal review of the ESG evaluations every two years, although it can be initiated sooner where the analysts have sufficient cause to question the ongoing validity of the assigned ESG metrics. This ESG assessment results in two principal complementary metrics: (1) a Fundamental ESG (Risk) Rating (which refers to the assessment of the issuer's exposure and management of ESG factors/risks), and (2) an Investment ESG Score (which denotes the extent to which the ESG factors/risks the issuer is exposed to and extent to which these are being effectively managed, are considered to have any investment relevance and materiality). BlueBay ESG approach is implemented in order to consistently eliminate at least 20% of the investment universe (Bloomberg Barclays Euro Aggregate index) based on low rated securities.

Bluebay performs an ongoing monitoring and engagement of portfolio holdings and issuers of interest, with dialogue held with issuers to further develop insights, and/or to promote change either to mitigate investment risks or protect the ESG characteristics. Insights gained from this process further inform on investment views and decisions and can potentially result in changes to the assigned ESG metrics.

The issuer ESG evaluation utilizes a range of data and insights from across a number of resources, including a mix of external and internal (credit and ESG) insights.

The Investment Manager integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio that demonstrates an improved ESG profile compared to its investment universe of reference for ESG comparison. The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The financial product complies with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#);
- The financial product complies with BlueBay's ESG requirements resulting from (i) ESG exclusions (in controversial weapons production and sovereigns in controversial jurisdictions); (ii) ESG Integration which exclude issuers depending on the outcome of the ESG evaluation where an issuer is deemed to have a 'very high' or 'high' Fundamental ESG (Risk) Rating according to BlueBay's issuer ESG evaluation process;
- The financial product's investment universe (Bloomberg Barclays Euro Aggregate index) is reduced by at least 20% through the implementation by the investment manager of the combination of the RBC Policy and BlueBay's ESG approach;
- The financial product has at least 90% of its assets covered by BlueBay's ESG analysis based on its proprietary issuer ESG evaluation methodology, where investments are analysed and assessed, resulting in two complementary ESG metrics: a Fundamental ESG (Risk) Rating (which refers to the assessment of the issuer's exposure and management of ESG factors/risks), and an Investment ESG Score (which denotes the extent to which the ESG factors/risks the issuer is exposed to and extent to which these are being effectively managed, are considered to have any investment relevance and materiality);
- The financial product should have an average portfolio ESG score above the benchmark, based on BlueBay's internal scoring methodology (which is based on data sourced from the third party ESG information providers BlueBay uses, with the calculation taking the issuer ESG scores assigned, and asset weighting this to derive a portfolio ESG score).

In-scope securities include 1) securities with direct exposure to the issuer, such as corporate or sovereign bonds as well as Securitised Credit Securities, and 2) financial derivative instruments with indirect exposure where the corporate or sovereign issuer is the underlying, such as credit default swap, which contribute to the attainment of the ESG characteristics promoted).

More information on the BlueBay relevant policies and proprietary framework can be found at: [www.bluebay.com/en/funds/sustainability-related-disclosures/](http://www.bluebay.com/en/funds/sustainability-related-disclosures/).

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy. The financial product's investment universe (Bloomberg Barclays Euro Aggregate index) is reduced by a minimum of 20% after implementation of the combination of the RBC Policy and BlueBay's ESG approach.

● ***What is the policy to assess good governance practices of the investee companies?***

As part of BlueBay's proprietary ESG evaluation framework, any issuer deemed to have 'very high' ESG risks on the governance pillar is automatically assigned a 'very high' Fundamental ESG (Risk) Rating overall, and consequently systematically excluded from investment.

In assessing issuers on governance, considerations take account of conventional corporate governance, as well as broader governance related matters. These include, but are not limited to, factors such as: ownership/sound management structures, board independence and accountability, management quality, incentives and remuneration of staff, tax compliance and accounting practices, business growth strategy, as well as broader issues of culture and ethical conduct.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Besides, BluBay implements enhanced ESG engagement as part of its stewardship commitment. Engagement is conducted where deemed appropriate to do so on ESG factors and/or risks. Engagement may be focused on gaining insights and/or influence to bring about change. It can occur bilaterally or working in collaboration with external stakeholders and can be undertaken by the credit and/or ESG analysts. The outcome of the engagement could result in a decision to exclude the issuer at the discretion of BlueBay.



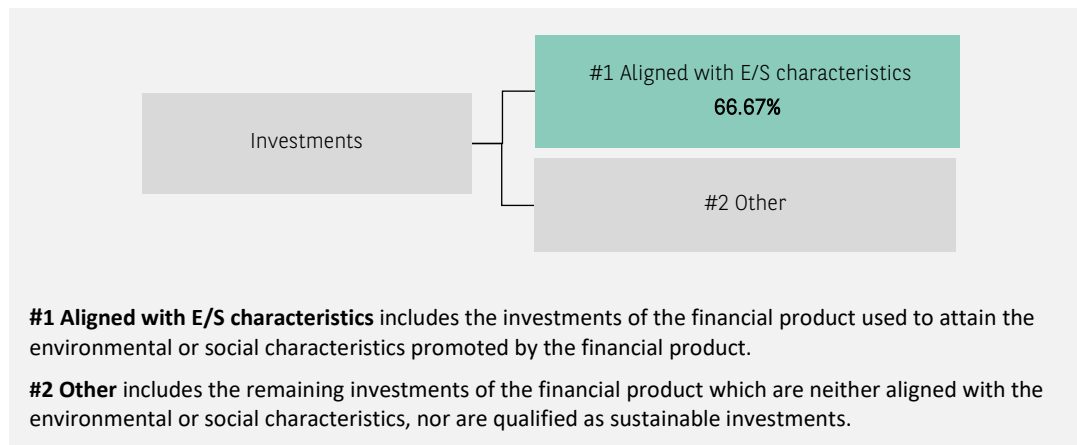
## What is the asset allocation planned for this financial product?

The financial product is expected to invest 100% of its net assets in fixed income securities aligned with the E/S characteristics promoted by the Financial product (#1). In-scope securities include (1) securities with direct exposure to the issuer, such as corporate or sovereign bonds as well as securitised credit securities, and (2) financial derivative instruments with indirect exposure where the corporate or sovereign issuer is the underlying, such as credit default swap, which contribute to the attainment of the ESG characteristics promoted.

In line with the financial product's investment policy, at least two-thirds (66.67%) of the product's net assets (of in-scope securities) will be invested in fixed income securities aligned with the E/S characteristics promoted by the financial product (#1), subject to any security which BlueBay is in the process of selling because it no longer meets the ESG considerations applied by the Financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

- *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

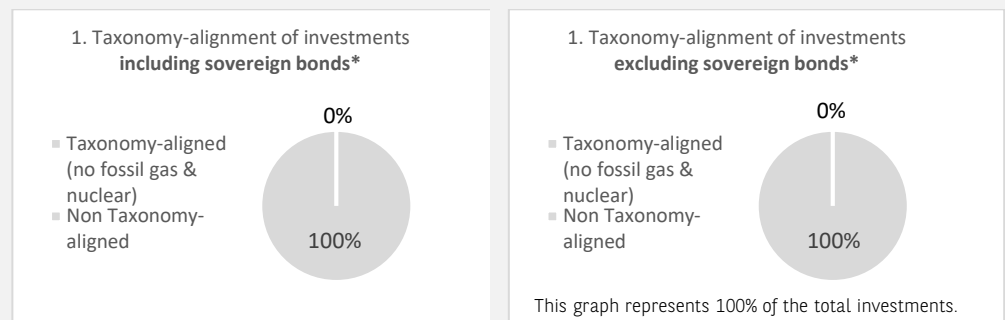
- *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- *What is the minimum share of investments in transitional and enabling activities?*

Not applicable.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



### What is the minimum share of socially sustainable investments?

Not applicable.



### What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Financial product may hold certain instruments used for the purposes of capital preservation and do not follow any minimum environmental or social safeguards. Those instruments do not contribute directly to the E/S characteristics promoted by the Financial product. At a maximum, one-third of the investments (33.33%) may be held in Cash and in short-term bank certificates and Money Market Instruments.

Such instruments may be used for the purposes of capital preservation and do not follow any minimum environmental or social safeguards.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect DPAM Emerging Bond Local Currency

Legal entity Identifier: 213800BPYF701YEB7W64

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1.5% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by Degroof Petercam Asset Management (DPAM), promotes environmental and/or social characteristics as it aims to invest in States concerned with the respect of fundamental rights (human rights, labour rights, democratic rights, etc.), the protection of their environmental capital and the promotion of the well-being of their present and future generations.

Based on DPAM selection of States combined with a formal and systematic commitment policy and with a priority to recognized impact obligations (green bonds and equivalents), the Sub-Fund aims to invest in the States most committed or demonstrating the best efforts in terms of sustainable development.

The Sustainable Development Goal is pursued by DPAM:

1. rigorous ESG screening, based on a DPAM proprietary model of sustainability of States aligned with the Sustainable Development Goals;

2. promoting best practices and best efforts, by defining eligibility rules based on ESG ranking;
3. formal and systematic engagement with issuers and
4. investing in impact securities (green bonds and the like).

The protection of their environmental capital and the promotion of the well-being of their present and future generations and the respect of fundamental rights are being promoted through indicators related to Environment (Ecological footprint, Ecological performance index,...), Education (Literacy rate, School participation, Expenditure per student, ...), Population, Healthcare & Wealth Distribution (GINI-index, Unemployment, Infant mortality, Water indicators, Sanitation indicators, Health prevention,...), Transparency and Democratic Values (Corruption, Press Freedom, Civil liberties, ICC,...)

Overall, the financial product has a binding and significant ESG integration approach and complies with the DPAM's Sustainable and Responsible Investments Policy. This financial product also improves its ESG profile, compared to the universe of reference for ESG comparison (the Emerging Market and Developing Countries as defined by the IMF World Economic Outlook Database). The financial product adopts a selectivity approach based on DPAM internal methodology, reducing its ESG universe of reference (Emerging Market and Developing Countries as defined by the IMF World Economic Outlook Database) by at least 20% based on low rated countries (lower weight) and normative exclusions.

In addition, the financial product acts in accordance with BNP Paribas Asset Management's ambition to have a sustainability approach for its investments. The financial product complies with the exclusion criteria applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management RBC Policy. The financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The financial product also complies with the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on countries and/or activities considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude issuers involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as those are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/en/sustainability);
- The percentage of the financial product's investment universe reduction due to the implementation of DPAM's criteria (exclusion filter, analysis and scoring of the country's sustainability profile according to its policies and proprietary model), as well as the sector exclusions as per the BNP Paribas Asset Management RBC Policy;
- The percentage of the financial product's portfolio covered by ESG analysis based on the DPAM's ESG internal proprietary methodology;
- The average ESG score of the financial product's portfolio compared to the average ESG score of its universe of reference for ESG comparison, based on DPAM's methodology;
- The percentage of the financial product's portfolio invested in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation.

More information on DPAM methodologies can be found on the website of the investment manager: <https://www.dpamfunds.com/responsible-investment.html>

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make are to finance governments that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

Sustainable investment contribute to such objectives as DPAM aligns with the SFDR definition of sustainable investments referring to investments in an economic activity that contributes to an environmental objective or a social objective, provided that such investments do not significantly harm any of those objectives and that the investees target good governance practices.

Investments identified as sustainable investments should not significantly harm any other environmental or social objectives (the Do No Significant Harm "DNSH" principle) and should follow good governance practices. The investment manager uses its methodology to assess all issuers against these requirements. More information on the internal methodology can be found on the website of the investment manager: <https://www.dpamfunds.com/responsible-investment.html>

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Sustainable investments that the product partially intends to make should not significantly harm any environmental or social objective (DNSH principle). In this respect, DPAM commits to consider principal adverse impacts on sustainability factors by taking into account indicators for adverse impacts as defined in SFDR where these are relevant and material to the investment strategy, and to not invest in companies that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

DPAM ensures that the financial product sustainable investments do not cause significant harm to an environmentally or socially sustainable investment objective by:

1. The exclusion of issuers that do not meet a democratic minimum;
2. The investment in countries that demonstrate the greatest commitment to sustainable development on governance issues, of the environment and social characteristics but also in those who show a willingness to progress on these subjects. The financial product invests a minimum of 40% of the assets in countries ranked in the first quartile and a maximum of 10% in countries ranked in the last quartile according to DPAM countries' proprietary sustainability model. The financial product. The screening of the issuers integrate the main environmental, social and governance challenges and related to the Sustainable Development Goals as defined by the United Nations results in a ranking of countries according to DPAM proprietary model. Investment is concentrated only in the sustainable eligible Emerging Market countries according to the countries' proprietary sustainability model, subject to the application of the transition framework outlined in DPAM Sustainable and Responsible Investments Policy; and
3. A systematic dialogue with all the countries invested.

Further information on the integration of the main negative impacts into the Manager's Sustainable and Responsible Investments Policy can be found via the Sustainable and Responsible Investments Policy: <https://www.dpamfunds.com/responsible-investment.html>

— — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The investment manager ensures that throughout its investment process, the financial product takes into account principal adverse impact indicators (PAIs) that are relevant to its investment strategy to select the sustainable investments that the financial product partially intends to make, by systematically using DPAM's sustainability framework and the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy and Proxy Voting (applying the requirements of the RBC Policy to the voting exercise).

The financial product shall take into account the main principal adverse impacts, the negative environmental and social impacts (hereinafter "NIPs") listed in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288 that are applicable to investments in sovereign or supranational issuers.



The NIPs are intrinsically linked to DPAM's commitment to reduce the negative impact of the financial product investments by avoiding activities or behaviours that can significantly harm sustainable and inclusive growth. This commitment is embedded in the entire research and investment process from its inception.

The first NIP is related to environmental issues and focuses on the greenhouse gas emissions intensity of the countries invested. The indicator is an integral part of the country sustainability model developed by DPAM for its sovereign bond strategies. It is therefore included in the country's sustainability score and can influence it positively or negatively depending on its level and evolution compared to other issuing countries.

The second NIP is related to social issues and focuses on issues of social violations. DPAM model of sustainability of the country observes several indicators on this issue such as respect for civil liberties and political rights, respect for human rights and the level of violence within the country, commitment to major labour law conventions, the issue of equal opportunities and distribution of wealth, etc. These different indicators are included in the country's sustainability score and can influence it positively or negatively depending on its level and evolution compared to other issuing countries.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Right through the process implemented by DPAM to defend its principles - mainly related to respect for human and labour rights. DPAM's model of sustainability of the country observes several indicators on these issues such as respect for civil liberties and political rights, respect for human rights and the level of violence within the country, commitment to major labour law conventions, the issue of equal opportunities, etc. These different indicators are included in the country's sustainability score and can influence it positively or negatively depending on its level and evolution compared to other issuing countries.

The principles defended by the references given are mainly related to respect for human and labour rights. DPAM model of sustainability of the country observes several indicators on these issues such as respect for civil liberties and political rights, respect for human rights and the level of violence within the country, commitment to major labour law conventions, the issue of equal opportunities, etc. These different indicators are included in the country's sustainability score and can influence it positively or negatively depending on its level and evolution compared to other issuing countries.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**X** Yes, the product considers some principal adverse impacts on sustainability factors.

The investment process of the investment manager applies the DPAM Sustainable and Responsible Investments Policy. The investment manager should also comply with the BNP Paribas Asset Management RBC policies establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms.

This financial product has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile, compared to the universe of reference for ESG comparison (the Emerging Market and Developing Countries as defined by the IMF World Economic Outlook Database) based on DPAM's methodology. As such, the investment manager de facto reduces its universe of reference for ESG comparison by at least 20% based on low rated countries (lower weight) and normative exclusions.

In addition, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product and the average portfolio ESG score of the financial product is better than the ones of its universe of reference for ESG comparison, based on the investment manager's internal scoring methodology. Thus, principal adverse sustainability impacts are considered throughout the investment process. Besides, the BNP Paribas Asset Management Stewardship team regularly identifies adverse impacts through research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the above mentioned framework which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- In case of equity holdings, BNP Paribas Asset Management voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring the financial product's portfolio have supportive ESG research.

Based on the above approach, and depending on the underlying assets, the financial product considers and addresses or mitigates the following principal adverse sustainability impacts: Corporate mandatory indicators:

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Sovereign mandatory indicators

15. GHG Intensity

16. Investee countries subject to social violations

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account at each step of its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The financial product seeks to increase the value of its assets over the medium term by investing mainly in investment grade or high yield corporate and government bonds denominated in any local currency. These assets are issued (or guaranteed) by emerging countries, including their regional public authorities and public (or equivalent) bodies or by international public bodies such as the World Bank or the European Bank for Reconstruction and Development and selected on the basis of sustainable development criteria such as social equity, respect for the environment and socially equitable political and economic governance.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe-

The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

In addition, the Investment Manager relies on the internal sustainable investment methodology, as defined in the answer to the question *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives*, to determine issuers that contribute to environmental and/or social objectives.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The financial product shall comply with the DPAM Sustainable and Responsible Investments Policy and the BNP Paribas Asset Management RBC Policy by excluding issuers involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

- The financial product's ESG universe of reference (Emerging Market and Developing Countries as defined by the IMF World Economic Outlook Database) shall be reduced by at least 20% based on DPAM's methodology.

The criteria that issuers must meet in order to constitute the investment universe are determined on the basis of independent external research and/or internal research. These selection criteria are as follows:

1 - Exclusion filter based on respect for democratic minimums: Exclusion of countries that do not respect a minimum of democracy according to the rankings of specialized and publicly available institutions (such as Freedom House, i.e. countries classified as "not free", and that do not respect a minimum of democracy according to the democracy index published by the Economist Intelligence Unit, i.e. countries classified as "authoritarian").

2 - Analysis and scoring of the country's sustainability profile using the proprietary model defined by the Manager, through his Advisory Council on Country Sustainability:

The sustainability review is characterized by the use of objective, measurable and comparable criteria that governments can use to influence their policy. The model is based on several indicators such as indicators concerning transparency and democratic values, environment, education and innovation and population, health care and wealth distribution, etc. Based on the country sustainability model, countries are evaluated in relation to each other which gives rise to a ranking. The quantitative screening based on the proprietary sustainability model is updated every 6 months with the assistance of the Advisory Board. A new ranking is then approved.

More information on the country sustainability model (methodology, specific indicators, etc.) can be found on the [www.dpamfunds.com](http://www.dpamfunds.com) website and in particular in the Manager's Sustainable and Responsible Investments Policy;

- The financial product shall invest a minimum of 40% of its assets in countries ranked in the first quartile and a maximum of 10% in countries ranked in the last quartile of its investment universe, according to DPAM's proprietary country sustainability ranking model. Investments Policy, for countries that change of quartile, management is given a two-month transition to comply with the rule;
- The financial product shall have at least 90% of its assets covered by an ESG analysis based on DPAM's approach;
- The average ESG score of the financial product's shall be better than the one of its universe of reference for ESG comparison, based on DPAM's internal scoring methodology;
- The financial product shall invest at least 1.5% of its assets in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy. Following the implementation of the investment process, more than 20% of the Emerging Market and Developing Countries as defined by the IMF World Economic Outlook Database universe is non-eligible.

● ***What is the policy to assess good governance practices of the investee companies?***

DPAM's good governance criteria are included in the investment decision-making process through the criteria used in the countries' sustainability model. This DPAM's model focuses on the Environmental, Social & Governance challenges at the level of a country, which results in four sustainable dimensions namely: (1) transparency and democratic values; (2) environment; (3) population, health and wealth distribution; and (4) education and innovation. Indeed, the model includes criteria on governance bodies, corruption prevention, respect for political rights and civil liberties, etc.

More information can be found at the website: <https://www.dpamfunds.com/responsible-investment.html>

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

At least 40% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

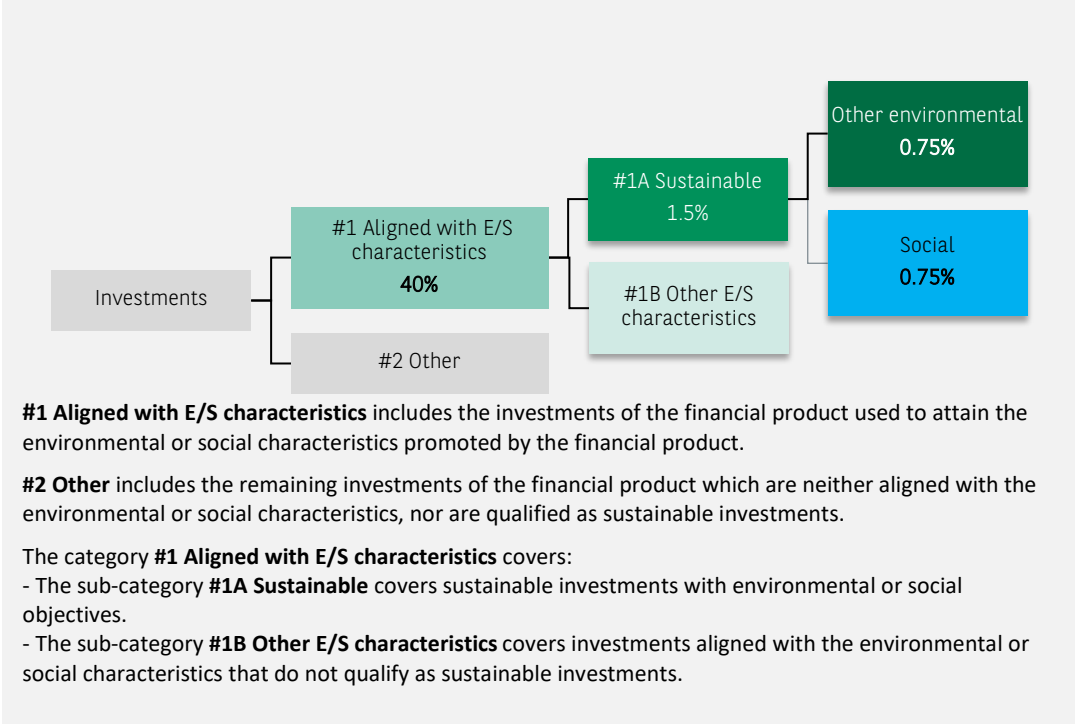
The minimum proportion of sustainable investments of the financial product is 1.5%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

**Asset allocation** describes the share of investments in specific assets.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable. To date, the EU Taxonomy does not provide a methodology for determining the alignment of sovereign bonds with the EU Taxonomy. These obligations are therefore not covered by the EU Taxonomy or its eligibility and technical selection criteria. The financial product invests mainly in bonds and/or other debt securities issued (or guaranteed) by emerging countries (including local authorities and public bodies (or similar) thereof) or by international public bodies selected on the basis of criteria related to sustainable development.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

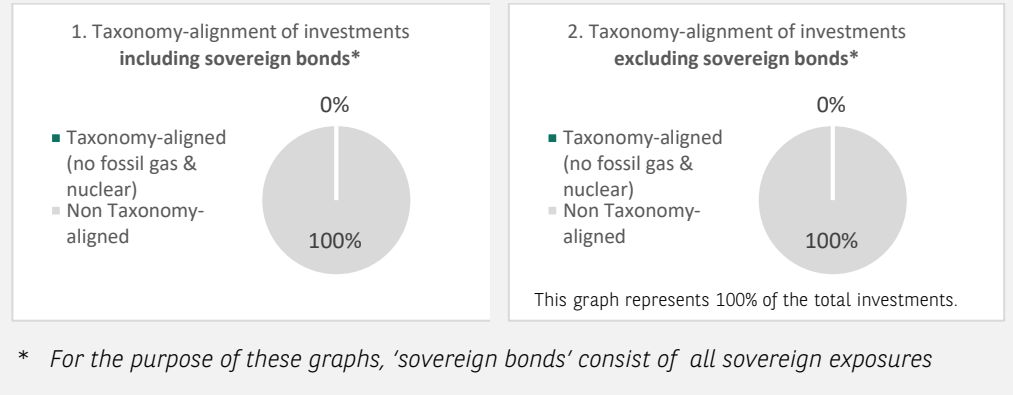
In fossil gas     In nuclear energy

No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm an EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Based on the approach, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0.75%. The DPAM proprietary sustainability model is based on environmental, social and governmental dimensions. On the environmental dimension, the proprietary model takes into account energy efficiency, climate change, biodiversity and country emissions. Thus, by investing in the countries ranked best on this dimension, the financial product aims at an environmental objective. The scores of the Environment component of the country model applied are used to rank member country countries in a decreasing manner. Countries in the bottom quartile (rounding up the number of eligible countries) do not defend an environmental target. Further information on the methodology and data resources is available in the information on this Sub-Fund via the [www.dpamfunds.com](http://www.dpamfunds.com) website (in particular in the sections "Methodologies" and "Data sources and processing").



**What is the minimum share of socially sustainable investments?**

Based on the approach described, the minimum share of socially sustainable investments is 0.75%. A European Taxonomy for social sustainability objectives has yet to be developed. In the meantime, DPAM wishes to continue making sustainable investments that contribute to the achievement of key social objectives such as zero hunger, quality education and peace, justice and strong institutions. To this end, the financial product has adopted and defined a specific framework to identify the social objectives of such sustainable investments and assess their contribution to those objectives. The proprietary sustainability model is based on environmental, social and governmental dimensions. On the social dimension, the proprietary model of sustainability of countries takes into account on the one hand current generations (distribution of wealth, population, health care) and future generations (education and innovation). Thus, by investing in the countries ranked best on this dimension, the financial product aims at a social objective. Similarly, the scores of the Social component (i.e. present and future generations of the proprietary model) make it possible to rank member country countries in a decreasing way. The countries in the bottom quartile do not have a social objective. Further information on the methodology and data resources is available in the information on this Sub-Fund via the <http://www.dpamfunds.com> website (in particular in the sections "Methodologies" and "Data sources and processing").

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Binding ESG screenings carried out in accordance with the investment strategy described above are applied to the entire portfolio, excluding: Cash; Derivatives & deposits; Collective investment undertakings. The financial product may invest or hold these types of assets for the purpose of achieving investment objectives, portfolio diversification, liquidity management and risk hedging. These investments, if any, are made in compliance with the internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*  
Not applicable
- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*  
Not applicable
- *How does the designated index differ from a relevant broad market index?*  
Not applicable
- *Where can the methodology used for the calculation of the designated index be found?*  
Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section “Sustainability-related disclosures” dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Echiquier Europe Equity Mid Cap

Legal entity Identifier: 213800IOPXVRWATUDW10

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 25% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by Financière de l'Echiquier (LFDE), has a binding and significant ESG integration approach as part of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison. This universe is made of European mid cap companies with a market capitalisation of between EUR 1 and EUR 10 billions, i.e. around 860 stocks and supplemented for the negotiable debt securities component by around 80 European corporate issuers which regularly issue treasury bills.

The investment manager applies a series of exclusion criteria with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy but also through its own ESG integration approach, including its controversial sectors, practices, and normative restriction policies defined for its financial products in order to avoid investments with negative outcomes on environmental or social criteria.



More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website: <https://www.lfde.com/en-int/responsible-investment/our-methodology/>.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/en/sustainability-documents);
- The percentage of the financial product's portfolio compliant with LFDE sectors and activities policies applied to the financial product and compliant with the UN Global Compact Principles;
- The ESG scores of the issuers of the universe of reference, the average portfolio ESG score of the financial product and the one of the universe of reference for ESG comparison based on the investment manager's ESG scoring methodology;
- The percentage of the financial product's universe of reference reduction due to the financial product's own ESG scoring methodology and restriction process;
- The percentage of the financial product's portfolio covered by ESG analysis based on the investment manager's methodology.

LFDE has developed a set of sustainability criteria to assess the environmental and social characteristics promoted by the financial product. LFDE research on environmental and social criteria is based on third party data and adjusted by LFDE according to its own process where relevant.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investment objectives that the financial product aims to partially achieve are to contribute to the achievement of the United Nations Sustainable Development Goals (including the fight against climate change, the protection of biodiversity and the improvement of access to health in the world). To assess this positive contribution to society and the environment, the financial product uses the three impact scores developed internally by La Financière de l'Echiquier ("SDG Score" (focusing on 9 SDGs), the "Climate & Biodiversity Maturity Score" (MCB), the "AAAA Score" (focusing on access to health)) and an external score called the "MSCI SDG Score" built from MSCI ESG Research data.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

If the issuer has a sufficient score on one of these four scores, it will be considered that its economic activity contributes to an environmental or social objective. Finally, in the event that none of the four impact scores mentioned above is available for a company (particularly in the case of a company not covered by MSCI), an analysis of the contribution to the SDGs will be carried out internally using the internal "SI SDG Score" (broader than the SDG Score because it focuses on 17 SDGs instead of 9).

