

# BNP Paribas Funds

Luxembourg SICAV – UCITS category  
Registered office: 60, Avenue John F. Kennedy, L-1855 Luxembourg  
Luxembourg Trade and Companies Register n° B 33363  
VAT number LU22943885  
(the “Company”)

## Notice to shareholders of “BNP Paribas Funds Sustainable Euro Multi-Factor Corporate Bond” and “BNP Paribas Funds Euro Corporate Bond” Merger

Luxembourg, 18 May 2026,

Dear Shareholders,

We hereby inform you that the Board of Directors of the Company (the “Board”) decided to merge, on the basis of Article 34 of the Company’s Articles of Association, the following sub-funds as more detailed hereinafter (the “Merger”):

<i>BNP Paribas Funds Merging Sub-fund</i>	<i>BNP Paribas Funds Receiving Sub-fund</i>	<i>Effective Date of Merger*</i>	<i>Last Order Date*</i>	<i>First NAV Valuation Date*</i>	<i>First NAV Calculation Date*</i>
Sustainable Euro Multi-Factor Corporate Bond	Euro Corporate Bond	<b>26 June 2026</b>	18 June 2026	26 June 2026	29 June 2026

\* Dates:

- Effective Date of Merger – Date at which the merger is effective and final.
- Last Order Date – Last date at which subscriptions, redemptions and conversions orders are accepted until cut-off time into the Merging Sub-fund.  
Orders received into the Merging Sub-fund after this date will be rejected.  
Shareholders of the Merging and Receiving Sub-funds who do not accept the merger may instruct redemption of their shares free of charge until this date (see item 7).
- First NAV Valuation Date – Date of valuation of the underlying assets for the calculation of the first Net Asset Value (“NAV”) post-Merger.
- First NAV Calculation Date – Date at which the first NAV post-Merger (with merged portfolios) will be calculated.

The share categories will be merged as follows:

<i>ISIN code</i>	<i>BNP Paribas Funds Merging Sub-fund</i>	<i>Share category</i>	<i>Reference Currency</i>	<i>BNP Paribas Funds Receiving Sub-fund</i>	<i>Share category</i>	<i>Reference Currency</i>	<i>ISIN code</i>
LU1664648208**	Sustainable Euro Multi-Factor Corporate Bond	Classic – CAP	EUR	Euro Corporate Bond	Classic – CAP	EUR	LU0131210360
LU2265519483		Privilege H CZK – CAP	CZK		Privilege H CZK – CAP	CZK	LU3357093494***



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

The sustainable  
investor for a  
changing world

\* Due to the applicable exchange ratio calculated as described on below point 4), shareholders of the Merging Sub-fund who hold less than one share in the merging class will not hold any voting's right in the Receiving Sub-fund further to the Merger as they will receive less than one new share.

\*\*This share-class is not registered in Czech Republic.

\*\*\*This share-class class will be registered in Czech Republic, at the time of the merger.

#### 1) Background & Rationale to the Merger

Over the last years, the Merging Sub-fund faced important outflows and the level of assets under management is quite low (EUR 56,250 million as of 24 March 2026). In light of the decrease of the assets under management of the Merging Sub-fund and with no positive commercial perspective opportunities in the new future, the Board considers that the Merging Sub-fund does not attain the size to be commercially viable and allow it to be managed in an economically efficient manner.

The Merger therefore aims to offer to the shareholders of the Merging Sub-fund an alternative solution through a merger into the Receiving Sub-fund which have a good track record, better perspective of growth and important assets under management (EUR 1,759 billion as of 24 March 2026). Both the Merging and the Receiving Sub-funds have a similar core investment approach by primarily investing in Investment Grade bonds although there exists material differences as further described in section 5 below.

#### **Warning:**

- ✓ **Past results are not an indicator or guarantee of future results.**
- ✓ **There is no guarantee that this objective will be achieved.**

