

BNP Paribas Funds

Luxembourg SICAV – UCITS category (the “Company”)
Registered office: 60, avenue J.F. Kennedy, L-1855 Luxembourg
Luxembourg Trade and Companies Register No. B 33363
VAT No. LU22943885

Notice to shareholders

Luxembourg, 11 July 2025,

Dear Shareholders,

We hereby inform you of the following changes that will be incorporated in the next version of the prospectus to be dated August 2025 (the “**Prospectus**”) and will be effective on 12 August 2025, unless other indicated below.

Book I of the Prospectus

A risk factor relating to capital gain tax will be inserted in “Appendix 3 – Investment Risks” of Book I of the Prospectus and will read as follows:

“Investors’ attention is drawn to the fact that selling operations of securities by the sub-funds may be subject to short and long-terms taxes on capital gains. Investors subscribing in shares of the sub-funds should know that the net asset value per share of these sub-funds may therefore be impacted by these taxes. This applies particularly but not only to Indian tax (see Book II).”

A cross-reference to this risk factor will, in particular, be inserted in the risk profile of the following sub-funds:

Aqua	Global Environment
Asia ex-Japan Equity	Global Income Bond
Asia Tech Innovators	Global Megatrends
Climate Change	India Equity
Ecosystem Restoration	Local Emerging Bond
Emerging Bond Opportunities	Multi-Asset Opportunities
Emerging Equity	SMaRT Food
Clean Energy Solutions	Sustainable Asian Cities Bond
Environmental Absolute Return Thematic Equity (EARTH)	



BNP PARIBAS
ASSET MANAGEMENT

The sustainable
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Enhanced Bond 6M

The investment policy of the sub-fund will be clarified to increase the transparency as regards (i) the possibility to invest in contingent convertible bonds and (ii) the way the interest rate sensitivity will be measured.

As a result, the asset classes table contained in the investment policy section will be amended as follows:

Assets Classes	Minimum	Maximum
1. Fixed Income	30%	100%
Government and/or Corporate issues from euro-zone countries	10%	100%
Government and/or Corporate issues from OECD countries outside the euro-zone	0%	90%
High Yield Debt instruments	0%	20%
Investment Grade Structured Debts (including ABS/MBS and other structured product)	0%	20%
Cumulated limit of Structured Debt, High Yield and non-rated debt instrument	0%	20%
2. Money Market Instruments	0%	50%
3. Convertible Bond (including Contingent Convertible Bonds)	0%	10%

In addition, the sentence relating to the interest rate sensitivity will be amended as follows:

*"The sub-fund is managed within an interest rate sensitivity, **as measured by modified duration, in the range of -1 to 2 years.**"*

Finally, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Euro Bond

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds as follows:

*"[...] The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including Contingent Convertible Bonds up to 10%)**, Investment Grade structured debt limited to 20% of the assets, money market instruments and also, within a limit of 10% of the assets, in UCITS or UCIs. [...]"*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Euro Corporate Bond

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds as follows:

*"[...] The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including up to 10% in Contingent Convertible Bonds)**, money market instruments and also, within a limit of 10% of the assets, in UCITS or UCIs. [...]"*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Euro Flexible Bond

The investment policy of the sub-fund will be clarified to increase the transparency as regards (i) the possibility to invest in contingent convertible bonds and (ii) the way the interest rate sensitivity will be measured.

As a result, the first item of the ancillary assets paragraph in the investment policy will be amended as follows:

*“(I) Convertible bonds **(including Contingent Convertible Bonds)** up to 10% of the assets”*

In addition, the sentence relating to the interest rate sensitivity will be amended as follows:

*“The sub-fund is managed with an interest rates sensitivity ~~range~~, **as measured by modified duration, in the range of -3 to +7 years.**”*

Finally, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Euro High Yield Bond

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds as follows:

*“[...] The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including Contingent Convertible Bonds up to 10%)**, money market instruments, and up to 10% of its assets may be invested in UCITS or UCIs. [...]”*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Euro High Yield Short Duration Bond

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds as follows:

*“[...] The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including Contingent Convertible Bonds up to 20%)**, money market instruments, and up to 10% of its assets may be invested in UCITS or UCIs. [...]”*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Euro Medium Term Income Bond

The investment policy of the sub-fund will be clarified to increase the transparency as regards (i) the possibility to invest in contingent convertible bonds and (ii) the way the interest rate sensitivity will be measured.