These methodologies are detailed in the question "What investment strategy does this financial product follow?" if the financial product uses one of these impact scores.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

To ensure that the sustainable investments of the financial product will not significantly harm an environmental or social objective (DNSH), La Financière de l'Echiquier has defined a "DNSH" procedure for products with a sustainable investment objective, including:

- The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.
- Sectoral and normative exclusions complementary to the extra-financial approach of the product (recalled below) and which make it possible to reduce its exposure to social and environmental prejudices: Tobacco, all types of armaments, non-conventional and non-controversial fossil fuels, gambling, pornography, alcohol, GMOs, palm oil and biocides,
- A consideration of the principal adverse impacts (PAI) of these investments on sustainability factors.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

Regarding adverse impacts, this financial product takes into account 14 mandatory indicators from Table 1 of Annex I of the European Commission's Delegated Regulation (EU) 2022/1288, and also includes the following 2 additional indicators: investments in companies without carbon reduction initiatives and investments in issuers without a policy to prevent accidents at work.

Their consideration is carried out within the various aspects of the management company's responsible investment approach: through the exclusion policy (sectoral and normative), the ESG analysis methodology, the various Impact scores, the measurement and monitoring of ESG performance indicators (carbon intensity, ESG controversy score) as below:

**CLIMATE & ENVIRONNEMENT**

- Scope 1, 2 and 3 greenhouse gas emissions by measuring and monitoring CO2 emissions and equivalents for all scopes (1, 2, 3),
- The carbon footprint, measured and monitored using the Carbon Impact Ratio methodology (ratio of saved emissions to induced emissions),
- The carbon intensity of the invested companies (in teqCO2) calculated as a function of the intensity of induced emissions (WACI), and driven by the commitment to outperform the financial product against its benchmark,
- The exposure of invested companies to fossil fuels is taken into account in the ESG analysis and in the exclusion policy,
- The share of non-renewable energy consumption and production taken into account in the ESG analysis,
- The intensity of energy consumption taken into account in the ESG analysis,
- Impact on biodiversity through ESG analysis and measurement of the biodiversity footprint,
- Tons of priority substances discharged to water considered in the ESG analysis,
- Tonnes of dangerous waste taken into account in the ESG analysis,
- Investments in companies without carbon reduction initiatives in the ESG analysis (additional indicator).

**SOCIAL, HUMAN RESOURCES, RESPECT FOR RIGHTS INCLUDING HUMAN RIGHTS**

- The proportion of issuers implicated in violating the UN Global Compact or the OECD Guidelines, through MSCI ESG Research's normative exclusion policy and controversy monitoring,
- The proportion of investments in issuers without a compliance process and mechanism to monitor compliance with the UN Global Compact principles or the OECD Guidelines, through MSCI ESG Research's normative exclusion policy and controversy monitoring,
- The gender pay gap taken into account in the ESG analysis,
- Diversity on company boards in % of women according to the different legislations between countries and the level of voluntarism and proactivity of companies on the subject, taken into account in the ESG analysis,
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, etc.) taken into account in the sectoral exclusion policy,
- Investments in issuers without an occupational accident prevention policy taken into account in the ESG analysis (additional indicator).

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Through the consideration of PAIs, and in particular the use of the following social PAIs, the investments of this financial product are in line with the principles mentioned:

- Violation of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises,
- Lack of processes and mechanisms for monitoring compliance with the UN Principles and the OECD Guidelines for Multinational Enterprises

Compliance with these PAIs is monitored by the Investment Manager through MSCI ESG Research's normative exclusion policy and controversy monitoring.



## Does this financial product consider principal adverse impacts on sustainability factors?

- ✘ Yes, the product considers some principal adverse impacts on sustainability factors.

The investment manager applies its own exclusion criteria and the BNP Paribas RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. In addition, LFDE applies its own ESG framework to identify principal adverse sustainability impacts. Overall, the investment manager applies a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Furthermore, the Stewardship teams regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the exclusion policies, the LFDE ESG integration criteria, the engagement policies as well as the BNPP AM Voting Policy. Those actions include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- The LFDE ESG analysis targeting the most significant negative impacts of investment decisions on sustainability factors;
- The LFDE Carbon Impact Ratio methodology that aim to improve the carbon footprint of the financial product compared to the one of the benchmark, as well as the LFDE monitoring of the weighted average carbon intensity according to its own methodology;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators

- 2:4. Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
- 3:1. Share of investments in investee companies without a workplace accident prevention policy

In addition, information on how the principal adverse impacts on sustainability factors have been considered historically will be available in the annual report of the financial product.

No

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The financial product seeks to increase the value of its assets over the medium term by investing mainly in shares of socially responsible small and mid-cap companies which have market capitalisation less than EUR 15 billions at any time and that are domiciled or do most of their business in Europe (member states of European Economic Area, Switzerland and UK), taking into account ESG criteria.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager. The investment team also applies the BNP Paribas Asset Management RBC Policy. Overall, the team excludes at least 20% of the universe of reference based on low rated securities and/or controversial sectors and activities, and a qualitative ESG analysis part of its fundamental analysis. Eventually, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product. The average portfolio ESG score of the financial product is better than the one of its investment universe, based on the investment manager's internal scoring methodology.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process. The investment manager constructs an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

Besides, the financial product respects a minimum of 25% of investments (in net assets) in sustainable investments. To assess this positive contribution to society and the environment, the financial product uses the 3 impact scores developed internally by La Financière de l'Échiquier and a score constructed internally from an external data provider research database.:

1 - Score SDG: This score defines the net contribution of companies to the SDGs. The score measures this contribution according to two scores: First, the Solutions Score, based on the analysis of products and services. La Financière de l'Échiquier has mapped the activities of each of 9 selected business-oriented SDGs (3, 4, 6, 7, 8, 9, 11, 12, 16) that contribute positively and those that contribute negatively. The distribution of the company's turnover in these activities gives a Net Score out of 100. Secondly, the Initiatives Score, based on the analysis of the company's social and environmental practices. The objective of this score is to value the advanced social and environmental practices of companies contributing to the SDGs and to penalise practices that contribute negatively to one or more SDGs. LFDE has mapped these practices for each of the 17 SDGs. From these two scores, the contribution of companies to the SDGs is assigned to the targets of each SDG. The average of the Solutions score and the Initiatives score gives an SDG score out of 100. Companies need to achieve an SDO score of 25/100 and a Solutions score of 20/100 to ensure that they are making a positive environmental and/or social contribution.

2 - Climate & Biodiversity Maturity Score (MCB): This score determines the level of maturity of companies in taking into account the climate and biodiversity issues they face and will face in the future. The MCB score is composed of 3 or 4 pillars (Governance, Climate, Biodiversity, Just Transition) depending on the impact of the company on biodiversity, to which is added a malus linked to environmental controversies. Companies must obtain a minimum MCB score of 40% to ensure that they are taking climate change and biodiversity decline seriously in their strategy and therefore making a positive environmental contribution

3 - AAAA score: This score defines a company's contribution through its products and services to at least one of the four dimensions of access to health (Availability, Geographical Accessibility, Financial Accessibility, Acceptability) inspired by the work of the World Health Organisation (WHO)

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

on the subject. Companies must contribute at least 20% of their revenue to at least one of the four dimensions without significantly harming these issues (DNSH). Companies must obtain an AAAA score of 20% and pass the DNSH filter to ensure their positive social contribution.

**4 - MSCI SDG Score:** A score constructed internally from MSCI ESG Research data that identifies companies that contribute positively through their products and services and/or their operations to the achievement of at least one of the 17 SDGs. This contribution is measured using three scores ("PRODUCT", "OPERATIONAL", "NET") provided by MSCI ESG Research. Each of these scores ranges from -10 to +10. To determine the positive contribution to at least one of the 17 SDGs, the company must validate two steps. Firstly, it must have between 10% and 25% of its turnover contributing to an SDG ("PRODUCT" score greater than or equal to +5, considered as aligned or very aligned according to MSCI) and/or have its operations considered as aligned or very aligned with the achievement of this same SDG ("OPERATIONAL" score greater than or equal to +5 according to MSCI) On the other hand, the average of these two scores (NET Score according to MSCI) must be greater than or equal to +2.5 in order to ensure their positive environmental and/or social contribution.

In the event that none of the four impact scores listed above are available for a company, the Investment Manager has developed the following impact score internally: the "SI SDG Score" that defines the net contribution of companies to the SDGs. It is constructed in the same way as the SDG Score presented above, except that the Solutions Score covers all 17 SDGs (instead of 9). Companies must obtain an SDG score of 25/100 and a Solutions score of 20/100 to ensure that they are making a positive environmental and/or social contribution.

More information on the methodologies can be found in the Transparency Code available on the Investment Manager's website ([www.lfde.com](http://www.lfde.com) / Responsible Investment section).

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#).

- The financial product shall comply with the LFDE exclusion policies and exclusionary framework;
- The financial product's investment universe shall be reduced by a minimum of 20% due to the implementation of LFDE's sustainable investment policy;
- The financial product shall invest in companies with an ESG score higher or equal to 5.5/10 according to LFDE's internal scoring methodology;
- The financial product shall have at least 90% of its assets covered by a ESG analysis based on LFDE internal proprietary methodology;
- The financial product has a better ESG score than its investment universe of reference based on the LFDE's internal scoring process.
- The financial product shall invest at least 25% of its assets in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Following the implementation of the sustainable investment strategy, more than 20% of the investment universe is non-eligible.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● *What is the policy to assess good governance practices of the investee companies?*

The investment manager’s policy to assess good governance practices is as follow:

- The Governance rating represents circa 60% of the global ESG rating of a company.
- The governance rating of a company results from LFDE internal evaluation process. This is an historical feature of LFDE’s assessment process. It includes the following evaluation points: Relevance of the functions represented on the Management Committee, Existence of checks and balances, Respect for minority shareholders, Evaluation of non-financial risks, Transparency of financial information.
- An analysis of the corporate controversies is performed as part of the ESG analysis of a company, which can impact negatively the overall ESG rating of a company (maximum 2 points over 10).



Asset allocation describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?**

At least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

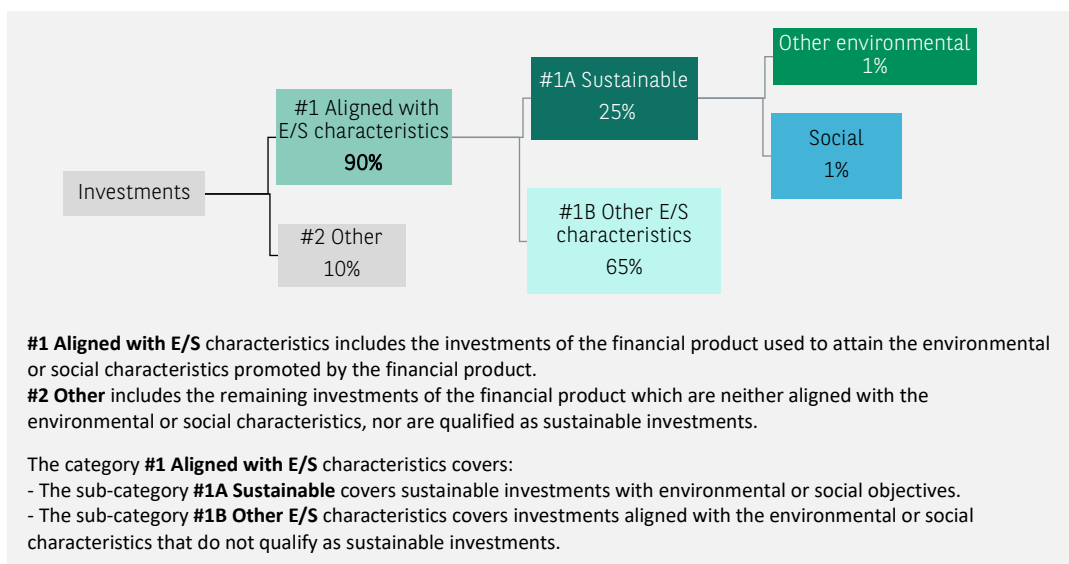
For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 25%.

The remaining proportion of the investments is mainly used as described under the question: “What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?”.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

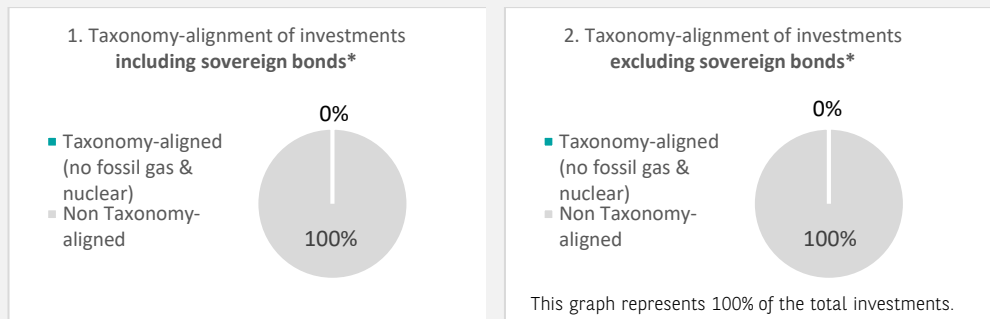
- *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

No:

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- *What is the minimum share of investments in transitional and enabling activities?*

Not applicable

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance





are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 1%.



### What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments within the financial product is 1%



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining proportion of the investments, mostly in cash and cash equivalents, is used for liquidity, efficient portfolio management and/or hedging purposes. These investments, if any, are made in compliance with the internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section “Sustainability-related disclosures” dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Fidelity US Bond Aggregate

Legal entity identifier: 213800Y9TJ9J9FYVTE20

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 2.5 % of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product managed by Fidelity International (Fidelity) promotes environmental and/or social characteristics by investing in securities of issuers with favourable ESG characteristics. Favourable ESG characteristics are determined by reference to ESG ratings. ESG ratings consider environmental characteristics including carbon intensity, carbon emissions, energy efficiency, water and waste management and biodiversity, as well as social characteristics including product safety, supply chain, health and safety and human rights. Favourable ESG characteristics are defined as an MSCI ESG score of greater than or equal to BBB in developed markets, or BB in emerging markets, or a FIL ESG rating of greater than or equal to C in the absence of a MSCI rating.

The financial products maintains a higher ESG Rating than the ICE BofA US Large Capitalisation Corporate & Government Index, based on MSCI ESG Ratings and the manager's internal ESG Ratings.

In addition, exclusion criteria are applied with regard to issuers that are in violation of international norms and standards, or operate in sensitive sectors as defined by the Fidelity Exclusions framework for direct investments and the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

More information on Fidelity's general ESG/Sustainability investment framework can be found at the website <https://fidelityinternational.com/sustainable-investing-framework/>;

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#);
- The percentage of the financial product's portfolio compliant with Fidelity's Exclusions framework (<https://fidelityinternational.com/>);
- The ESG Rating of the financial product's portfolio compared to the one of its benchmark based on Fidelity's methodology (using the MSCI ESG Ratings and its internal ESG Ratings);
- The percentage of the financial product's portfolio covered by an extra-financial analysis based on Fidelity's methodology;
- The percentage of assets invested in sustainable investments.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product intends to partially make sustainable investments, defined as.

1. issuers that undertake economic activities that contribute to one or more of the environmental objectives set out in the EU Taxonomy and qualify as environmentally sustainable in accordance with EU Taxonomy; or
2. issuers whereby the majority of their business activities (more than 50% of revenue) contribute to environmental or social objectives aligned with one or more of the United Nations Sustainable Development Goals ("SDGs"); or
3. issuers which have set a decarbonisation target consistent with a 1.5 degree warming scenario or lower (verified by the Science Based Target Initiative or a Fidelity Proprietary Climate Rating) which would be considered to contribute to environmental objectives; provided they do no significant harm, meet minimum safeguards and good governance criteria.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Further information on how sustainable investments are identified can be found here [Sustainable investing framework \(fidelityinternational.com\)](https://www.fidelityinternational.com).

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments that the financial product partially intends to make do not cause significant harm to any environmental or social sustainable investment objective because they are screened for involvement in activities that cause significant harm and controversies, assessed through a check that the issuer meets minimum safeguards and standards that relate to principal adverse indicators (PAIs) as well as a performance on PAI metrics. This includes:

1. Norms-based screens - the screening out of securities identified under Fidelity's existing norms-based exclusions (as set out below);
2. Activity-based screens - the screening out of issuers based on their participation in activities with significant negative impacts on society or the environment, including entities that are considered to have a 'Very Severe' controversy using controversy screens, covering 1) environmental issues, 2) human rights and communities, 3) labour rights and supply chain, 4) customers, 5) governance; and
3. PAI indicators: quantitative data (where available) on PAI indicators is used to evaluate whether an issuer is involved in activities that cause significant harm to any environmental or social objective. Further details on this assessment can be found here [Sustainable investing framework \(fidelityinternational.com\)](https://www.fidelityinternational.com).

— ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

For sustainable investments, as set out above, Fidelity undertakes a quantitative evaluation to identify issuers with challenging performance on PAI indicators. Issuers with a low score will be ineligible to be 'sustainable investments' unless Fidelity's fundamental research determines that the issuer is not breaching "do no significant harm" requirements or is on the path to mitigate the adverse impacts through effective management or transition.

— ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Norms-based screens are applied:- Issuers identified as failing to behave in a way which meets their fundamental responsibilities in the areas of human rights, labour, environmental and anti-corruption as aligned with international norms including those set out by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN Global Compact (UNG), ILO Standards International Labour Organisation (ILO) Conventions, are not considered to be sustainable investments.

***The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.***

***The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.***

***Any other sustainable investments must also not significantly harm any environmental or social objectives.***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The product considers some principal adverse impacts (PAI) on sustainability factors.

The investment manager applies its Exclusions framework and the BNP Paribas Asset Management RBC policies establishing a framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms:

Fidelity's consideration of the principal adverse impacts on sustainability factors of investment decisions (referred to as principal adverse impacts) is incorporated through a variety of tools, including:

1. Due Diligence - analysis of whether impacts on sustainability factors are material and negative.
2. ESG Rating - Fidelity references ESG ratings which incorporate considerations of material PAIs such as carbon emissions, employee safety and bribery and corruption, water management and, for sovereign issued securities, ratings used incorporate material PAIs such as carbon emissions, social violations and freedom of expression.
3. Exclusions - the financial product defines exclusions to help mitigate PAI through excluding harmful sectors and prohibiting investment in issuers that breach international standards, such as the UNGC.
4. Engagement - Fidelity uses engagement as a tool to better understand principal adverse impacts on sustainability factors and, in some circumstances, advocate for mitigating the PAI and sustainability metrics for corporate issuers. Fidelity participates in relevant individual and collaborative engagements that target a number of principal adverse impacts (i.e. Climate Action 100+, Investors Against Slavery and Trafficking APAC).

Besides, the RBC sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

Thus, the investment manager considers principal adverse sustainability impacts throughout the investment process. Furthermore, the BNP Paribas Asset Management Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate PAIs depend on the severity and materiality of these impacts. These actions are guided by Fidelity's considerations and tools and the BNP Paribas Asset Management RBC policies, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- BNP Paribas Asset Management voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

### Corporate mandatory indicators:

13. Board gender diversity
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account during its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

In actively managing the product, Fidelity uses macroeconomic, market and proprietary credit analysis to select securities that appear to offer a favourable risk-adjusted return (bottom-up and top-down approach). Besides, the investment manager uses a binding and significant ESG integration approach at each step of the investment process and improves the ESG profile of the product compared to its benchmark. The ESG integration approach results in screening out securities with the lowest ESG rating based on the investment manager's proprietary ESG rating methodology.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund and the average portfolio ESG score of the sub-fund is better than the one of its benchmark, based on the investment manager's internal scoring methodology. In respect of its direct investment in corporate issuers, the financial product is subject to:

- (a) a firm-wide exclusions list, which includes cluster munitions and anti-personnel landmines;
- (b) norms-based screening of issuers which the investment manager considers have failed to conduct their business in accordance with international norms, including as set out in the UNGC.

The investment manager also has discretion to implement additional sustainable requirements and exclusions having regard to its applicable investment process from time to time.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

### ● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

The binding elements are:

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment; More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#);
- The financial product complies with Fidelity's Exclusions framework (<https://fidelityinternational.com/>);
- The weighted average ESG Rating of the financial product's portfolio is higher than the one of its benchmark based on Fidelity's methodology (using the MSCI ESG Ratings and its internal ESG Ratings);
- The investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product (financial product in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g. cash and deposits)). This includes the respect of an ESG Rating coverage on a minimum of: a) 90% of instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and b) 75% of instruments with a high yield credit rating; and sovereign debt issued by emerging countries.

- The minimum proportion of sustainable investments of the financial product is 2.5%

- *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

- *What is the policy to assess good governance practices of the investee companies?*

The governance practices of issuers are assessed using fundamental research, including as part of the ESG ratings provided by external agencies or Fidelity Sustainability Ratings.

Key points that are analysed by Fidelity include track record of capital allocations, financial transparency, related party transactions, board independence and size, executive pay, auditors and internal oversight, minority shareholder rights, amongst other indicators. For sovereign issuers, factors such as corruption and freedom of expression are included.

The Management Company's approach to proxy voting and company engagement is set out in the Management Company's Stewardship Statement, which also explains how conflicts of interest that may arise in relation to stewardship activities are managed. Further to the BNP Paribas Asset Management Stewardship Policy, the Management Company conducts due diligence meetings to better understand a company's approach to corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

At least 50% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

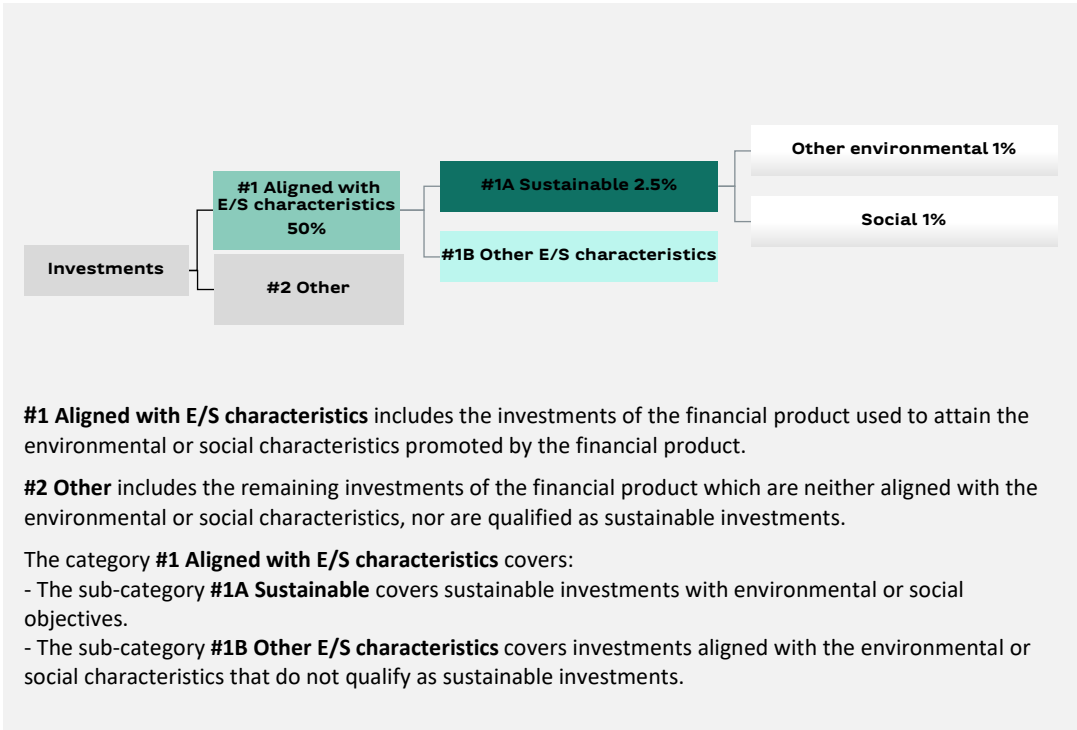
The minimum proportion of sustainable investments of the financial product is 2.5%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy within the financial product is 0%.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

No

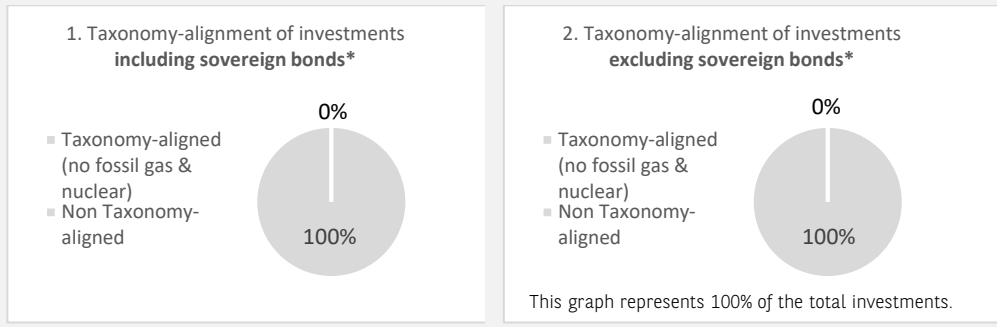
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of sustainable investments with an environmental objective not aligned with the EU Taxonomy within the financial product is 1%.



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments within the financial product is 1%.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The remaining investments of the product will be invested in assets aligned with the financial objective of the product, cash and cash equivalents for liquidity purposes and derivatives which may be used for investment and efficient portfolio management.

These investments, if any, are made in compliance with the internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect HSBC Euro Equity Value

Legal entity identifier: MP6I5ZYZBEU3UXPYFY54

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?



Yes



No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

This financial product, managed by HSBC Global Asset Management (France) (HSBC), has a binding ESG integration approach at each step of the investment process and improves its ESG profile compared to its benchmark (MSCI EMU Value index is used for performance comparison only).

The financial product includes the identification and analysis of a company's environmental and social factors, including but not limited to physical risks of climate change and human capital management, that may have a material impact on a security issuer's financial performance and valuation. This identification and analysis is an integral part of the investment decision making process. In addition,

HSBC also considers corporate governance practices that protect minority investor interests and promote long term sustainable value creation:

The exclusion criteria are applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by HSBC Responsible Investment (RI) Policy and BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

More information on the general responsible investing framework of the investment manager, HSBC Global Asset Management (France), or specific exclusions applied in its investment process can be found at the website [www.assetmanagement.hsbc.co.uk/en/intermediary/about-us/](http://www.assetmanagement.hsbc.co.uk/en/intermediary/about-us/)

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. More information can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](http://Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com););
- The percentage of the financial product's portfolio compliant with the HSBC RI exclusion lists;
- The percentage of the financial product's portfolio covered by ESG analysis based on HSBC ESG internal proprietary methodology;
- The average portfolio ESG score of the financial product and the one of its benchmark, based on HSBC's internal scoring methodology. HSBC's ESG ratings system, used to measure the attainment of the ESG characteristics promoted by the financial product, includes ESG Score, relative to the benchmark or its sector.

Principal Adverse Impacts are also considered by the financial product, as presented below.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investments made by this financial product are aligned to its environmental characteristics. The management of the financial product by the Investment Manager includes the identification and analysis of a company's ESG credentials as an integral part of the investment decision making process with the aim of reducing sustainability risk and enhancing returns.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Do no significant harm is completed as part of HSBC's standard investment process for sustainable assets, which will include the consideration of Principal Adverse Impacts.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Investment Manager reviews all SFDR mandatory Principal Adverse Impacts to assess the relevance to the financial product. HSBC's Responsible Investment Policy sets out the approach taken to identify and respond to principal adverse sustainability impacts and how HSBC considers ESG sustainability risks as these can adversely impact the securities invested in. HSBC uses third party screening providers to identify companies and governments with a poor track record in managing ESG risks and, where potential material risks are identified, HSBC also carry out further due diligence. Sustainability impacts, including the relevant Principal Adverse Impacts, identified by screening are a key consideration in the investment decision making process.

The approach taken means that among other things the following points are scrutinised:

- companies' commitment to lower carbon transition, adoption of sound human rights principles and employees' fair treatment, implementation of rigorous supply chain management practices aiming, among other things, at alleviating child and forced labour. HSBC also pay a great attention to the robustness of corporate governance and political structures (eg. level of board independence, respect of shareholders' rights, existence and implementation of rigorous anti-corruption and bribery policies as well as audit trails); and
- governments' commitment to availability and management of resources (including population trends, human capital, education and health), emerging technologies, government regulations and policies (including climate change, anti-corruption and bribery), political stability and governance.

HSBC's Responsible Investment Policy is available on the website at: [www.assetmanagement/hbsc/about-us/responsible-investing/policies](http://www.assetmanagement/hbsc/about-us/responsible-investing/policies).

