BNP PARIBAS FLEXI I

An open-ended investment company
incorporated under Luxembourg Law

PROSPECTUS

JULY 2017

INFORMATION REQUESTS

BNP Paribas Flexi I
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, Greece, Italy, The Netherlands, United Kingdom, Germany, Austria , Singapore (Restricted Scheme), Switzerland, Finland, Denmark, Ireland, Sweden, Spain and Norway. 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 I OF THE PROSPECTUS

BOOK II 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 stated in Book II, the general regulations stipulated in Book I of the Prospectus will apply to each sub-fund.

ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

For the following sub-funds of BNP Paribas Flexi I no notification for distribution in the Federal Republic of Germany was submitted and shares in these sub-funds may NOT be offered to investors within the scope of the German investment law. As a consequence, the following sub-funds are NOT available to investors in Germany:

BNP Paribas Flexi I	**Bond Asia Investment Grade Plus**
BNP Paribas Flexi I	**Equity World Pure Low Volatility**
BNP Paribas Flexi I	**Equity USA Mid Cap Growth**

BNP ASSET MANAGEMENT Belgium, Zweigniederlassung Deutschland, Europa-Allee 12, 60327 Frankfurt am Main, has undertaken the function of Information Agent in the Federal Republic of Germany (hereinafter the "German Information Agent").

Applications for the redemptions and conversion of shares may be sent to BNP Paribas Securities Services, Luxembourg Branch, 60, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (hereinafter "the Paying Agent").

All payments to investors, including redemption proceeds and potential distributions may, upon request, be paid through the Paying Agent.

The prospectus, the key investor information documents, the articles of association of the company and the annual and semi-annual reports may be obtained, free of charge, in hardcopy form at the office of the German Information Agent during normal opening hours.

Issue, redemption and conversion prices of shares and any other information to the shareholders are also available, free of charge, from the Paying Agent.

No units of EU UCITS will be issued as printed individual certificates.

The issue, redemption and conversion prices of shares are published on www.bnpparibas-am.de and any other information to the shareholders will be published in Germany in the Federal Gazette ("www.bundesanzeiger.de"), except convening notices to General Meeting available via the website.

In addition, communications to investors in the Federal Republic of Germany will be by means of a durable medium (section 167 of the Investment Code) in the following cases:

- suspension of the redemption of the units,
- termination of the management of the fund or its liquidation,
- any amendments to the company rules which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- merger of the fund with one or more other funds and
- the change of the fund into a feeder fund or the modification of a master fund.

BOOK I

GENERAL INFORMATION

REGISTERED OFFICE

BNP Paribas Flexi I
10 rue Edward Steichen
L-2540 Luxembourg
Grand Duchy of Luxembourg

THE COMPANY'S BOARD OF DIRECTORS

Chairman

Mr Anthony FINAN, Chief Marketing Officer & CSR Delegate, BNP PARIBASASSET MANAGEMENT France, Paris

Members

Mr Samir CHERFAOUI, Head of Product Development, Products and Strategic Marketing, BNP PARIBAS ASSET MANAGEMENT France, Paris

Mr Bruno PIFFETEAU, Chief Operating Officer, Global Fund Solutions, BNP PARIBAS ASSET MANAGEMENT France, 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

Chairman

Mr Anthony FINAN, Chief Marketing Officer & CSR Delegate, BNP PARIBAS ASSET MANAGEMENT, Paris

Members

Mrs Sylvie BAIJOT, Deputy Chief Executive Officer, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg

Mr Stéphane BRUNET, Chief Executive Officer, BNP PARIBAS ASSET MANAGEMENT Luxembourg, Luxembourg

Mr Georges ENGEL, Independent Director, Vincennes, France

NAV CALCULATION

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

TRANSFER AND REGISTRAR AGENT

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

DEPOSITARY

BNP Paribas Securities Services, 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 S.A.S
  1, boulevard Haussmann, F-75009 Paris, France
  A French company, incorporated on 28 July 1980.
- BNP Paribas Asset Management Asia Ltd.
  30/F Three Exchange Square, 8 Connaught Place, Central Hong-Kong
  A Hong Kong company, incorporated on 29 October 1991.
- BNP PARIBAS ASSET MANAGEMENT Singapore Ltd.
  20 Collyer Quay Tung Center #08-01 Singapore 049319
  A Singapore company, incorporated on 22 December 1993.
- BNP Paribas Asset Management UK Ltd.
  5 Aldermanbury Square, London EC2V 7BP, United Kingdom
  A UK company, incorporated on 27 February 1990.
  BNP PARIBAS ASSET MANAGEMENT USA, Inc.200 Park Avenue, 11th floor, New York, NY 10166, USA
  A US company, incorporated on 24 August 1972.

- THEAM S.A.S.
  1 boulevard Haussmann, F-75009 Paris, France
  A French company, incorporated on 27 December 1999.

AUDITOR

Ernst & Young S.A.,
35E avenue John F.Kennedy, Luxembourg
L-1855 Luxembourg
Grand Duchy of Luxembourg

ARTICLES OF ASSOCIATION

The Company was incorporated on July 4, 2006 and a notice was published in the *Mémorial, Recueil Spécial des Sociétés et Associations* (the "*Mémorial*").

The Articles of Association have been modified at various times, most recently at the Extraordinary General Meeting held on 22 April 2016, with effect on 25 April 2016and were published in the *Mémorial* on July 19, 2016.

The latest version of 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.rcsl.lu).

TERMINOLOGY

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.

ABS:	**Asset-Backed Securities**: 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 tranched 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.
Absolute Return Investments:	Investments seek to make positive returns by employing investment management techniques that differ from traditional mutual funds, such as short selling, futures, options, financial derivative instruments, arbitrage, and leverage.
Accounting Currency:	Currency in which the assets of a sub-fund are stated for accounting purposes, which may be different of the share category valuation currency
Active Trading:	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.
ADR / GDR:	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.
Agency – Non Agency MBS:	Securities that are issued by structures set up by government-sponsored enterprises like Fannie Mae or Freddie Mac are called "agency" MBS; securities issued by structures set up by investment banks "private-label" are called "non-agency" MBS.
Alternative Investments:	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 point 1.e) of the Appendix 1 of the Book I of the Prospectus, Managed Futures, Real Estate Investments, Commodities Investments, 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.
Asset Securitisation:	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".
Authorised Distributors:	Distributors specifically authorized by the board of directors which provide only fee-based investment advisory services to underlying investors
Authorised Investors:	Investors specially approved by the board of directors of the Company
BMTN:	**Mid-Term Negotiable Notes** (in French *Bons à Moyen Terme Négociables)* belong to the french category of negotiable debt securities (TCN : *Titres de créances negotiables*); they are negotiable debt securities with a greater than one-year initial duration; generally they are issued by credit institutions.
CDS:	**Credit Default Swap**: 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.
CFD:	**Contract for Difference**: 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.
Circular 08/356:	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 (www.cssf.lu).

Circular 11/512: 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 (www.cssf.lu).

Circular 14/592: 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 (www.cssf.lu).

Closed-ended REIT: 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.

CBO: **Collateralised Bond Obligation**: 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).

CDO: **Collateralised Debt_Obligations**: 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 collateralised debt obligation (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. .

CLO: **Collateralised Loan Obligation**: 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.

CMO: **Collateralised Mortage Obligations**: 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.

CMBS: **Commercial (or Collateralized) Mortgage Backed Security**: 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.

Company Name: BNP Paribas Flexi I

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

Currencies:

- **AUD:** Australian Dollar
- **CAD:** Canadian Dollar
- **CHF:** Swiss Franc
- **CNH:** Chinese Yuan Renminbi Offshore (outside of China)
- **CNY:** Chinese Yuan Renminbi Onshore
- **EUR:** Euro
- **GBP:** British Pound
- **HKD:** Hong Kong Dollar
- **JPY:** Japanese Yen
- **NOK:** Norwegian Krone
- **NZD:** New Zealand Dollar
- **RMB:** Chinese Renminbi, unless otherwise stipulated refers either to CNY traded onshore or CNH traded offshore. Both may have a value significantly different to each other since currency flows in/out of mainland China are restricted.
- **SEK:** Swedish Krona
- **SGD:** Singapore Dollar
- **USD:** United States Dollar

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 2004/39: European Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments.

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/UE of 15 February 2011 on administrative cooperation in the field of taxation as amended by the Directive 2014/107.

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/CE

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

Distribution Fee: Fee calculated and deducted monthly from the average net assets of a sub-fund, share category, or share class, paid to the Management Company and serving to cover remuneration of the distributors, supplemental to the share of the management fee that they receive.

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

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).

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:

- United States: ETFs are registered under the Investment Company Act of 1940. Currently, US ETFs rely on physical delivery of the underlying assets for the creation and redemption of securities;
- European Union: Most ETFs are UCITS compliant collective investment schemes. UCITS funds are not allowed to invest in physical commodities but they are able to use synthetic index replication to obtain exposure to broad commodity indices that satisfy the relevant diversification requirements;
- Other jurisdictions: Such as Switzerland, permit ETFs to use physical or synthetic replication to obtain commodities exposure without diversification restrictions.

ETN: **Exchange Traded Notes:** are similar to ETCs except that they are not collateralised, which means that an investor in an ETN will be fully exposed to issuer credit risk.

- United States: Publish NAV, AUM or Shares Outstanding information on a daily basis
- Europe: Are not required to and often do not publicly report NAV, AUM or Share Outstanding information on a regular basis.

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

legal fees, taxes, assessments or miscellaneous fees levied on sub-funds and not considered as ordinary expenses.

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.

Indirect Fee: Ongoing charges incurred in underlying UCITS and/or UCIs the Company is invested in and included in the ongoing charges mentioned in the KIID.

Institutional Investors: Legal entities who hold their own account or hold an account on behalf of physical persons in connection with a group savings scheme or an equivalent scheme and UCI. Portfolio managers subscribing within the scope of discretionary individual portfolios management mandates are not included in this category ("Managers").

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 or three agencies, one or two best rates among rates available rule will be considered. 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.

IRS: Interest Rate Swap

KIID: Key Investor Information Document

Law: 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.

Law of 10 August 1915: Luxembourg law of 10 August 1915 on commercial companies, as amended

Mainland China Securities: 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 Qualified Foreign Institutional 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 Participatory-Notes linked to those securities. China 'H' shares (Shares listed in HKD in Hong Kong Stock exchange) are not concerned.

Management Fee: Fee calculated and deducted monthly from the average net assets of a sub-fund, share category, or share class, paid to the Management Company and serving to cover remuneration of the asset managers and also distributors in connection with the marketing of the Company's stock.