#### 2) Impact of the Merger for the shareholders of the Merging Sub-fund

Please note the following impacts of the Merger

- ✓ The shareholders of the Merging Sub-fund, who do not make use of their shares redemption right explained below on item 7), will become shareholders of the Receiving Sub-fund as from the Effective Date.
- ✓ The Merging Sub-fund will be dissolved without liquidation by transferring all of its assets and liabilities into the Receiving Sub-fund.  
The Merging Sub-fund will cease to exist at the Effective Date of the Merger.
- ✓ The Merger will be done in kind and in cash. The portfolio of the Merging Sub-fund will be rebalanced within 5 business days prior to the Merger and securities and cash, if any, will be transferred into the Receiving Sub-fund.
- ✓ As in any merger, the operation might involve a risk of performance dilution for the shareholders of the Merging Sub-fund.
- ✓ The level of the management costs and other administrative and operating costs (the "OOC") of all share categories of the Receiving Sub-fund are higher than those of the Merging Sub-fund.
- ✓ First orders of the shareholders of the Merging Sub-fund will be accepted in the Receiving Sub-fund on 26 June 2026 after 12:00 CET for non-STP orders and 16:00 CET for STP orders and will be processed on the NAV dated 29 June 2026 calculated on 30 June 2026, provided that the new positions have been taken into account by their financial intermediary.

#### 3) Impact of the Merger for the shareholders of the Receiving Sub-fund

Please note the following points:

- ✓ The Merger will have no impact for the shareholders of the Receiving Sub-fund.

#### 4) Organisation of the exchange of shares

- ✓ With the exception of the specific share class mentioned below, shareholders of the Merging Sub-fund will receive, in the Receiving Sub-fund, a number of new shares calculated by multiplying the number of shares they held in the relevant share category of the Merging Sub-fund by the exchange ratio.
- ✓ For the Privilege H CZK – CAP share class of the Merging Sub-fund (ISIN: LU2265519483), the corresponding share class\*\*\* of the Receiving Sub-fund will be launched by the Merger and therefore the exchange ratio will be 1:1.
- ✓ The exchange ratios will be calculated on Friday 26 June 2026 by dividing the NAV per share of the share categories of the Merging Sub-fund by the NAV per share of the corresponding share category of the Receiving Sub-fund, based on the valuation of the underlying assets set on Thursday 25 June 2026.
- ✓ The criteria adopted for the valuation of the assets and, where applicable, the liabilities for the calculation of the exchange ratio will be the same as those described in the chapter "Net Asset Value" of the Book I of the prospectus of the Company.
- ✓ No balancing cash adjustment will be paid for the fraction of the share in the Receiving Sub-fund attributed beyond the third decimal.

\*\*\*This share-class class will be registered in Czech Republic, at the time of the merger.

---

#### 5) Material differences between Merging and Receiving Sub-funds

The **differences** between the Merging and Receiving Sub-funds are the following:

Features	Sustainable Euro Multi-Factor Corporate Bond Merging Sub-fund	Euro Corporate Bond Receiving Sub-fund
<b>Investment objective</b>	<p>The implemented strategy aims at increasing the value of a portfolio of euro denominated corporate bonds, issued primarily by socially responsible companies, over the medium term using a systematic security selection approach combining several factor styles.</p>	<p>Increase the value of its assets over the medium term by investing primarily in <b>Investment Grade bonds issued by European companies.</b></p>
<b>Benchmark</b>	<p>The benchmark ICE BofAML Euro Corporate (EUR) RI is used for performance comparison. The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.</p>	<p>The benchmark <b>Bloomberg Euro Aggregate Corporate (EUR) RI*</b> is used for portfolio composition and performance comparison. The sub-fund is not benchmark-constrained <b>and as such may invest in securities that are not included in the benchmark. Nevertheless, due to similar geographical and thematic constraints, investors should be aware that the sub-fund's risk and return profile may, from time to time, be comparable to the risk and return profile of the benchmark.</b> <i>*with "Bloomberg Index Services Limited" as benchmark index administrator.</i></p>
<b>Investment policy</b>	<p>This sub-fund invests at least 2/3 of its assets in Investment Grade corporate bonds denominated in EUR and/or securities treated as equivalent. In the event the rating criteria are no longer met, the Investment Manager will promptly adjust the composition of the portfolio in the interest of the shareholders. The sub-fund's portfolio will be built based on a systematic approach, combining several factor criteria such as, but not limited to, (i) cash flow generation (quality), (ii) relative valuation compared to peers (value), (iii) medium term performance trend (momentum) and (iv) low indebtedness ("low-risk"). The remaining portion, namely a maximum of 1/3 of its assets, may be invested in money market instruments, in Investment Grade structured debt (including ABS/MBS) up to 20%, in any other transferable securities up to 10%, and also, within a limit of 10% of the assets, in UCITS or UCIs. The sub-fund is not directly invested in equities but it may hold equities or equity equivalent securities as a result of corporate actions, such as debt restructuring. The sub-fund does not invest in securities rated below B- on the Standard &amp; Poor's or Fitch rating scale and below B3 on the Moody's rating scale. If securities are unrated, they must be judged equivalent to those levels by the Investment Manager. In the event of a credit downgrade below these minimum ratings, the securities will be sold within six months. The sub-fund's exposure to currencies other than EUR may 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.</p>	<p>The sub-fund invests at least 2/3 of its assets in Investment Grade Bonds and/or securities treated as equivalent <b>denominated in any currencies and issued by companies that have their registered office in, or conduct a significant proportion of their business in, Europe.</b> In the event the rating criteria are no longer met, the Investment Manager will promptly adjust the composition of the portfolio in the interest of the shareholders. The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities (including <b>up to 10% in Contingent Convertible Bonds</b>), money market instruments and also, within a limit of 10% of the assets, in UCITS or UCIs. The sub-fund may hold equities or equivalent securities as a result of corporate actions, such as debt restructuring. The sub-fund does not invest in securities rated below B- on the Standard &amp; Poor's or Fitch rating scale and below B3 on the Moody's rating scale. If securities are unrated, they must be judged equivalent to those levels by the Investment Manager. In the event of a credit downgrade below these minimum ratings, the securities will be sold within six months. <b>After hedging</b>, the sub-fund's exposure to currencies other than the 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.</p>