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

HSBC is committed to the application and promotion of global standards. Key areas of focus for HSBC's Responsible Investment Policy are the ten principles of the United Nations Global Compact (UNGC). HSBC is also a signatory of the UN Principles of Responsible Investment. This provides the framework used in HSBC's approach to investment by identifying and managing sustainability risks. Companies in which the product invests are expected to comply with the UNGC and related standards. Companies having clearly violated one, or with at least two presumed violations, of the ten principles of the UNGC are systematically excluded. The Investment Manager conducts enhanced due diligence on companies that are considered to be non-compliant with the UN Global Compact Principles, or are considered to be high risk as determined by the its proprietary ESG ratings. Companies are also evaluated in accordance with international standards like the OECD Guidelines.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?



Yes, the product considers some principal adverse impacts on sustainability factors. The investment manager applies HSBC RI Policy that sets out its ambitions and approach to responsible investment, commitment to the UNPRI across its business, and describes how the requirements of the EU SFDR are met. In addition, its RI Implementation Procedures set out the approach to identify and address principal adverse sustainability impacts and consider ESG sustainability risks in its investments. Besides, the investment manager applies the BNP Paribas Asset Management RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography of these economic activities.

This financial product, managed by HSBC, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its benchmark. The ESG integration approach results in screening out securities with the lowest ESG rating based on BNP Paribas Asset Management and HSBC ESG rating methodologies. Besides, the investment manager undertakes due diligence where significant ESG risks are identified according to its ESG research proprietary platform. As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product. This results on a comprehensive ESG assessment, peer ranking, overall ESG risk assessment and supporting research document for each of the companies in the investment universe. The outcome may influence the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified. Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process.

In addition, the average portfolio ESG score of the financial product is better than the one of its benchmark, based on the investment manager's internal scoring methodology.

Thus, the financial product considers principal adverse sustainability impacts throughout the investment process. Besides, the Stewardship teams regularly identifies adverse impacts through ongoing research, collaboration and dialogue with other long-term investors, other experts and NGOs.

Actions to address or mitigate principal adverse sustainability impacts depend on their severity and materiality. These actions are guided by the RI and RBC Policies, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the underlying assets, the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
13. Board Gender Diversity
14. Exposure to controversial weapons (including anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

The financial product seeks to increase the value of its assets through investment growth. The financial product invests at least 75% of assets in equities and equity-related securities that are denominated or traded in EUR and issued by companies that are domiciled, or do most of their business, in a member state of the eurozone. The sub-financial product may invest up to 25% of assets in other equities or securities, such as bonds and money market instruments, and in cash. The financial product uses a combination of market and financial productamental analysis to select companies that appear to be undervalued (value-oriented bottom-up approach). To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The investment manager applies HSBC RI and BNP Paribas Asset Management RBC policies, including norm-based screens, exclusion lists and stewardship activities when taking into account ESG criteria in the investments of the financial product, as well as its own ESG integration methodologies.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas are implemented in order to identify and exclude companies with the worst practices.

Then the Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager.

The investment manager constantly integrates the binding elements of the investment strategy described in the section below to construct an investment portfolio with an improved ESG profile compared to its investment universe of reference for ESG comparison.

### ● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

- The financial product should comply with the BNP Paribas Asset Management RBC policies by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as those operating in sensitive sectors (tobacco, coal, controversial weapons), as they are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com);
- The financial product should comply with the HSBC exclusion lists as defined by HSBC Responsible Investment (RI) Policy;
- The financial product should have at least 90% of its assets covered by the ESG analysis based on the investment manager's proprietary methodology.
- The financial product should have an average portfolio ESG score above the benchmark, based on the investment manager's internal scoring methodology.

More information on the general responsible investing framework of the investment manager, HSBC Global Asset Management (France), or specific exclusions applied in its investment process can be found at the website [www.assetmanagement.hsbc.co.uk/en/intermediary/about-us/](https://www.assetmanagement.hsbc.co.uk/en/intermediary/about-us/)

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

- *What is the policy to assess good governance practices of the investee companies?*

HSBC is working on the finalisation of its policy. The investment manager is currently finalising its policy to assess good governance practices of the investee companies. Further subsequent prospectus updates will be made accordingly.

Still, HSBC already assesses good governance practices through different processes, which include among other things:

- The ESG integration of the investment process integrates good governance criteria since all issuers should demonstrate governance credentials in the Article 8 framework.
- The review of the robustness of corporate governance and political structures which include the level of board independence, respect of shareholders' rights, existence and implementation of rigorous anti-corruption and bribery policies as well as audit trails; and governments' commitment to availability and management of resources (including population trends, human capital, education and health), emerging technologies, government regulations and policies (including climate change, anti-corruption and bribery), political stability and governance.
- The Enhanced Due Diligence process that allows the investment manager to systematically screen the investment universe for ESG (including UNGC Breaches) and Financial Crime Compliance risks and concentrate some of its ESG research efforts on companies deemed to be high risk. This could result in continued engagement with the issuers, restrictions on new purchases, or the divestment of an existing holding.
- The HSBC Voting & Engagement Plan that integrates that invested companies promote good governance practices (particularly board diversity, executive remuneration).

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

The investment manager of the product ensures that at least 70% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

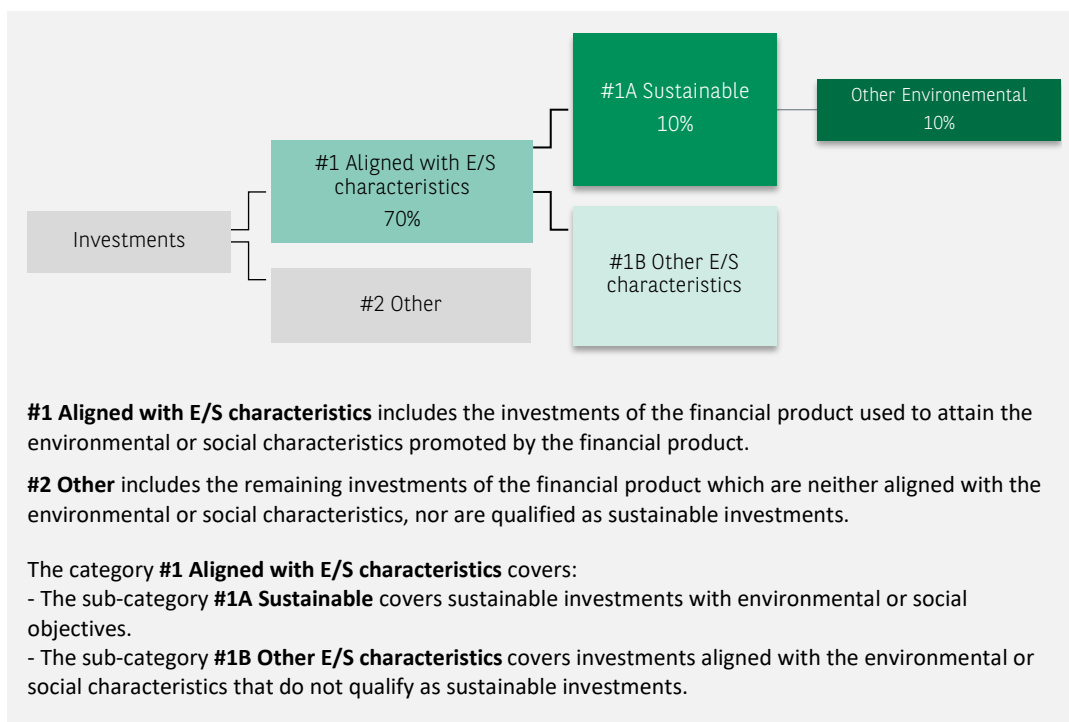
For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 10%. The financial product does not commit to a minimum percentage of investments that are aligned with the EU Taxonomy, or with a social objectives.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

The real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.






Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.

 **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

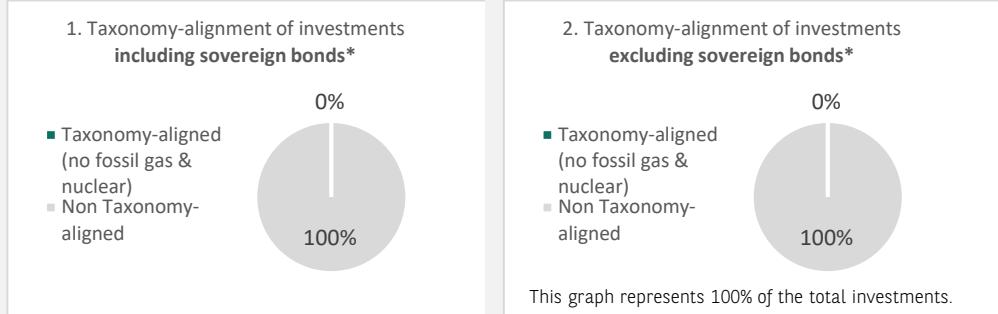
No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm an EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 10%.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The remaining proportion of the investments is used for liquidity, efficient portfolio management, and/or hedging purposes. Notably:

- Securities that Harris believes can be held by the portfolio in order to achieve its investment objective but are not deemed to promote E/S Characteristics;
- Cash and cash-equivalents held as liquidity, risk management purposes, or collateral management purposes.

These investments, if any, are made in compliance with the investment manager internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the

management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*  
Not applicable
- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*  
Not applicable
- *How does the designated index differ from a relevant broad market index?*  
Not applicable
- *Where can the methodology used for the calculation of the designated index be found?*  
Not applicable



## Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Janus Henderson Europe Equity

Legal entity Identifier: 213800MFR10SXWPONL81

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by Janus Henderson, has a binding and significant ESG integration approach as part of its investment process and improves its ESG profile compared to its universe of reference for ESG comparison (MSCI Europe EMI if the market capitalisation is higher than EUR 1 billion). The investment manager has a two-stage exclusion process: the first stage is based on revenue exclusions with the second stage based on ESG rating exclusions.

The investment manager applies a series of exclusion criteria with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by its Firmwide Exclusions Policy, (which includes controversial weapons) but other ESG restrictions applicable to the financial product also through the ESG integration approach. More information on the general ESG investment framework or specific exclusions applied in the investment process can be found at the website: [www.janushenderson.com/en-lu/advisor/about-us/esg-environmental-social-governance](http://www.janushenderson.com/en-lu/advisor/about-us/esg-environmental-social-governance).

In addition, the financial product acts in accordance with BNP Paribas Asset Management's ambition to have a sustainability approach for its investments. The investment manager applies the exclusion criteria applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy. The financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The financial product also complies with the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on countries and/or activities considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/sustainability-documents);
- The percentage of the financial product's portfolio compliant with Janus Henderson's sectors and activities policies and with the UN Global Compact Principles applicable to the product;
- The ESG scores of the issuers of the universe of investments based on the investment manager's ESG rating methodology;
- The percentage of the financial product's universe of reference reduction based on the investment manager's scoring methodology and restriction process;
- The percentage of the financial product's portfolio covered by ESG analysis based on the investment manager's methodology.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product does not intend to make any sustainable investment.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The financial product does not intend to make any sustainable investment.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not Applicable.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

--- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not Applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The product considers some principal adverse impacts on sustainability factors.

The investment manager applies its own exclusion criteria and the BNP Paribas RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Furthermore, the Stewardship teams regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, the financial product ESG integration criteria, and Engagement and Voting policies which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the underlying assets, the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

The financial product seeks to increase the value of its assets over the medium term by investing mainly in shares of socially responsible companies that are domiciled or do most of their business in Europe (member states of European Economic Area, Switzerland and UK), taking into account ESG criteria. The product uses a combination of market and fundamental analysis to select companies that appear to be undervalued or to have an above-average potential for earnings growth (bottom-up approach).

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The Janus Henderson investment team applies, notably through the BNP Paribas Asset Management RBC Policy, norm-based screens, exclusion lists and stewardship activities when taking into account ESG criteria in the investments of the financial product. In addition, the investment teams applies its own ESG integration methodologies. Overall, the investment manager excludes from investments at least 20% of the universe of reference based on low rated securities and/or sector exclusions criteria, as well as a qualitative ESG analysis part of the Investment Manager's fundamental analysis. Eventually, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. Sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

The elements of the investment strategy to attain the environmental or social characteristics promoted by the product as described below are systematically integrated through the investment process.

### ● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/en/sustainability);
- The financial product does not make any direct investments in issuers which are deemed to have failed to comply with the UN Global Compact Principles (which cover matters including human rights, labour, corruption, and environmental pollution) and in issuers which derive more than 10% of their revenue from oil sands extraction, arctic oil and gas, thermal coal extraction and power generation, palm oil, or tobacco;

- The financial product's investment universe (MSCI Europe) shall be reduced by a minimum of 20% due to the implementation of the investment manager's own methodology. In this order, Janus Henderson will exclude 20% of the issuers with the lowest MSCI ESG Industry Adjusted Score;
- The financial product shall have at least 90% of its assets covered by a ESG analysis based on the investment manager's ESG internal proprietary methodology;

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy. Following the implementation of the sustainable investment strategy, more than 20% of the MSCI Europe universe is non-eligible.

● ***What is the policy to assess good governance practices of the investee companies?***

Janus Henderson's approach to ESG is pragmatic and focuses on the areas that the investment manager believes are the most material. For the investment manager, governance issues are often a large contributing factor to investment decisions, although they are very seldom the only factor that these decisions are based on.

Governance factors are an integral part of Janus Henderson's approach to fundamental analysis. The investment manager's teams specifically looks into the track record and execution ability of management. The governance structures within which management operates and the incentives it receives can determine the success of overall value creation.

Another important point is how the company treats its shareholders and to what extent shareholders' interests are appropriately protected. The responsiveness of the company towards shareholder concerns can also be a crucial signal about its ability to unlock value and distribute it to its owners.

The ESG analysis goes beyond the framework to look at a more qualitative assessment of how the insights from the ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.

**What is the asset allocation planned for this financial product?**

At least 85% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 0%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".



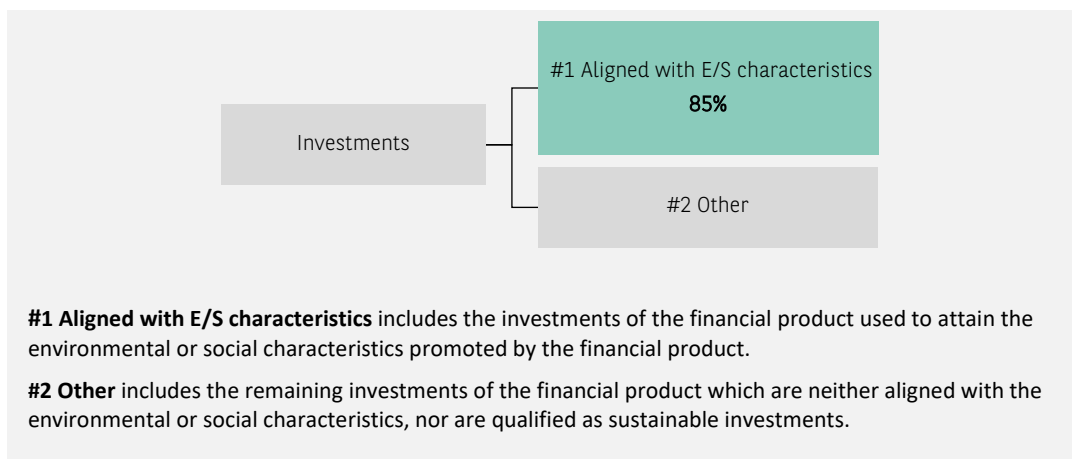
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

No

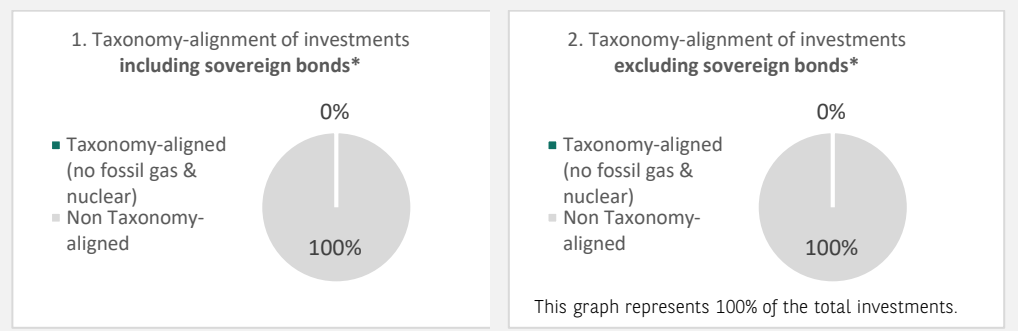
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The remaining proportion of the investments is used for liquidity, efficient portfolio management and/or hedging purposes. Other assets may include cash or cash equivalents in addition to instruments held for the purposes of efficient portfolio management e.g. temporary holdings of index derivatives. These investments, if any, are made in compliance with the internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*  
Not applicable
- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*  
Not applicable
- *How does the designated index differ from a relevant broad market index?*  
Not applicable
- *Where can the methodology used for the calculation of the designated index be found?*  
Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect JP Morgan Global Bond

Legal entity Identifier: 213800J5X8ZLORRFXA13

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

Through its inclusion criteria, the financial product managed by JP Morgan Asset Management (UK) Limited (JPMAM) promotes environmental characteristics which may include effective management of toxic emissions and waste as well as good environmental record. It also promotes social characteristics which may include effective sustainability disclosures, positive scores on labour relations and management of safety issues. The product will maintain an average asset-weighted MSCI ESG score above the average MSCI ESG score of the fixed income universe weighted to match the product's sector allocation, excluding cash holdings and currencies. The fund will maintain a weighted average carbon intensity of at least 15% lower than its universe of reference for ESG comparison.

In addition, exclusion criteria are applied with regard to issuers that are in violation of international norms and standards, or operate in sensitive sectors as defined by JPMAM's exclusionary framework for direct investments and the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

More information on JPMAM's general ESG/Sustainability investment framework can be found at the website: <https://am.jpmorgan.com/lu/en/asset-management/adv/investment-themes/sustainable-investing>

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/en/sustainability-documents);
- The percentage of the financial product's portfolio compliant with the JPMAM exclusionary framework (based on norms, standards and sectors exclusions and JPMAM proprietary ESG focused Checklist);
- The percentage of the financial product's investment universe reduction through the investment manager's exclusionary framework defined for the financial product.
- The average asset-weighted MSCI ESG score of the financial product and the one of the fixed income universe weighted to match the product's sector allocation, excluding cash holdings and currencies, as defined by JPMAM. The product's average asset-weighted MSCI ESG score will be calculated as the total of each security's market value by its MSCI ESG score. The average MSCI ESG score of the fixed income universe will be calculated using the ESG scores of relevant industry sector indices, weighted to reflect the sector exposure in the product. The average asset-weighted ESG score will not include those securities held by the product that do not have an MSCI ESG score, such as certain MBS/ABS securities. For those securities without an MSCI ESG score, the majority will be sustainable or demonstrate improving sustainable characteristics as determined by the investment manager;
- The weighted average carbon intensity of the fund compared to its universe of reference for ESG comparison.
- The percentage of the financial product's portfolio covered by an ESG analysis based on the investment manager's internal methodology;
- A combination of the investment manager's proprietary ESG scoring methodology and/or third party data are used as indicators to measure the attainment of the environmental and/or social characteristics that the product promotes;

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- To promote certain norms and values, the investment manager utilises data to measure an issuers participation in activities potentially contrary to the product's exclusion policy such as companies manufacturing controversial weapons. The data may be obtained from investee companies themselves and/or supplied by third party service providers (including proxy data). Data inputs that are self-reported by companies or supplied by third-party providers may be based on data sets and assumptions that may be insufficient, of poor quality or contain biased information. Third party data providers are subject to rigorous vendor selection criteria which may include analysis on data sources, coverage, timeliness, reliability and overall quality of the information, however, JPMAM cannot guarantee the accuracy or completeness of such data. Screening on that data results in full exclusions on certain potential investments and partial exclusions based on maximum percentage thresholds on revenue, production or distribution on others. A subset of the "Adverse Sustainability Indicators" as set out in the EU SFDR Level 2 Regulatory Technical Standards is also incorporated in the screening;
- The percentage of sustainable investments of the financial product.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the Sustainable Investments that the financial product partially intends to make may include any individual or combination of the following or be linked to an environmental or social objective through the use of proceeds of the issue:

Environmental Objectives (i) climate risk mitigation, (ii) transition to a circular economy; Social Objectives (i) inclusive and sustainable communities - increased female executive representation, (ii) inclusive and sustainable communities – increased female representation on boards of directors and (iii) providing a decent working environment and culture.

Contribution to such objectives is determined by either (i) products and services sustainability indicators, which may include the percentage of revenue derived from providing products and / or services that contribute to the relevant sustainable objective, such as company producing solar panels or clean energy technology that meets the investment manager's proprietary thresholds contributing to climate risk mitigation. The current percentage of revenue is set at a minimum of 20% and the entire holding in the company/issuer is considered a Sustainable Investment; (ii) the use of proceeds of the issue, if such use is designated as linked to a specific environmental or social objective, or (iii) being an operational peer group leader contributing to the relevant objective. Being a peer group leader is defined as scoring in the top 20% relative to the financial product's benchmark based on certain operational sustainability indicators. For example, scoring in the top 20% relative to the Benchmark on total waste impact contributes to a transition to a circular economy. The test for supranational and sovereign issuers may consider the issuer's mission or contributions, as peer group leaders or improvers, to positive environmental and social objectives subject to certain criteria..

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Sustainable Investments that the financial product partially intends to make are subject to a screening process that seeks to identify and exclude, from qualifying as a Sustainable Investment, those companies which the investment manager considers the worst offending companies, based on a threshold determined by the investment manager, in relation to certain environmental considerations. Such considerations include climate change, protection of water and marine resources, transition to a circular economy, pollution and protection of biodiversity and ecosystems. The investment manager also applies a screen that seeks to identify and exclude those companies that the investment manager considers to be in violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights based on data supplied by third party service providers..

How have the indicators for adverse impacts on sustainability factors been taken into account?

The indicators for adverse impacts on sustainability factors in Table 1 of Annex 1 and certain indicators, as determined by JPMAM, in Tables 2 and 3 of Annex 1 of the EU SFDR Regulatory Technical Standards have been taken into account as further described below. The investment manager either uses the metrics in the EU SFDR Regulatory Technical

Standards, or where this is not possible due to data limitations or other technical issues, it uses a representative proxy. The investment manager consolidates the consideration of certain indicators into a "primary" indicator as set out further below and it may use a broader set of indicators than referenced below.

The relevant indicators in Table 1 of Annex 1 of the EU SFDR Regulatory Technical Standards consist of 9 environmental and 5 social and employee related indicators. The environmental indicators are listed at 1-9 and relate to green-house gas emissions (1-3), exposure to fossil fuel, share of non-renewable energy consumption and production, energy consumption intensity, activities negatively affecting biodiversity sensitive areas, emissions to water and hazardous waste (4-9 respectively).

Indicators 10 – 14 relate to an issuers social and employee matters and cover violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles, unadjusted gender pay gap, Board gender diversity and exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons) respectively.

JPMAM's approach includes quantitative and qualitative aspects to take the indicators into account. It uses particular indicators for screening, seeking to exclude issuers that may cause significant harm. It uses a subset for engagement seeking to influence best practice and it uses certain of them as indicators of positive sustainability performance, by applying a minimum threshold in respect of the indicator to qualify as a Sustainable Investment.

The data needed to take the indicators into account, where available, may be obtained from investee issuers themselves and/ or supplied by third party service providers (including proxy data). Data inputs that are self-reported by issuers or supplied by third-party providers may be based on data sets and assumptions that may be insufficient, of poor quality or contain biased information. The Investment Manager cannot guarantee the accuracy or completeness of such data.

Screening

Certain of the indicators are taken into account through the values and norms-based screening to implement exclusions. These exclusions take into account indicators 10 and 14 in relation to UN Global Compact principles and OECD Guidelines for Multinational Enterprises and controversial weapons.

The Investment Manager also applies a purpose built screen. Due to certain technical considerations, such as data coverage in respect of specific indicators, the Investment Manager either applies the specific indicator per Table 1 or a representative proxy, as determined by the Investment Manager to screen investee issuers in respect of the relevant environmental or social & employee matters. For example, greenhouse gas emissions are associated with several indicators and corresponding metrics in Table 1, such as greenhouse gas emissions, carbon footprint and greenhouse gas intensity (indicators 1-3). The Investment Manager currently uses greenhouse gas intensity data (indicator 3), data in respect of non-renewable energy consumption and production (indicator 5) and data on energy consumption intensity (indicator 6) to perform its screening in respect of greenhouse gas emissions.

In connection with the purpose built screening and in respect of activities negatively affecting biodiversity sensitive areas and the emissions to water (indicators 7 and 8), due to data limitations, the Investment Manager uses a third party representative proxy rather than the specific indicators per Table 1. The Investment Manager also takes in to account indicator 9 in relation to hazardous waste in respect of the purpose built screen.

Engagement

In addition to screening out certain issuers as described above, the Investment Manager engages on an ongoing basis with selected underlying investee issuers. A subset of the indicators will be used, subject to certain technical considerations such as data coverage,

as the basis for engaging with selected underlying investee issuers in accordance with the approach taken by the Investment Manager on stewardship and engagement. The indicators currently used in respect of such engagement include indicators 3, 5 and 13 in relation to greenhouse gas intensity, share of non-renewable energy and board gender diversity from Table 1. It also uses indicators 2 in Table 2 and 3 in Table 3 in relation to emissions or air pollutants and number of days lost to injuries, accidents, fatalities or illness.

#### Indicators of sustainability

The Investment Manager uses indicators 3 and 13 in relation to GHG Intensity and board gender diversity as indicators of sustainability to assist in qualifying an investment as a Sustainable Investment. One of the pathways requires an issuer to be considered as an operational peer group leader to qualify as a Sustainable Investment. This requires scoring against the indicator in the top 20% relative to the Benchmark.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

In addition to the norms and values based portfolio exclusions as described above under "What environmental and/or social characteristics are promoted by this financial product?", additional norms based screening is applied in relation to the sustainable investments to ensure alignment with these guidelines and principles. Third party data is used to identify violators and prohibit relevant investments in these issuers.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



**Does this financial product consider principal adverse impacts on sustainability factors?**

**✘** Yes

The financial product managed by JP Morgan considers principal adverse impacts on sustainability factors through values and norms based screening to implement exclusions and active engagement with select investee issuers.

The investment manager considers principal adverse sustainability impacts throughout the investment process as detailed above. Furthermore, the BNP Paribas Asset Management Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the investment manager's policies and the BNP Paribas Asset Management RBC policies, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:



- § Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- § Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- § BNP Paribas Asset Management voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;

Ensuring all securities included in the portfolio have supportive ESG research. Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

- 3. GHG intensity of investee companies
- 4. Exposure to companies active in the fossil fuel sector
- 5. Share of non-renewable energy consumption and production
- 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- 13. Board gender diversity
- 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

A subset of the indicators will be used to identify a target list of issuers to engage with based on their performance. The financial product also uses certain of the indicators as part of the "Do No Significant Harm" screen as detailed in the response to the question directly above to demonstrate that an investment qualifies as a Sustainable Investment.

Further information may be found in the annual report in respect of the product and by searching for "Approach to EU MiFID Sustainability Preferences" on [www.jpmorganassetmanagement.lu](http://www.jpmorganassetmanagement.lu)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account during its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

In actively managing the financial product, the investment manager invests opportunistically in an unconstrained portfolio of debt securities and currencies, using derivatives where appropriate (bottom-up and top-down approach). This financial product, managed by JP Morgan, has a binding ESG integration approach at each step of the investment process.

The investment team applies its exclusionary framework and the BNP Paribas Asset Management's RBC Policy that includes norms-based screens (exclusions based upon international norms in areas such as human rights and labour conditions), and sector exclusions, when taking into account environmental, social and governance (ESG) criteria.

The investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the product and excludes the bottom 20% of corporate debt securities from its investable universe based on its ESG criteria based on low rated securities (based on the investment manager's internal scoring methodology) and/or sector exclusion. In addition, the investment manager will maintain an average asset-weighted MSCI ESG score above the average MSCI ESG score of the fixed income universe weighted to match the product's sector allocation, excluding cash holdings and currencies.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

More precisely, the strategy can be considered in respect of its general investment approach and ESG approach as follows:

#### Investment approach

- Uses a globally integrated research driven investment process that focuses on analysing fundamental, quantitative and technical factors across countries, sectors and issuers.
- Uses an unconstrained approach to find the best investment ideas across multiple fixed income sectors and countries, with a focus on generating long-term total returns.
- Dynamically shifts among sectors and countries and adjusts duration depending on market conditions.
- Seeks to provide the majority of its returns through Debt Securities with positive E/S characteristics and debt securities issued by companies and countries that demonstrate improving E/S characteristics by incorporating ESG factors and exclusions and positioning the portfolio positively towards issuers with above average ESG scores.