Managers: Portfolio managers subscribing within the scope of discretionary individual portfolios management mandates.

Market Timing: 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.

MBS: **Mortgage Backed Security:** 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).
Loans that satisfy the underwriting standard of the agencies are typically used to create RMBS that are referred to as agency mortgage-backed securities (MBS). All other loans are included in what is referred to generically as non-agency MBS; the agency MBS market includes three types of securities:

- agency mortgage pass-through securities
- agency collateralized mortgage obligations (CMOs)
- agency stripped MBS

Money Market Instruments: Instruments normally dealt on the money market that are liquid and whose value can be accurately determined at any time.

Money Market Fund: Money markets funds compliant with ESMA guidance (CESR/10-049 of 19 May 2010)

NAV: Net Asset Value

OECD: Organisation for Economic Co-operation and Development

OTC: Over The Counter

Other Fees: Fees calculated and deducted monthly from the average net assets of a sub-fund, share category, or share class and serving to cover general custody assets expenses (remuneration of the Depositary) and daily administration expenses (NAV calculation, record and book keeping, notices to the shareholders, providing and printing the documents legally required for the shareholders, domiciliation, auditors cost and fees...), except for brokerage fees, commissions for transactions not related to the deposit, director fees, interest and bank fees, extraordinary expenses, reporting cost in relation with regulation requirements including the European Market Infrastructure Regulation (EMIR), and the *taxe d'abonnement* in force in Luxembourg, as well as any other specific foreign tax and other regulators levy.

Performance Fee: The positive difference between the annual performance of the sub-fund/category/class (i.e. over the accounting year) and the hurdle rate (this can be a reference index performance, a fixed rate or another reference). This fee is payable to the Management Company. The performance fee will be calculated daily and provision will be adjusted on each valuation day during the financial year with the application of the "high water mark with hurdle rate" method. Hurdle rate means the performance of a reference index (or other references) as specified at the level of the sub-fund/category/class whereas high water mark means the highest NAV of the sub-fund/category/class as at the end of any previous financial year on which performance fees becomes payable to the Management Company, after deducting any performance fee. Performance fee will be accrued if the performance of the sub-fund/category/class exceeds the hurdle rate and the high water mark. Furthermore, if shares are redeemed during the financial year, the fraction of the provisioned performance fee that corresponds to the total amount redeemed shall be granted definitively to the Management Company.

PRC: People's Republic of China.

PRC Broker: 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.

PRC Custodian: A custodian based in the PRC to locally maintain assets of the relevant sub-fund in custody.

Prospectus: The present document

QFII: A qualified foreign institutional investor approved under the "Regulations on Domestic Securities Investments by Qualified Foreign Institutional Investors" issued by the CSRC, the PBOC and SAFE and effective from 1 September 2006.

Real Estate Investments: Investments in Real Estate certificates, shares of companies linked to Real Estate, closed-ended REITs

Reference Currency: Main currency when several valuation currencies are available for a same share category

Regulation 2015/2365: 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)

Repurchase transaction/
Reverse Repurchase transaction: 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

RESA: Recueil Electronique des Sociétés et Associations

RMB: Chinese Renminbi, unless otherwise stipulated refers either to CNY traded onshore or CNH traded offshore. Both may have a value significantly different to each other since currency flows in/out of mainland China are restricted.

RMBS: **Residential Mortgage Backed Security:** 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

RQFII: Renminbi Qualified Foreign Institutional Investor pursuant to the RQFII Regulations.

RQFII Regulations: The PRC laws, rules, regulations, circulars, orders, notices, directives or directions formulated specifically to deal with RQFII, as may be promulgated and/or amended from time to time.

RQFII sub-funds Collective investment schemes which can fully or partially invest into mainland Chinese domestic securities via the RQFII License: CSI 300 Index Fund

Securities Lending or Borrowing: A transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent 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.

SFT : Securities Financing Transactions which means :

- a repurchase transaction;
- securities lending and securities borrowing;
- a buy-sell back transaction or sell-buy back transaction
- a margin lending transaction

Stock Connect : 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 RQFII 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 with HKEx 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 .

SICAFI: "Société d'investissement à capital fixe", closed-end real estate investment vehicle submit to Belgian law.

STP: Straight-Through Processing, process transactions to be conducted electronically without the need for re-keying or manual intervention

Structured Debt Securities: **D**ebt instruments created through asset securitisation which include ABS, CBO, CDO, CMO, MBS, CMBS, RMBS and CLO.

Structured EMTN : It is a combination of an EMTN issue and a derivative enabling the conversion of the cash flows generated by the EMTN. For example, if the issuer floats an EMTN that pays LIBOR + spread, and simultaneously enters into a LIBOR/fixed-rate swap over the same period, it obtains the equivalent of a fixed-rate financing, while the investor obtains a floating-rate investment. These structured EMTNs may be subscribed by investment funds seeking to offer their clients personalised products that meet their specific needs in view of their risk profiles.

To Be Announced (TBA): 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.

TRS: **Total Return Swap:** 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 ("Unfunded TRS"): 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 ("Funded TRS") 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.

UCI: Undertaking for Collective Investment

UCITS: Undertaking for Collective Investment in Transferable Securities

Valuation Currenc(ies)y: 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 in account without suffer exchange rate charges.

Valuation Day: Each open bank day in Luxembourg and subject to exceptions (available in the Book II):

It corresponds also to:

- Date attached to the NAV when it is published
- Trade date attached to orders
- With regards to exceptions in the valuation rules, closing date prices used for the valuation method of the underlying assets in the sub-fund's portfolios

VaR: **Value at risk**: 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)

GENERAL PROVISIONS

BNP Paribas Flexi I, is an open-ended investment company (*société d'investissement à capital variable – abbreviated to SICAV)*, incorporated on 4 July 2006 under the name "FORTIS SOLUTIONS" for an indefinite period in accordance with the provisions of Part I of the Law of 20 December 2002 governing undertakings for collective investment. It was renamed "BNP Paribas Flexi I" on 13 September 2010.

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.

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 B 117.580.

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, whose investment policy and offering methods 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.

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".

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 1 June 2017, published in the RESA on 2 June 2017. The latest version of 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.legilux.public.lu/). 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 and Registrar to BNP Paribas Securities Services, 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 are 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

Remuneration policy of the Management Company

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

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/footer/remuneration-policy/ and will also be made available free of charge by the Management Company upon request.

Depositary

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Article 22.3 of the Directive 2009/65/CE as amended, (ii) the monitoring of the cash flows of the Company (as set out in Article 22.4 of the Directive 2009/65/CE as amended) and (iii) the safekeeping of the Company's assets (as set out in Article 22.5 of the Directive 2009/65/CE as amended). In accordance with standard banking practices and current regulations, the Depositary may, under its responsibility, entrust some or all of the assets in its safekeeping to other banking establishments or financial intermediaries.

Under its oversight duties, the Depositary must also ensure that:

(a) Ensure that the sale, issue, redemption and cancellation of the shares of the Company are conducted in accordance with the Law and the Articles of Association. (b) Ensure that the value of the shares of the Company is calculated in accordance with the Law and the Articles of Association.

(b) Carry out the instructions of the Management Company, unless they conflict with the Law or the Articles of Association.

(c) Ensure that in transactions involving the Company's assets, any consideration is remitted to it within the usual time limits. (a) (d) Ensure that the Company's income is applied in accordance with these Articles of Association.

The Depositary shall not carry out activities with regard to the Company or the Management Company on behalf of the Company that may create conflicts of interest between the Company, the investors in the Company, the Management Company and itself, unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks.
Conflicts of interest
The overriding objective of the Depositary is to protect the interests of the Shareholders of the Company, 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 Securities Services, Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary. For example, in the case where BNP Paribas Securities Services, Luxembourg Branch would provide the Company and the Management Company with fund administration services, including the net asset value calculation.
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:
- 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; or
- 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 of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest. - Implementing a deontological policy;
- 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

- 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.

Sub-delegation by the Depositary
In order to provide custody services in a large number of countries allowing the Company to meet its investment objectives, the Depositary has appointed entities as delegates for sub-custody functions. A list of these delegates is available on the website http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits_delegates_EN.pdf
Such list may be updated from time to time. A complete list of all delegates may be obtained, free of charge and upon request, from the Depositary.
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 in accordance with the principles set out in the previous paragraph.
There is currently no conflict of interest arising from any delegation of the functions of safekeeping of the assets of the Company described in article 34(3) of the Law as amended. However 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.
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 with the Management Company.

Auditor

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

INVESTMENT POLICY, OBJECTIVES, RESTRICTIONS AND TECHNIQUES

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.

The Board of Directors has adopted a corporate governance policy that includes voting at shareholders' meetings of companies in which sub-funds invest. The main principles governing the Board's voting policy relate to a company's ability to provide shareholders with transparency and accountability with respect to the shareholders' investments and that a company should be managed to assure growth and return of the shares over the long term. The Board of Directors shall execute the voting policy in good faith taking into account the best interest of the shareholders of the investment funds. For further reference please consult also the website www.bnpparibas-am.com.

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 specified 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.

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 the existing shares :

Category	*Investors*	*Initial subscription price per share(1)*	*Minimum holding(2)*	Maximum fees payable by the investors		
				Entry	Conversion(3)	Exit
Classic	All	100,- in the Reference Currencies except for: CNH: 1,000.-	None	3%	1.50%	none
N				None	1.50%	3%
Privilege			EUR 1 million per sub-fund Authorised distributors: none Managers: none	3%	1.50%	none
Privilege Plus	All		EUR 30 million per sub-fund Managers: none	3%	1.50%	none
I	Institutional Investors and UCIs		Institutional Investors: EUR 3 million per sub-fund or EUR 10 million in the Company. UCIs: none.	None		
I Plus			Institutional Investors: EUR 25 million per sub-fund			
X	Authorised Investors		None			

(1) Entry Fees excluded, if any
(2) At the discretion of the Board of Directors
(3) In the event of conversion to a sub-fund with a higher entry fee, the difference may be payable.

B. SUB-CATEGORIES

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

a) MD & QD

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

b) Hedged (H)

These sub-categories aim at hedging the currency exchange risk of the portfolio of the sub-fund 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 to be completely neutralized.

The currency of these sub-categories/classes appears in their denomination (for example, "Classic H EUR" for a sub-category hedged in EUR when the currency exposure of the portfolio of the sub-fund is USD).

c) Return Hedged (RH)

These sub-categories aim at hedging the portfolio return from the 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).

The currency of these sub-categories appears in their denomination (for example, "Classic RH EUR" for a sub-category hedged in EUR and the accounting currency of the sub-fund is USD).

d) 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).

