

BNP Paribas Funds

Luxembourg SICAV – UCITS category

Registered office: 10 rue Edward Steichen, L-2540 Luxembourg

Luxembourg Trade and Companies Register n° B 33363

VAT number LU22943885

(the “**Company**”)

Notice to shareholders of “BNP Paribas Funds Sustainable Global Multi-Factor High Yield Bond”¹ Merger

Luxembourg, 16 May 2025,

Dear Shareholders,

We hereby inform you that the Board of Directors of the Company decided to merge, on the basis of Article 34 of the Company’s Articles of Association, the following sub-fund into a newly created sub-fund of the Luxembourg SICAV BNP Paribas Easy as more detailed hereinafter (the “**Merger**”):

<i>BNP Paribas Funds Merging Sub-fund</i>	<i>BNP Paribas Easy 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 Global Multi-Factor High Yield Bond ¹	Alpha Enhanced Global High Yield***	26 June 2025	18 June 2025	26 June 2025	27 June 2025

***The receiving sub-fund will be notified in Czech Republic, at the time of the merger.

* 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 Sub-fund 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.

¹ The sub-fund will be renamed Responsible Global Multi-Factor High Yield Bond on 21 May 2025



BNP PARIBAS
ASSET MANAGEMENT

The sustainable
investor for a
changing world

The share categories will be merged as follows:

<i>BNP Paribas Funds Merging Sub-fund</i>	<i>Share category</i>	<i>Reference Currency</i>	<i>ISIN code</i>	<i>BNP Paribas Easy Receiving Sub- fund</i>	<i>Share category</i>	<i>Reference Currency</i>	<i>ISIN code</i>
Sustainable Global Multi- Factor High Yield Bond ¹	Privilege H CZK – CAP	CZK	LU2583255919	Alpha Enhanced Global High Yield***	Privilege H CZK – CAP	CZK	LU3011341693****

***The receiving sub-fund will be notified in Czech Republic, at the time of the merger.

****The receiving share-class will be notified in Czech Republic, at the time of the merger.

1) Background & Rationale to the Merger

The decision to merge the Merging Sub-fund into the Receiving Sub-fund has been taken in the context of a strategic reorganisation of the “Multi-Factor Corporate” range of the Merging Company. Although the Receiving Sub-fund is a sub-fund of BNP Paribas Easy, a legal entity different from BNP Paribas Funds, the Receiving Sub-fund is very similar to the Merging Sub-fund. Therefore, there will be no change in the financial investment experience for the shareholders of the Merging Sub-fund.

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.
- ✓ 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. Given that the investment policy of the Receiving Sub-fund will be identical to the one of the Merging Sub-fund, there will be no rebalancing of the Merging Sub-fund’s portfolio.
- ✓ First orders of the Merging shareholders will be accepted in the Receiving Sub-fund on 26 June 2025 after 15:00 CET for STP orders and 12:00 CET for non STP orders and will be processed on the NAV dated 27 June 2025 calculated on 30 June 2025, provided that the new positions have been taken into account by their financial intermediary.
- ✓ The level of the management costs and other administrative and operating costs (the “OOC”) in the Receiving Sub-fund will be identical to the level of OOC in the Merging Sub-fund.

3) Organisation of the exchange of shares

- ✓ As the Receiving Sub-fund will be launched by the Merger, the exchange ratio will be 1:1. Shareholders of the Merging Sub-fund will receive, in the Receiving Sub-fund, the same number of shares as they hold in the Merging Sub-fund.