#### ESG approach: Positive Tilt

- The product will maintain an average asset-weighted MSCI ESG score above the average MSCI ESG score of the fixed income universe weighted to match the product's sector allocation, excluding cash holdings and currencies.
- The fund will maintain a weighted average carbon intensity of at least 15% lower than its universe of reference for ESG comparison.
- Excludes certain sectors, companies / issuers or practices based on specific values or norms based criteria.
- At least 10% of assets to be invested in Sustainable Investments.

All issuers follow good governance practices. The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

For more details, please refer to JPMAM website: <https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/supplemental/notice-to-shareholders/mifid-ii-disclosure.pdf>

### ● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

The binding elements are:

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#).

- The financial product complies with the JPMAM exclusionary framework (based on norms, standards and sectors exclusions and JPMAM proprietary ESG focused Checklist);
- The financial product excludes the bottom 20% of corporate debt securities from its custom fixed income universe further JPMAM's ESG approach.
- The financial product maintains an average asset-weighted MSCI ESG score above the average MSCI ESG score of the custom fixed income universe weighted to match the product's sector allocation, excluding cash holdings and currencies;
- The fund maintains a weighted average carbon intensity of at least 15% lower than its universe of reference for ESG comparison.
- All issuers invested by the investment manager must follow the good governance practices set for this financial product;
- The financial product shall have at least 90% of its assets covered by an extra-financial analysis based on the investment manager's approach (financial product in this respect does

not comprise derivatives and instruments that are non-evaluated by nature (e.g. cash and deposits);

- The investment manager commits to investing at least 10% of assets in Sustainable Investments.

● *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The financial product commits to exclude the bottom 20% of corporate debt securities from its investable universe. **prior to the application of its investment strategy**.

● *What is the policy to assess good governance practices of the investee companies?*

This financial product is considered to be within JPMAM "Positive Tilt" classification. All investments (excluding cash and derivatives) are screened by the investment manager to exclude known violators of good governance practices.

All issuers (excluding cash and derivatives) are screened to exclude known violators of good governance practices. The investment manager also incorporates a peer group comparison and screens out issuers that do not score in the top 80% relative to the custom fixed income universe based on good governance indicators defined by the investment manager. Besides, the Management Company's approach to proxy voting and company engagement is set out in the Management Company's Stewardship Statement, which also explains how conflicts of interest that may arise in relation to stewardship activities are managed. Further to the BNP Paribas Asset Management Stewardship Policy, the Management Company conducts due diligence meetings to better understand a company's approach to corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

At least 67% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

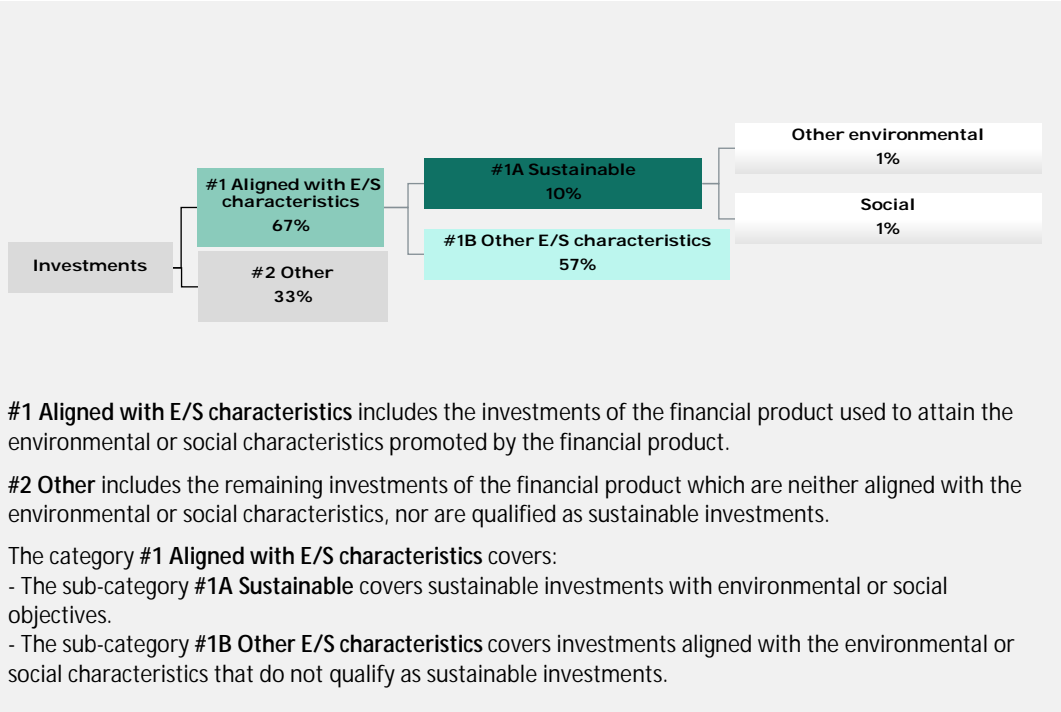
The minimum proportion of sustainable investments of the financial product is 10%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy within the financial product is 0%.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

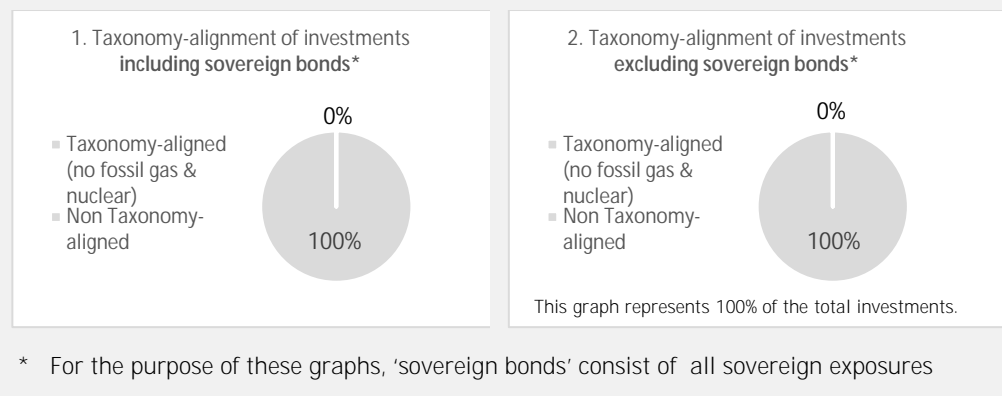
Yes:

In fossil gas     In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities within the financial product is 0%.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 1%.



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments within the financial product is 1%.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The remaining proportion of the investments is mainly used for liquidity, efficient portfolio management, and/or hedging purposes. These investments, if any, are made in compliance with the investment manager internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

*How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect JPM Global Equity Emerging

Legal entity Identifier: 549300ZK53CNGEEI6A29

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes   No

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 25.0% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not</b> make any sustainable investments</p>
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**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the internal proprietary ESG methodology and investment framework of the investment manager.

This framework includes a binding and significant ESG integration approach in the investment process of the financial product managed by JP Morgan Asset Management (UK) Limited (JPMAM) and improves its ESG profile compared to its universe of reference for ESG comparison, composed of global emerging market companies.

An exclusion criteria is applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the JPMAM's exclusionary framework and BNP Paribas Asset Management's Responsible Business Conduct (RBC). In addition, the financial product excludes the worst offenders, and promotes the better performers based on a proprietary ESG focused assessment which aims to identify investments in issuers that demonstrate good environmental, social and governance practices.

This financial product, managed by JP Morgan Asset Management (UK) Limited, is considered to be within JPMorgan Asset Management's "Best-in-Class" classification. Under this governance, the investment manager has a binding and significant ESG integration approach as part of the investment process and improves its ESG profile compared to its universe of reference for ESG comparison, composed of global emerging market companies.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.am.jpmorgan.com/ch/en/asset-management/per/products/jpm-emerging-markets-sustainable-equity-i-acc-eur-lu2051469620#/esg-information](http://www.am.jpmorgan.com/ch/en/asset-management/per/products/jpm-emerging-markets-sustainable-equity-i-acc-eur-lu2051469620#/esg-information).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- § The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](http://Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com));
- § The percentage of the financial product's portfolio compliant with the JPMAM exclusionary framework (based on norms, standards and sectors exclusions and JPMAM proprietary ESG focused Checklist);
- § The percentage of the financial product's investment universe reduction through the investment manager's exclusionary framework defined for the financial product.
- § The percentage of the financial product's portfolio covered by an ESG analysis based on the investment manager's internal methodology;
- § The average portfolio ESG score of the financial product and the one of its universe of reference, based on the investment manager's internal ESG scoring methodology.
- § A combination of the Investment Manager's proprietary ESG scoring methodology and third-party data are used as indicators to measure the attainment of the environmental or social characteristics that the Financial Product promotes. The methodology is based on a company's management of relevant environmental or social issues. To be included in the 67% of assets promoting environmental or social characteristics, a company must score in the top 80% relative to its peers on either its environmental score or social score, and follow good governance practices.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the Sustainable Investments that the Financial Product partially intends to make may include any individual or combination of the following: (1) Environmental Objectives (i) climate risk mitigation, (ii) transition to a circular economy; (2) Social Objectives (i) inclusive and sustainable communities - increased female executive representation, (ii) inclusive and sustainable communities - increased female representation on boards of directors and (iii) providing a decent working environment and culture.

Contribution to such objectives is determined by either:

- (i) products and services sustainability indicators which may include the percentage of revenue derived from providing products and / or services that contribute to the relevant sustainable objective, such as a company producing solar panels or clean energy technology that meets the Investment Manager's proprietary thresholds contributing to climate risk mitigation; or
- (ii) being an operational peer group leader contributing to the relevant objective. Being a peer group leader is defined as scoring in the top 20% relative to peers based on certain operational sustainability indicators. For example, scoring in the top 20% relative to peers on total waste impact contributes to a transition to a circular economy.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Sustainable Investments that the Financial Product partially intends to make are subject to a screening process that seeks to identify and exclude, from qualifying as a Sustainable Investment, those companies which the Investment Manager considers the worst offending companies, based on a threshold determined by the Investment Manager, in relation to certain environmental considerations. Such considerations include climate change, protection of water and marine resources, transition to a circular economy, pollution and protection of biodiversity and ecosystems. The Investment Manager also applies a screen that seeks to identify and exclude those companies that the Investment Manager considers to be in violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights based on data supplied by third party service providers.

— — — **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The indicators for adverse impacts on sustainability factors in Table 1 of Annex 1 and certain indicators, as determined by the Investment Manager, in Tables 2 and 3 of Annex 1 of the EU SFDR Regulatory Technical Standards have been taken into account. The Investment Manager either uses the metrics in the EU SFDR Regulatory Technical Standards, or where this is not possible due to data limitations or other technical issues, it uses a representative proxy. The Investment Manager consolidates the consideration of certain indicators into a "primary" indicator as set out further below and it may use a broader set of indicators than referenced below.

The Investment Manager's approach includes quantitative and qualitative aspects to take the indicators into account. It uses particular indicators for screening, seeking to exclude companies that may cause significant harm. It uses a subset for engagement seeking to influence best practice and it uses certain of them as indicators of positive sustainability performance, by applying a minimum threshold in respect of the indicator to qualify as a Sustainable Investment.

The data needed to take the indicators into account, where available, may be obtained from investee companies themselves and/or supplied by third party service providers (including proxy data). Data inputs that are self-reported by companies or supplied by third-party providers may be based on data sets and assumptions that may be insufficient,

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

of poor quality or contain biased information. The Investment Manager cannot guarantee the accuracy or completeness of such data.

#### Screening

Certain of the indicators are taken into account through the values and norms-based screening to implement exclusions. These exclusions take into account indicators 10 and 14 in relation to UN Global Compact principles and OECD Guidelines for Multinational Enterprises and controversial weapons.

The Investment Manager also applies a purpose built screen. Due to certain technical considerations, such as data coverage in respect of specific indicators, the Investment Manager either applies the specific indicator per Table 1 or a representative proxy, as determined by the Investment Manager to screen investee companies in respect of the relevant matters.

In connection with the purpose built screening and in respect of activities negatively affecting biodiversity sensitive areas and the emissions to water (indicators 7 and 8), due to data limitations, the Investment Manager uses a third party representative proxy. The Investment Manager also takes in to account indicator 9 in relation to hazardous waste in respect of the purpose built screen.

#### Engagement

In addition, the Investment Manager engages on an ongoing basis with selected underlying investee companies. A subset of the indicators will be used, subject to certain technical considerations such as data coverage, as the basis for engaging with selected underlying investee companies in accordance with the approach taken by the Investment Manager on stewardship and engagement. The indicators currently used in respect of such engagement include indicators 3, 5 and 13 in relation to greenhouse gas intensity, share of non-renewable energy and board gender diversity from Table 1. It also uses indicators 2 in Table 2 and 3 in Table 3 in relation to emissions or air pollutants and number of days lost to injuries, accidents, fatalities or illness.

#### Indicators of sustainability

The Investment Manager uses indicators 3 and 13 in relation to GHG Intensity and board gender diversity as indicators of sustainability to assist in qualifying an investment as a Sustainable Investment. One of the pathways requires a company to be considered as an operational peer group leader to qualify as a Sustainable Investment. This requires scoring against the indicator in the top 20% relative to peers.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The norms based portfolio exclusions as described above under "What environmental and/or social characteristics are promoted by this financial product?" seek alignment with these guidelines and principles. Third party data is used to identify violators and prohibit relevant investments in these companies.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?

✘ Yes

The product considers principal adverse impacts on sustainability factors. The investment manager applies its "Best-in-Class" approach and BNP Paribas Asset Management the RBC policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. Therefore, the financial product's sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography of these economic activities.

This financial product, managed by JP Morgan Asset Management, has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its universe. Based on its exclusion framework, internal extra-financial analysis relying on its proprietary scoring methodology, the investment managers selects issuers demonstrating superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product. The outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified. At least 25% of the investment universe is de facto eliminated. In addition, the average portfolio ESG characteristics of the financial product is better than the one of its universe of reference, based on the investment manager's internal scoring methodology.

Therefore, the Investment Manager considers principal adverse sustainability impacts throughout the investment process: includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process.

Furthermore, the investment manager applies its policy on corporate engagement and stewardship teams regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- § Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- § Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- § In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- § Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer or investment), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

### Corporate mandatory indicators:

3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

### Sovereign mandatory indicators

16. Investee countries subject to social violations

No



## What investment strategy does this financial product follow?

The financial product seeks to increase the value of its assets through investment growth. The financial product invests mainly in socially responsible companies in emerging markets, taking into account ESG criteria in its selection process. Specifically, the financial product invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in emerging countries. The financial product may invest up to 25% of assets in other equities and in other securities, such as bonds and money market instruments, and in cash. The financial product uses a combination of market and fundamental company analysis to select companies that appear to have higher quality businesses and an above-average potential earnings growth.

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The investment manager selects issuers demonstrating superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum JP Morgan Asset Management and BNP Paribas Asset Management exclusion criteria. For more details, please refer to JP Morgan website: <https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/supplemental/notice-to-shareholders/mifid-ii-disclosure.pdf>

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process. The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager.

The Investment Manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

### ● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

§ The financial product complies with the BNP Paribas Asset Management exclusion policies by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment.

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#).

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- § The financial product complies with the JPMAM exclusionary framework (based on norms, standards and sectors exclusions and JPMAM proprietary ESG focused Checklist);
- § The financial product's investment universe is reduced by at least 25% through JPMAM exclusionary framework;
- § The financial product has at least 90% of its assets covered by ESG analysis based on JPMAM methodology;
- § The financial product targets to keep an average portfolio ESG score above the universe of investment, based on JPMAM internal scoring methodology. This element includes a threshold of 67% of the value of assets with good E/S and Governance characteristics. JPMAM's ESG scoring methodology is based on a company's management of relevant environmental or social issues such as its toxic emissions, waste management, labour relations and safety issues. In order to be included in the 67% of assets promoting environmental and/or social characteristics, a company must score in the top 80% relative to its peers on either its environmental score or social score and follow good governance practices.
- § The financial product invests at least 25% of its assets in Sustainable Investments.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product commits to a 25% minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

This financial product is considered to be within JPMAM "Best-in-Class" classification. All investments (excluding cash and derivatives) are screened by the investment manager to exclude known violators of good governance practices.

In addition, the investment manager ESG analysis goes beyond core considerations (sound management structures, employee relations, remuneration of staff and tax compliance) to look at a more qualitative assessment of how the insights from the ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.

## What is the asset allocation planned for this financial product?

At least 67% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 25%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

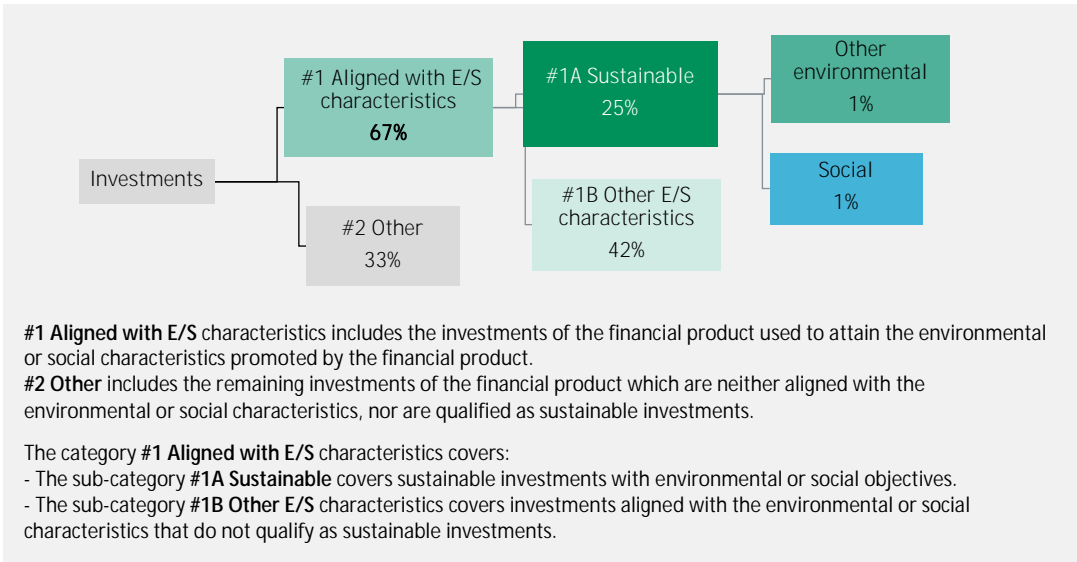
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

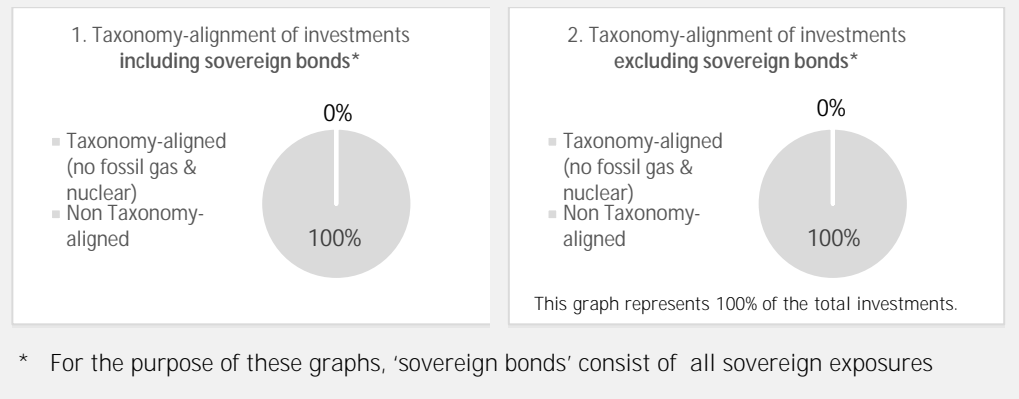
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

- Yes:
  - In fossil gas
  - In nuclear energy
- No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 1%



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments within the financial product is 1%.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The remaining proportion of the investments is mainly used for liquidity, efficient portfolio management, and/or hedging purposes. These investments, if any, are made in compliance with the investment manager internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.



Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect JP Morgan US Equity Value

Legal entity identifier: 213800AWZRB7U2Z7UO89

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

Through its inclusion criteria, the financial product, managed by JP Morgan Asset Management (UK) Limited (JPMAM), promotes environmental characteristics which may include effective management of toxic emissions and waste, as well as good environmental record. It also promotes social characteristics which may include effective sustainability disclosures, positive scores on labour relations and management of safety issue.

In addition, exclusion criteria are applied with regard to issuers that are in violation of international norms and standards, or operate in sensitive sectors as defined by the JPMAM's exclusionary framework for direct investments and the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

More information on JPMAM's ESG Promote and general ESG/Sustainability investment framework can be found at the website: <https://am.jpmorgan.com/gb/en/asset-management/adv/products/jpm-us-value-c-acc-eur-lu1098399733#>

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#);
- The percentage of the financial product's portfolio compliant with the JPMAM exclusionary framework (based on norms, standards and sectors exclusions and JPMAM proprietary ESG focused Checklist);
- The percentage of the assets promoting environmental and/or social characteristics, a company must score in the top 80% relative to its peers on either its environmental score or social score and follow good governance practices. JPMAM's methodology is based on a company's management of relevant environmental or social issues such as its toxic emissions, waste management, labour relations and safety issues.
- A subset of the "Adverse Sustainability Indicators" as set out in the EU SFDR Regulatory Technical Standards is also incorporated in the screening and the relevant metrics are used to identify and screen out identified violators;
- The percentage of sustainable investments of the financial product.

Note that to promote certain norms and values identified by JPMAM, the investment manager utilises data to measure a company's participation in activities potentially contrary to the financial product's exclusion policy such as companies manufacturing controversial weapons. The data may be obtained from investee companies themselves and/or supplied by third party service providers (including proxy data). Data inputs that are self-reported by companies or supplied by third-party providers may be based on data sets and assumptions that may be insufficient, of poor quality or contain biased information. Third party data providers are subject to rigorous vendor selection criteria which may include analysis on data sources, coverage, timeliness, reliability and overall quality of the information, however, the Investment Manager cannot guarantee the accuracy or completeness of such data. Screening on that data results in full exclusions on certain potential investments and partial exclusions based on maximum percentage thresholds on revenue, production or distribution on others.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make may include any individual or combination of the following: (1) environmental objectives (i) climate risk mitigation, (ii) transition to a circular economy; (2) social objectives (i) inclusive

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

and sustainable communities - increased gender diversity, (ii) inclusive and sustainable communities - increased gender diversity on boards of directors and (iii) providing a decent working environment and culture.

Contribution to such objectives is determined by either:

(i) sustainability indicators related to products and services which may include the percentage of revenue derived from providing products and / or services that contribute to the relevant sustainable objective, such as a company producing solar panels or clean energy technology that meets the investment manager's proprietary thresholds contributing to climate risk mitigation; or

(ii) being an operational peer group leader contributing to the relevant objective. Being a peer group leader is defined as scoring in the top 20% relative to peers based on certain operational sustainability indicators. For example, scoring in the top 20% relative to peers on total waste impact contributes to a transition to a circular economy.

### *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

The sustainable investments that the financial product partially intends to make are subject to a screening process that seeks to identify and exclude from qualifying as a sustainable investment those companies which JPMAM considers the worst offending companies, based on a threshold determined by the investment manager, in relation to certain environmental considerations. Such considerations include climate change, protection of water and marine resources, transition to a circular economy, pollution and protection of biodiversity and ecosystems.

The sustainable investments that the financial product partially intends to make are also subject to a screen that seeks to identify and exclude those companies that JPMAM considers to be in violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights based on data supplied by third party service providers.

### *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The indicators for adverse impacts on sustainability factors in Table 1 of Annex 1 and certain indicators, as determined by the JPMAM in Tables 2 and 3 of Annex 1 of the EU SFDR Regulatory Technical Standards have been taken into account. JPMAM either uses the metrics defined in the EU SFDR Regulatory Technical Standards, or where this is not possible due to data limitations or other technical issues, it uses a representative proxy. JPMAM applies a PAI against each of the primary indicators as outlined by Annex I, EU SFDR.

JPMAM's approach includes quantitative and qualitative aspects to take the indicators into account. It uses particular indicators for screening, seeking to exclude companies that may cause significant harm. It uses a subset for engagement seeking to influence best practice and it uses certain of them as indicators of positive sustainability performance, by applying a minimum threshold in respect of the indicator to qualify as a Sustainable Investment.

The data needed to take the indicators into account, where available, may be obtained from investee companies themselves and/or supplied by third party service providers (including proxy data). Data inputs that are self-reported by companies or supplied by third-party providers may be based on data sets and assumptions that may be insufficient, of poor quality or contain biased information. The Investment Manager cannot guarantee the accuracy or completeness of such data.

#### Screening

Certain of the indicators are taken into account through the values and norms-based screening to implement exclusions. These exclusions take into account indicators 10 and 14 in relation to UN Global Compact principles and OECD Guidelines for Multinational Enterprises and controversial weapons.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

JPMAM also applies a purpose built screen. Due to certain technical considerations, such as data coverage in respect of specific indicators, JPMAM either applies the specific indicator per Table 1 or a representative proxy, as determined by JPMAM to screen investee companies in respect of the relevant matters. For example, greenhouse gas emissions are associated with several indicators and corresponding metrics in Table 1, such as greenhouse gas emissions, carbon footprint and greenhouse gas intensity (indicators 1-3). JPMAM currently uses greenhouse gas intensity data (indicator 3), data in respect of non-renewable energy consumption and production (indicator 5) and data on energy consumption intensity (indicator 6) to perform its screening in respect of greenhouse gas emissions.

In connection with the purpose built screening and in respect of activities negatively affecting biodiversity sensitive areas and the emissions to water (indicators 7 and 8) JPMAM uses a third party representative proxy. JPMAM also takes in to account indicator 9 in relation to hazardous waste in respect of the purpose built screen.

#### Engagement

In addition, JPMAM engages on an ongoing basis with selected underlying investee companies. A subset of the indicators will be used, subject to certain technical considerations such as data coverage, as the basis for engaging with selected underlying investee companies in accordance with the approach taken by JPMAM on stewardship and engagement. The indicators currently used in respect of such engagement include indicators 3, 5 and 13 in relation to greenhouse gas intensity, share of non-renewable energy and board gender diversity from Table 1. It also uses indicators 2 in Table 2 and 3 in Table 3 in relation to emissions or air pollutants and number of days lost to injuries, accidents, fatalities or illness.

#### Indicators of sustainability

JPMAM uses indicators 3 and 13 in relation to GHG Intensity and board gender diversity as indicators of sustainability to assist in qualifying an investment as a Sustainable Investment. One of the pathways requires a company to be considered as an operational peer group leader to qualify as a Sustainable Investment. This requires scoring against the indicator in the top 20% relative to peers.

#### *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The JPMAM norms-based portfolio exclusions seek alignment with these guidelines and principles. Third party data is used to identify violators and prohibit relevant investments in these companies. Exclusion criteria are applied with regard to issuers that are in violation of international norms and standards, or operate in sensitive sectors as defined by the JPMAM's exclusionary framework for direct investments and the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

More information on JPMAM's ESG Promote and general ESG/Sustainability investment framework can be found at the website <https://am.jpmorgan.com/gb/en/asset-management/adv/products/jpm-us-value-c-acc-eur-lu1098399733>

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The product considers select principal adverse impacts on sustainability factors.

JPMAM applies its “ESG Promote” policies and the BNP Paribas Asset Management RBC policies establishing a framework across investments and economic activities to identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. Besides, the RBC sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

Thus, the investment manager considers select principal adverse impacts on sustainability factors through values and norms-based screening to implement exclusions. Indicators 10 and 14 in relation to violations of the UN Global Compact and controversial weapons from the EU SFDR Regulatory Technical Standards are used in respect of such screening.

The product also uses a “Do No Significant Harm” screen to demonstrate that an investment qualifies as a sustainable investment. Further information can be found in future annual reports in respect of the product and by searching for “Approach to EU MiFID Sustainability Preferences” on [www.jpmmorganassetmanagement.lu](http://www.jpmmorganassetmanagement.lu).

Furthermore, the BNP Paribas Asset Management Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Based on the above approach, and depending on the composition of the financial product’s portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

### Corporate mandatory indicators:

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account during its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

In actively managing the product, JPMAM relies on fundamental company analysis to select companies that appear to be undervalued. The investment strategy tends to favour stocks whose intrinsic value is not reflected in their stock price. JPMAM strategy can be considered in respect of its general investment approach and its ESG approach:

### Investment approach:

- Uses a fundamental, bottom-up stock selection process.
- Targets companies with durable business models, consistent earnings, strong cash flows and experienced management teams.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

ESG approach: ESG Promote:

- Excludes certain sectors, companies or practices based on specific values or norms based criteria.
- At least 51% of assets to be invested in companies with positive environmental and/ or social characteristics.
- At least 10% of assets to be invested in sustainable investments.