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 / DISTRIBUTION CLASSES

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

1. CAP

Capitalisation 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. The nature of the distribution (net investment income or capital) will be mentioned in the Company's Financial Statements.

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).
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.

"Classic", "N", "Privilege" and "I" shares categories may also be issued in bearer form.

The shares are all listed into specific registers kept in Luxembourg by the Registrar Agent indicated in the section "General Information". Unless otherwise specified, 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, physical bearer shares that were not immobilised before 18 February 2016 are cancelled. The cash equivalent of such cancelled shares has been deposited with the Luxembourg *Caisse de Consignation*. The reimbursement of this cash may be requested by shareholders who can prove their ownership.

E. GENERAL PROVISIONS AVAILABLE FOR ALL SHARES

The Board of Directors has the option of adding new valuation currencies to existing categories or classes. Such a decision will not be published but the website 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 times.

The Board of Directors may also 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 or equivalent, the Board of Directors reserves the right to liquidate it or merge it with another category/class it decides 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 indicated, 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.

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, redemption and conversion, 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 the 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 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 Information

In submitting a subscription request, the investor authorises the Company to store and utilise all of the confidential information that it may acquire on the investor with a view to managing its account or their business relationship. To the extent that this usage so requires, the investor also authorises the sharing of this information with different service providers of the Company. It is to be noted that some service providers established outside of the European Union may be subject to less stringent rules on the safeguarding of information. The information may be used for purposes of filing, order processing, responding to shareholder requests, and providing them with information on other Company products and services. Neither the Company nor its Management Company will disclose confidential information on shareholders unless required to do so by specific regulations.

Subscriptions

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

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 specified 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 Depositary 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 specified, the fees 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 fees arising from the transaction are calculated in accordance with the formula described below.

Conversions are only permitted between the following categories:

<table>
<tr><th>To
From</th><th>Classic</th><th>N</th><th>Privilege</th><th>I</th><th>I Plus</th><th>X</th></tr>
<tr><td>Classic</td><td>Yes</td><td rowspan="6">Yes</td><td colspan="3">Yes</td><td rowspan="5">No</td></tr>
<tr><td>N</td><td>No</td><td colspan="3">No</td></tr>
<tr><td>Privilege</td><td rowspan="3">Yes</td><td colspan="3" rowspan="3">Yes</td></tr>
<tr><td>I</td></tr>
<tr><td>I Plus</td></tr>
<tr><td>X</td><td>Yes</td><td colspan="3"></td><td>Yes</td></tr>
</table>

Conversion principles of the sub-categories “MD”, “H”, “RH” and “mono currency” 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 revert to the relevant sub-fund.

Redemptions

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 specified 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 fees 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 auditors. 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 fees of such transfers will 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 revert 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 the current Prospectus, there are no shares listed on any stock exchange.

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, except for those currencies for which decimals are not used.
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 deposits, bills and drafts payable at sight and accounts receivable, 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.

(4) 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. 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 rates.

Notwithstanding point 3) above, the Board of Directors decided that in the sub-funds in which orders are accepted on the day preceding the Valuation Day, the valuation of the securities is based on the last known closing price on the Valuation Day.

(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 (LIBOR 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 utilises the historic data of the share in question to estimate the probability. Although historic 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, performance, distribution 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 disinvestment 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:

(a) 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;

(b) 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;

(c) 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;

(d) 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;

(e) as soon as a decision has been taken to either liquidate the Company or one or more sub-funds, categories or classes;

(f) 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;

(g) 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;

(h) 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-fund's 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
In certain market conditions, taking account of the volume of purchase and sale transactions in a given sub-fund and the size of these transactions, the Board of Directors may consider that it is in the interests of shareholders to calculate the NAV per share based on the purchase and sale prices of the assets and/or by applying an estimate of the difference between the buy and sell prices applicable on the markets on which the assets are traded. The Board of Directors may further adjust the NAV for transaction fees and sales commissions, provided these fees and commissions do not exceed 1% of the NAV of the sub-fund at that time.

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, share categories and/or classes:
   (i) whose securities are reserved for 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

According to current law and in the event that the provisions of Directive 2011/16 as specified in item c) below do not apply:

- the dividends earned and the capital gains made on the sale of shares by non-residents are not subject to 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 Austria and Switzerland, will apply the exchange of information as of 1st January 2018 on the basis of the data collected in 2017.

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 exchange will be made in 2017 on the basis of data collected in 2016 for the "early adopters" countries and in 2018 on the basis of the data collected in 2017 for the other AEOI participating countries. 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 came into force as from 1st 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 United States have entered, on 28th March 2014, into an intergovernmental agreement (the "IGA") with the Grand Duchy of Luxembourg under which the Luxembourg financial institutions undertake due diligence to report certain information on their direct or indirect US investors to the Luxembourg Tax authorities. Such information will be onward reported by the Luxembourg tax authorities to the US Internal Revenue Service.

The foregoing provisions are based on the Law and practices currently in force, and are 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 individual countries in which the Company publicly markets its shares.

GENERAL SHAREHOLDERS' MEETINGS

The Annual General Shareholders' Meeting is held at 11.00 am on the fourth Monday of October 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.

Financial Year

The Company's financial year starts on 1st July and ends on 30 June.

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.

Documents for Consultation

The Articles of Association, the Prospectus, the KIID, 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 going forward to obtain any notice to shareholders will be our website www.bnpparibas-am.com.

Documents and information are also available on the website: www.bnpparibas-am.com.

APPENDIX 1 - INVESTMENT RESTRICTIONS

For the purpose of this Appendix 1, the following definitions apply:

"Member State": 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.

"Third State": State other than Member State.

1. A sub-fund's investments shall comprise only one or more of the following:
   a) transferable securities and money market instruments admitted to or dealt in on a regulated market as defined by Directive 2004/39;
   b) transferable securities and money market instruments dealt in another regulated market in a Member State, which operates regularly and is recognised and open to the public;
   c) transferable securities and money market instruments admitted to official listing on a stock exchange in a State which is not a European Union Member State or dealt in on another regulated market in a State which is not a European Union Member State which operates regularly and is recognised and open to the public;
   d) recently issued transferable securities and money market instruments, provided that:
      (i) the terms of issue include an undertaking that an application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public; and
      (ii) the admission is secured within a year of issue;
   e) units or shares in UCITS authorised according to Directive 2009/65 and/or other UCIs within the meaning of Article 1(2)(a) and (b) of the Directive 2009/65, whether or not established in a Member State, provided that:
      (i) 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;
      (ii) 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;
      (iii) 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
      (iv) 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;
   f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the credit institution has its registered office in a Third State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU legislation;
   g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in points a), b) and c) above or financial derivative instruments dealt in over–the-counter (OTC) derivatives, provided that:
      (i) the underlying of the derivative consists of instruments covered by this paragraph 1, 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;
      (ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and
      (iii) 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.
   h) money market instruments other than those dealt in on a regulated market, which fall under Article 1 of the Law, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, provided that they are:
      (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 State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more European Union Member States belong;
      (ii) issued by an undertaking any securities of which are dealt in on regulated markets referred to in points a), b) or c) above;
      (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU legislation; or
      (iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in above points (1), (ii) or (iii) first, second or third sub-clauses immediately preceding, 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.

2. A sub-fund shall not, however:
   a) invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in paragraph 1; or
   b) acquire either precious metals or certificates representing them.

   A sub-fund may hold ancillary liquid assets.
3. The Company may acquire movable or immovable property which is essential for the direct pursuit of its business.
4.
   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 paragraph 1. point f); 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 point 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 point a)(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 State or by public international body to which one or more Member States belong.
   d) The 10% limit laid down in the point a)(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 the point a) 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 points c) and d) shall not be taken into account for the purpose of applying the limit of 40% referred to in point b).

      The limits provided for in points 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 paragraph 4.

      A sub-fund may cumulatively invest in transferable securities and money market instruments within the same group up to 20% of its assets.
5. Without prejudice to the limits laid down in paragraph 8, the limits laid down in paragraph 4. 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:
   (i) its composition is sufficiently diversified;
   (ii) the index represents an adequate benchmark for the market to which it refers; and
   (iii) 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, 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.
6. As an exception to paragraph 4., in accordance with the principle of the risk-spreading, a sub-fund shall invest up to 100% of its assets in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a Third State 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 issuers, but securities from any single issuer shall not account for more than 30% of its total assets.
7.
   a) A sub-fund may acquire units or shares in UCITS or other UCIs referred to in paragraph 1. point e), 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, as defined by Article 181 of the Law, 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.

b) 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 section 4.

c) 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 such underlying assets.

The maximum annual management fee payable directly by the sub-fund is defined in Book II.

8.

a) 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.

b) A sub-fund may acquire no more than:

(i) 10% of the non-voting shares of a single issuing body;

(ii) 10% of debt securities of a single issuing body;

(iii) 25% of the units or shares of a single sub-fund of a UCITS or other UCI within the meaning of Article 2 Paragraph 2 of the Law; or

(iv) 10% of the money market instruments of a single issuing body.

The limits laid down in this 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.

c) Points a) and b) above do not apply with regard to:

(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

(ii) transferable securities and money market instruments issued or guaranteed by a State which is not a European Union Member State;

(iii) transferable securities and money market instruments issued by a public international body to which one or more European Union Member State belong;

(iv) shares held by the Company in the capital of a company incorporated in a Third State not member of the European Union 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 in that country. This derogation shall apply only if in its investment policy the company from the Third State not member of the European Union complies with the limits laid down in paragraphs 4, 7 and 8 points a) and b). Where the limits set in sections 4 and 7 are being exceeded, paragraph 9 shall apply *mutatis mutandis*;

9. 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 the risk spreading, recently authorised sub-funds are allowed to derogate from paragraphs 4, 5, 6 and 7 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.

10. 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;

b) allows the acquisition of immovable property indispensable to the direct exercise of its activities and represents a maximum of 10% of its assets .

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

11. Without prejudice to the application of paragraphs 1, 2, 3 and Appendix 2, a sub-fund shall not 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 in paragraph 1 points e), g) and h), which are not fully paid.

12. A sub-fund shall not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in paragraph 1 points e), g) and h).

13. By way of derogation of the above restriction, 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 paragraph 1. point g) and Appendix 2;
- movable and immovable property which is essential for the direct pursuit of its business.

14. 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 event, 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;

As a general rule, the Board of Directors reserves the right to introduce other investment restrictions at any time when indispensable for conforming to the laws and regulations in force in certain states where the Company's shares may be offered and sold. On the other hand, where permitted by current regulations applicable to the Company, the Board of Directors reserves the right to exempt one or more sub-funds from one or more of the investment restrictions specified above. These exceptions will be mentioned in the investment policies summarised in Book II for each of the sub-funds concerned.