4) Material differences between Merging and Receiving Sub-funds

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

Features	Sustainable Global Multi-Factor High Yield Bond ² Merging Sub-fund	Alpha Enhanced Global High Yield*** Receiving Sub-fund
Legal structure, registered office, applicable law, supervisory regulatory authority	<u>Legal structure and applicable law:</u> <i>Société d'Investissement à Capital Variable (SICAV)</i> under Luxembourg Law Registered Office: the Merging Company is domiciled in Luxembourg. Supervisory Authority: the Merging Company is supervised by the <i>Commission de Surveillance du Secteur Financier</i> (the "CSSF").	<u>Legal structure and applicable law:</u> <i>Société d'Investissement à Capital Variable (SICAV)</i> under Luxembourg Law Registered Office: the Receiving Company is domiciled in Luxembourg. Supervisory Authority: the Receiving Company is supervised by the CSSF.
Financial year	1 st January to 31 st December	1 st January to 31 st December
Annual General Meeting	25 April at 3.00 pm	26 April at 2.30 pm
Management Company	BNP PARIBAS ASSET MANAGEMENT Luxembourg	BNP PARIBAS ASSET MANAGEMENT Luxembourg
Depository	BNP PARIBAS, Luxembourg Branch	BNP PARIBAS, Luxembourg Branch
Administrative Agent	BNP PARIBAS, Luxembourg Branch	BNP PARIBAS, Luxembourg Branch
Auditor	PricewaterhouseCoopers, Société coopérative	Ernst & Young S.A.
Investment objective	Increase the value of a portfolio of High Yield bonds, issued primarily by socially responsible companies, over the medium term using a systematic security selection approach combining several factor styles.	The investment objective of the sub-fund is to increase the value of the portfolio of High Yield bonds, using a systematic security selection approach combining several factor styles, while taking into account Environmental, Social and Governance (ESG) criteria.
Benchmark	The ICE BofAML Global High Yield Constrained Index USD Hedged* benchmark is used for - The investment universe selection; - Performance comparison. * with "ICE Benchmark Administration Limited" as Benchmark Index administrators. Since 1 January 2021, "ICE Benchmark Administration Limited" is considered as a "third country" UK administrator vis-à-vis the European Union and no longer appears on the Benchmark Register. The non-EU benchmarks are permitted to be used in the EU until the Regulation 2016/1011's transition period which has been extended to 31 December 2025. During this time "ICE Benchmark Administration Limited" can either be granted the UK "equivalence" by the European Union or "endorsement" or "recognition" as per Regulation 2016/1011. The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.	The Bloomberg Global High Yield Corporate ex Financial ex EM 1-10Y 2% Issuer Cap Index Hedged USD index benchmark is used for: - performance comparison; - measuring the performance for computing the performance fees * with Bloomberg Index Services Limited as the Benchmark Index administrator , not yet registered in the Benchmark Register . Following Brexit , Bloomberg Index Services Limited is no longer registered in the Benchmark Register . Since January 1st, 2021 , Bloomberg Index Services Limited is considered a "third country" UK administrator vis-à-vis the European Union and no longer appears on the Benchmark Register . The non-EU benchmarks are permitted to be used in the EU until the Regulation 2016/1011's transition period which is currently being extended to December 31, 2025 . The sub-fund is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.

² The sub-fund will be renamed Responsible Global Multi-Factor High Yield Bond on 21 May 2025.

Investment policy	This sub-fund invests at least 2/3 of its assets in High Yield corporate bonds and denominated in various currencies and/or securities treated as equivalent. The Investment Manager will select securities from the benchmark universe and build the sub-fund's portfolio on a basis of 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 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. After hedging, the sub-fund's exposure to currencies other than USD 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.	The sub-fund is actively managed. To achieve its investment objective, the sub-fund invests at least 2/3 of its assets in High Yield corporate bonds denominated in multiple currencies and/or securities treated as equivalent. 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 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. After hedging, the sub-fund's exposure to currencies other than USD 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.
Reference currency	USD	USD
Sustainable Investment Policy	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. 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. 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: - a portfolio's ESG score higher than the ESG score of the investment universe after eliminating at least 20% of securities with the lowest ESG Score, and - a portfolio's carbon footprint at least 50% lower than the carbon footprint of the investment universe. 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. Furthermore, the sub-fund does not invest in: - 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;	In addition, the sub-fund applies a binding and significant ESG integration approach and improves its ESG profile while aiming at reducing its environmental footprint, as measured by greenhouse gas (GHG) intensity, compared to the investment universe. The sub-fund's portfolio is constructed to select securities to consistently achieve especially the following targets: - a portfolio's ESG score higher than that of the investment universe - a portfolio's GHG intensity at least 20% lower than that of the investment universe ("extra-financial indicator improvement approach") The ESG integration approach involves especially the evaluation of the three below non-financial criteria at the level of the issuers in which the Strategy invests: - Environmental: such as energy efficiency, reduction of emissions of greenhouse gases, treatment of waste; - Social: such as respect of human rights and workers' rights, human resources management (workers' health and safety, diversity); - Governance: such as Board of Directors independence, managers' remuneration, respect of minority shareholders rights. ESG scores enable to assist in the ESG evaluation of securities' issuers. The extra-financial analysis coverage is at least 90% of the assets of the sub-fund (excluding ancillary liquid assets) and is based on the BNP PARIBAS ASSET MANAGEMENT proprietary extra-financial framework as further described in Book I, Sustainable Investment Policy.