All selected companies follow good governance practices. The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements are:

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment.

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com);

- The financial product complies with the JPMAM exclusionary framework (based on norms, standards and sectors exclusions and JPMAM proprietary ESG focused Checklist);
- The investment manager invests (1) at least 51% of assets in companies with positive environmental and/or social characteristics; (2) only in companies which follow good governance practices;
- The financial product has at least 90% of its assets covered by an extra-financial analysis based on JPMAM's approach (assets in this respect do not comprise derivatives and instruments that are non-evaluated by nature (e.g. cash and deposits));
- The minimum proportion of sustainable investments of the financial product is 5%.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

This financial product is considered to be within JPMAM "ESG Promote" classification. All investments (excluding cash and derivatives) are screened to exclude known violators of good governance practices. Additional considerations apply for the investments included in the 51% of assets promoting environmental and/or social characteristics; and additional considerations apply for those investments qualifying as sustainable investments.

For these investments, the financial product incorporates a peer group comparison and screens out companies that do not score in the top 80% relative to peers based on good governance indicators. Besides, the Management Company's approach to proxy voting and company engagement is set out in the Management Company's Stewardship Statement, which also explains how conflicts of interest that may arise in relation to stewardship activities are managed. Further to the BNP Paribas Asset Management Stewardship Policy, the Management Company conducts due diligence meetings to better understand a company's approach to corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

At least 51% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

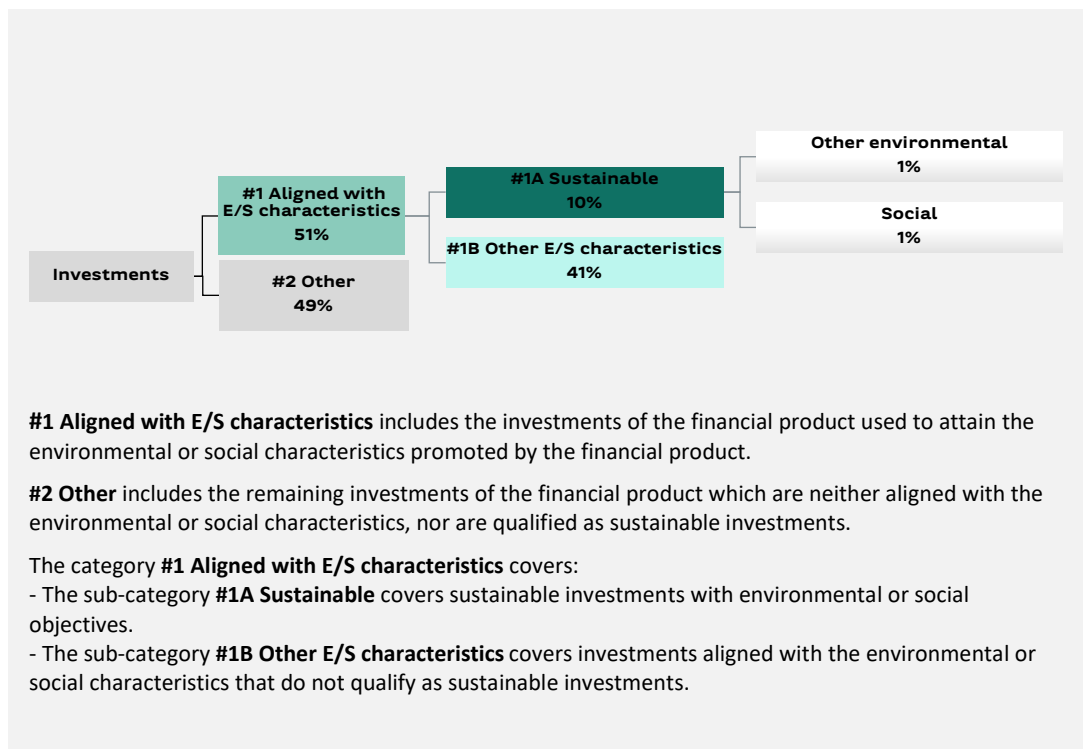
The minimum proportion of sustainable investments of the financial product is 5%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum commitment towards sustainable investments with an environmental objective aligned with the EU Taxonomy within the financial product is 0%.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

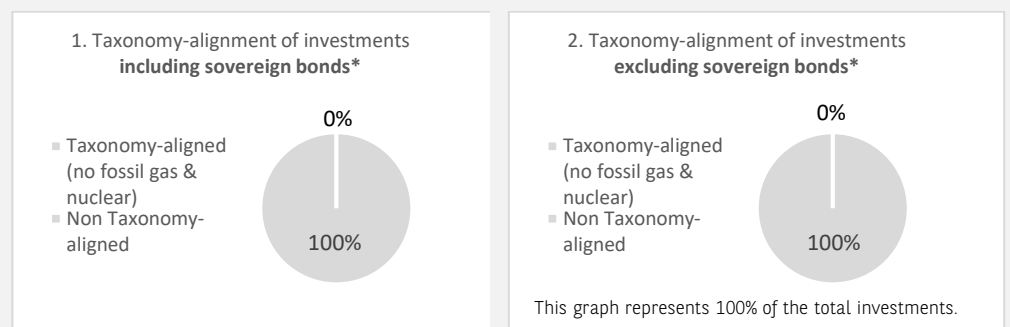
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas     In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

The minimum commitment towards of investments in transitional and enabling activities within the financial product is 0%.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 1%.



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments is 1%.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.





## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining proportion of the investments is mainly used for liquidity, efficient portfolio management, and/or hedging purposes. These investments, if any, are made in compliance with the investment manager internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable



## Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section “Sustainability-related disclosures” dedicated to the product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect PICTET Global Multi Asset

Legal entity identifier: 21380048TWZRG1MUPW44

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The environmental and social characteristics of this financial product are:

- Positive tilt:

The fund seeks to increase the weight of securities with low sustainability risks and/or decrease the weight of securities with high sustainability risks and, as a result, has a better environmental, social and governance (ESG) profile than the benchmark. The fund mainly invests in a broad range of bonds, including convertible bonds, money market instruments, equities and deposits. The fund invests worldwide (including in emerging markets and Mainland China securities), and can invest across any sector, currency and credit quality.

- Active ownership:

The fund may also engage with the management of companies on material ESG issues. The engagement process is mainly led by investment professionals across several investment teams in Pictet Asset Management with the support of a central ESG team.

In addition, exclusion criteria are applied with regard to issuers that are in violation of international norms and standards, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy and the Pictet Asset Management Responsible Investment Policy for direct investments.

More information on Pictet Asset Management's ESG/Sustainability investment framework can be found at the website <https://am.pictet/-/media/pam/pam-common-gallery/pictet-asset-management/responsible-investment-policy.pdf>.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment and corruption and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com);
- The percentage of the financial product's portfolio compliant with the exclusion of issuers defined by the investment manager that:
  - are involved with nuclear weapons from countries that are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and other controversial weapons;
  - derive a significant portion of their revenue from activities detrimental to society or the environment, such as thermal coal extraction and power generation, unconventional oil and gas exploration and production, conventional weapons and small arms, military contracting weapons, tobacco production, adult entertainment production, gambling operations. Please refer to Pictet Asset Management's Responsible Investment policy for further details on exclusion thresholds applicable to the above activities;
  - are within exclusions of countries subject to international sanctions.
- The average ESG score of the financial product's portfolio and the one of its benchmark, based on Pictet Asset Management internal scoring methodology.
- The percentage of the assets of the financial product's portfolio (for in-scope securities) covered by an ESG analysis based on Pictet Asset Management ESG internal proprietary evaluation methodology. Instrument out of scope are: cash, IRS - mainly used to hedge and manage interest rate rating - and FX derivatives, mainly used to hedge FX risk and to match the FX risk exposure of the benchmark.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product does not intend to make any sustainable investment.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

The financial product does not intend to make any sustainable investment.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not Applicable

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not Applicable



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

The fund considers and, where possible, mitigates adverse impacts of its investments on society and the environment that are deemed material to the investment strategy through a combination of portfolio management decisions, active ownership activities, and exclusion of issuers associated with controversial conduct or activities.

Such adverse impacts include but are not limited to GHG emissions, air pollution, biodiversity loss, emissions to water, hazardous/radioactive waste, human rights, labour standards, corruption and bribery and public health.

The degree and the way these impacts are considered depend on factors such as the investment strategy, the specific context of the investment that is causing the adverse impact, or the availability of reliable data.

In addition to the Pictet Asset Management’s Responsible Investment policy the fund complies with BNP Paribas Asset Management RBC policies establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms.

Thus, the investment manager considers principal adverse sustainability impacts throughout the investment process. Furthermore, the BNP Paribas Asset Management Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the Pictet Asset Management’s Responsible Investment policy and the BNP Paribas Asset Management RBC policies, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- BNP Paribas Asset Management voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring that at least 90% of all securities included in the portfolio are covered through ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

3. GHG intensity of investee companies
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

More information is disclosed in the PAI entity report available under: <https://documents.am.pictet/?cat=marketing-permalink&dtyp=PAI&dla=en&bl=PAM> and in Pictet Asset Management's Responsible Investment policy available under: [https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM).

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account during its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The main objective for the management of the financial product is to achieve medium to long-term capital growth in a consistent and controlled manner. The financial product is actively managed and the extent to which the financial product is invested in the different asset classes may vary depending on market conditions. Excess return is expected to come mainly from asset allocation, sector allocation or style selection. The financial product invests globally in equity, debt and short term securities, of both corporate and governmental issuers. The investment universe includes developed and emerging countries. High Yield fixed income is also part of it.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

### ● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

The binding elements are:

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;  
  
More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com).
- The financial product shall comply with the Pictet defined exclusion of issuers that:
  - are involved with nuclear weapons from countries that are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and other controversial weapons;

- derive a significant portion of their revenue from activities detrimental to society or the environment, such as thermal coal extraction and power generation, unconventional oil and gas exploration and production, conventional weapons and small arms, military contracting weapons, tobacco production, adult entertainment production, gambling operations. Please refer to Pictet Asset Management's Responsible Investment policy for further details on exclusion thresholds applicable to the above activities;
  - severely violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption;
  - are within exclusions of countries subject to international sanctions.
- The ESG score of the financial product's portfolio is better than the one of the benchmark as defined by the investment manager based on its internal methodology and third party data providers.
  - The financial product has at least 90% of its net assets covered by an ESG analysis.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance principles are considered by the investment manager.

The investment manager assesses company decision-making processes and controls, as well as how management balances the interests of shareholders, employees, suppliers, customers, the community and other stakeholders.

Assessed areas may include:

- the composition of the executive team and board of directors, including the experience, diversity and distribution of roles, along with succession planning and board evaluation
- executive remuneration, including short term and long term incentives and their alignment with investor interests
- risk control and reporting, including auditor independence and tenure
- shareholder rights, including one-share-one-vote and related-party transactions

The Management Company's approach to proxy voting and company engagement is set out in the Management Company's Stewardship Statement, which also explains how conflicts of interest that may arise in relation to stewardship activities are managed. Further to the BNP Paribas Asset Management Stewardship Policy, the Management Company conducts due diligence meetings to better understand a company's approach to corporate governance.

**What is the asset allocation planned for this financial product?**

At least 50% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 0%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

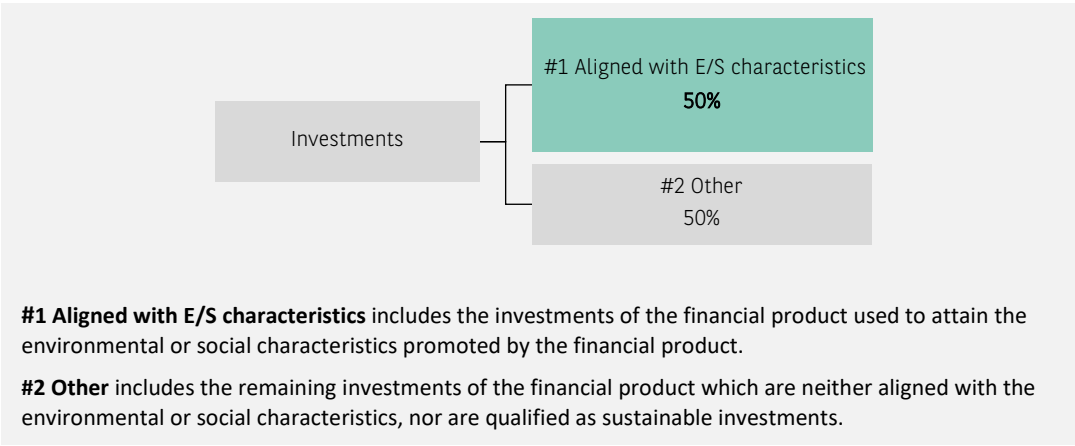
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

The financial product may have exposure to excluded issuers via financial derivative instruments including, but not limited to, those where a financial index is the underlying, which may be used for efficient portfolio management, hedging and investment purposes. All derivatives apart from IRS and FX forwards are used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable - the financial product does not commit to making sustainable investments with an environmental objective aligned with the EU Taxonomy.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

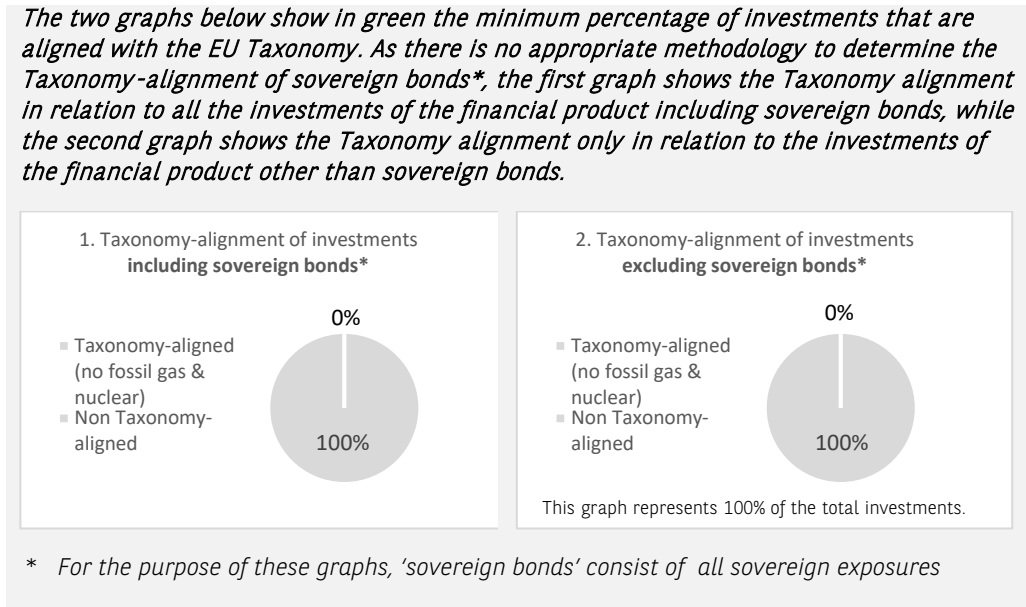
No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The investments under '#2 Other' include the proportion of assets that do not attain the minimum environmental or social safeguards to meet environmental or social characteristics promoted by the financial product. These assets are used for investment purposes, or instruments which are mainly used for liquidity, efficient portfolio management, and/or hedging purposes, notably cash, deposits, IRS and FX forwards. More in details, cash and deposits are mainly used for liquidity purposes, FX derivatives are mainly used to hedge FX risk and to match the FX risk exposure of the benchmark (we might also use FX derivatives for cross asset class hedging) and IRS are mainly used to hedge and manage interest rate risk.





Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect PIMCO Emerging Bond Hard Currency

Legal entity identifier: 549300GHCCIWKY72R127

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

This financial product managed by PIMCO has a binding and significant ESG integration approach as part of its investment process and improves its ESG profile compared to its benchmark.

Overall, the financial product complies with the PIMCO's ESG Investing Report and ESG Investment Policy Statement regarding the integration of sustainability risks and the principal adverse impacts of investment when making investment decisions regarding the financial product accessible here: <https://global.pimco.com/en-gbl/investments/esg-investing>. The Fund will promote environmental and/or social characteristics through the use of an exclusion screening process.

In addition, the financial product acts in accordance with BNP Paribas Asset Management's ambition to have a sustainability approach for its investments. The financial product complies with the exclusion criteria applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management RBC Policy. The financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The financial product also complies with the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on countries and/or activities considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude issuers involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as those are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://bnpparibas-am.com);
- The percentage of the financial product's investment universe reduction due to the implementation of PIMCO's investment process, as well as the exclusions applied by PIMCO and the application of the sector exclusions as per the BNP Paribas Asset Management RBC Policy. For example, PIMCO's screening process results in the exclusion of certain sectors including issuers involved in coal and oil. In this regard, the Investment Advisor refers to globally accepted norms, such as, the UN Global Compact Principles and the UN Guiding Principles on Business and Human Rights;
- The percentage of the financial product's portfolio covered by ESG analysis based on PIMCO's own ESG rating methodology;
- The average ESG score of the financial product's portfolio compared to the average ESG score of its benchmark, based on PIMCO's own ESG rating methodology;
- The percentage of the financial product's portfolio invested in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation.

More information on PIMCO methodologies can be found at: <https://global.pimco.com/en-gbl/investments/esg-investing>

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments made by the financial product are to finance issuers that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

PIMCO shall invest 10% of the product in sustainable investments. The financial product considers ESG labelled bonds (Green Bonds, Social Bonds, Sustainability Bonds, Sustainability bonds, Sustainability-linked Bonds) to constitute sustainable investments to the extent they are not issued by violators of the UNGC principles and OECD Guidelines, or those issuers which are exposed to controversial weapons, those issuers with exposure to oil, gas and fossil fuel (excluding ESG-labelled bonds issued by such issuers), and those investee companies subject to social violations (as determined by the United Nations Sanctions list).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The environmental objectives of the financial product's underlying ESG labelled bonds include climate change mitigation and climate change adaptation. These sustainable investments seek to make a positive contribution to the financial product's climate change mitigation and/or climate change adaptation objectives. ESG labelled bonds are a type of bond whose proceeds may be used to finance or re-finance new and existing projects or activities with positive environmental impact. Eligible project categories include: renewable energy, energy efficiency, clean transportation, green buildings, wastewater management and climate change adaptation.

Issuers identified as a sustainable investment should not significantly harm any other environmental or social objectives (the Do No Significant Harm "DNSH" principle) and should follow good governance practices. The investment manager ensures that the financial product's sustainable investments do not harm other environmental or social objectives through the application of the above mentioned exclusion criteria which removes from the investment universe those issuers who are violators of environmental and social norms.

### *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

Sustainable investments that the product partially intends to make should not significantly harm any environmental or social objective (DNSH Principle). The financial product considers ESG labelled bonds (Green Bonds, Social Bonds, Sustainability Bonds, Sustainability bonds, Sustainability-linked Bonds) to constitute sustainable investments to the extent they are not issued by violators of the UNGC principles and OECD Guidelines, or those issuers which are exposed to controversial weapons, those issuers with exposure to oil, gas and fossil fuel (excluding ESG-labelled bonds issued by such issuers), and those investee companies subject to social violations (as determined by the United Nations Sanctions list).

In this respect, the investment manager commits to consider principal adverse impacts on sustainability factors by taking into account indicators for adverse impacts as defined in SFDR where these are relevant and material to the investment strategy, and to not invest in companies that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

The Fund's sustainable investments are assessed to seek to ensure that they do not cause significant harm to any environmental or social sustainable investment objective. This assessment is carried out by the investment manager's application of various adverse sustainability indicators, including but not limited to, exposure to coal and oil and greenhouse gas emissions.

### *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The investment manager ensures that throughout its investment process, the financial product takes into account principal adverse impact indicators that are relevant to its investment strategy to select the sustainable investments that the financial product partially intends to make by systematically implementing PIMCO's sustainability framework and the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy and Proxy Voting. The sustainable investments of the financial product are assessed by PIMCO so that they do not cause significant harm to environmental or social sustainable investment objective. The sustainable investments of the financial product shall not include issuers who are violators of the exclusion criteria, which include but are not limited to, those issuers which have exposure to coal and oil and greenhouse gas emissions (excluding ESG-labelled bonds issued by such issuers). Securities will be selected according to the investment manager's internal sustainability screening process. The Investment Advisor seeks to mitigate principal adverse impacts including, for example, through issuer engagement and exclusion screening.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website: <https://europe.pimco.com/en-eu/> under the tab labelled Sustainable Finance Disclosures Regulation

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Sustainable investments of the financial product are assessed by the investment manager against the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the use of environmental and UNGC (UN Global Compact) controversies screening, along with other tools including ESG scores and research as part of the investment due diligence process.

Further details can be on the website, under ESG Investing Report and ESG Investment Policy Statement section: <https://www.pimco.co.uk/en-gb/investments/esg-investing/>

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



Does this financial product consider principal adverse impacts on sustainability factors? ensures

✘ Yes, the product considers some principal adverse impacts on sustainability factors.

The investment process of the investment manager is outlined in its ESG Investment Policy Statement and within its statement regarding its Principal Adverse Impact of Investment Decisions. The investment manager should also comply with the BNP Paribas Asset Management RBC Policy establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms.

Thus, the financial product excludes severe United Nations Global Compact violators, and considers the principal adverse impacts of investment decisions on sustainability factors (including but not limited to, exposure to the coal and oil and greenhouse gas emissions and exposure to controversial weapons). The current exclusion criteria may be updated from time to time. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these activities take place.

This financial product has a binding and significant ESG integration approach at each step of the investment process and improves its ESG profile compared to its benchmark.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product (excluding derivatives (other than Credit Default Swaps) and cash and cash equivalents (used for cash management)) and de facto reduces its universe of reference for ESG comparison (aggregation of the JPMorgan Emerging Markets Bond Index Global and the JPMorgan Corporate Emerging Markets Bond Index Broad) by at least 20% based on exclusions. Thus, the investment manager mitigates principal adverse sustainability impacts throughout the application of certain exclusion criteria. In addition, the average portfolio ESG score of the financial product is better than the one of its benchmark, based on the investment manager's internal scoring. Besides, the BNP Paribas Asset Management Stewardship team regularly identifies adverse impacts through research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Based on the above approach, and depending on the underlying assets, the financial product considers and addresses or mitigates the following principal adverse sustainability impacts: Corporate mandatory indicators

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

The financial product seeks to increase the value of its assets over the medium term by investing mainly in investment grade or high yield government and corporate bonds denominated in hard currencies. These assets are issued (or guaranteed) by governments or companies in, or economically tied to, emerging or developing economy as defined by the World Bank or its related organisations or the United Nations or its authorities, while focusing on environmental, social and governance (ESG) factors.

The financial product may also invest a minor part of its assets in other bonds, equities and money market instruments. The Financial product can use derivatives for hedging, efficient portfolio management and investments. Investment grade securitised products may represent up to 10% of the assets.

The investment manager focuses on macroeconomic considerations utilised as part of regional and sector selections (top-down approach) and examines market, profile and proprietary credit analysis to select securities that appear to offer a favourable risk-adjusted return and to be undervalued or have a reasonable valuation (bottom-up approach).

To achieve the investment objective of the financial product, the investment manager takes into account at each step of its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

As part of its investment strategy, the investment manager will seek to invest in issuers that it believes have strong ESG practices; notably through the application of screens to exclude issuers on the basis of the industry in which they participate, including those engaged principally in the oil, coal, weapons, and tobacco industry among others. However, where relevant and justified, investment in issuers involved in oil and coal related sectors may be permitted. Overall, at least 20% of the universe of reference is reduced based on exclusions. In addition, PIMCO integrates ESG factors as a strategy and considers ESG scores based on its own ESG rating methodology when making investment decisions. Besides, The investment team also applies BNP Paribas Asset Management Sustainable and Responsible policies as well as its own ESG integration methodologies, which take into account extra-financial 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 Financial product. Therefore, the financial product follows a binding and significant ESG integration approach at each step of the investment process. The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

In addition, the Investment Manager relies on the internal sustainable investment methodology, as defined in the answer to the question *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives*, to determine issuers that contribute to environmental and/or social objectives.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The financial product shall comply with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude issuers involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as those are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com);
- The financial product shall comply with PIMCO ESG Investing Report and ESG Investment Policy Statement regarding the integration of sustainability risks and the principal adverse impacts of investment when making investment decisions regarding the financial product accessible here: <https://global.pimco.com/en-gbl/investments/esg-investing> ;
- The financial product's ESG universe of reference (JPMorgan Emerging Markets Bond Index Global and the JPMorgan Corporate Emerging Markets Bond Index Broad) should be reduced by at least 20% based on the investment manager's own application of exclusions. The process notably includes the exclusion of securities of any issuer determined by PIMCO to be engaged principally in the oil industry, including extraction, production, refining, transportation, or the production, sale of coal and coal-fired generation. Notwithstanding this, green, social and other sustainability-labelled fixed income securities from issuers involved in oil and coal related sectors may be permitted. In addition, the investment manager may invest in securities of issuers determined to be primarily focused on biofuel production as well as natural gas generation, transportation, distribution and sales and trading activities. Moreover, additional exclusions may include but are not limited to the following: securities of any issuer determined by PIMCO to be engaged principally in the manufacture of alcoholic beverages, tobacco products or military weapons, the operation of gambling casinos, or in the production or trade of pornographic materials. The investment manager may also exclude an issuer based on other criteria such as involvement in environmental damage, corruption, human rights issues, or labour practices. PIMCO excludes sovereign debt securities of emerging market countries according to its screening process designed to incorporate ESG factors. Those include but are not limited to, the countries' performance according to the Transparency International Corruption Perception Index, the World Bank Indicator of Control of Corruption, and the Freedom House Freedom in the World rankings published by Freedom House, as well as being sanctioned by the UN Security Council;
- The financial product shall have at least 90% of its assets covered by an ESG analysis based on PIMCO's ESG internal methodology (excluding derivatives (other than Credit Default Swaps) as well as cash and cash equivalents (used for cash management));
- The average ESG score of the financial product's portfolio should be better than the one of its benchmark based on the investment manager's internal scoring methodology;
- The financial product shall invest at least 10% of its assets in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation and as disclosed in the asset allocation section below.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy. Following the implementation of exclusions, more than 20% of the JPMorgan Emerging Markets Bond Index Global and the JPMorgan Corporate Emerging Markets Bond Index Broad universe is non-eligible.

## ● *What is the policy to assess good governance practices of the investee companies?*

PIMCO assesses the governance practices of investee companies by means of a scoring system which considers how an investee company compares to its peers in the industry. Factors considered include but are not limited to:

1. Board diversity
2. Legal or regulatory matters relating to the investee company (such as tax compliance)
3. Conduct and culture of the investee company

As set out above, this screening processes results in the exclusion of certain sectors, noting that the investment manager refers to globally accepted norms such as, the UN Global Compact Principles, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization Conventions in relation to sound management practices, employee relations, and remuneration of staff. Notwithstanding the above, when PIMCO is applying the policy to assess good governance practices, the financial product has the ability to retain securities from such companies and issuers that the investment manager deems to be in the best interests of the financial product and its shareholders. The investment manager may also actively engage with companies and issuers in order to seek to improve their governance practices.

The ESG analysis goes beyond the framework to look at a more qualitative assessment of how the insights from the ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

The investment manager of the product ensures that at least 100% of the investments are aligned with the E/S characteristics promoted by the financial product, excluding derivatives (other than Credit Default Swaps) as well as cash and cash equivalents (used for cash management). This is achieved through the application of an exclusion strategy to 100% of the financial product's direct holdings.

The minimum proportion of sustainable investments of the financial product is 10%.