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 Section 1. paragraph g) of the 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 Section 1 of the 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 Section 4 of the Appendix 1. When a sub-fund invests in financial derivative instruments based on an **index**, these investments are not necessarily combined with the limits stipulated in Section 4 of the Appendix 1.

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 Section 4.paragraph a) of the Appendix 1, 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 Section 1.paragraph f) of the 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

In accordance with Section 1. paragraph g) of the Appendix 1, 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 risk diversification rules described in Section 4. of the Appendix 1;

(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. The lending agent for the Company, BNP Paribas Securities Services, receives a fee amounting up to 20% of the gross revenue for its services. BNP Paribas Securities Services is a wholly-owned subsidiary of the BNP Paribas Group. 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. Global Exposure

Determination of 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.
  There are currently no sub-funds under VaR, all sub-funds being under commitment approach.
- The commitment approach methodology to calculate the global exposure should be used in every other case.

2.1. 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.

Currently, all the sub-funds use the commitment approach method.

For sub-funds that use the **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.

2.2. 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.

3. TRS

TRS can be used for both hedging and/or investment purposes.

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 the Sections 4 to 8 of the Appendix 1. The underlying exposures of the financial derivative instruments shall be taken into accounts to calculate the investment limits laid down in Section 4 of the Appendix 1.

When a sub-fund invests in such financial derivative instruments, the following information will be disclosed in the annual report of the Company:

a) The underlying strategy and composition of the investment portfolio or index;

b) The identification of the counterparty(ies) of the transactions;

c) The underlying exposure obtained through financial derivative instruments;

d) 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

The sub-funds using TRS, the maximum proportion of assets that can be subject to them and the expected proportion of assets that will be subject to each of them are listed below:

Sub-funds	TRS/ NAV		
	Expected	Maximum	Type of TRS
US Mortgage	15%	30%	Unfunded

The maximum proportion mentioned in the above table is calculated using the market value amount. The notional value can sometimes be higher. The expected proportion is defined as the sum of the absolute values of TRS nominals (with neither netting nor hedging arrangement) divided by the NAV. It is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions. A higher level reflected by the maximum could be reached during the life of the sub-fund and the Prospectus will be modified accordingly.

SECURITIES FINANCING TRANSACTIONS ("SFT")

In accordance with the Regulation 2015/2365 and Circulars 08/356 and 14/592, the Company may enter in securities financing transactions for the purpose of raising short term capital in order to enhance in a safe way the liquidity of the sub-fund.

List of sub-funds using SFT

The sub-funds using SFT, the maximum proportion of assets that can be subject to them and the expected proportion of assets that will be subject to each of them are listed below provided that the expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions:

Sub-fund	Repurchase transactions/NAV		Reverse Repurchase transactions/NAV	
	Expected	Maximum	Expected	Maximum
US Mortgage	0-10%	10%	0-10%	10%

Policy on sharing of return generated by SFT

The return of SFT, being the difference of market values between the two legs of the transactions, 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 SFT charged to the sub-fund that would constitute an income for the Management Company or another party.

1. Repurchase transactions/ Reverse Repurchase transactions

A Repurchase agreements transaction consist of forward transactions at the maturity of which the sub-fund has the obligation to repurchase the asset sold and the buyer (the counterparty) the obligation to return the asset received under the transaction.

A Reverse repurchase transaction consists of a forward transaction at the maturity of which the sub-fund has the obligation to repurchase the asset sold and the sub-fund the obligation to return the asset received under the transaction.

However, the involvement of a sub-fund in such agreements is subject to the following rules:

a) Each sub-fund may buy or sell securities with repurchase options only if the counterparties in these agreements are first-rank financial institutions specialising in this type of transaction; and
b) During the lifetime of a reverse repurchase agreement, a sub-fund may not sell the securities forming the subject of the contract until the counterparty's repurchase option has been exercised or the reverse repurchase term has expired.

In addition, each sub-fund must ensure that the value of the reverse repurchase transactions is at a level that the Fund is capable at all times to meet its redemption obligation towards shareholders.

Eligible securities for reverse repurchase transaction:

a) Short-term bank certificates;
b) Money market instruments;
c) Bonds issued or guaranteed by a member of state of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature;
d) Money market UCIs (daily calculation and S&P AAA rated or equivalent);
e) Bonds issued by non-governmental issuers offering an adequate liquidity;
f) Shares listed or dealt on a regulated market of the EU or on a stock exchange of a member state of the OECD, provided that they are included in a main index.

Limits for reverse repurchase transactions

The securities which are the subject of reverse repurchase transactions must be compliant with the investment policy of the Company and must together with the other securities which the Company holds in its portfolio, globally comply with the investment restrictions of the Company.

A sub-fund that enters into a reverse repurchase agreement will ensure that:

- At any time the sub-fund may recall the full amount of cash or terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the sub-fund.
- At any time the sub-fund may recall any securities subject to the repurchase agreement or terminate the repurchase agreement into which it has entered.
- Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the sub-fund.

Limits for repurchase transactions

The assets received must be considered as collateral.

MANAGEMENT OF COLLATERAL IN RESPECT OF OTC DERIVATIVES AND SFT

Assets received from counterparties in respect of Financial Derivatives 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 that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the provisions of the Section 8 of the Appendix 1.

Valuation

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

Risks

Risks 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 (also for securities subject to SFT)

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 custodian 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.

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)	UCITSIV	[100 - 110%]	100%	20%
CD's (eligible OECD and other eligible countries)	A	[100 - 107%]	[10% - 30%]	20%
Eligible indexes & 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 IP 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 Section 1. paragraph f) of the Appendix 1;
- invested in high-quality government bonds used for the purpose of reverse repo 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 provided as 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 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
- The sound financial situation
- The ability to offer a range of products and services corresponding to the requirements of the Management Company,
- The ability to offer reactivity for operational and legal points,
- The ability to offer competitive price and the 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 will 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 will contain details with:

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

Potential investors are asked to read the prospectus carefully in its entirety before making an investment. Any investments may also be affected by changes relating to rules governing exchange rate controls, taxation and deductions at source, as well as those relating to economic and monetary policies.

Investors are also warned that sub-fund performance may not be in line with stated aims and that the capital they invest (after subscription commissions have been deducted) may not be returned to them in full.

Sub-funds are exposed to various risks that differ according to their investment policies. The main risks that sub-funds are likely to be exposed to are listed below.

Some sub-funds may be particularly sensitive to one or several specific risks which are increasing their risk profiles compared to sub-funds sensitive only to generic risk; in such case those risks are specifically mentioned in the Book II.

I. SPECIFIC MARKET RISKS

I.A Specific Risks mentioned in the KIIDs

Credit Risk

This risk is present in each sub-fund having debt securities in its investment universe.

This is the risk that may derive from the rating downgrade or the default of a bond issuer to which the sub-funds are exposed, which may therefore cause the value of the investments to go down. Such risks relate to the ability of an issuer to honour its debts.

Downgrades of an issue or issuer rating may lead to a drop in the value of bonds in which the sub-fund has invested.

Some strategies utilised may be based on bonds issued by issuers with a high credit risk (junk bonds).

Sub-funds investing in high-yield bonds present a higher than average risk due to the greater fluctuation of their currency or the quality of the issuer.

Liquidity Risk

This risk may concern all financial instruments and impact one or several sub-funds.

There is a risk that investments made by the sub-funds may become illiquid due to an over-restricted market (often reflected by a very broad bid-ask spread or by substantial price movements), if their “rating” declines or if the economic situation deteriorates; consequently, it may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in these sub-funds. Moreover, it may not be possible to sell or buy these investments.

Counterparty Risk

This risk relates to the quality or the default of the counterparty with which the Management Company negotiates, in particular involving payment for/delivery of financial instruments and the signing of agreements involving forward financial instruments. This risk is associated with the ability of the counterparty to fulfil its commitments (for example: payment, delivery and reimbursement).

This risk also relates to efficient portfolio management techniques and instruments. If counterparty does not live up to its contractual obligations, it may affect investor returns.

Operational & Custody Risk

Some markets (emerging markets) are less regulated than most of the developed countries regulated markets; hence, the services related to custody and liquidation for the funds on such markets could be more risky. Operational risk addresses the risk of trading, back office, operational, custody and administration issues that may result in a loss for the sub-fund. This could be the result of oversight, ineffective securities processing procedures, computer systems problems or human error.

Derivatives Risk

In order to hedge (hedging derivative investments strategy) and/or to leverage the yield of the sub-fund (trading derivative investment strategy), the sub-fund is allowed to use derivative investments’ techniques and instruments under the circumstances set forth in Appendices 1 and 2 of the prospectus (in particular, warrants on securities, agreements regarding the exchange of securities, rates, currencies, inflation, volatility and other financial derivative instruments, contracts for difference [CFDs], credit default swaps [CDSs], futures and options on securities, rates or futures).

The investor's attention is drawn to the fact that these financial derivative instruments include leveraging. Because of this, the volatility of these sub-funds is increased.

I.B Generic Risks present in all sub-funds

Currency Exchange Risk

This risk is present in each sub-fund having positions denominated in currencies that differ from its Accounting Currency.

A sub-fund may hold assets denominated in currencies that differ from its Accounting Currency, and may be affected by exchange rate fluctuations between the Accounting Currency and the other currencies and by changes in exchange rate controls. 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.

Equity Markets Risk

This risk is present in each sub-fund having equities in its investment universe.

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, these fluctuations are often amplified 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.

There is no guarantee that the investment objective will actually be achieved.

Some sub-funds may invest in initial public offerings ("IPOs"). In this case, there is a risk that the price of the newly floated share may see greater volatility as a result of factors such as the absence of an existing public market, non-seasonal transactions, the limited number of securities that can be traded and a lack of information about the issuer. A sub-fund may hold such securities for only a very short time, which tends to increase the costs.

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.

Some sub-funds may base their objective on simple equity market growth, which produces higher than average volatility.

Managers may temporarily adopt a more defensive attitude if they consider that the equity market or economy of the countries in which the sub-fund invests is experiencing excessive volatility, a persistent general decline, or other unfavourable conditions. In such circumstances, the sub-fund may be unable to pursue its investment objective.

Inflation Risk

All types of investments are concerned by this risk.

Over time, yields of investments may not keep pace with inflation, leading to a reduction of investor's purchasing power.

Interest Rate Risk

This risk is present in each sub-fund having debt securities in its investment universe.

The value of an investment may be affected by interest rate fluctuations. Interest rates may be influenced by several elements or events, such as monetary policy, the discount rate, inflation, etc.