As a result, the first four paragraphs of the investment policy will be amended as follows:

*“The sub-fund invests at least 2/3 of its assets in investment grade bonds and securities treated as equivalent to bonds and denominated in euro. The sub-fund ~~will run a~~ **is managed with an interest rate sensitivity, as measured by modified duration, between-in the range 0 to 6 years.**”*

The investment process emphasizes a combination of a top-down and bottom-up approaches, including macro views and issuer selection. Such active management aims at outperforming the benchmark over the medium term. In periods of low volatility and yields across the asset classes composing the investment universe, the sub-fund's return profile might deviate less from the return profile of the benchmark.

*The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including Contingent Convertible Bonds up to 10%)**, Investment Grade structured debt limited to 20% of the assets, money market instruments, High Yield Bonds denominated in EUR and also, within a limit of 10% of the assets, in UCITS or UCIs. [...]*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Euro Short Term Corporate Bond Opportunities

The investment policy of the sub-fund will be clarified to increase the transparency as regards (i) the possibility to invest in contingent convertible bonds and (ii) the way the interest rate sensitivity will be measured.

As a result the fourth and fifth paragraphs of the investment policy of the sub-fund will be amended as follows:

*"[...] The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including up to 20% in Contingent Convertible Bonds)**, money market instruments, and also, within a limit of 10% of the assets, in UCITS or UCIs.*

*The sub-fund ~~will run~~ **is managed with an interest rate sensitivity, as measured by** modified duration, ~~below~~ **in the range 0 to 2 years.** [...]"*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Europe Real Estate Securities

It has been decided to remove the following constraint from the sustainable investment policy of the sub-fund further to the drop of the Belgian label Towards Sustainability: *"The average percentage of the sustainable investments of the sub-fund is improved by at least 15% compared to its investment universe."*

As a result, the sustainable investment policy of the sub-fund will read as follows:

"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 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 carbon footprint assessed using an internal proprietary methodology, as indicated in Book I. The internal ESG scoring methodology, as set out in Book I, places a strong emphasis on the Environmental pillar (at least 45% of total weight), with a critical focus on Climate Change metrics, in particular companies' physical climate risk management, share of green buildings and green buildings investments.

The average portfolio ESG score of the sub-fund is higher than the one of its investment universe."

The pre-contractual template contained in Book 3 of the Prospectus has been amended accordingly.

Should you do not agree with this change, you may request the redemption of your shares, free of charge, until 11 August 2025.

Global Absolute Return Bond

The investment policy of the sub-fund will be amended to increase (i) the percentage of the sub-fund's assets that can be invested in contingent convertible bonds from 10% to 20% and (ii) the range of the interest rate sensitivity from -3 years to +3 years to -4 years to +4 years. _____

As a result, the second item of the ancillary assets paragraph of the investment policy will be amended as follows:

*"(ii) Convertible bonds (including Contingent Convertible **Bonds**) up to ~~40~~ 20% of the assets."*

In addition, the sentence relating to the interest rate sensitivity will be amended as follows:

*"The sub-fund is managed ~~within~~ an interest rate sensitivity, **as measured by effective duration, in the range of -3 years to + 3 years -4 years to +4 years.**"*

Moreover, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

Should you do not agree with these changes, you may request the redemption of your shares, free of charge, until 11 August 2025.

Global Bond Opportunities

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds.

As a result, the first item of the ancillary assets paragraph of the investment policy will be amended as follows:

*"(i) Convertible bonds (**including up to 10% in Contingent Convertible Bonds**)"*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Global Income Bond

The investment policy of the sub-fund will be amended to increase (i) the transparency as regards the way the interest rate sensitivity will be measured and (ii) the percentage of the sub-fund's assets that can be invested in convertible bonds (including contingent convertible bonds) up to 20% instead of 10%.

As a result, the third paragraph of the investment policy will be amended as follows:

*"The sub-fund ~~manages~~ **is managed with an interest rate sensitivity, as measured by effective duration, in the range** ~~absolute duration to a range of 0- 0 to 8 years.~~"*

In addition, the three firsts paragraph of the ancillary assets section of the investment policy will be amended as follows:

"The sub-fund may invest up to 30% of its assets in green bonds and/or perpetual bonds, and up to 20% of its assets in convertible bonds (including Contingent Convertible Bonds).

A maximum of 10% of the sub-fund's assets can be invested separately in ~~convertible bonds and~~ fixed income senior, mezzanine and junior (sub-investment grade) tranches of collateralised loans obligations, ABS and collateralised debt obligations.

Up to 10% of the sub-fund's assets can be held in equity exposures resulting from previously-held fixed income exposures, junior subordinated instruments, or where these exposures serve to hedge or isolate a fixed income or market risk efficiently, such as proceeds from fixed income restructurings – either through a voluntary exchange, or in the event of a default, a restructuring may result in equity being issued to bondholders. It may be in the interests of the sub-fund holders for the Investment Manager to agree to the terms of such an exchange if voluntary, or to hold the proceeds of a restructuring if involuntary.