Reference currency	EUR	EUR
<p><b>Sustainable Investment Policy</b></p>	<p>The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund as set out in Book I.</p> <p>The sub-fund applies binding and significant ESG integration approach and improves its ESG profile while aiming at reducing its environmental footprint, as measured by greenhouse gas emissions, compared to the investment universe.</p> <p>Scores related to ESG and carbon footprint are calculated for each issuer of the investment universe. The portfolio is then constructed to select the best securities available in order to consistently achieve the following targets:</p> <ul style="list-style-type: none"> <li>• a portfolio's average weighted ESG score higher than that of the investment universe after eliminating at least 30% of securities with the lowest ESG score and the applicable exclusions, and</li> <li>• a portfolio's carbon footprint at least 50% lower than the carbon footprint of the investment universe.</li> </ul> <p>In addition, the sub-fund complies with the following criteria:</p> <ol style="list-style-type: none"> <li>1) the GHG intensity of the investee companies in portfolio is lower than that of the extra-financial investment universe (PAI 3);</li> <li>2) the portfolio's board gender diversity ratio is higher than that of the extra-financial investment universe (PAI 13).</li> </ol> <p>The investment manager applies at all times a non-financial analysis on a minimum of 90% of the assets of the sub-fund (excluding ancillary liquid assets) based on the internal Proprietary ESG scoring framework, and assessment of their carbon footprint, as indicated in Book I.</p> <p>The sub-fund shall have the weighted average ESG score of its portfolio higher than the average weighted ESG score of its investment universe after eliminating at least 30% of securities with the lowest ESG Score, as defined in the Prospectus.</p> <p>The sub-fund excludes companies violating international norms, exposed to tobacco or controversial weapons, as well as companies active in sectors with possible negative impacts on the climate in accordance with the exclusion criteria defined in the Article 12. 1 (a-g) of (EU) delegated regulation 2020/1818 of the Commission. The details on how the exclusions are applied,</p>	<p>The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, as set out in Book I.</p> <p>The sub-fund shall have the weighted average ESG score of its portfolio higher than the weighted average ESG score of its investment universe, as defined in the Prospectus.</p> <p>The sub-fund shall have at least 90% of its assets (excluding ancillary liquid assets) covered by the ESG analysis based on the ESG internal proprietary methodology.</p>