The investor's attention is drawn to the fact that an increase in interest rates results in a decrease in the value of investments in bonds and debt instruments.

Low Interest Rate Consequence

This risk is present in each sub-fund having debt securities in its investment universe.

A very low level of interest rates may affect the return on short term assets held by monetary funds which may not be sufficient to cover management and operating costs leading to there a structural decrease of the net asset value of the sub-fund.

Taxation Risk

The value of an investment may be affected by the application of tax laws in various countries, including withholding tax, changes in government, economic or monetary policy in the countries concerned. As such, no guarantee can be given that the financial objectives will actually be achieved.

I.C. Additional Risks linked to OTC Derivatives (including TRS), SFT and collateral management

Efficient Portfolio Management Techniques Risk

This risk is present in each sub-fund using efficient portfolio management techniques.

Efficient portfolio management techniques, such as securities lending, repurchase and reverse repurchase transactions, and particularly with respect to the quality of the collateral received / reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the sub-fund concerned.

Repurchase transactions /Reverse Repurchase transaction Risks

A sub-fund may enter into repurchase agreements and/or reverse repurchase agreements. If the other party to a repurchase agreement or reverse repurchase agreement should default, the sub-fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the sub-fund in connection with the transaction are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to such agreement or its failure otherwise to perform its obligations on the repurchase date, the sub-fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreements and/or reverse repurchase agreement.

Collateral management Risk

Collateral may be engaged to mitigate the counterparty default risk, despite this there is a risk that the collateral taken, especially where it is in the form of securities, when realised 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" above in respect of liquidity risk which may be particularly relevant where 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 with the counterparty 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.

As collateral will take the form of cash or certain financial instruments, the market risk is relevant. Collateral received by a sub-fund may be held either by the Depositary or by a third party depositary. In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of a depositary or sub-depositary.

Reuse of cash collateral Risk

As a sub-fund may reinvest cash collateral it receives under a collateral arrangement, 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.

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.

Operational risk
Investing in derivatives may include a counterparty breaching its obligations to provide collateral, or may include operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where a sub-fund's credit exposure to its counterparty under a derivative contract is not fully collateralised but each sub-fund will continue to observe the limits set out in Appendix I**.**

I.D Specific Risks impacting only some sub-funds (please refer to Book II)

Commodity Market Risk

This risk is present in each sub-fund having commodities (indirectly invested) in its investment universe.

Commodity markets may experience significant, sudden price variations that have a direct effect on the valuation of shares and securities that equate to the shares in which a sub-fund may invest and/or indices that a sub-fund may be exposed to.

Moreover, the underlying assets may evolve in a markedly different way from traditional securities markets (equity markets, bond markets etc.)

Emerging Market Risk

This risk is present in each sub-fund having emerging markets investments in its investment universe.

Sub-funds investing in Emerging Markets 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 (social, political and economic conditions). In addition, some emerging markets offer less security than the majority of international developed markets and certain markets are not currently considered to be regulated markets.

For this reason, services for portfolio transactions, liquidation and conservation on behalf of funds invested in emerging markets may carry greater risk.

The Company and investors agree to bear these risks.

Small Cap, Specialised or Restricted Sectors Risk

This risk is present in each sub-fund having small caps, specialised or restricted sectors investments in its investment universe.

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 find themselves unable to generate new funds to support their growth and development, they may lack vision in management, or they may develop products for new, uncertain markets.

The Company and investors agree to bear these risks.

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.

Structured Debt Securities/ Securitised Products Risks

Structured debt Securities and securitised Products involve following risks:

- Interest rate risk (duration risk): prices 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 MBS.
- 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: 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 ~~is~~ can be its credit rating. Because of the credit enhancements required for ABS by the rating agencies, the senior classes of most issues receive a triple-A, the highest rating available. The B, C and any lower classes of an ABS issue are lower-rated or unrated and, indeed, are designed to absorb any losses before the senior tranche. Prospective buyers of these pieces 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 Mortgage Backed Securities is smaller and less liquid than the market for Agency Mortgage Backed Securities; the Company will only invest in Asset-Backed Securities that the Investment Manager trusts to be liquid.

- Legal Risk: non-mortgage related Asset-Backed Securities 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 structured debts

Risk linked to Mortgage- and other Asset-Backed Securities (ABS)

The yield characteristics of mortgage- and other asset-backed securities 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 asset-backed security is purchased at a premium, a prepayment rate that is faster than expected will reduce yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect of increasing yield to maturity.

Conversely, if an asset-backed security is purchased at a discount, faster than expected prepayments will increase, while slower than expected prepayments will decrease, 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. Mortgage- and asset-backed securities 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 mortgage-backed securities to differ from what was assumed when the Company purchased the security.

Risk linked to CMO, CBO, CDO, 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 Classes 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 Classes.

Certain Classes of CMOs are structured in a manner that makes them extremely sensitive to changes in prepayments rates. IO and PO Classes are examples of this. IO Classes 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 an IO experience greater than anticipated principal prepayments, than 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 recoup all of his or her initial investment, even if 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 Classes, are structured to have special protections against the effect of prepayments. These structural protections, however, 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 Classes pay interest at a rate that decreases when a specified index of market rates increases.

Efficient portfolio management techniques Risk

This risk is present in each sub-fund using efficient portfolio management techniques.

Efficient portfolio management techniques, such as securities lending, repurchase and reverse repurchase transactions, and particularly with respect to the quality of the collateral received / reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the sub-fund concerned.

Risks related to investments restrictions in some countries

Investments in some countries (China, India, Indonesia, Japan, Saudi Arabia and Thailand) involve risks linked to restrictions imposed on foreign investors and counterparties, higher market volatility and the risk of lack of liquidity for some lines of the portfolio. Consequently, some shares may not be available to the sub-fund due to the number of foreign shareholders authorised or if the total investments permitted for foreign shareholders have been reached. In addition, the repatriation by foreign investors of their share of net profits, capital and 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.

II. SPECIFIC RISKS RELATED TO INVESTMENTS IN MAINLAND CHINA

Certain sub-funds (the "RQFII sub-funds") may invest in Chinese domestic securities market, i.e. China A-Shares, debt instruments traded on the Chinese Interbank Bond market and other permitted domestic securities in accordance with the investment policies of the in the relevant sub-fund. Investing in the PRC carries a high degree of risk. Apart from the usual investment risks, investing in the PRC ("People's Republic of China) 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 on the relevant RQFII Sub-Fund.

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 RQFII sub-funds. Investment objective of the RQFII 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 RQFII 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 RQFII 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 RQFII 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 RQFII sub-funds may invest.

Government control of 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. Investors should 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 RQFII 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 RQFII sub-fund.

Accounting and Reporting Standards:
PRC companies which may issue RMB securities to be invested by the RQFII 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 RQFII 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.

Changes in PRC taxation risk

Investment in the RQFII sub-funds may involve risks due to unclear fiscal measures in PRC.
According to PRC tax laws, regulations and policies ("PRC Tax rules"), RQFIIs without an establishment or place in China are temporarily exempt from withholding income tax on capital gains derived from the trading of equity investment assets (including A-shares). There are no specific PRC Tax Rules which govern the taxation of gains on the disposal of other investments, such as debt securities, futures and listed fund 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 in relation to RQFII 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 RQFII sub-funds. Investors should be aware that the net asset value of the RQFII 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 RQFII sub-funds. In the event penalties or late payment interest could be applicable due 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 RQFII sub-fund's assets and affecting the RQFII 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 RQFII 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 RQFII sub-funds and the net asset value of the RQFII 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). or government intervention). 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 RQFII sub-funds. Subscriptions and redemptions of Shares in the RQFII 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-shares 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/or sell its positions at a favourable price at the worst moment.

Risks related to RQFII investments

RQFII Regulations:
The RQFII Regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty 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.

RQFII Quota:
The Investment Manager of the relevant RQFII sub-funds has obtained a RQFII license and has been granted a RQFII investment quota (the "RQFII Quota") through which the Investment Manager may invest on behalf of RQFII sub-funds directly in China domestic securities. To the extent the Investment Manager has, on behalf of the RQFII sub-funds, utilised its entire RQFII Quota, the Investment Manager may, subject to any applicable regulations, apply for an increase of its RQFII Quota. There can however be no assurance that additional RQFII quota can be obtained to fully satisfy subscription requests in a RQFII sub-fund, which may result in a need to close such RQFII sub-fund to further subscriptions, to reject and/or (pending receipt of additional RQFII Quota) to defer all or part of any new subscription requests, subject to the provisions of this Prospectus. On the other hand, the size of the quota may generally be reduced or cancelled by the relevant Chinese authorities if the RQFII is unable to use its RQFII Quota effectively within one (1) year since the quota is granted. Also, regulatory sanctions may be imposed on RQFIIs if the latter (or the PRC Custodian – please see "PRC Custodian Risks" below) breach any provision of the RQFII Regulations, which could potentially result in the revocation of the RQFII quota or other regulatory sanctions that may impact on the portion of the RQFII Quota made available for investment by the RQFII sub-funds. Should the Investment Manager lose its RQFII status or its investment quota is revoked or reduced, a RQFII 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 held through the RQFII Quota, which could have an adverse effect on its performance or result in a significant loss.

Investment Restrictions and Repatriation Risks:
A RQFII sub-fund may be impacted by the rules and restrictions under the RQFII 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 RQFIIs pursuant to the RQFII Regulations. Repatriations by RQFIIs in respect of an open-ended RQFII sub-fund, such as the RQFII sub-funds, conducted in RMB are currently conducted daily and 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. Any restrictions on repatriation of the invested capital and net profits may impact on the RQFII sub-funds' ability to meet redemption requests from the Shareholders. In extreme circumstances, the RQFII 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 RQFII 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 RQFII's licence holder) and the Depositary have appointed a local sub-custodian approved by Chinese authorities (the " PRC Custodian") to maintain the RQFII 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 Investment Manager – the name of the RQFII 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 RQFII sub-funds' securities, including maintaining records that clearly show that such RQFII sub-funds' securities are recorded in the name of such RQFII 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 RQFII sub-funds with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the RQFII sub-funds. Such cash will be co-mingled with cash belonging to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the RQFII 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 RQFII 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 RQFII sub-funds will suffer losses. Also, the RQFII 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 RQFII 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 RQFII 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.