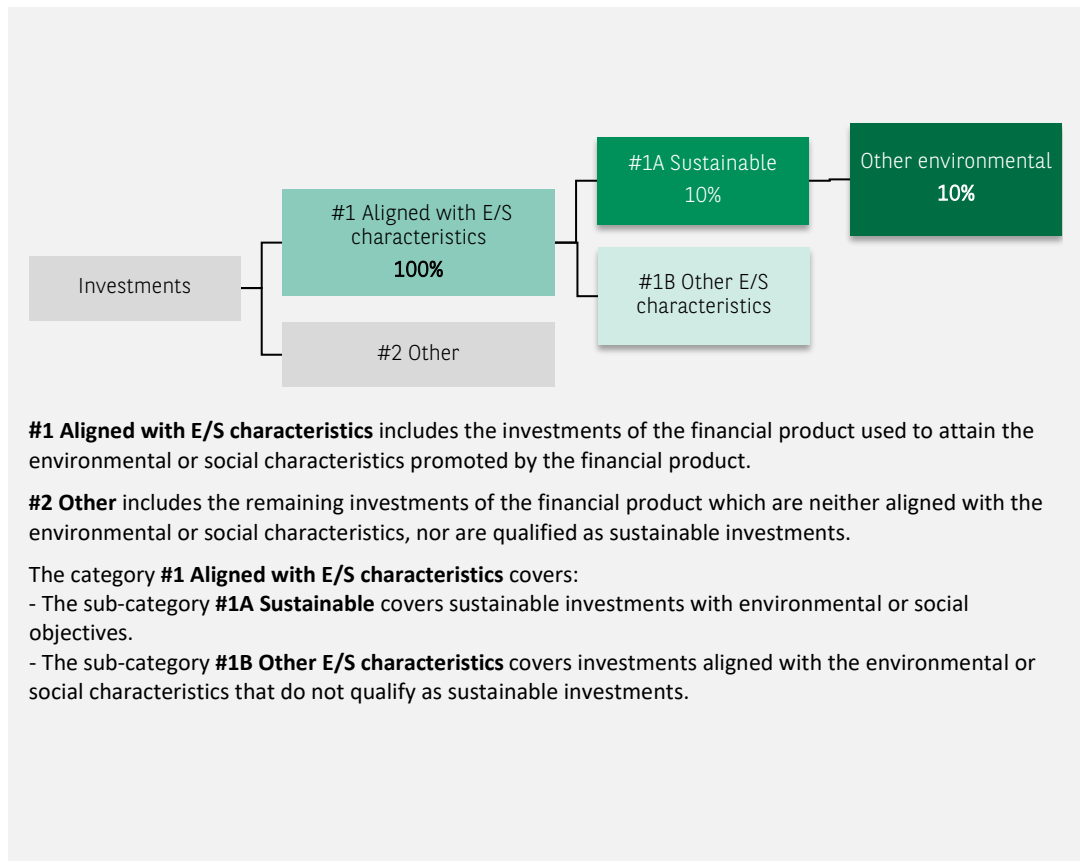
The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?". The real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report

**Asset allocation** describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

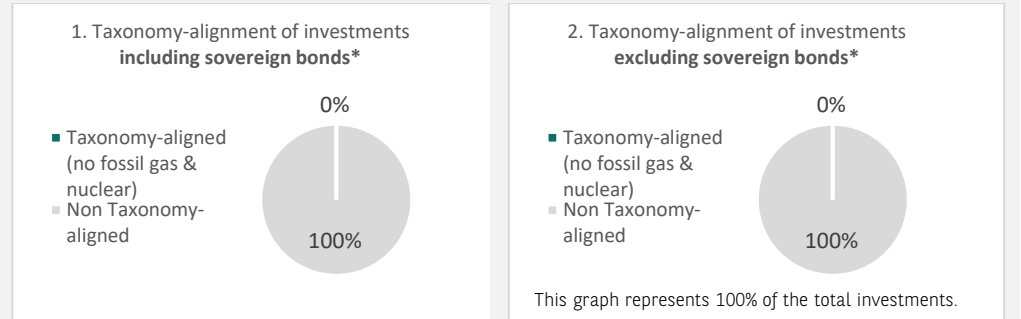
In fossil gas  In nuclear energy

No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **What is the minimum share of investments in transitional and enabling activities?**  
Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 10%.

The objective of the investment manager is not to prevent the product from investing in taxonomy-aligned activities within the framework of the investment strategy of the product. As such, there is no commitment to invest in activities not aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

Not applicable



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The financial product’s exclusion strategy outlined above applies to 100% of the net assets of the portfolio because all of the investments are screened against its exclusion strategy. Issuers and derivatives used for the attainment of the financial product’s objectives are subject to ESG-related exclusions that seek to ensure the meeting of minimum relevant environmental and/or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*  
Not applicable
- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*  
Not applicable
- *How does the designated index differ from a relevant broad market index?*  
Not applicable
- *Where can the methodology used for the calculation of the designated index be found?*  
Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

PDFTemplate pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Robeco Global Credit Income

Legal entity Identifier: 213800AF5EYSI5BPHO47

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 70% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by Robeco Institutional Asset Management B.V. (Robeco), follows a best-in-class approach that selects issuers demonstrating superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity, and applies certain minimum exclusion criteria.

- Robeco's approach lead to the promotion of the following environmental and/or social characteristics:
- Promotion of investment in a portfolio that contributes to the Sustainable Development Goals (SDGs).
  - Promotion of certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment strategies.
  - Adherence to and conducting business activities in accordance with the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) labor standards, the



United Nations Guiding Principles for Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises, by scrutinizing companies that violate these principles.

The exclusion criteria are applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the Robeco's Responsible Investment Exclusion (RIE) Policy applicable to the financial product, as well as the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.robeco.com/si](http://www.robeco.com/si)

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- § The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#);
- § The percentage of investments in securities that are on Robeco's Exclusion list as result of the application of Robeco's Exclusion policy as well as the number of companies that are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. More information can be found at: <https://www.robeco.com/docm/docu-exclusion-policy.pdf> and <https://www.robeco.com/docm/docu-exclusion-list.pdf>;
- § The percentage of the financial product's portfolio that hold a positive or neutral Sustainable Development Goals (SDG) score based on Robeco's SDG Framework;
- § The percentage of the financial product's portfolio covered by an extra-financial analysis based on Robeco's proprietary methodology;
- § The percentage of the financial product's investment universe reduction due to the implementation of the Robeco ESG integration approach ([Sustainable investing - ESG integration \(robeco.com\)](#)) as well as the exclusions as per the BNP Paribas Asset Management RBC Policy;
- § The percentage of the financial product's portfolio invested in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments made by the financial product are to finance companies that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

The sustainable investments aim to contribute to the UN Sustainable Development Goals, that have both social and environmental objectives. Robeco uses its proprietary SDG Framework and

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

related SDG scores to determine which issuers constitute a sustainable investment as referred to in art 2(17) SFDR. Positive SDG scores (+1, +2, +3) are regarded as sustainable investments.

Companies identified as a sustainable investment should not significantly harm any other environmental or social objectives (the Do No Significant Harm “DNSH” principle) and should follow good governance practices. The investment manager uses its methodology to assess all companies against these requirements.

More information on the internal methodology can be found on the website of the investment manager: [www.robeco.com/si](http://www.robeco.com/si)

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Sustainable investments that the product partially intends to make should not significantly harm any environmental or social objective (DNSH Principle). In this respect, the sustainable investments do no significant harm to any environmental or social sustainable investment objective by considering a principal adverse impact and aligning with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition, sustainable investments score positively on Robeco’s SDG Framework

— — **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The investment manager ensures that throughout its investment process, the financial product takes into account principal adverse impact indicators that are relevant to its investment strategy to select the sustainable investments that the financial product partially intends to make by systematically implementing the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy and Proxy Voting (applying the requirements of the RBC Policy to the voting exercise). Besides, Robeco’s SDG Framework assesses the contribution of companies to the Sustainable Development Goals (SDGs). Many PAI indicators are either directly or indirectly included in the SDG Framework to determine whether a company has significant impacts on the SDGs related to the PAI indicators. A detailed description of the incorporation of PAI is available on Robeco’s website: [www.robeco.com/docm/docu-robeco-principal-adverse-impact-statement.pdf](http://www.robeco.com/docm/docu-robeco-principal-adverse-impact-statement.pdf).

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website: [www.robeco.com/si](http://www.robeco.com/si)

— — **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both Robeco’s Exclusion Policy and Robeco’s SDG Framework.

Robeco’s Exclusion Policy includes an explanation of how Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behavior of companies. Robeco continuously screens its investments for breaches of these principles. In case of a breach, the company will be excluded or engaged with, and is not considered a sustainable investment.

Robeco’s SDG Framework screens for breaches on these principles in the final step of the framework. In this step, Robeco checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG score for the company, meaning it is not a sustainable investment.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The current exclusion criteria may be updated from time to time and can be consulted on the website: [www.robeco.com/si](http://www.robeco.com/si)

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?

**x** Yes, the product considers some principal adverse impacts on sustainability factors.

PAIs are considered throughout the investment process. The investment manager applies a screening and best-in-class approach.

The investment manager applies the Robeco's Sustainable Investing and the BNP Paribas Asset Management RBC policies establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. Robeco excludes severe United Nations Global Compact Violators, controversial weapons or companies that derive more than a certain percentage of their revenues from weapons, companies that derive more than a certain percentage of their revenue from thermal coal extraction and utility companies that generate more than a certain percentage of their revenues from coal, companies involved in the production of tobacco, and companies involved in the distribution of tobacco in excess of a certain percentage of their revenues. The current exclusion criteria may be updated from time to time and can be consulted on the website [www.robeco.com/si](http://www.robeco.com/si). As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

As such, at least 25% of the universe of reference ((global high yield, global investment grade and global emerging credits) for ESG comparison is de facto eliminated based on low rated securities and/or sector exclusions. In addition, an internal extra-financial analysis on a minimum of 90% of the assets of the financial product and the average portfolio ESG rating of the financial product is better than the one of its benchmark, based on Robeco's methodology. Besides, the Stewardship teams regularly identify adverse impacts through research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

The investment manager notably considers PAIs on sustainability factors as referred to in Annex I of the SFDR Delegated Act:

- Pre-investment, Robeco's SDG Framework assesses companies' positive and negative contributions to the Sustainable Development Goals (SDGs). Robeco's SDG Framework directly and/or indirectly screens companies on many of the topics considered by the PAI indicators.
- Post-investment, the principal adverse impacts on sustainability factors are taken into account via Robeco's entity engagement program: (1) all indicators related to Climate and other environment-related indicators (PAI 1-9, Table 1); (2) violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1). On an ongoing basis, the investment universe is scanned for controversial behavior in relation to the aforementioned principles and guidelines; (3) in addition, based on a yearly review of

Robeco's performance on all mandatory and selected voluntary indicators, holdings of the Mandate that cause adverse impact might be selected for engagement.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the Robeco Sustainable Investment and the RBC policies, the financial product ESG integration, as well as its Engagement and Voting Policy.

Based on the above approach, and depending on the underlying assets, the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Sovereign mandatory indicators

16. Investee countries subject to social violations

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The Financial product seeks to increase the value of its assets primarily through income as well as investment growth. The financial product invests mainly in corporate and government bonds that are denominated in any currency. Some of these investments may be below investment grade (high yield) and/or from emerging markets. In actively managing the financial product, the investment manager uses macroeconomic, market and proprietary credit analysis to select securities that appear to offer a favourable risk-adjusted return.

In addition, the investment manager advances the United Nations Sustainable Development Goals SDGs by investing in issuers whose business models and operational practices are aligned with targets defined by these goals and that have a positive or neutral SDG score, as measured through its proprietary SDG rating methodology.

The product integrates sustainability indicators on a continuous basis as part of the bond selection process. Amongst others, the investment manager applies norms-based, activity-based and regional exclusions, Robeco's good governance policy and considers Principal Adverse Impacts in the investment process. The



investment team also applies the BNP Paribas Asset Management RBC policies, including norm-based screens, exclusion lists and stewardship activities when taking into account ESG criteria in the investments of the financial product.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager. The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

In addition, the Investment Manager relies on the internal sustainable investment methodology, as defined in the answer to the question *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives*, to determine issuers that contribute to environmental and/or social objectives.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- § The financial product shall comply with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#);
- § The financial product shall comply with Robeco's Exclusion list as result of the application of Robeco's Exclusion policy, and scrutinize the number of companies that are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises and hence are a part of Robeco Enhanced Engagement program. The current exclusion criteria may be updated from time to time and can be consulted at: <https://www.robeco.com/docm/docu-exclusion-policy.pdf> and <https://www.robeco.com/docm/docu-exclusion-list.pdf>;
- § The financial product's universe of reference shall be reduced by at least 25% based on Robeco's methodology (low rated issuers and normative exclusions- more details available at [Sustainable investing - ESG integration \(robeco.com\)](#)) as well as the exclusions as per the BNP Paribas Asset Management RBC Policy;
- § The financial product shall have at least 90% of its assets covered by an extra-financial analysis based on Robeco's proprietary SDG framework;
- § The financial product shall solely be invested in companies that hold a positive or neutral SDG score based on Robeco's methodology;
- § The financial product shall invest at least 70% of its assets in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation. Robeco uses its proprietary SDG Framework and related SDG scores to determine which issuers constitute a sustainable investment as referred to in art 2(17) SFDR. Positive SDG scores (+1, +2, +3) are regarded as sustainable investments.

- *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

Following the implementation of investment process, more than 25% of the investment universe is non-eligible.

- *What is the policy to assess good governance practices of the investee companies?*

Robeco has a Good Governance policy to assess governance practices of companies. The policy describes how Robeco determines if and when a company does not follow good governance practices and is therefore excluded from the initial investment universe. Robeco's Good Governance policy applies to the Strategy and tests on a set of governance criteria that reflect widely recognized industry- established norms and include topics as employee relations, management structure, tax compliance and remuneration.

The ESG analysis goes beyond the framework to look at a more qualitative assessment of how the insights from the ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

The investment manager of the product ensures that at least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product. For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

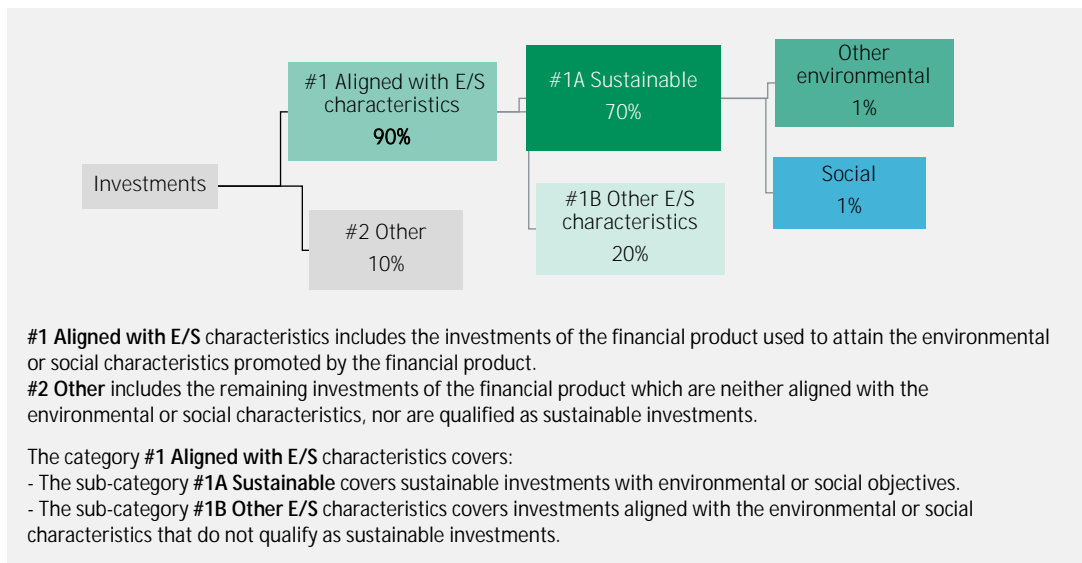
The minimum proportion of sustainable investments of the financial product is 70%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



- *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

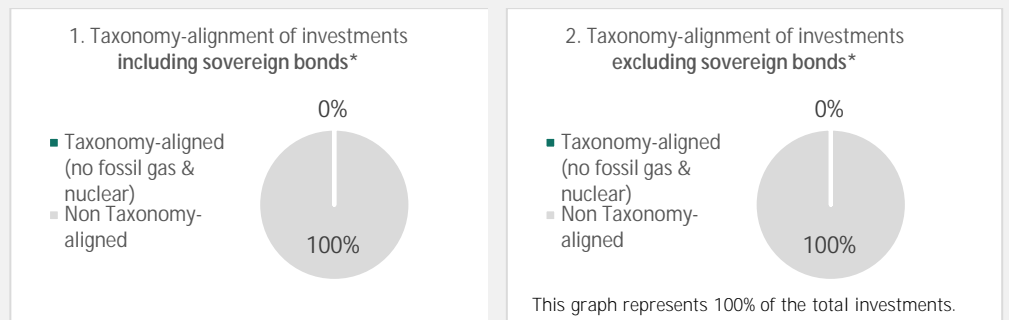
- *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- *What is the minimum share of investments in transitional and enabling activities?*

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 1%



### What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments within the financial product is 1%.



### What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The remaining proportion of the investments is mostly in cash and cash equivalents. Derivatives may be used for liquidity, efficient portfolio management and/or hedging purposes. These investments, if any, are made in compliance with the internal processes including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable



### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Robeco Global Equity Emerging

Legal entity Identifier: 213800PXW8CZSJRPD021

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 35% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by Robeco Institutional Asset Management B.V.(Robeco), has a binding ESG integration approach as part of the investment process and improves its ESG profile compared to its benchmark (MSCI Emerging Markets). The exclusion criteria are applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the Robeco Responsible Investment Exclusion Policy applicable to the financial product, as well as the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

Robeco's approach lead to the promotion of the following environmental and/or social characteristics:  
 - Promotion of certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment strategies.

- Adherence to and conducting business activities in accordance with the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) labor standards, the United Nations Guiding Principles for Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises, by scrutinizing companies that violate these principles.

- Limitation of investments in companies with an elevated sustainability risk based on ESG risk scores whereas all such investments require separate approval of a dedicated committee that oversees that all investments are substantiated and eligible based on a fundamental review on the sustainability risk..

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website [www.robeco.com/si](http://www.robeco.com/si)

Furthermore, the investment manager applies a series of exclusion criteria with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks. Eventually, the financial product also promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- § The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](http://Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com));
- § The percentage of investments in securities that are on Robeco's Exclusion list as result of the application of Robeco's Exclusion policy as well as the number of companies that are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. More information can be found at: <https://www.robeco.com/docm/docu-exclusion-policy.pdf> and <https://www.robeco.com/docm/docu-exclusion-list.pdf>;
- § The percentage of holdings with an elevated sustainability risk profile according to Robeco's methodology. Investments with an elevated sustainability risk are defined by Robeco as companies with an ESG Risk Rating of 40 and higher. Each investment with an ESG Risk rating of higher than 40 requires separate approval by a dedicated committee of SI specialists, compliance and risk management that oversees the bottom-up sustainability analysis;
- § The percentage of the financial product's portfolio covered by an extra-financial analysis based on the based on Robeco's ESG integration framework;
- § The percentage of the financial product's and benchmark's ESG rating based on Robeco's ESG rating methodology [Sustainable investing - ESG integration \(robeco.com\)](http://Sustainable investing - ESG integration (robeco.com));
- § The percentage of the financial product's portfolio invested in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation. Robeco uses its proprietary SDG Framework and related SDG scores to determine which issuers constitute a sustainable investment. Positive SDG scores (+1, +2, +3) are regarded as sustainable investments.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*

The objectives of the sustainable investments made by the financial product are to finance companies that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

The sustainable investments aim to contribute to the UN Sustainable Development Goals, that have both social and environmental objectives. Robeco uses its proprietary SDG Framework and related SDG scores to determine which issuers constitute a sustainable investment as referred to in art 2(17) SFDR. Positive SDG scores (+1, +2, +3) are regarded as sustainable investments.

Companies identified as a sustainable investment should not significantly harm any other environmental or social objectives (the Do No Significant Harm "DNSH" principle) and should follow good governance practices. The investment manager uses its methodology to assess all companies against these requirements.

More information on the internal methodology can be found on the website of the investment manager: [www.robeco.com/si](http://www.robeco.com/si)

● *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

Sustainable investments that the product partially intends to make should not significantly harm any environmental or social objective (DNSH Principle). The sustainable investments do no significant harm to any environmental or social sustainable investment objective by considering a principal adverse impact and aligning with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition, sustainable investments score positively on Robeco's SDG Framework, and therefore do not cause significant harm.

— How have the indicators for adverse impacts on sustainability factors been taken into account?

Throughout its investment process, Robeco sets out its approach to identifying and prioritizing principal adverse impact, and how principal adverse impacts are considered as part of Robeco's investment due diligence process and procedures, in its Robeco's Principal Adverse Impact Statement. For sustainable investments, the PAI indicators have been taken into account by ensuring that the investments do no significant harm to any environmental or social objective. For this purpose, many PAI indicators are either directly or indirectly included in Robeco's SDG Framework to determine whether a company has significant impacts on the SDGs related to the PAI indicators. A description of the incorporation of PAI is available on Robeco's website: [www.robeco.com/docm/docu-robeco-principal-adverse-impact-statement.pdf](http://www.robeco.com/docm/docu-robeco-principal-adverse-impact-statement.pdf). Besides, the financial product takes into account principal adverse impact indicators that are relevant to its investment strategy by systematically implementing the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy and Proxy Voting (applying the requirements of the RBC Policy to the voting exercise).

More information on the general ESG investment framework of the investment manager or specific exclusions applied in its investment process can be found at the website: [www.robeco.com/si](http://www.robeco.com/si)

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both Robeco's Exclusion Policy and Robeco's SDG Framework.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Robeco's Exclusion Policy includes an explanation of how Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behavior of companies. Robeco continuously screens its investments for breaches of these principles. In such case, the company will be excluded or engaged with, and is not considered a sustainable investment.

Robeco's SDG Framework screens for breaches on these principles in the final step of the framework. In this step, Robeco checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG score for the company, meaning it is not a sustainable investment.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?

✘ Yes, the product considers some principal adverse impacts on sustainability factors.

The investment manager applies the Robeco's Sustainable Investing and the BNP Paribas Asset Management RBC policies establishing a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. Robeco excludes severe United Nations Global Compact Violators, controversial weapons or companies that derive more than a certain percentage of their revenues from weapons, companies that derive more than a certain percentage of their revenue from thermal coal extraction and utility companies that generate more than a certain percentage of their revenues from coal, companies involved in the production of tobacco, and companies involved in the distribution of tobacco in excess of a certain percentage of their revenues. The current exclusion criteria may be updated from time to time and can be consulted on the website [www.robeco.com/si](http://www.robeco.com/si). As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process.

As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the financial product.

In addition, the average portfolio ESG rating of the financial product is at least 15% better than the one of its benchmark, based on the investment manager's internal rating methodology.

Thus, principal adverse sustainability impacts are considered throughout the investment process. Besides, the Stewardship team regularly identifies adverse impacts through research, collaboration with other long-term investors, and dialogue with NGOs and other experts.



Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the Robeco Sustainable Investment and the RBC Policies, the financial product ESG integration, as well as its Engagement and Voting Policy. The investment manager considers principal adverse impacts on sustainability factors as referred to in Annex I of the SFDR Delegated Act:

- Pre-investment, principal adverse impacts on sustainability factors are considered through the applied normative and activity-based exclusions and the ESG integration process as part of the investment due diligence policies and procedures.
- Post-investment, principal adverse impacts on sustainability factors are taken into account via Robeco's entity engagement program

Based on the above approach, and depending on the underlying assets, the financial product considers and addresses or mitigates the following principal adverse sustainability impacts as referred to in Annex I of the SFDR Delegated Act:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Sovereign mandatory indicators

16. Investee countries subject to social violations

More information is available via Robeco's Principal Adverse Impact Statement, published on Robeco's website. In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account as part of its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The financial product managed by Robeco seeks to increase the value of its assets through investment growth. The financial product invests mainly in companies in emerging markets (at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in emerging countries). The investment manager uses a combination of market and fundamental company analysis to select companies that appear to be undervalued or have a reasonable valuation.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with an improved ESG profile compared to its investment universe of reference for ESG comparison. Thus, the average portfolio ESG rating of the financial product is better than the one of its benchmark, based on the investment manager's internal rating methodology. In addition, the Investment Manager relies on the internal sustainable investment methodology, as defined in the answer to the question *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives*, to determine issuers that contribute to environmental and/or social objectives.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- § The financial product shall comply with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#);
- § The financial product shall comply with Robeco's Exclusion list as result of the application of Robeco's Exclusion policy, and scrutinize the number of companies that are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises and hence are a part of Robeco Enhanced Engagement program. The current exclusion criteria may be updated from time to time and can be consulted at: <https://www.robeco.com/docm/docu-exclusion-policy.pdf> and <https://www.robeco.com/docm/docu-exclusion-list.pdf>;
- § The financial product has a maximum of 10% of holdings with an elevated sustainability risk profile, based on the market weight in the portfolio taking into account regional differences and benchmark. Investments with an elevated sustainability risk are defined by Robeco as companies with an ESG Risk Rating of 40 and higher. Each investment with an ESG Risk rating of higher than 40 requires separate approval by a dedicated committee of SI specialists, compliance and risk management that oversees the bottom-up sustainability analysis;
- § The financial product should have an ESG rating higher than the one of its benchmark based on Robeco's ESG rating methodology [Sustainable investing - ESG integration \(robeco.com\)](#);
- § The financial product shall have at least 90% of its assets covered by an extra-financial analysis based on Robeco's proprietary SDG framework;
- § The financial product shall invest at least 35% of its assets in "sustainable investments" as defined in Article 2 (17) of the SFDR regulation. Robeco uses its proprietary SDG

Framework and related SDG scores to determine which issuers constitute a sustainable investment as referred to in art 2(17) SFDR. Positive SDG scores (+1, +2, +3) are regarded as sustainable investments

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Robeco has a Good Governance policy to assess governance practices of companies. The policy describes how Robeco determines if and when a company does not follow good governance practices and is therefore excluded from the initial investment universe. Robeco's Good Governance policy applies to the Strategy and tests on a set of governance criteria that reflect widely recognized industry- established norms and include topics as employee relations, management structure, tax compliance and remuneration.

The ESG analysis goes beyond the framework to look at a more qualitative assessment of how the insights from the ESG model are reflected in the culture and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

At least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

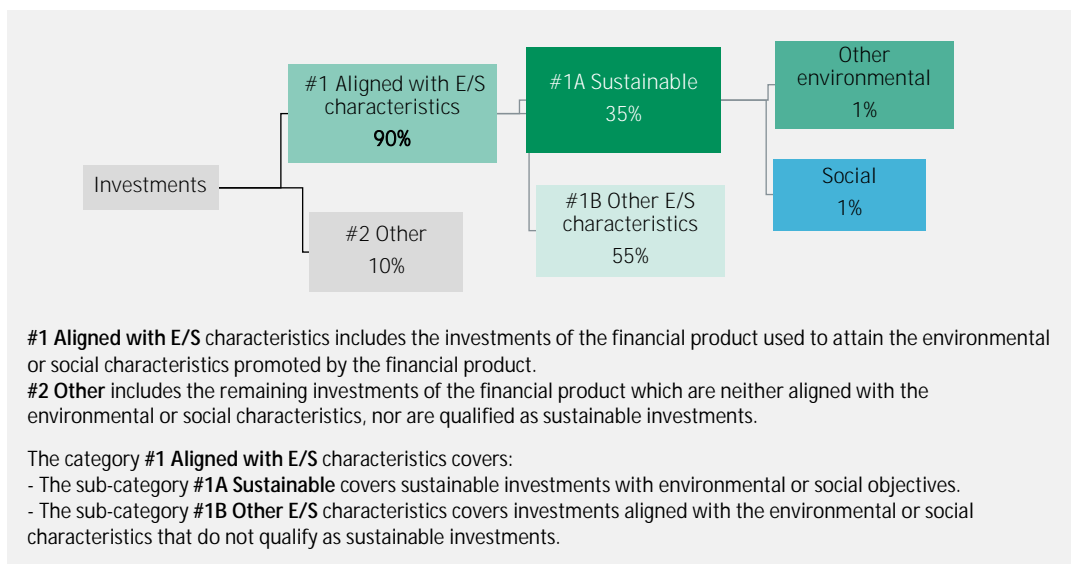
The minimum proportion of sustainable investments of the financial product is 35%,

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

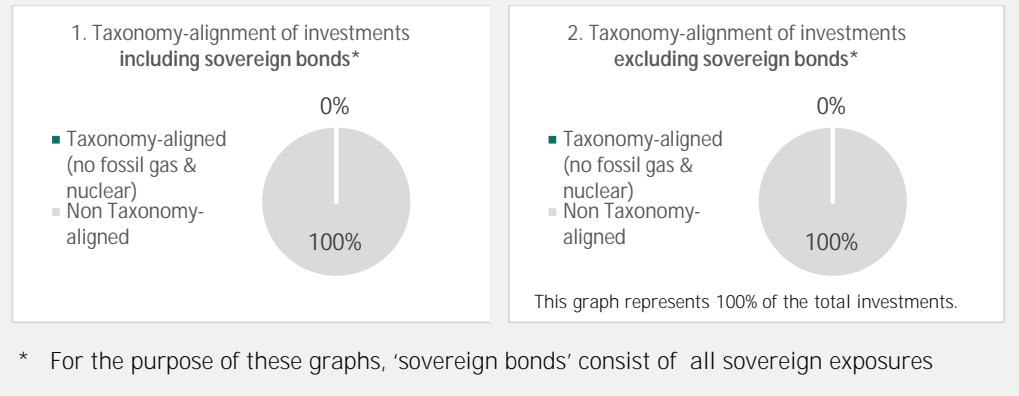
In fossil gas     In nuclear energy

No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable - the financial product does not commit to making sustainable investments with an environmental objective aligned with the EU Taxonomy



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 1%



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments within the financial product is 1%.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The remaining proportion of the investments, mostly in cash and cash equivalents, is used for liquidity, efficient portfolio management and/or hedging purposes. Derivatives may make use of derivatives for hedging purposes.