	<p>depending on the asset classes, are available on our website (<a href="https://docfinder.bnpparibas-am.com/api/files/2895a45a-bb7a-44f6-8e48-990be2616498/">https://docfinder.bnpparibas-am.com/api/files/2895a45a-bb7a-44f6-8e48-990be2616498/</a> section « PAB exclusions for ESMA Guidelines »).</p> <p>The sub-fund must comply, as part of its investment policy, with the list of exclusion criteria dated March 2024 provided for in the SRI label reference framework. This list is accessible via the following link: <a href="https://docfinder.bnpparibas-am.com/api/files/2895a45a-bb7a-44f6-8e48-990be2616498/">https://docfinder.bnpparibas-am.com/api/files/2895a45a-bb7a-44f6-8e48-990be2616498/</a></p> <p>Furthermore, the sub-fund does not invest in:</p> <ul style="list-style-type: none"> <li>• companies that are part of the 10% lowest ESG scores of the investment universe, assessed in accordance with the ESG Scores methodology referred to in Book I;</li> <li>• companies that do not comply with BNP Paribas Asset Management's Responsible Business Conduct Standards, as set out in Book I.</li> </ul>	
<b>Investment manager</b>	BNP PARIBAS ASSET MANAGEMENT Europe	BNP PARIBAS ASSET MANAGEMENT Europe
<b>SFDR* classification</b>	Article 8	Article 8
<b>Minimum portion of investments used to meet the environmental or social characteristics promoted by the sub-fund</b>	80%	80%
<b>Minimum portion of sustainable investments within the meaning of SFDR</b>	50%	<b>40%</b>
<b>Minimum of Taxonomy-aligned investments</b>	0%	0%
<b>Derivatives and Securities Financing Transactions</b>	<p>In addition to core financial derivative instruments as described in points 2 and 3 of Appendix 2 of Book I, Credit Default Swaps Tradable indices and Credit Default Swap index tranches may be used to adjust portfolio risk.</p> <p>Core financial derivative instruments are the following:</p> <ul style="list-style-type: none"> <li>(i) Foreign exchange swaps;</li> <li>(ii) Forwards, such as foreign exchange contracts;</li> <li>(iii) Interest Rate Swaps – IRS;</li> </ul>	<p>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.</p> <p>Core financial derivative instruments are the following:</p> <ul style="list-style-type: none"> <li>(i) Foreign exchange swaps;</li> <li>(ii) Forwards, such as foreign exchange contracts;</li> <li>(iii) Interest Rate Swaps – IRS;</li> <li>(iv) Financial Futures (on equities, interest rates, indices, bonds, currencies, commodity indices, or volatility indices);</li> <li>(v) Options (on equities, interest rates, indices, bonds, currencies, or commodity indices).</li> </ul>

	<p>(iv) Financial Futures (on equities, interest rates, indices, bonds, currencies, commodity indices, or volatility indices);</p> <p>(v) Options (on equities, interest rates, indices, bonds, currencies, or commodity indices).</p> <p>The sub-fund is not allowed to use securities lending, securities borrowing transactions nor repos/reverse repos.</p>	<p><b>Swaptions may be used for hedging as described in points 2 and 3 of Appendix 2 of Book I.</b></p> <p><b>TRS* can be used as described on point 5 in Appendix 2 of Book I.</b></p> <p><i>*TRS could be used for efficient portfolio management purposes with the objective of an efficient management of cash flows and better coverage of markets included in the reference investment universe of the sub-fund such as but not limited to the Bloomberg Barclays Euro Aggregate Corporate index. The investment universe of the aforesaid index is composed of euro aggregate bonds. The rebalancing of the index (each month) does not involve any cost for the sub-fund. Additional details regarding the index is available on the website <a href="https://www.bloomberg.com/professional/product/indices/">https://www.bloomberg.com/professional/product/indices/</a>.</i></p>
<b>Risk Management Process</b>	Relative VaR	<b>Commitment</b>
<b>Risk Indicator</b>	2	2
<b>Specific Risk Profile</b>	<p>Specific market risks:</p> <ul style="list-style-type: none"> <li>• Collateral Management Risk</li> <li>• Counterparty Risk</li> <li>• Credit Risk</li> <li>• Derivatives Risk</li> <li>• Extra-Financial Criteria Investment Risk</li> <li>• Securitised Products Risk</li> </ul> <p>For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.</p>	<p>Specific market risks:</p> <ul style="list-style-type: none"> <li>• Contingent Convertible Bonds Risks</li> <li>• Credit Risk</li> <li>• Derivatives Risk</li> <li>• Extra-Financial Criteria Investment Risk</li> </ul> <p>For an overview of the generic risks, please refer to the Appendix 3 of the Book I of the Prospectus.</p>
<b>Investor type profile</b>	<p>This sub-fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>✓ Are looking for a diversification of their investments in fixed income securities;</li> <li>✓ Can accept low to medium market risks;</li> <li>✓ Have an investment horizon of 3 years.</li> </ul>	<p>This sub-fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>✓ Are looking for a diversification of their investments in fixed income securities;</li> <li>✓ Can accept low to medium market risks;</li> <li>✓ Have an investment horizon of 3 years.</li> </ul>
<b>Summary of differences for:</b>	<p>Both sub-funds primarily invest in Investment Grade bonds. However, the Merging Sub-fund primarily invests in Investment Grade corporate bonds denominated in EUR whereas the Receiving Sub-fund primarily invests in Investment Grade Bonds denominated in any currencies and issued by companies that have their registered office in, or conduct a significant proportion of their business in, Europe.</p> <p>The remaining portion, namely a maximum of 1/3 of the Merging Sub-fund and Receiving Sub-funds' respective net assets, may be invested in money market instruments and in other transferable securities.</p> <p>The Receiving Sub-fund may invest in Contingent Convertible Bonds while the Merging Sub-fund may invest in ABS/MBS.</p> <p>Both the Merging and Receiving Sub-funds may invest up to 10% of their respective net assets in UCITS or UCIs. None of the Merging and Receiving Sub-funds may invest in distressed securities.</p>	
<b>OOC:</b>	<ul style="list-style-type: none"> <li>• "Classic" 0.61%**</li> <li>• "Privilege" 0.39%</li> </ul>	<ul style="list-style-type: none"> <li>• 1.12%</li> <li>• 0.67%***</li> </ul>
<b>Performance fee</b>	No	No
<b>NAV Cycle</b>	<ul style="list-style-type: none"> <li>• 16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)</li> </ul>	<ul style="list-style-type: none"> <li>• 16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)</li> </ul>
	<ul style="list-style-type: none"> <li>• D</li> </ul>	<ul style="list-style-type: none"> <li>• D</li> </ul>