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 Shenzen 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 of at least RMB 6 billion,
3. All the SSE-listed and SZSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on Hong Kong Exchanges and Clearing Limited ("SEHK"), except the following:

(a) SSE-listed or SZSE-listed shares which are not traded in RMB;
(b) SSE-listed or SZSE-listed shares which are "risk alert" shares
(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 new 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 RQFII 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 ("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 CSDCC 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:
http://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en

III. RISKS RELATED TO INVESTMENTS IN CNH SHARE CATEGORIES

China Market Risk
Investing in the offshore RMB market (CNH) is subject to the risks of investing in emerging markets generally. Since 1978, the Chinese government has implemented economic reform measures which emphasize decentralisation and the utilisation of market forces in the development of the Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification.
Any significant change in China's political, social or economic policies may have a negative impact on investments in the China market. The regulatory and legal framework for capital markets and joint stock companies in mainland China may deviate from those of developed countries. Chinese accounting standards and practices may deviate from international accounting standards. The Chinese governments managed process of currency conversion and movements in the RMB exchange rates may adversely affect the operations and financial results of companies in mainland China.

RMB Currency Risk
Since 2005, the RMB exchange rate is no longer pegged to the US dollar. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other main currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Bank of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions pursued by the Chinese government from time-to-time as well as other external market forces.
Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point. Any devaluation of RMB could adversely affect the value of investors' investments in the Portfolio.
The hedged share class participates in the CNH market, which allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The Portfolio will have no requirement to remit CNH to CNY.

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 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 within nine months of the date of the decision to liquidate shall be deposited with the Public Trust Office (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:
   (i) invest at least 85% of the assets in units, or shares of another Master; or
   (ii) 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:
   (i) continue to be a Feeder of the same Master or the Master resulting from the merger or division of the Master;
   (ii) invest at least 85% of its assets in units, or shares of another Master; or
   (iii) 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 at the latest within a maximum period of nine months effective from the date of the liquidation will be deposited at the Public Trust Office (*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.

BOOK II

BNP PARIBAS FLEXI I BOND ASIA INVESTMENT GRADE

Investment objective

To increase the value of its assets over the medium term.

Investment policy

This sub-fund invests at least 2/3 of its assets in investment grade bonds or other investment grade fixed income instruments of issuers that have their registered offices in or conduct the majority of their business activity in Asia Pacific region and in financial derivative instruments on this type of asset. The sub-fund may not be invested in securities with a rating below BBB- (S&P or Fitch) or Baa3 (Moody's). In the event the rating criteria are no longer met, the manager will aim to adjust the composition of the portfolio in the interest of the shareholders within 6 months. The definition of the rating follows the following principles: In the case of securities rated by two or three agencies, one or two best rates among rates available rule will be considered. 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.

The remaining portion, namely a maximum of 1/3 of its assets, may be invested in afixed income instruments, convertible bonds, money market instruments, equity exposures resulting from previously-held fixed income exposures, financial derivative instruments (interest rate swaps, listed government bond futures, FX options, FX Forwards, cross currency swaps,…) or cash, and up to 10% of its assets may be invested in UCITS or UCI.

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

Risk profile

Specific sub-fund risks:

- Counterparty risk
- Derivative risk
- Emerging markets risk
- Operational & custody risk
- Risks related to investment restrictions in some countries
- Risks related to efficient management portfolio techniques

Investor type profile

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.

Accounting currency

EUR

Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1268549869	No	EUR	None
Classic	DIS	LU1268549943	Annual		
I	CAP	LU1268550016	No		
I Plus		LU1268550107			
I USD	CAP	LU1479561778	No	USD	
I USD Plus	CAP	LU1479561851	No		
I	DIS	LU1268550289	Annual	EUR	
I Plus		LU1268550362			

BNP PARIBAS FLEXI I BOND ASIA INVESTMENT GRADE

Fees payable by the sub-fund

Category	Management(max)	Performance (max)	Distribution(max)	Other(max)	*TAB(1)*
Classic	0.75%	none	none	0.30%	0.05%
I	0.25%			0.17%	0.01%
I Plus	0.20%			0.10%	

(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.

(2) in the event of conversion to a sub-fund with a higher entry cost, the difference may be payable

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website 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 unless 50% or more of the underlying assets cannot be valued.

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

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 in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D)	Valuation Day (D)	One day after Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) (1)

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

Historical information:

Sub-fund launched on 16 November 2015.

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.

BNP PARIBAS FLEXI I BOND EURO FOCUS CORPORATE

Investment objective

To increase the value of its assets over the medium term.

Investment policy

The sub-fund invests at least two-thirds of its assets in Investment Grade bonds and/or securities treated as equivalent denominated in EUR and issued by companies that have their registered office in, or conduct a significant proportion of their business in Europe and in derivatives on this type of assets, but excluding debt securities issued by financial institutions. Credit or interest rate derivatives may be used for hedging and/or exposure purposes.

In the event the rating criteria are no longer met, the manager will promptly adjust the composition of the portfolio in the interest of the shareholders.

The remainder, namely one-third of its assets maximum, may be invested in any other transferable securities, money market instruments, derivatives or cash, 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.

Risk profile

Specific sub-fund risks:

- Counterparty risk
- Derivative risk
- Risks related to efficient portfolio management techniques

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

Investor type profile

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.

Accounting Currency

EUR

Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU0749572268	No	EUR	USD
Classic	DIS	LU0749572425	Annual		
Privilege	CAP	LU0749572938	No		none
Privilege	DIS	LU0749573159	Annual		
I	CAP	LU0749572771	No		USD
I	DIS	LU1554049491			
X	CAP	LU0749580360			none

Fees payable by the sub-Fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	*TAB(1)*
Classic	0.75%	None	None	0.25%	0.05%
Privilege	0.40%				
I	0.30%			0.12%	0.01%
X	None				

(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.

(2) in the event of conversion to a sub-fund with a higher entry cost, the difference may be payable

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website www.bnpparibas-am.com

BNP PARIBAS FLEXI I BOND EURO FOCUS CORPORATE

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 net asset value which is dated that Valuation Day, unless 50% or more of the underlying assets cannot be valued.

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.

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 in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	One day after Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) (1)

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

Historical information:

Sub-fund launched on 1st March 2012.

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.

BNP PARIBAS FLEXI I BOND GOVERNMENT EURO RESTRICTED

Investment objective

To provide to the investors with the highest possible appreciation of capital invested while offering a broad distribution of risks.

Investment policy

This sub-fund invests at least 2/3 of its assets in euro-denominated bonds or other equivalent securities issued or guaranteed by "AAA" rated member states of the European Monetary Union (EMU) and in derivatives financial instruments on this type of asset. In case it is not more possible to diversify in bonds issued or guaranteed by "AAA" rated member states of EMU, the manager may amend the portfolio composition by investing in bonds issued or guaranteed by "AA+" rated member states of EMU (or highest possible credit rating available in the market if AAA/AA+ rated bonds are not sufficiently available). The sub-fund will follow Barclays rating methodology, which is currently using the middle rating of three main rating agencies (S&P, Moody's and Fitch).

The debt securities may be denominated either in euros or in other currencies in which case the currency risk will be hedged.

It may also invest a maximum of 1/3 of its assets in any other transferable securities, money market instruments, derivatives or cash, provided the investments in UCITS or UCI are limited to 5% of the assets. After hedging, the sub-fund's exposure to currencies other than the euro will be nil.

Risk profile

Specific sub-fund risks:

- Counterparty risk
- Derivative risk
- Risks related to efficient portfolio management techniques

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

Investor type profile

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.

Accounting Currency

EUR

Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU0540527073	No	EUR	USD
Classic	DIS	LU0540527230	Annual		
Privilege	CAP	LU0791057838	No		None
Privilege	DIS	LU0791057754	Annual		
I	CAP	LU0538729566	No		USD
X	CAP	LU0538729301	No		

Fees payable by the sub-Fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	*TAB(1)*
Classic	0.60%	None	None	0.25%	0.05%
Privilege	0.30%				
I	0.25%			0.12%	0.01%
X	none			0.20%	

(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.

BNP PARIBAS FLEXI I BOND GOVERNMENT EURO RESTRICTED

(2) in the event of conversion to a sub-fund with a higher entry cost, the difference may be payable

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website 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 net asset value which is dated that Valuation Day, unless 50% or more of the underlying assets cannot be valued.

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.

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 in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	One day after Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) (1)

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

Historical information:

Sub-fund launched on 6th September 2010 in the SICAV FORTIS SOLUTIONS (renamed BNP PARIBAS FLEXI I on 13th September 2010).

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.

BNP PARIBAS FLEXI I CSI 300 INDEX

Investment objective

To replicate the performance of the CSI 300 Price Return(*) index including fluctuations, and to seek to limit the tracking error between the net asset value of the sub-fund and that of the index below 4% under normal market conditions.

Investment policy

For that purpose, the manager of the sub-fund's portfolio will be able to switch between the two index replication methods described below, to ensure optimum management of the sub-fund.

Full replication

The sub-fund will achieve exposure to China A share equities by investing at least 90% of its assets in:

Equities issued by companies included in the index, and/or equity equivalent securities as well as convertible bonds, warrants options, futures, P-notes and ETFs which will provide indirect exposure to the securities included in the index.

The sub-fund may invest up to 10% of its assets in other UCITS or UCIs.

The remainder of the assets may be invested in securities listed on the Shanghai and Shenzhen Stock Exchanges (including Stock Connect), China A shares stock index futures, ETFs listed on stock exchanges, P-notes, China H-Shares, equity equivalent securities other than those referred to in the core policy, money market instruments, cash and cash equivalents including certificates of deposit and short-term deposits.

Optimized replication

The sub-fund will achieve exposure to China A share equities in a representative sample of the underlying index (the model portfolio), and will invest at least 90% of its assets in:

Equities issued by companies included in the index, and/or equity equivalent securities as well as convertible bonds, warrants, options, futures, P-notes and ETFs which will provide indirect exposure to the securities included in the index.

The remainder of the assets may be invested in securities listed on the Shanghai and Shenzhen Stock Exchanges (including Stock Connect), China A shares stock index futures, ETFs listed on stock exchanges, P-Notes, China H-Shares, equity equivalent securities other than those referred to in the core policy, money market instruments, cash and cash equivalents including certificates of deposit and short-term deposits.

The sub-fund may invest up to 10% of its assets in other UCITS or UCI.

Optimized replication will be preferred to full replication whenever the number of components is too high compared to the assets under management, or when the liquidity is not homogeneous across the constituents of the index. While optimization can be a more cost efficient approach than full replication, it may also lead to an increase in tracking error as the sub-fund does not hold all index constituents.

A model portfolio will thus be created, and its closeness to the index will be constantly monitored, as will correlations between components (correlation grids, quant tests).

The sub-fund aims at replicating as closely as possible the performance of its reference index and seeks to limit any tracking error to the Reference Index under normal market conditions below 4% that could exceed under certain market circumstances and on the basis of on some elements detailed below.