~~The sub fund may invest up to 30% of its assets in green bonds and/or perpetual bonds, and up to 10% of its assets in contingent convertible bonds.~~

Should you do not agree with these changes, you may request the redemption of your shares, free of charge, until 11 August 2025.

Multi-Asset Opportunities

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds.

As a result, the asset table contained in the investment policy will be amended as follows:

Assets	Minimum	Maximum
Government Bonds	0%	90%
Money Market Instruments ⁽¹⁾	0%	80%
Equities	10%	75%
Investment Grade Bonds	0%	50%
High Yield Bonds	0%	30%
Emerging Market Debt	0%	30%
Real Estate Securities ⁽²⁾	0%	29%
Convertible Bonds (including Contingent Convertible Bonds)	0%	20% (10% max for Contingent Convertible Bonds)
Floating rates securities	0%	20%
Structured Debt Securities	0%	20%
Commodities ⁽³⁾	0%	20%

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Sustainable Asian Cities Bond

The investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds.

As a result, the fifth paragraph of the investment policy will be amended as follows:

*"The remaining portion, namely a maximum of 25% of its assets, may be invested in any other debt securities (such as, but not limited to, corporate bonds **and up to 20% in Contingent Convertible Bonds**), money market instruments for maximum 10% of the assets, and other UCITS or UCIs for maximum 10% of the assets. The sub-fund invests at least 60% in Investment Grade bonds."*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

These clarifications will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

Sustainable Euro Corporate Bond

The ESG approach of the sub-fund will be amended and as a result :

- the first paragraph of the investment policy will read as follows:

*"The sub-fund follows a "Best-in-Class" approach which **favors** ~~selects~~ issuers that demonstrate superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity."*

- the fourth paragraph of the sustainable investment policy will read as follows:

*"The Investment Manager therefore **favors issuers with** ~~may only invest in~~ **issuers having** a Positive and/or Neutral recommendation."*

Moreover, the investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds. As a result, the fifth paragraph of the investment policy will be amended as follows:

*"The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including Contingent Convertible Bonds up to 10%)**, money market instruments and, within a limit of 10% of the assets, in UCITS or UCIs."*

Finally, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

Should you do not agree with these changes, you may request the redemption of your shares, free of charge, until 11 August 2025.

Sustainable Global Corporate Bond

The ESG approach of the sub-fund will be amended and as a result :

- the first paragraph of the investment policy will read as follows:

*The sub-fund follows a "Best-in-Class" approach which **favors** ~~selects~~ issuers that demonstrate superior social and environmental responsibility, while implementing robust corporate governance practices within their sector of activity.*

- the fourth paragraph of the sustainable investment policy will read as follows:

*"The Investment Manager therefore **favors issuers with** ~~may only invest in issuers having~~ a Positive and/or Neutral recommendation.*

Moreover, the investment policy of the sub-fund will be clarified to increase the transparency as regards the possibility to invest in contingent convertible bonds. As a result, the fifth paragraph of the investment policy will be amended as follows:

*"The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities **(including Contingent Convertible Bonds up to 10%)**, money market instruments and, within a limit of 10% of the assets, in UCITS or UCIs."*

In addition, a risk factor in relation to the contingent convertible bonds will be added to the risk profile of the sub-fund.

Should you do not agree with these changes, you may request the redemption of your shares, free of charge, until 11 August 2025.

USD Short Duration Bond

The investment policy of the sub-fund will be amended to increase the transparency as regards the way the interest rate sensitivity will be measured.

As a result, the seventh paragraph of the investment policy will be amended as follows:

*"**The sub-fund is managed with an interest rate sensitivity, as measured by effective duration, in the range 0 to 4 years.** ~~The modified duration of the portfolio does not exceed four years.~~"*

This clarification will not have any impact on (i) the portfolio composition, (ii) the way the sub-fund is managed, (iii) the overall risk profile of the sub-fund and (iv) the SRI of the sub-fund.

ADDITIONAL INFORMATION

Additional clerical changes have been made to update and enhance the general wording of the Prospectus or to comply with new laws and regulations.

Terms or expression not defined in the present notice have the same meaning as in the Prospectus.

If a clearinghouse holds your shares, we advise you to enquire about the specific terms applying to subscriptions, redemptions and conversions made via this type of intermediary.

Please note that except for the newspaper publications required by Law, the official media going forward to obtain any notice to shareholders will be our website www.bnpparibas-am.com.

In case of any **question**, please contact our **Client Service** (+ 352 26 46 31 21 / AMLU.ClientService@bnpparibas.com).

Best regards,

The Board of Directors