	- companies that do not comply with BNP Paribas Asset Management's Responsible Business Conduct Standards, as set out in Book I.	Furthermore, the sub-fund applies sectorial and controversial exclusions, and especially does not select companies that do not comply with the BNP PARIBAS ASSET MANAGEMENT Responsible Business Conduct ("RBC") Policy based on 1) norms-based screens, such as the UN Nations Global Compact principles and OECD Guidelines for Multinational Enterprises, 2) BNP Paribas Asset Management sector policies, as set out in Book I, and 3) companies that are the worst ESG rated per sector, assessed in accordance with the ESG Scores methodology referred in Book I.
SFDR* classification	Article 8	Article 8
Minimum portion of sustainable investments in the meaning of SFDR	20%	20%
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.	Core derivatives instruments and Credit Default Swaps tradable indices may be used for hedging purposes and / or efficient portfolio management as long as the conditions set out in Appendix 2 of Book I are met. In case of activation of hedged share classes, foreign exchange contracts may be used for currency hedging at share class level on a continuous basis.
Risk Management Process	Relative Value-at-Risk (reference portfolio: ICE BofAML Global High Yield Constrained Index USD Hedged) Expected level of leverage: 1.40.	Commitment
Risk Indicator	3	3
Specific Risk Profile	<u>Risk profile</u> Specific market risks: - Collateral Management Risk - Counterparty Risk - Credit Risk - Derivatives 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.	<u>Risk profile</u> Specific sub-fund risks: - Credit Risk - Counterparty Risk - Derivative Risk - Extra-financial and Sustainability Investments Risks - 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	<u>Investor type profile</u> This sub-fund is suitable for investors who: - Are looking for a diversification of their investments in fixed income securities; - Can accept low to medium market risks; - Have an investment horizon of 3 years.	<u>Investor type profile</u> This sub-fund is suitable for investors who: - are looking for a diversification of their investments in fixed income securities; - can accept low to medium market risks. - Have an investment horizon of 3 years.
Summary of differences for: • Investment Policies • Investment Strategy • Asset Allocation	With the exception of a slightly different ESG approach highlighted above, there is no difference in term of investment policy, investment strategy and asset allocation between the two sub-funds.	

OOC: • "Privilege"	• 0.40% (0.43% for the hedged share class)	• 0.40% (0.40% for the hedged share class)****
Performance fee	No	Yes**
NAV Cycle • Centralisation of Orders • Valuation Day • NAV Calculation • Orders Settlement Date	• D • D • D+1 • D+3	• D • D • D+1 • D+3
Valuation Day	For each day of the week on which banks are open for business in Luxembourg and on which US bond markets are open (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, Paris, New York and London (a "Valuation Day"), there is a corresponding net asset value which is dated that Valuation Day. The last Business Day of the year will always be a Valuation 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.*

** *No performance fee will apply to the absorbing share classes.*

****The receiving sub-fund will be notified in Czech Republic, at the time of the merger.*

*****The receiving share-class will be notified in Czech Republic, at the time of the merger.*

5) 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.

6) Right to redeem the shares

- ✓ Shareholders of the Merging Sub-fund 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.

7) Other information

- ✓ The costs and expenses of the Merger will be borne by BNP PARIBAS ASSET MANAGEMENT Luxembourg, the management company of the Fund (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 merging operations will be validated by Ernst & Young S.A., the auditor of the BNP Paribas Easy.
- ✓ The Annual and Semi-Annual Report and the legal documents of the Company, as well as the KIDs of the Merging and Receiving Sub-funds, and the Depositary and the Auditor reports regarding this operation are available at the Management Company. The KIDs of the Receiving Sub-fund are also available on the website www.bnpparibas-am.com where shareholders are invited to acquaint with them.
- ✓ In case of any question, please contact our Client Service (+ 352 26 46 31 21 /AMLU.ClientService@bnpparibas.com).
- ✓ Please refer to the prospectus of the Company for any term or expression not defined in this notice.

Best regards,

The Board of Directors