Tracking error is calculated as the standard deviation of the difference in the sub-fund and benchmark weekly returns over one year.

Given the specific nature of the sub-fund's exposure to the China A share market, additional factors can impact the sub-fund's tracking error. The main factors are such as:

- Limitations or restrictions on foreign investors ownership of A shares imposed by the People's Republic of China
- Possible stock suspensions
- Trading band limits decided by the stock exchanges regarding A shares. In that case shares that have exceeded the limit would not be available for trading
- Changes in fiscal laws related to the taxation of capital gains and dividends received by RQFII investors
- Discrepancies between the tax rates applied to the sub-fund and to the index on capital gains and dividends
- Limitations of RQFII quota availability, e.g. in the cases where RQFII quota becomes inadequate or is unable to be maintained.
- Potential delay in investing in China A shares due to delay in the remittance of funds into China.

In both full and optimized replication, the sub-fund follows the same rebalancing policy as the index. Index changes are implemented in the portfolio by the investment manager based on the index methodology in order to minimize the deviation between the sub-fund and the index performance.

The costs of rebalancing the portfolio will depend on the index turnover and the transactions costs of trading the underlying securities. Rebalancing costs will impact negatively the sub-fund's performance.

(*) The benchmark is the CSI 300 index published by China Securities Index Co. Ltd. The composition of the index is reviewed on a half yearly basis, on the next trading day after the close of the second Friday in June and December each year. The real time calculation of the index is based on the price data issued by the trading systems of the two exchanges, Shanghai Stock Exchange and Shenzhen Stock Exchange.

Additional information on the Reference Index, its composition, calculation and rules for periodical review and rebalancing and on the general methodology behind the CSI indices can be found on www.csiindex.com.cn.

Risk profile

Specific sub-fund risks:

Specific market risks:

- Counterparty Risk
- Derivatives Risk
- Emerging Market Risk
- Operational & Custody Risk
- Risks related to efficient portfolio management techniques
- Risks related to investments restrictions in some countries
- Tracking Error Risk

Specific risks related to investments in Mainland China

- Risks related to RQFII investments
- Risks related to investments in CNH share categories
- Specific 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.

BNP PARIBAS FLEXI I CSI 300 INDEX

Investor type profile

This sub-fund is suitable for investors who:

- Are looking to add a single country holding to an existing diversified portfolio;
- Are willing to accept higher market risks in order to potentially generate higher long-term returns;
- Can accept significant temporary losses;
- Can tolerate volatility.

Accounting Currency

CNH

Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1163234195	No	CNH	None
Classic EUR		LU1163234278		EUR	
Classic EUR	DIS	LU1163234351	Annual		
Classic USD	CAP	LU1163234435	No	USD	
Privilege EUR		LU1163234518		EUR	
Privilege EUR	DIS	LU1163234609	Annual		
I	CAP	LU1163234781	No	CNH	
I EUR		LU1163234864		EUR	
I EUR	DIS	LU1163234948	Annual		
I USD	CAP	LU1163235085	No	USD	
I USD	DIS	LU1163235168	Annual		
X	CAP	LU1163235242	No	CNH	

Fees payable by the sub-Fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	*TAB*[(1)]
Classic	1.00%	None	None	0.30%	0.05%
Privilege	0.60%			0.20%	
I	0.50%			0.15%	0.01%
X	none				

(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.

(2) in the event of conversion to a sub-fund with a higher entry cost, the difference may be payable

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website www.bnpparibas-am.com

Additional Information:

Valuation Day:

For each day of the week on which banks are open for business in Luxembourg, New York and Hong Kong (a "Valuation Day"), there is a corresponding net asset value which is dated the same day unless the Hong Kong and/or Shenzhen and/or Shanghai Stock Exchanges (Mainland China) are 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.

BNP PARIBAS FLEXI I CSI 300 INDEX

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 in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
14:00 CET for STP orders, 12:00 CET for non STP orders one bank business day before the Valuation Day (D-1).	Valuation Day (D)	Valuation Day (D)	*Subscription orders in amount only* On the Valuation Day (D) (1) *Redemption orders:* Maximum two bank business days after the Valuation Day (D+2) (1)

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

Historical information:

Sub-fund launched on 15th June 2015.

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.

BNP PARIBAS FLEXI I EQUITY WORLD PURE LOW VOLATILITY

Investment objective

To increase the value of its assets over the medium term.

The sub-fund is managed to maximise absolute return whilst having a volatility lower than the volatility of the MSCI World.

Investment policy

This sub-fund invests at least 2/3 of its assets in shares or other similar securities of companies in any country. The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, money market instruments, derivatives or cash, provided that the investments in debt securities of any kind do not exceed 15% of its assets and the investments in other UCITS or UCI do not exceed 10%.

The sub-fund's exposure to currencies is not hedged. The sub-fund's strategy will focus on reducing risk by selecting low volatility securities. The manager will follow a risk-optimisation process when constructing the portfolio without any limitation on its tracking error. This sub-fund may invest in financial derivative instruments on the abovementioned types of assets for hedging purposes only, within the limits defined in Appendix 2 of Book I of the Prospectus.

Risk profile

Specific sub-fund risks:

- Emerging markets risk
- Operational & custody risk
- Risks related to Investments restrictions in some countries
- Risks related to efficient portfolio management techniques

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

Investor type profile

This sub-fund is suitable for investors who:

- Are looking for a diversification of their investments in equities;
- Are willing to accept higher market risks in order to potentially generate higher long-term returns;
- Can accept significant temporary losses;
- Can tolerate volatility.

Accounting Currency

EUR

Share Categories

<table>
<tr><th>Category</th><th>Class</th><th>ISIN code</th><th>Dividend</th><th>Reference Currency</th><th>Other Valuation Currencies</th></tr>
<tr><td>Classic</td><td>CAP</td><td>LU0878750594</td><td>No</td><td rowspan="2">EUR</td><td rowspan="6">None</td></tr>
<tr><td>Classic</td><td>DIS</td><td>LU0878750677</td><td>Annual</td></tr>
<tr><td>Classic H NOK</td><td>CAP</td><td>LU1646825874</td><td>No</td><td>NOK</td></tr>
<tr><td>N</td><td rowspan="2">CAP</td><td>LU0878751055</td><td>No</td><td rowspan="4">EUR</td></tr>
<tr><td>Privilege</td><td>LU0878751139</td><td>No</td></tr>
<tr><td>Privilege</td><td>DIS</td><td>LU0878751212</td><td>Annual</td></tr>
<tr><td>I</td><td rowspan="4">CAP</td><td>LU0878750750</td><td rowspan="4">No</td><td>JPY, GBP</td></tr>
<tr><td>I NOK</td><td>LU1646825957</td><td>NOK</td><td rowspan="3">None</td></tr>
<tr><td>I USD</td><td>LU0878750834</td><td>USD</td></tr>
<tr><td>X</td><td>LU0878750917</td><td>EUR</td></tr>
</table>

BNP PARIBAS FLEXI I EQUITY WORLD PURE LOW VOLATILITY

Fees payable by the sub-Fund

<table>
<tr><th>Category</th><th>Management (max)</th><th>Performance (max)</th><th>Distribution (max)</th><th>Other (max)</th><th>TAB(1)</th></tr>
<tr><td>Classic</td><td rowspan="2">1.50%</td><td rowspan="5">None</td><td>None</td><td rowspan="3">0.40%</td><td rowspan="3">0.05%</td></tr>
<tr><td>N</td><td>0.75%</td></tr>
<tr><td>Privilege</td><td>0.80%</td><td rowspan="3">None</td></tr>
<tr><td>I</td><td>0.75%</td><td>0.20%</td><td rowspan="2">0.01%</td></tr>
<tr><td>X</td><td>None</td><td>0.35%</td></tr>
</table>

(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.

(2) in the event of conversion to a sub-fund with a higher entry cost, the difference may be payable

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website 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 net asset value which is dated that Valuation Day, unless 50% or more of the underlying assets cannot be valued.

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.

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 in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	One day after Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) (1)

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

Historical information:

Sub-fund launched on 1st March 2013.

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.

BNP PARIBAS FLEXI I EQUITY USA MID CAP GROWTH

Investment objective

To increase the value of its assets over the medium term.

Investment policy

At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities (such as preferred shares, ETFs…) issued by companies having market capitalisation below the highest market capitalisation and/or above the lowest market capitalisation (observed at the beginning of each financial year) of the Russell Mid Cap index and that have their registered office or conduct a significant proportion of their business in the United States of America.

The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments (such as index futures) and/or cash, provided that investments in debt securities of any kind do not exceed 15% of its assets, and up to 10% of its assets may be invested in UCITS or UCI.

Risk profile

Specific sub-fund risks:

- Risks related to efficient portfolio management techniques
- Small Caps, specialised, restricted sectors risks

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

Investor type profile

This sub-fund is suitable for investors who:

- Are looking to add a single country holding to an existing diversified portfolio;
- Are willing to accept higher market risks in order to potentially generate higher long-term returns;
- Can accept significant temporary losses;
- Can tolerate volatility.

Accounting currency

USD

Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1479561935	No	USD	None
Classic	DIS	LU1479562073	Annual		
N	CAP	LU1479562156	No		
Privilege		LU1479562230	No		
Privilege	DIS	LU1479562313	Annual		
I	CAP	LU1479562404	No		
X		LU1479562586			

Fees payable by the sub-fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	*TAB*[(1)]
Classic	1.75%	None	None	0.40%	0.05%
N			0.75%		
Privilege	0.90%		None		
I	0.85%			0.20%	0.01%
X	None			0.35%	

(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.

(2) in the event of conversion to a sub-fund with a higher entry cost, the difference may be payable

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website www.bnpparibas-am.com

BNP PARIBAS FLEXI I EQUITY USA MID CAP GROWTH

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 net asset value which is dated that Valuation Day, unless 50% or more of the underlying assets cannot be valued.

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.

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 in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	One day after Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) (1)

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

Historical information:

Sub-fund not launched yet at the date of the current 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.

BNP PARIBAS FLEXI I EQUITY WORLD CLEANER VALUE

Investment objective

Increase the value of its assets over the medium term.

Investment policy

This sub-fund invests at least 2/3 of its assets in equity or equity equivalent securities (such as American Depositary Receipts) of companies in any country that respect sustainable development criteria covering social responsibility and/or environmental responsibility and/or corporate governance. The sub-fund will also follow a “Best in class” process for carbon management, which will favour companies with carbon emissions lower than their peers.

The portfolio is built based on a systematic approach, combining several equity factor criterions such as value, quality, low-volatility and momentum. The value factor will have the largest weighting in the selection process.