<ul style="list-style-type: none"> <li>• Valuation Day</li> <li>• NAV Calculation</li> <li>• Orders Settlement Date</li> </ul>	<ul style="list-style-type: none"> <li>• D+1</li> <li>• D+3</li> </ul>	<ul style="list-style-type: none"> <li>• D+1</li> <li>• D+3</li> </ul>
<b>Valuation Day</b>	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.	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.

\* SFDR stands for "Sustainable Finance Disclosure Regulation" referring to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability-related disclosures in the financial services sector. More information about this Regulation and the categorization are available in the prospectus of the Company.

\*\*This share-class is not registered in Czech Republic.

\*\*\*This share-class class will be registered in Czech Republic, at the time of the merger.

#### 6) Tax Consequences

- ✓ This Merger will have no Luxembourg tax impact for you.
- ✓ In accordance with the European Directive 2011/16 the Luxembourg authorities will report to the tax authorities in the country of residence of the shareholders of the Merging Sub-fund the total gross proceeds from the exchange of shares in application of this Merger.
- ✓ **For more tax advice or information on possible tax consequences associated with the Merger, it is recommended that you contact your local tax advisor or authority.**

#### 7) Right to redeem the shares

- ✓ Shareholders of the Merging and Receiving Sub-funds who do not accept the Merger may instruct redemption of their shares free of charge until the cut-off time, on the date detailed in the column "Last Order Date" in the above 1st table.
- ✓ Shareholders whose shares are held by a clearing house are advised to enquire about the specific terms applying to subscriptions, redemptions and conversions made via this type of Intermediary.

#### 8) Other information

- ✓ The costs and expenses of the Merger will be borne by BNP PARIBAS ASSET MANAGEMENT Luxembourg, the management company of the Company (the "**Management Company**"), except for banking and transaction related costs (including e.g. taxes and stamp duties) which may be charged to the Merging Sub-fund, provided that they are not material.
- ✓ The Merger's operations will be validated by PricewaterhouseCoopers Assurance, Société Coopérative, the auditor of the Company.
- ✓ The Merger exchange ratio will be available on the website <https://www.bnpparibas-am.com/en/> as soon as it is known.
- ✓ The Annual and Semi-Annual Report and the legal documents of the Company, as well as the KIDs of the Receiving Sub-fund, and the Depositary and the Auditor reports regarding the Merger are available at the Management Company. **The KIDs of the Receiving Sub-fund are also available on the website [www.bnpparibas-am.com](http://www.bnpparibas-am.com) where shareholders are invited to acquaint with them carefully.**
- ✓ In case of any question, please contact our Client Service (+ 352 26 46 31 21 /[AMLU.ClientService@bnpparibas.com](mailto:AMLU.ClientService@bnpparibas.com)).
- ✓ Please refer to the prospectus of the Company for any term or expression not defined in this document.

Best regards,

**The Board of Directors**