These investments, if any, are made in compliance with the internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Sycomore Euro Equity Growth

Legal entity identifier: 213800FP152QZGZWL73

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective :

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 70% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

This financial product, managed by Sycomore Asset Management (Sycomore AM), has a binding and significant ESG integration approach at each step of the investment process.

The financial product aims to increase the value of its assets through investment growth, using a socially responsible multi-thematic process, taking into account the priorities identified by the United Nations Sustainable Development Goals (UN SDGs), and deploying indicators and targets designed to enable their achievement. The Fund focuses on themes such as energy transition, management of sustainable resources, health and protection, nutrition and well-being, digital and communication. Besides, the fund aims to improve its ESG profile compared to its universe of reference for ESG comparison, being equities listed on European Union markets.

Furthermore, the investment manager applies a series of exclusion criteria with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks. Eventually, the financial product also promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable.

More information on the Sycomore proprietary analysis and rating frameworks can be found at the website <https://en.sycomore-am.com/Our-responsible-approach>.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the financial product

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product, inter alia:

At Investee level, resulting from the application of Sycomore AM's framework:

- § The ratings resulting from the application of Sycomore AM's fundamental analysis model (SPICE) on the universe of reference for ESG comparison. SPICE stands for Suppliers&Society, People, Investors, Clients and Environment. This tool assesses the sustainable performance of companies. It integrates the analysis of economic, governance, environmental, social and societal risks and opportunities in business practices and in the products and services offering of companies. The analysis takes into account around 90 criteria from which a score between 1 to 5 per letter of SPICE is obtained. These 5 scores are weighted according to the company's most material impacts;
- § On the societal side: the Societal Contribution of products and services rating. This metric combines the positive and negative societal contributions of a company's products and services. The methodology draws on the societal aspects of the 17 UN SDGs and their 169 sub-goals (or targets). The methodology also includes macroeconomic and scientific data sourced from public research institutions, and from independent organizations such as the Access to Medicine Foundation or the Access to Nutrition Initiative.
- § On the human capital side : two metrics both addressing SDG 8 ("Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"), as well as SDGs 3, 4, 5 and 10 for the latter:
  - (1) The Happy@Work Environment rating : the analysis framework provides a complete and objective assessment of the level of well-being at work.
  - (2) The Good Jobs Rating which is a quantitative metric designed to assess – on a scale of 0 to 100 – a company's overall ability to create durable and quality jobs for all, and particularly in areas (regions or countries) where employment is relatively scarce and therefore needed to ensure sustainable and inclusive economic growth.
- § On the environmental side : The NEC (Net Environmental Contribution). This metric measures the extent to which a company's business model is aligned with the ecological transition and the climate change mitigation objectives. It ranges from -100% for businesses that are highly damaging to natural capital, to +100% for companies with a strong positive net impact. The NEC covers five impact categories (issues: climate, waste, biodiversity, water, air quality) by group of activities (ecosystems, energy, mobility, construction, production).

More information on the Sycomore relevant policies and proprietary framework can be found at the website <https://en.sycomore-am.com/Our-responsible-approach>.

At product level:

- § The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](#).



- § The percentage of the financial product's investment universe of reference reduction due to the implementation of the Sycomore AM SRI approach (exclusions based on activities restricted for their controversial social or environmental impacts, as defined and revised annually in Sycomore AM's core policy applicable to all Sycomore AM's direct investments, and screening based on the Socially Responsible Investment policy applicable to the strategy, as well as the exclusions as per the BNP Paribas Asset Management RBC Policy;
- § The Net Environmental Contribution (NEC) percentage of the product further the approach described above;
- § The Societal contribution of products and services metric of the financial product further the approach described above;
- § The percentage of the financial product's portfolio covered by ESG analysis based on Sycomore AM's SPICE proprietary methodology described below above;

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product intends to partially make sustainable investments with a social objective, based on at least one of the 2 following criteria, proprietary of Sycomore AM:

- (1) Societal criteria: investments with a Societal Contribution of products and services above or equal to +30%.
- (2) Human Capital criteria: two metrics are defined, both addressing SDG 8 ("Promote sustained, inclusive- and sustainable economic growth, full and productive employment and decent work for all"), as well as SDGs 3, 4, 5 and 10 for the latter: (2.1) Investments with a Good Jobs Rating above or equal to 55/100; (2.2) Investments with a Happy@Work Environment rating above or equal to 4.5/5. It is worth noting that companies associated with a Good Jobs Rating or a Happy@Work Environment rating above or equal to the selected thresholds therefore make a significant contribution to SDG 8.

The financial product will partially make sustainable investments with an environmental objective, based on the following criterion: investments with a Net Environmental Contribution (NEC) above or equal to +10%.

Overall, it is worth noting that the financial product commits to invest a minimum of 70% of its net assets in underlying assets qualifying for sustainable investments under the conditions set forth in this document regardless of whether their objective is environmental or social.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The investment manager ensures that the financial product takes into account principal adverse impact indicators relevant for the investment strategy in order to select the sustainable investments by systematically implementing the Sycomore AM SRI framework and the BNP Paribas Asset Management RBC Policy and Proxy Voting (applying the requirements of the RBC Policy to the voting exercise).

Sycomore AM implements four layers based on its own framework to avoid occurrence of significant harm to any environmental or social sustainable investment objective, on an ex ante basis, prior to any investment-decision. Indeed, investments targeted by one or more of the criteria below will not be considered as a sustainable investment:

1. As per the Investment Manager's SRI exclusion policy: activities are restricted for their controversial social or environmental impacts, as defined and revised annually in Sycomore AM's core policy (applicable to all Sycomore AM's direct investments), and in the Socially Responsible Investment Policy (SRI) policy (applicable to all open-ended UCITs, mandates and dedicated funds managed according to an SRI strategy) such as

violation violations of fundamental rights, controversial and nuclear weapons, conventional weapons and ammunitions, thermal coal, tobacco, pesticides, pornography, carbon-intensive energy generation, oil & gas. On top, the Investment Manager applies the BNPPAM exclusion lists.

2. Companies affected by a level 3/3 controversy: identified based on the Investment Manager's analysis of controversies. The most severe controversy classification (-3 on Sycomore AM's scale, which range from 0 to -3 such companies are considered in violation of one of the principles of the United Nations' Global Compact.
3. SPICE rating below 3/5: The SPICE methodology, through its 90 criteria, covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within the draft Regulatory Technical Standards. A rating, below 3/5 indicates a low sustainability performance on one or more adverse impacts.
4. As per Sycomore AM's Principle Adverse Impact (PAI) policy (available on Sycomore AM's website): a policy applied to identify further potential significant harm across environmental and social matters targeted by the PAI indicators listed in Table 1 of Annex I is implemented. Companies meeting any exclusion criterion regarding GHG emissions, biodiversity, water, waste, gender equality, UN Global Compact principles/OECD Guidelines for Multinational Enterprises compliance, or controversial weapons, will be reported as "not sustainable".

— How have the indicators for adverse impacts on sustainability factors been taken into account?

Adverse impacts on sustainability factors involve indicators at two levels:

1. For sustainable investments only: the Sycomore AM PAI policy directly drawing from indicators of Table 1 of Annex I and any relevant indicators in Tables 2 and 3.
2. For all investments of the financial product: the SPICE analysis framework, going through all issues targeted by all adverse sustainability indicators, with ability to use them to feed the analysis.

PAI policy: each sustainability factor targeted by Table 1 of Annex I was associated with an exclusion criterion:

Applicable to investee companies :

- o GHG emissions:
  - Indicators #1-2-3-5-6 (GHG emissions scope 1, 2, 3, and total emissions; Carbon footprint; GHG intensity of investee companies ; Share of non-renewable energy consumption and production; Energy consumption intensity per high impact climate sector): for all sectors, GHG emissions are assessed adjusting for company size, relative to their sub-sector, and taking into account science-based decarbonisation levels required to keep global temperature increase below 2°C compared to preindustrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). As a consequence, Sycomore AM's PAI approach to GHG emissions for all sectors relies on science-based target metrics: from the science-based target initiative (SBTi) on the one hand, and on the temperatures computed by the Science-Based 2°C Alignment (SB2A) initiative on the other hand. Companies associated with a temperature exceeding the threshold set in the PAI policy are deemed to significantly harm the climate change mitigation objective.
  - Indicator #4 (exposure to companies active in the fossil fuel sector): companies active in the fossil fuel sector are addressed by Sycomore AM's exclusion policy.
- o Biodiversity:
  - Indicator #7 (Activities negatively affecting biodiversity-sensitive areas), complemented by indicator #14 of Table 2 (Natural species and protected areas): these two indicators send a signal that activities in biodiversity-sensitive areas without appropriate mitigation measures might occur. Companies for which this is confirmed are deemed to significantly harm the objective of protection and restoration of biodiversity and ecosystems. The detailed process for confirming excluded companies is provided in the PAI policy.
- o Water:
  - Indicator #8 (Emissions to water): for companies reporting emissions exceeding the threshold set in the PAI policy, further investigation is made on the impact on

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

stakeholders of past emissions, based on controversy reviews. A severe impact not yet fully addressed by the company is deemed to significantly harm the objective of sustainable use and protection of water and marine resources.

- o Waste:
  - Indicator #9 (Hazardous waste and radioactive waste ratio): for companies reporting quantities exceeding the threshold set in the PAI policy, further investigation is made on the impact on stakeholders of waste generated, based on controversy reviews. A severe impact not yet fully addressed by the company is deemed to significantly harm the objective of pollution prevention and control.
- o UN Global Compact principles/OECD Guidelines for Multinational Enterprises compliance:
  - Indicator #10 (Violations): The aforementioned controversy analysis framework implemented by Sycomore AM precisely aims at identifying violations of these international standards. The compliance with the BNP Paribas Asset Management RBC Policy exclusions lists complements Sycomore AM's framework.
  - Indicator #11 (Lack of processes and compliance mechanism to monitor compliance): lack of processes and compliance mechanism to monitor compliance with these international standards is a signal that further due diligence is necessary to conclude on the likeliness of potential violations. More stringent requirements throughout the SPICE analysis, in particular related to Society (S), People (P) and Clients (C) stakeholders, defined in the PAI policy, are then implemented. Any company failing the test will be deemed to significantly harm one or more social objectives.
- o Gender equality:
  - Indicator #12 (Unadjusted gender pay gap): Companies associated with an unadjusted gender pay gap exceeding the threshold set in the PAI policy are deemed to significantly harm the social objective of tackling inequality.
  - Indicator #13 (Board gender diversity): Companies associated with a share of women seating on the company's Board below the threshold set in the PAI policy are deemed to significantly harm the social objective of tackling inequality.
- o Controversial weapons:
  - Indicator #14 (exposure to controversial weapons) is addressed by Sycomore AM's exclusion policy. The compliance with the BNP Paribas Asset Management RBC Policy exclusions lists complements Sycomore AM's framework.

Applicable to sovereigns and supranationals:

- o GHG intensity:
  - Indicator #15: GHG intensity is part of the analysis of sovereigns, described in Sycomore AM's ESG integration policy, that allows to exclude low performers across a range of environmental, social and governance matters.
- o Investee countries subject to social violations:
  - Indicator #16: similarly, the analysis framework applicable to sovereigns addresses adherence to the Charter of the United Nations. In addition, a set of indicators allows to assess government practices in terms of sustainable development and governance, including in particular corruption, human rights and social inclusion.

#### SPICE rating:

The SPICE methodology, through its 90 criteria, covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within the Regulatory Technical Standards.

Out of the 46 adverse sustainable indicators applicable to investee companies – excluding one item dedicated to bond investments (14 principal adverse impact indicators listed in Table 1, as well as 32 additional adverse impact indicators listed in Table 2 and Table 3), 42 indicators (23 environmental indicators and 19 social indicators) tackle adverse impacts reviewed during the SPICE analysis, and 4 indicators (1 environmental indicator and 3 social indicators) relate to adverse impacts targeted by Sycomore AM's exclusion policy.

More specifically, Sycomore AM's fundamental analysis model SPICE, is an integrated model, allowing to get a holistic view of companies of the investment universe. It was built taking into account OECD guidelines for Multinational Enterprises. It fully integrates ESG factors to capture how companies are managing adverse impacts as well as key sustainable opportunities following a double materiality approach.

Examples of matching between adverse impacts and SPICE items include inter alia:

**Society & Suppliers (S):** The S rating reflects the performance of the company with respect to its suppliers and civil society. Analysis relates to the societal contribution of products and

services, corporate citizenship, and the outsourcing chain. Adverse sustainability indicators including lack of a supplier code of conduct, insufficient whistleblower protection, lack of a human rights policy, lack of due diligence, risks related to human beings trafficking, child labour or compulsory labour, cases of severe human rights issues, and risks related to anti-corruption and anti-bribery policies, tackle adverse impacts addressed within the Society & Suppliers section.

**People (P):** The P rating focuses on a company's employees and its management of human capital. The assessment of the People pillar covers the integration of people-related issues, employees' fulfilment (Happy@Work environment), and measurement of employee engagement. Adverse sustainability indicators including unadjusted gender pay gap, board gender diversity, workplace accident prevention policies and health & safety indicators, employee's grievance mechanisms, discrimination, and CEO pay ratios tackle adverse impacts addressed within the People section.

**Investors (I):** The I rating focuses on the relation between companies and their shareholders. The rating is assigned based on an in-depth analysis of the company's shareholder and legal structure and of the interactions and power balance between different players: management, shareholders and their representatives, directors. Analysis targets the business model and governance. Among adverse sustainability indicators, lack of diversity at board level and excessive CEO pay-ratio tackle adverse impacts addressed in that section.

**Clients (C):** The C rating focuses on the company's clients as stakeholders, analyzing the offer made to clients as well as customer relationship.

**Environment (E):** The E rating assesses how the company stands with regards to natural capital. It accounts for management of environmental issues as well as positive or negative externalities of the company's business model. The operations environmental footprint subsection addresses adverse impacts targeted by adverse sustainability impact indicators including greenhouse gas emission indicators, energy consumption, air pollution indicators, water, waste and material emissions, as well as biodiversity indicators. Sustainability impact indicators including carbon reduction initiatives and fossil fuel activities tackles adverse impacts that are addressed by the Transition Risk subsection of that E section.

**SPICE Exclusion policy:** Finally, Sycomore AM's exclusion policy targets adverse sustainability impact indicators including controversial weapons, exposure to fossil fuel sector, chemical pesticide production, and more broadly was drafted to target companies in breach of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Once the analysis – SPICE analysis including review of controversies, exclusion policy compliance, PAI policy compliance – is performed, it impacts investment decisions in the following ways:

- It provides a safeguard against significant harm to any sustainable investment objective, by excluding companies not meeting minimum safeguard requirements;
- It also impacts the financial investment case in two ways: 1. assumptions related to the company's prospects (growth and profitability forecasts, liabilities, M&A, etc.) can be fed by certain SPICE outputs as relevant, and 2. some core assumptions of valuation models are systematically linked to SPICE outputs.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The development of Sycomore AM's analysis framework "SPICE" as well as the exclusion policy have been inspired by the OECD's Guiding Principles for multinational companies, the United Nations' Global Compact, the International Labour Organization's international standards and the UN Guiding Principles on Business and Human Rights. To assess the fundamental value of a company, analysts systematically examine how a firm interacts with its stakeholders. This fundamental analysis is designed to understand strategic challenges, business models, management quality and degree of involvement, and the risks and opportunities faced by the company. Sycomore AM has also defined its Human Rights Policy in compliance with the UN Guiding Principles on Business and Human Rights.

Despite the above-described due diligence set to detect potential breaches of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, actual compliance of the analyzed issuers can never be guaranteed.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The product considers some principal adverse impacts on sustainability factors. In order for the investment manager to determine which PAI is considered and addressed or mitigated, ESG methodology and disclosures of the reference benchmark and/or the index provider are used.

The overall policy framework in order to analyse how principle adverse impacts are considered for the financial product mainly relies on the following:

- 1- Principal adverse impacts, as well as all other adverse impacts, are considered for any investment of the portfolio through SPICE analysis and outputs, complemented by Sycomore AM’s exclusion policy and BNP Paribas Asset Management RBC policy that establish a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norm.
- 2- In addition, to qualify as a sustainable investment, any investment must comply with the Sycomore AM PAI policy specifically addressing principal adverse impacts.
- 3- Stewardship teams regularly identifies adverse impacts through research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account at each step of its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The financial product seeks to increase the value of its assets through investment growth, using socially responsible multi-thematic process, taking into account the priorities identified by the United Nations Sustainable Development Goals (UN SDGs), and deploying indicators and targets designed to enable their achievement.

The financial product invests at least 75% of assets in equities and equity-related securities that are denominated or traded in EUR and issued by companies that are domiciled, or do most of their business, in a member state of the Eurozone. The financial product invests mainly in companies considered as sustainable investments as per SFDR. The investment manager uses a combination of market and fundamental company analysis to select companies that appear to have above-average or stable growth prospects, applying an internal extra-financial analysis on a minimum of 90% of the assets of the

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

financial product. ESG analysis is a fully integrated component of Sycomore AM fundamental analysis, conducted using the proprietary "SPICE" analysis and rating methodology.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

Then the Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager. At least 25% of the universe of reference for ESG comparison is de facto eliminated based on low rated securities and/or sector exclusions.

The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio with a significantly improved ESG profile compared to its investment universe of reference for ESG comparison.

In addition, the Investment Manager relies on the internal sustainable investment methodology, as defined in the answer to the question *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives*, to determine issuers that contribute to environmental and/or social objectives.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

§ The financial product shall comply with the BNP Paribas AM Responsible Business Conduct (RBC) Policy exclusion lists. More information on the RBC Policy can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com/sustainability-documents);

§ The financial product shall have at least 90% of its assets covered by an extra-financial analysis based on the investment manager SPICE proprietary methodology;

§ The financial product's universe of reference shall be reduced by at least 25% due to the implementation of the investment manager's own methodology, which includes selection and exclusion filters, and the compliance of the BNP Paribas AM RBC Policy.

Issuers must therefore successfully pass two successive filters for inclusion in the financial product's eligible investment universe:

1 - A filter of selection: its objective is to promote companies with sustainable development opportunities. Such companies can be of any of the four categories:

(i) Social contribution: Companies that have a Societal Contribution rating greater than or equal to +10% within the Society & Suppliers pillar of Sycomore AM SPICE methodology.

(ii) Environmental contribution: Companies with an NEC (Net Environmental Contribution) rating greater than or equal to +10% within the Environment pillar of the SPICE methodology.

(iii) SPICE leadership: Companies with a SPICE rating above 3.5/5, reflecting the analysis of best practices in terms of sustainable development.

(iv) SPICE transformation: For up to 10% of net assets, companies with, cumulatively,  
a. a SPICE rating between 3 and 3.5/5,  
b. a recognized strategy of fundamental transformation in terms of sustainable development (product or services offerings, or changes in its practices). The financial product is therefore tasked with supporting the environmental, social, societal and governance transformation of these companies. The areas for improvement identified by the management company must be met within a maximum period of two years.

2 - A filter of exclusion: any company which presents risks in terms of sustainable development. Identified risks include inadequate non-financial practices and performance likely to jeopardize the competitiveness of companies. A company is thus excluded if:

- a. it is involved in activities identified in Sycomore AM SRI exclusion policy for their controversial social or environmental impacts, or
- b. obtained a SPICE rating below 3/5, or
- c. if the company is affected by a level 3/3 controversy;

§ The financial product shall invest at least 70% of its assets in “sustainable investments” , either with an environmental objective, or a social objective, as defined in Article 2 (17) of the SFDR regulation, using the following binding criteria: a Net Environmental Contribution above or equal to +10%, a Societal Contribution of products and services above or equal to +30%, a Good Jobs Rating above or equal to 55/100; a Happy@Work Environment rating above or equal to 4.5/5;

§ The financial product aims at outperforming its benchmark on the Net Environmental Contribution as well as on the Societal Contribution of products and services.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The eligible investment universe of the Fund is reduced by at least 25% compared to the initial universe, i.e. equities listed on Euro zone markets.

● ***What is the policy to assess good governance practices of the investee companies?***

Governance is part of the Sycomore AM SPICE analysis, including a dedicated governance section within the “I” section involving a significant focus on management structures, and governance items embedded into the other parts of the analysis framework, notably employee relations and remuneration of staff within the “P” section, and tax practices within the “S” section. Overall governance of issues associated with each type of stakeholder (Society, People, Investors, Clients and the Environment) is addressed in each according section.

Further requirements to exclude from the investable universe insufficient governance practices, associated with a minimum threshold, can be found in Sycomore AM’s exclusion policy.

The ESG analysis goes beyond the framework to look at a more qualitative assessment of how the insights from the ESG model are reflected in the culture and operations of investee companies.

In some cases, the ESG analysts will conduct due diligence meetings to better understand the company’s approach to corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**What is the asset allocation planned for this financial product?**

At least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

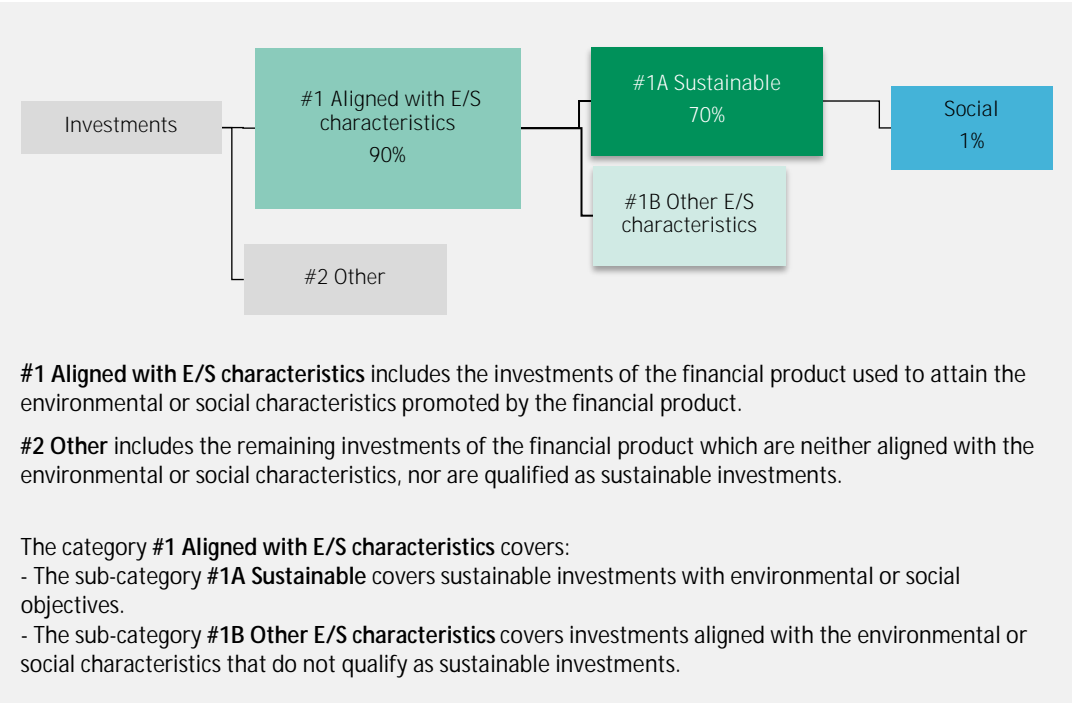
The minimum proportion of sustainable investments of the financial product is 70%.

The remaining proportion of the investments is mainly used as described under the question: “What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?”.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, hedging and/or investment purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

● *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:

In fossil gas     In nuclear energy

No

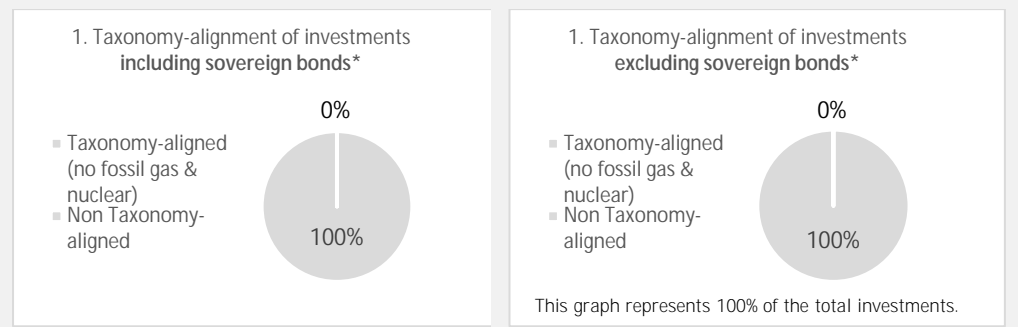
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments within the financial product is 1%.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

Investments included under "#2 Other" relate to derivatives used for hedging purpose, to cash held as ancillary liquidity or to cash equivalent such as sovereign bonds.

Bonds, other international debt securities and short-term negotiable securities from public issuers are selected through Sycomore AM rating of the issuing state strictly above 2.5 on a scale of 5 (5 being the highest rate), the State being thus considered as sufficiently sustainable and inclusive.

Such instruments may be used for the purposes of capital preservation and do not follow any minimum environmental or social safeguards.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective of the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://www.bnpparibas-am.com> after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Vontobel Global Equity Emerging

Legal entity Identifier: 213800T8CNJAVNF07304

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 0 % of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the Investment Manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The financial product, managed by Vontobel Asset Management AG (Vontobel or the Investment Manager) has a binding and significant ESG integration approach as part of the investment process.

The Investment Manager applies a series of exclusion criteria, including with regard to issuers that are in violation of international norms and conventions, or operate in sensitive sectors as defined by the BNP Paribas Asset Management's Responsible Business Conduct (RBC) Policy and also through its own ESG integration approach in the investment process.

The financial product invests in issuers that the investment management team considers well-prepared to handle financially material environmental and social challenges, by employing several safeguards and evaluating all investments against sustainability criteria with hard thresholds required to be met for inclusion.

More information on the general ESG investment framework of the Investment Manager or specific exclusions applied in its investment process can be found at the website <https://am.vontobel.com/en/sustainable-investing>.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy, where applicable. The Investment Manager also applies its own and BNP Paribas Group's sensitive countries frameworks, which include restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management RBC Policy;
- The percentage of the financial product's portfolio compliant with the Investment Manager's exclusion policy. This policy includes exclusion of companies that have breached key international norms and standards, in UN Sanctioned Countries, in controversial sectors, or involved in very severe controversies (aka Critical ESG Events). It notably excludes the fossil fuel industry via the exclusion of GICS sector 10 (Energy), and the manufacture of any weapons amongst other business activities;
- The percentage of companies in the financial product that fail the detailed ESG assessment performed by the Investment Manager (based on the Minimum Standards Framework (MSF), the Investment Manager's proprietary ESG evaluation framework;
- The percentage of the financial product's portfolio covered by ESG analysis based on the Investment Manager's internal proprietary methodology;

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product does not intend to make any sustainable investment.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The financial product does not intend to make any sustainable investment

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not Applicable

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not Applicable

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The Investment Manager applies the Investment Manager’s exclusions and the BNP Paribas RBC policy which in combination help to identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place. Vontobel’s exclusion policy applicable to the financial product notably includes the exclusion of the fossil fuel industry via the exclusion of GICS sector 10 (Energy), the manufacture of any weapons, amongst other controversial activities, including fossil fuel & nuclear power generation, tobacco, gambling, palm oil.