The remaining portion, namely a maximum of 1/3 of its assets, may be invested in investment grade debt securities, money market instruments, financial derivative instruments such as but not limited to futures on equity indices (e.g : S&P 500, Topix and Euro Stoxx 50) or cash, provided that investments in debt securities of any kind do not exceed 15% of its assets, and up to 10% of its assets may be invested in other UCITS or UCI.

Risk profile

Specific sub-fund risks:

- Commodity Market risk
- Emerging markets risks
- Operational & Custody risk
- Risks related to efficient portfolio management techniques
- Risks related to investment restrictions in some countries
- Small caps, specialised, restricted sectors risks

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

Investor type profile

This sub-fund is suitable for investors who:

- Are looking for a diversification of their investments in equities;
- Are willing to accept higher market risks in order to potentially generate higher long-term returns;
- Can accept significant temporary losses;
- Can tolerate volatility.

Accounting currency

GBP

BNP PARIBAS FLEXI I EQUITY WORLD CLEANER VALUE

Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic EUR	CAP	LU1553324762	No	GBP	EUR
I EUR		LU1553324846			
I Plus		LU1553324929			
Privilege EUR		LU1553325066			EUR
X		LU1553325140			

Fees payable by the sub-fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	*TAB*[(1)]
Classic EUR	1.50%	None	None	0.40%	0.05%
I EUR	0.65%			0.20%	0.01%
I Plus	0.10%			0.15%	
Privilege EUR	0.75%			0.40%	0.05%
X	None			0.35%	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.

(2) in the event of conversion to a sub-fund with a higher entry cost, the difference may be payable

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website 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 net asset value which is dated that Valuation Day, unless 50% or more of the underlying assets cannot be valued.

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.

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 in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	One day after Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) [(1)]

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

Historical information:

Sub-fund not launched yet at the date of the current 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.

BNP PARIBAS FLEXI I US MORTGAGE

Investment objective

The investment objective of the Sub-Fund is to attain as high a level of total return as may be consistent with the preservation of capital.

Investment policy

The Sub-Fund invests at least 70% of its assets in agency mortgage-backed securities. Such investments shall be listed or traded on Regulated Markets worldwide. The Sub-Fund shall maintain an average U.S. dollar-weighted duration (interest rate sensitivity) within one year plus or minus of the average U.S. dollar-weighted duration of the Barclays Mortgage-Backed Securities Index (formerly, the Lehman Brothers Mortgage-Backed Securities Index, a market value-weighted index which covers the mortgage-backed securities component of the Barclays U.S. Aggregate Bond Index The index is composed of agency mortgage-backed pass-through securities of the Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac) with a minimum $150 million par amount outstanding and a weighted-average maturity of at least 1 year. The index includes reinvestment of income). Although it may do so, the Sub-Fund is not obliged to invest in the components of the Barclays Mortgage-Backed Securities Index. There can be no assurance that the investment objective of the Sub-Fund will be achieved.

The remaining portion, namely a maximum of 30% of its assets, may be invested in non-agency RMBS, commercial mortgage-backed securities, asset-backed securities (including consumer receivables – for example auto loans, credit cards, student loans – and commercial receivables – for example dealer floor plans, equipment leases, sea containers, cell towers), other mortgage-related securities (i.e. securities backed by a loan, lease or receivable against assets), transferable securities, money market instruments, financial derivative instruments (including TRS) or cash, and up to 10% of its assets may be invested in other UCITS or UCI.

The Investment Manager seeks to exploit relative-value opportunities within the market using both bottom-up and top-down analysis. Security selection and the analysis of factors that drive prepayment differentials are key to the Investment Manager's style. The Investment Manager seeks to exploit the following market inefficiencies: (i) prepayments - prepayment models are based on historical data and can often miss key turning points in borrower behaviour and the characteristics which drive prepayment differentials; (ii) structural: investor preferences for securities that are priced close to par can lead to deviations from market rationality; (iii) liquidity: investor preferences for horizon holding periods and marketability can lead to pricing anomalies; (iv) volatility: investor risk aversion can lead to risk premiums that may be unwarranted; and (v) complexity: investors may avoid securities because of their complexity and the difficulty of measuring risk leads to opportunities for more sophisticated investors.

The total return sought by the Sub-Fund will consist of current income, capital appreciation, or a combination of capital appreciation and current income, depending on whether the Investment Manager believes that current and anticipated levels of interest rates, exchange rates and other factors affecting investments generally (including for example, the likelihood of prepayments) favour emphasising one element or another in seeking maximum total return.

The Sub-Fund will invest only in debt securities that are rated at least BBB by S&P or Fitch, Baa by Moody's or, in the case of bank obligations (such as certificates of deposit, time deposits and bankers' acceptances), B by Thomson Bankwatch, or determined by the Investment Manager to be of similar creditworthiness. When a MBS holding is down-graded to lower than B3 (rated by Moody's) or B- (rated by S&P), such asset will be sold within 6 months. In case of split rating between 2 agencies, the lower rating should be applicable. In case of split rating between 3 agencies, the middle rating should be applicable.

Subject to the requirement that the Sub-Fund maintain an average U.S. dollar-weighted duration within one year plus or minus of the average U.S. dollar-weighted duration of the Barclays Mortgage-Backed Securities Index, the Sub-Fund seeks to achieve its investment objective by investing in debt securities of varying durations. Because most mortgage-backed securities allow the borrower to prepay part or all of their outstanding loan balance at any time, the timing or exact amount of cash flows that will be paid during the life of a security are not always known. As a result, interest rate risk for mortgage-backed securities is calculated using "effective duration", which incorporates expected changes in cash flows under varying interest rate scenarios. Because the exact amount of prepayments is not known in advance, effective durations are calculated using tools which model patterns of consumer prepayment behaviour, and may not always be accurate predictors of price changes. Therefore, actual effective durations as a result of interest rate changes in the future may vary from effective durations measured for the Sub-Fund at any given time.

Investment techniques and financial derivative instruments may be used for efficient portfolio management and/or investment purposes within the limits set forth in Appendix 2. The Sub-Fund shall hold only long positions through the use of financial derivative instruments. Futures contracts may be used to hedge against market risk or gain exposure to an underlying market. Options may be used to hedge or achieve exposure to a particular market instead of using a physical security. Forward contracts may be used to hedge or gain exposure to an increase in the value of an asset or currency. Swaps (including swaptions) may be used to achieve profit as well as to hedge existing long positions. Interest rate swaps may be used to increase or reduce exposure to interest rates. Dollar roll transactions, To-Be Announced Transactions and When-Issued Securities may be used to enter into or maintain exposure to a given market, such as mortgages and bonds, which may have delayed settlement. The Sub-Fund may be leveraged up to 100% of its Net Asset Value as a result of its use of financial derivative instruments. The Sub-Fund uses the commitment approach to measure its global exposure.

Normally, the Sub-Fund will invest substantially all of its assets to meet its investment objective. To the extent that the Sub-Fund's assets are not fully invested in accordance with the objectives set out above, the Sub-Fund may invest the remainder of its assets in debt securities with maturities of less than one year, money market instruments, cash equivalents (such as government securities, discount notes, certificates of deposit, bankers acceptances, commercial paper and treasury bills of

investment grade and non-investment grade and which are listed or traded on Regulated Markets worldwide) or may hold cash. The percentage of the Sub-Fund invested in such holdings will vary and depend on several factors, including market conditions. For temporary defensive purposes, including during periods of high cash inflows, the Sub-Fund may depart from its principal investment strategies and invest part or all of its assets in these securities or may hold cash. During such periods, the Sub-Fund may not achieve its investment objective.

Risk profile

Specific sub-fund risks:

- Counterparty risk
- Derivatives risk
- More detailed risk warnings about structured debts
- Risks related to efficient portfolio management techniques
- Risk linked to Structured Debt/Securitised Products

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

Investor type profile

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.

Accounting Currency

USD

Share Categories

Category	Class	ISIN code	Dividend	Reference Currency	Other Valuation Currencies
Classic	CAP	LU1080341065	No	USD	None
Classic	DIS	LU1080341149	Annual		
Classic H CHF	CAP	LU1080341222	No	CHF	
Classic H EUR		LU1080341495		EUR	
Classic H SGD		LU1433065692		SGD	
Classic HKD		LU1433065429		HKD	
Classic H AUD		LU1433065775		AUD	
Privilege		LU1080341578		USD	
Classic H SGD MD	DIS	LU1433065932	Monthly	SGD	
Classic HKD MD		LU1433065858		HKD	
Classic H CNH MD		LU1433066070		CNH	
Classic MD		LU1416548292		USD	
Classic H AUD MD		LU1416548375		AUD	
Privilege		LU1080341651	Annual	USD	
Privilege H CHF	CAP	LU1080341735	No	CHF	
Privilege H EUR		LU1553325223		EUR	
Privilege H EUR Plus		LU1080341818		EUR	
Privilege H GBP		LU1268551170		GBP	
I		LU1080341909		USD	
I H EUR		LU1268551253		EUR	
I H GBP		LU1268551337		GBP	
IH CHF	DIS	LU1416548458	Annual	CHF	
IH EUR		LU1416548532		EUR	
IH GBP		LU1416548615		GBP	
I		LU1080342030		USD	
I QD		LU1479562669	Quarterly		
X	CAP	LU1080342113	No		

BNP PARIBAS FLEXI I US MORTGAGE

Fees payable by the sub-fund

Category	Management (max)	Performance (max)	Distribution (max)	Other (max)	*TAB*[1]
Classic	0.90%	None	None	0.30%	0.05%
Privilege	0.45%				
Privilege Plus	0.35%			0.30%	0.05%
I	0.30%			0.17%	0.01%
X	none				

(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.

(2) in the event of conversion to a sub-fund with a higher entry cost, the difference may be payable

For each active share, a KIID is available which mentions, among others, the launch date, the reference currency and the historical performance. The KIIDs are available on the website 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 net asset value which is dated that Valuation Day, unless 50% or more of the underlying assets cannot be valued.

It is available at the Company's registered office, from local agents, and in any newspapers designated by the Board of Directors and the web site 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 in Luxembourg, and the time mentioned is Luxembourg time.

Centralisation of orders	Orders Trade Date	NAV calculation and publication date	Orders Settlement Date
16:00 CET for STP orders, 12:00 CET for non STP orders on the Valuation Day (D).	Valuation Day (D)	One day after Valuation Day (D+1)	Maximum three bank business days after the Valuation Day (D+3) (1)

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

Historical information:

Sub-fund launched on 25 September 2015 by transfer of the same Irish sub-fund launched on 31 October 2006.

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.