Therefore, the ESG Integration framework includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Furthermore, the Investment Manager’s stewardship activities may identify adverse impacts through ongoing research, and dialogue with the company and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the financial product’s ESG integration criteria and exclusion policies, as well as the Investment Manager’s engagement strategy, as well as BNP Paribas’ Engagement and Voting policies. Those include the following provisions:

- Exclusion of issuers that are concurred upon to be in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment (subject to engagement where this has likelihood of achieving change);
- Exclusion of issuers active in the fossil fuel sector;
- Exclusion of issuers with exposure to weapons – conventional as well as controversial-including significant ownership thereof;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;

- Ensuring all securities included in the portfolio have supportive ESG research

Based on the above approach, and depending on the underlying assets, the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:

1. GHG emissions
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Sovereign mandatory indicators

16. Investee countries subject to social violations

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



### *What investment strategy does this financial product follow?*

The financial product seeks to achieve long-term capital growth in a consistent and controlled manner. The financial product invests mainly in socially responsible companies in emerging markets, taking into account ESG criteria and using a combination of market and fundamental company analysis to select companies. Specifically, the sub-financial product invests at least 75% of assets in equities and equity-related securities of companies that are domiciled, or do most of their business, in emerging countries.

To achieve the investment objective of the financial product, the investment manager takes into account in its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

The Investment Manager of the financial product applies its own ESG integration methodologies including a qualitative ESG analysis part of the fundamental analysis. In addition, the investment team notably applies the BNP Paribas Asset Management's RBC Policy, including norm-based screens, exclusion lists and stewardship activities when taking into account ESG criteria in the investments of the financial product. Overall, the investment manager excludes at least 25% of the ESG universe of reference based on low rated securities and/or sector exclusions, and a qualitative ESG analysis part of the fundamental analysis performed by the Investment Manager. The financial product is only invested in companies that have a qualifying ESG score under the Investment Manager's Minimum Standards Framework. The objective of this pass mark is to avoid the worst in class companies on ESG performance. The Investment Manager integrates ESG ratings and criteria into the assessment of issuers. Those ESG criteria are defined in the framework of the proprietary ESG methodology of the Investment Manager. The investment manager constantly integrates the binding elements of the investment strategy described in the question below to construct an investment portfolio

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. The sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

An extra-financial strategy may comprise methodological limitations such as the environmental, social and governance (ESG) investing risk as defined by the Management Company. Applying an extra-financial strategy may comprise methodological limitations such as the Extra-Financial Criteria Investment Risk.

The elements of the investment strategy to attain each of the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The financial product shall comply with the BNP Paribas Asset Management RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;
- The financial product shall comply with the Investment Manager's exclusion policy which may overlap with that of the Management Company. This policy notably requires the exclusion of the fossil fuel industry via the exclusion of GICS sector 10 (Energy) and the manufacture of any weapons as well as other controversial activities;
- The financial product should not invest in companies that fail the detailed ESG assessment performed by the Investment Manager (based on the ESG score evaluated using the Minimum Standards Framework, the Investment Manager's proprietary ESG evaluation framework);
- The financial product shall have at least 90% of its assets covered by a ESG analysis based on the ESG internal proprietary methodology (The use of ESG data may be subject to methodological limits).
- The financial product's investment universe (MSCI Emerging Markets) shall be reduced by a minimum of 25% due to the implementation of Vontobel's exclusion criteria and ESG rating methodology;
- The Sub-Fund will have a carbon footprint at least 20% lower than its benchmark (MSCI Emerging Markets TR net).

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Following the implementation of the sustainable investment strategy, more than 25% of the MSCI Emerging Markets universe is non-eligible.

● ***What is the policy to assess good governance practices of the investee companies?***

The investee companies are rated for governance aspects using the Investment Manager's ESG framework, the MSF. Common governance indicators include, but are not limited to, independence, structure and quality of the board, independence of the audit committee, ownership structure and related rules, and remuneration fairness.

The financial product further ensures good governance of the investee companies via active ownership. Key to this are engagement activities conducted directly by the Investment Manager

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

and voting activities undertaken by the Management Company whose voting policy seeks to promote good governance and advance environmental and social issues.

In assessing good governance, the ESG analysis includes qualitative assessments of the wider culture, including geographic context, and operations of investee companies. In some cases, the ESG analysts will conduct due diligence meetings to better understand the company's approach to corporate governance.



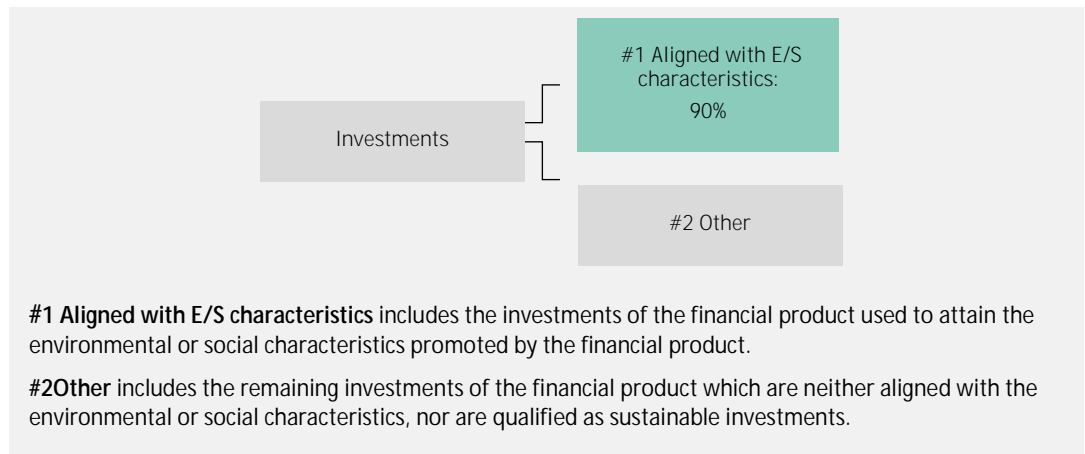
## What is the asset allocation planned for this financial product?

The Investment Manager of the product ensures that at least 90% of the investments are aligned with environmental or social characteristics promoted by the financial product.

For the avoidance of doubt, such a proportion is solely a minimum and the exact percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 0%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

Financial derivative instruments may be used for efficient portfolio management, and hedging purposes. These instruments are not used to attain the environmental or social characteristics promoted by the product.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.



- *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

Yes:


In fossil gas     In nuclear energy

No

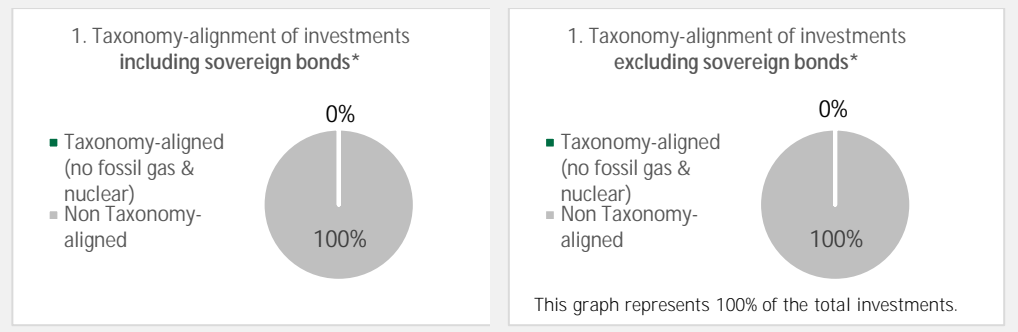
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- *What is the minimum share of investments in transitional and enabling activities?*

Not applicable.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## What is the minimum share of socially sustainable investments?

Not applicable.



## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The remaining proportion of the investments is used for liquidity, efficient portfolio management and/or hedging purposes. These investments, if any, are made in compliance with the Investment Manager's and Management Company internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks. These instruments are not expected to detrimentally affect the delivery of the environmental and social characteristics.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section "Sustainability-related disclosures" dedicated to the product.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: AMSelect Wellington Global Equity

Legal entity Identifier: N/A

## ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 25% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using the ESG internal proprietary methodology of the investment manager, and by investing in issuers that demonstrate good environmental, social and governance practices.

The investment manager will seek to invest in companies whose management teams and boards display

superior 'stewardship'. The investment manager defines stewardship as how companies balance the interests of all stakeholders (e.g. customers, employees, communities and the supply chain) in the pursuit of profits and how they incorporate material environmental, social and governance ("ESG") risks and opportunities in their corporate strategy. Those criteria encompass:

- Social criteria such as: responsible sourcing and production practices; consumer privacy and cybersecurity; sustainable investment in technology, innovation, and human capital.

- Environmental criteria such as: sustainable product design and resilient infrastructure; responsible waste / end of product life cycle; supply chain engagement.

The investment manager uses its proprietary scorecard to evaluate both the return and stewardship pillars of the investment approach. The scorecard seeks to quantify otherwise qualitative critical stewardship attributes such as executive skill and alignment and the effectiveness of the board. The investment manager anticipates the scorecard framework to evolve over time given ESG/stewardship issues are not static. The investment manager believes that if a company prioritizes stewardship in running its business, it will increase the ability of the company to sustain high returns over the long term. Further, every investment candidate must exhibit an explicit focus on all stakeholders by evidencing factors such as their accountability of supply chain, focus on water usage intensity or running the business with a long term orientation. Each of the themes includes either predominantly environmental or predominantly social stewardship criteria. However, each environmental and social stewardship criteria may have both environmental and social benefits.

It targets contribution to the achievement of net zero emissions by 2050 by investing in companies that have set carbon emission reduction targets or maintain lower carbon emissions relative to their industry average.

In relation to the net zero commitment, the science-based targets ("SBT") initiative provides a defined pathway for companies to reduce greenhouse gas emissions. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. In addition, exclusion criteria are applied with regard to issuers that are in violation of international norms and standards, or operate in sensitive sectors as defined by the investment manager's Exclusion Policy for direct investments and the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy.

More information on the general ESG/Sustainability investment framework of the investment manager can be found on: [www.wellington.com/en-us/institutional/sustainability/](http://www.wellington.com/en-us/institutional/sustainability/).

Furthermore, the financial product promotes better environmental and social outcomes through the exercise of voting rights according to the BNP Paribas Asset Management Stewardship policy where applicable. The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the BNP Paribas Asset Management Responsible Business Conduct (RBC) Policy exclusion lists. Those notably exclude companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, and/or those operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment. More information on the RBC Policy (eg. criteria relating to sectoral exclusions) can be found at: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](http://Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com));
- The percentage of the financial product's portfolio compliant with the investment manager's Exclusion Policy;
- The percentage of the portfolio's net assets invested in companies with established science-based targets ("SBT");
- The percentage of the portfolio's assets invested (excluding cash and cash equivalents) in companies that have at least one of the following three attributes defined and implemented by the portfolio manager: (1) a net zero science-based target, (2) an alternative public active

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

emissions reduction target, or (3) a combined scope 1 and 2 carbon intensity (tons CO2/\$M revenue) that is at least 25% below their industry average.

- The reduction of the financial product's investment universe (net assets) due to the implementation of the aforementioned indicator;
- The percentage of the financial product's portfolio covered by an extra-financial analysis based on the investment manager's methodology;
- The percentage of sustainable investments of the financial product.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product intends to make some sustainable investments.

It targets contribution to the achievement of net zero emissions by 2050 by investing in companies that have set carbon emission reduction targets or maintain lower carbon emissions relative to their industry average. In relation to the net zero commitment, the science-based targets ("SBT") initiative provides a clearly defined pathway for companies to reduce greenhouse gas emissions. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

The investment manager determines a sustainable investment as an investment in securities that have a 'science-based' target, provided the related companies do no significant harm, meet minimum safeguards and good governance criteria.

Please refer to the investment manager's website for more details: [www.wellington.com/en-us/institutional/sustainability/](http://www.wellington.com/en-us/institutional/sustainability/) for further information on the objectives of sustainable investments.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Sustainable Investments are assessed against each of the mandatory corporate and/or sovereign Principal Adverse Impacts, as appropriate for the asset type, and as listed in Annex I Table I of the Level II SFDR Regulatory Technical Standards ("PAIs").

PAIs are assessed quantitatively, according to third party data, or qualitatively by the Investment Manager's research analysts and investment teams using internal research and analysis regarding issuer activities.

Where PAI data is inadequate, and as applicable to the asset type, the investment manager will conduct further due diligence and qualitatively assess the issuer's activities, processes or policies related to climate, environmental, social and/or anti-bribery/anti-corruption matters to determine that the issuer is not doing significant harm.

— ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

- The investment manager's assessment against the PAIs for the purpose of ensuring that Sustainable Investments do not significantly harm environmental or social objectives includes the following:
  - Exclusions with respect to the production of controversial weapons, revenues associated with thermal coal extraction or power generation and revenues associated with the production and generation of oil sands are applied in accordance with its Exclusions Policy in order to avoid significant activities associated with controversial weapons and fossil fuels PAIs.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- Third party data is used to understand the negative impact an issuer may have on a given PAI. Pre-defined thresholds are set within each PAI which are applied on a pre-trade basis as applicable for the asset class. Where third party data indicates that an issuer is potentially doing significant harm according to the PAI threshold or where data quality is poor, the investment manager conducts additional due diligence to determine whether the issuer is doing significant harm. Where third party data indicates that the thresholds set for one or more PAIs have been reached and such data is found to be correct, the investment manager may further evaluate and engage with the issuer to ensure the issuer is aware of the harm or identified controversy and is taking active steps to mitigate or remediate such harm including with respect to transitioning away from potentially harmful activities. Where PAI data may not be relevant to investments in specific issuer projects such as use-of-proceeds bonds, the Investment Manager may also further evaluate the specific nature of such projects or activities in order to confirm that such activities are not being carried out in a way that causes significant harm. Where an issuer is confirmed to have reached a relevant PAI threshold and is not engaging with the Investment Manager to address it, the Investment Manager will not invest in such an issuer or will seek to divest in the best interests of Fund investors.

Issuers who fail to pass the investment manager’s criteria may not be designated as Sustainable Investments.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested as part of the investment manager’s process to identify Sustainable Investments. Assessment of management policies and practices are necessary to determine alignment. Misalignment with the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights may be determined where the investment manager identifies UN Global Compact non-compliance, inadequate policies and/or unresolved controversies.

Issuers assessed to be in breach of the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of human Right are not eligible to be classified as Sustainable Investments.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

✘ Yes

The product considers some principal adverse impacts (PAIs) on sustainability factors.

The investment manager applies its Exclusion Policy and the BNP Paribas Asset Management RBC policies establishing a framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms:

- More precisely, the investment manager's assessment against each of the mandatory corporate and sovereign PAIs for the purpose of ensuring that Sustainable Investments do not significantly harm environmental or social objectives notably includes the following:
  - exclusion of companies which produce controversial weapons in accordance with the Exclusion Policy - PAI: Exposure to controversial weapons;
  - investment in companies that have net zero SBT, a non-SBT which is a public active emissions reduction target or a combined Scope 1+2 carbon intensity (tons CO2/\$M revenue) that is at least 25% below their industry average based on publicly disclosed emissions - PAIs: Carbon Footprint; GHG Emissions, GHG Intensity of Investee Companies;
  - exclusion of companies principally involved in the extraction of thermal coal, the production of thermal coal energy and the extraction of oil sands in accordance with the Exclusion Policy - PAIs: Exposure to companies active in the fossil fuel sector; Share of non-renewable energy consumption and production.
- Besides, the Management Company RBC sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

Thus, the investment manager considers principal adverse sustainability impacts throughout the investment process. Furthermore, the BNP Paribas Asset Management Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the investment manager and the BNP Paribas Asset Management RBC policies, the financial product ESG integration criteria, and Engagement and Voting Policy which include the following provisions:

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment;
- Engagement with issuers with the aim of encouraging them to improve their ESG practices and, thus, mitigate potential adverse impacts;
- BNP Paribas Asset Management voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues;
- Ensuring all securities included in the portfolio have supportive ESG research.

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

### Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector

7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

For any indication on how mandatory Principal Adverse Impact indicators are used, please refer to the investment manager's website: <http://www.wellingtonfunds.com/sfdr> and [www.wellington.com/en-us/institutional/sustainability/](http://www.wellington.com/en-us/institutional/sustainability/)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

No



## What investment strategy does this financial product follow?

To achieve the investment objective of the financial product, the investment manager takes into account during its investment process the Environmental, Social and Governance (ESG) criteria that the financial product promotes.

In actively managing the sub-fund, the investment manager primarily invests in equity securities issued by large-cap companies worldwide. The investment manager uses an investment approach based on bottom-up fundamental research into companies that exhibit attractive and persistent returns on equity and stewardship excellence. The investment manager is investing in the equities of companies globally, that generate high return on capital relative to their peers, and whose management teams and boards display superior stewardship to sustain those returns over time. The investment management team defines stewardship as how companies balance the interests of all stakeholders (customers, employees, communities and the supply chain) in the pursuit of profits and how they incorporate material environmental, social and/or governance (ESG) risks and opportunities in their corporate strategy. It also targets to invest 100% of its assets by 2050 in companies aligned with the Paris Agreement objectives.

The investment universe of the financial product is thoroughly screened with a view to identify issuers that are in violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights. Issuers failing to meet their fundamental obligations in the areas of human and labour rights, environment and corruption are excluded from the investment universe. Sector policies relating to companies operating in sensitive areas (controversial weapons, asbestos, mining, palm oil, etc.) are implemented in order to identify and exclude companies with the worst practices. The investment team applies the BNP Paribas Asset Management RBC Policy, including norm-based screens, exclusion lists when taking into account ESG criteria in the investments of the financial product. In addition, the investment team applies its own Exclusion Policy and ESG integration methodologies.

The Investment Manager uses its proprietary framework into the investment process and own scorecard (designed to quantify otherwise qualitative critical stewardship attributes such as executive skill and alignment and the effectiveness of the board) to evaluate both the return and stewardship pillars of the investment approach. As such, the investment manager applies an internal extra-financial analysis on a minimum of 90% of the assets of the sub-fund. In addition, the investment manager will have an approach based on a significant commitment by favouring companies that have at least one of the following three attributes: (1) a net zero science-based

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



target, (2) an alternative public active emissions reduction target, or (3) a combined scope 1 and 2 intensity (tons CO2/\$M revenue) that is at least 25% below their industry average.

The elements of the investment strategy to attain the environmental or social characteristics promoted by this financial product as described below are systematically integrated throughout the investment process.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements are:

- The financial product complies with the BNP Paribas RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment;

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: [Sustainability documents - BNPP AM Corporate English \(bnpparibas-am.com\)](https://www.bnpparibas-am.com).

- The financial product shall comply with the exclusions stated in the investment manager's Exclusion Policy;
- The portfolio's net assets are invested in more than 25% in companies with established or which have committed to establish science-based targets ("SBT");
- The investment of 100% of the portfolio's assets invested (excluding cash and cash equivalents) in companies that have at least one of the following three attributes defined and implemented by the portfolio manager: (1) a net zero science-based target, (2) an alternative public active emissions reduction target, or (3) a combined scope 1 and 2 carbon intensity (tons CO2/\$M revenue) that is at least 25% below their industry average. The above rules are managed on a pre and post trade basis and any breaches that are not of a technical nature are cured within 30 business day;
- The net assets of the financial product's investment universe is reduced by least 20% after the elimination of the worst values of the aforementioned indicator.
- The financial product shall have at least 90% of its assets covered by an extra-financial analysis based on the investment manager's own approach (financial product in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g. cash and deposits));
- The minimum proportion of sustainable investments of the financial product is 25%.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the scope of investments prior to the application of its investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices of investee companies are assessed by the investment manager with regards to a variety of factors including management structures and decision-making, accountability to shareholders, compensation structures, corporate culture, compliance with applicable law and the absence of negative events which are likely to have a material adverse impact on the financial returns of the company. In assessing good governance, the investment manager considers its proprietary G Ratings where available in accordance with its Good

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Governance Assessment Policy. These ratings rely on a combination of internal and/or external data inputs.

The Management Company's approach to proxy voting and company engagement is set out in the Management Company's Stewardship Statement, which also explains how conflicts of interest that may arise in relation to stewardship activities are managed. Further to the BNP Paribas Asset Management Stewardship Policy, the Management Company conducts due diligence meetings to better understand a company's approach to corporate governance.



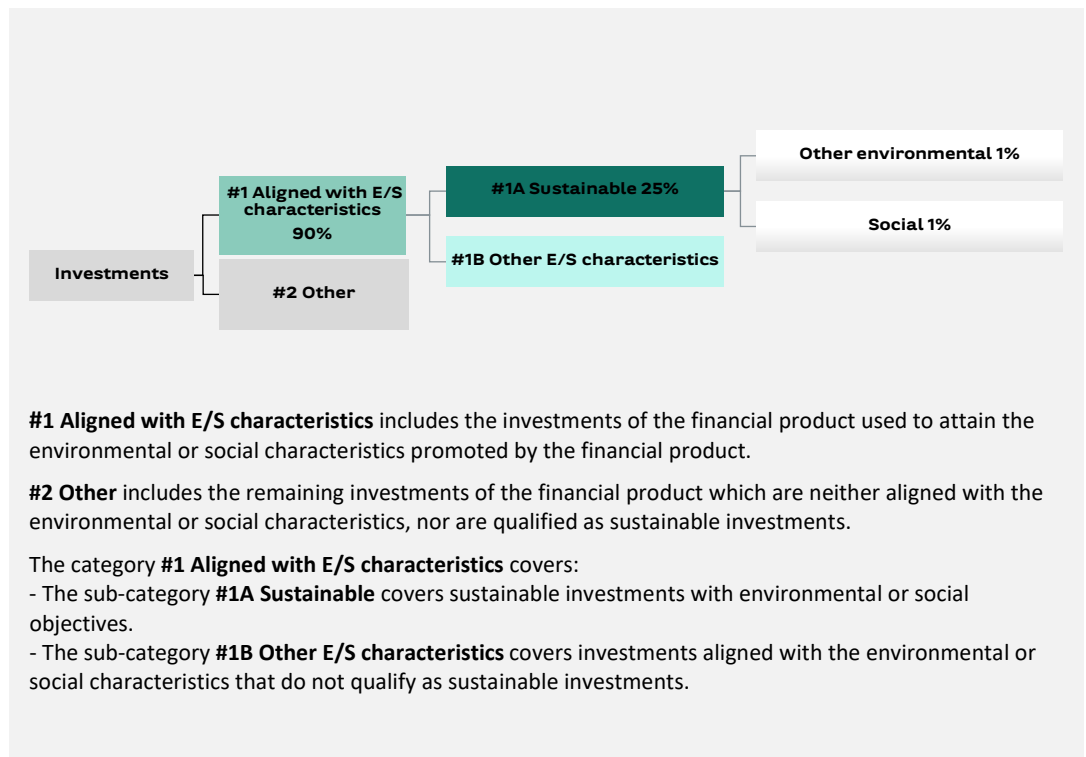
## What is the asset allocation planned for this financial product?

At least 90% of the investments of the financial product will be used to meet the environmental or social characteristics promoted, in accordance with the binding elements of the investment strategy of the financial product.

For the avoidance of doubt, such a proportion is solely a minimum commitment and the real percentage of the investments of the financial product that attained the promoted environmental or social characteristics will be available in the annual report.

The minimum proportion of sustainable investments of the financial product is 25%.

The remaining proportion of the investments is mainly used as described under the question: "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".



### ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments may be used for efficient portfolio management and/or hedging purposes, if applicable. These instruments are not used to attain the environmental or social characteristics promoted by the product.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

- *Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?*

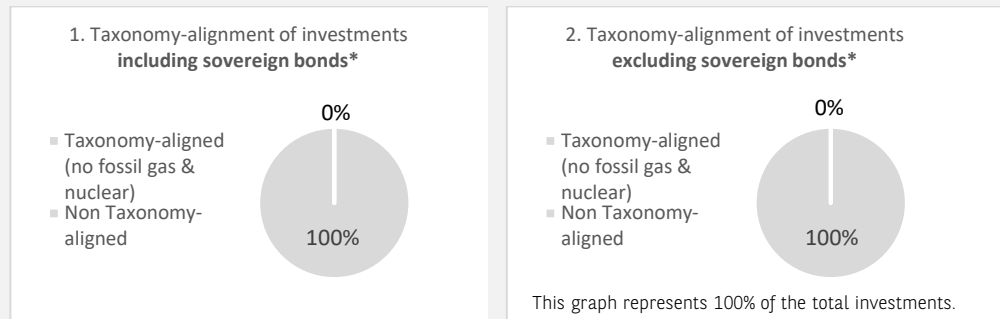
Yes:

In fossil gas

In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- *What is the minimum share of investments in transitional and enabling activities?*

Not applicable.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of the financial product is 1%

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm an EU Taxonomy objective –see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments within the financial product is 1%.



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining proportion of the investments, mostly include cash and cash equivalents for liquidity purposes, and derivatives for efficient portfolio management and/or hedging purposes.

These investments, if any, are made in compliance with the internal processes, including the risk management policy and the RBC policy as minimum environmental or social safeguards. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*  
Not applicable
- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*  
Not applicable
- *How does the designated index differ from a relevant broad market index?*  
Not applicable.
- *Where can the methodology used for the calculation of the designated index be found?*  
Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Where can I find more product specific information online?

More product-specific information can be found on the website: [www.bnpparibas-am.com](http://www.bnpparibas-am.com) after choosing the relevant country and directly in the section “Sustainability-related disclosures” dedicated to the product.

## Appendix to the facilities provided to investors according to Directive 2009/65/EC as amended by Directive (EU) 2019/1160

In accordance with the article 92 of Directive 2009/65/EC, facilities are made available to perform the following tasks :

- (a) process subscription, repurchase and redemption orders and make other payments to unit-holders relating to the units of the UCITS, in accordance with the conditions set out in the documents required pursuant to Chapter IX;
- (b) provide investors with information on how orders referred to in point (a) can be made and how repurchase and redemption proceeds are paid;
- (c) Facilitate the handling of information and access to procedures and arrangements referred to in Article 15 relating to the investors' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed;
- (d) make the information and documents required pursuant to Chapter IX available to investors under the conditions laid down in Article 94, for the purposes of inspection and obtaining copies thereof;
- (e) provide investors with information relevant to the tasks that the facilities perform in a durable medium;
- (f) act as a contact point for communicating with the competent authorities.

For your convenience, the following entities may assist you further in case of questions, depending on your country of residence:

COUNTRIES	(a) (b)	(c) (d)	(e) (f)
<b>BELGIUM</b>	BNP Paribas, Luxembourg Branch  60, Avenue JF Kennedy L-1855 Luxembourg	BNP PARIBAS ASSET MANAGEMENT Luxembourg  10, rue Edward Steichen L-2540 Luxembourg <a href="http://www.bnpparibas-am.com">www.bnpparibas-am.com</a>	
<b>GERMANY</b>	BNP Paribas, Luxembourg Branch  60, Avenue JF Kennedy L-1855 Luxembourg	BNP PARIBAS ASSET MANAGEMENT Luxembourg  10, rue Edward Steichen L-2540 Luxembourg <a href="http://www.bnpparibas-am.com">www.bnpparibas-am.com</a>	
<b>SPAIN</b>	BNP Paribas, Luxembourg Branch  60, Avenue JF Kennedy L-1855 Luxembourg	BNP PARIBAS ASSET MANAGEMENT Luxembourg  10, rue Edward Steichen L-2540 Luxembourg <a href="http://www.bnpparibas-am.com">www.bnpparibas-am.com</a>	
<b>FRANCE</b>	BNP Paribas, Luxembourg Branch  60, Avenue JF Kennedy L-1855 Luxembourg  For <b>Euroclear France</b> share-classes only:  BNP Paribas  Grands Moulins de Pantin 9, rue du débarcadère 93761 PANTIN CEDEX	BNP PARIBAS ASSET MANAGEMENT Luxembourg  10, rue Edward Steichen L-2540 Luxembourg <a href="http://www.bnpparibas-am.com">www.bnpparibas-am.com</a>	

<p><b>ITALY</b></p>	<p>Allfunds Bank S.A.U., Milan Branch Via Bocchetto n° 6, 20123 Milano</p>	<p>BNP PARIBAS ASSET MANAGEMENT France – Milan Branch  Piazza Lina Bo Bardi 3 20124 Milano <a href="http://www.bnpparibas-am.it">www.bnpparibas-am.it</a></p>
<p><b>THE NETHERLANDS</b></p>	<p>BNP Paribas, Luxembourg Branch 60, Avenue JF Kennedy L-1855 Luxembourg</p>	<p>BNP PARIBAS ASSET MANAGEMENT Luxembourg  10, rue Edward Steichen L-2540 Luxembourg <a href="http://www.bnpparibas-am.com">www.bnpparibas-am.com</a></p>

BNP PARIBAS ASSET MANAGEMENT Luxembourg (“the Management Company”), **AMSELECT** (“the Company”), BNP Paribas, Luxembourg Branch (“the Transfer and Registrar Agent” and “the Depositary”), your Distributors, your Bank or your Financial Advisors remain at your disposal shall you need any further assistance regarding the above.

The latest issue, sale, repurchase or redemption price of the shares/units is available at the registered office of the Fund, on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com).