BNP Paribas Funds

Luxembourg SICAV – UCITS category
Registered office: 10 rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register n° B 33363
VAT number LU22943885
(the “**Company**”)

Notice to shareholders of “BNP Paribas Funds Latin America Equity” and “BNP Paribas Funds Brazil” – Merger

Luxembourg, 9 April 2024,

Dear Shareholders,

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

BNP Paribas Funds Merging Sub-fund	***BNP Paribas Funds Receiving Sub-fund***	***Effective Date of Merger****	***Last Order Date****	***First NAV Valuation Date****	***First NAV Calculation Date****
Latin America Equity	Brazil Equity	**7 June 2024**	31 May 2024	7 June 2024	10 June 2024

* Dates:

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

The share categories will be merged as follows:

ISIN code	***BNP Paribas Funds Merging Sub-fund***	***Share category***	***Reference Currency***	***BNP Paribas Funds Receiving Sub-fund***	***Share category***	***Reference Currency***	***ISIN code***
LU0075933415	Latin America Equity	Classic – CAP	USD	Brazil Equity	Classic – CAP	USD	LU0265266980
LU0283417250		Classic EUR – CAP	EUR		Classic EUR – CAP	EUR	LU0281906387

1) *Background & Rationale to the Merger*

Over the last years, performances of the Merging Sub-fund have been disappointing and the Merging Sub-fund has faced important outflows.

The Merger aims to offer to the Merging Shareholders an alternative solution through a merger into the Receiving Sub-fund which provide full exposure to the dominant economy and equity financial market in the region.

Warning:

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

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

Please note the following impacts of the Merger

- ✓ The shareholders of the Merging Sub-fund, who do not make use of their shares redemption right explained below on item 7), will become shareholders of the Receiving Sub-fund.
- ✓ The Merging Sub-fund will be dissolved without liquidation by transferring all of its assets and liabilities into the Receiving Sub-fund.
- ✓ The Merging Sub-fund will cease to exist at the effective date of the Merger.
- ✓ The Merger will be done in kind. The investment universe of the Merging Sub-fund being broader than the one of the Receiving Sub-fund, the portfolio of the Merging Sub-fund will be rebalanced within 5 business days prior to the Merger and securities and cash, if any, will be transferred into the Receiving Sub-fund.
- ✓ As in any merger, the operation might involve a risk of performance dilution for the Merging shareholders.
- ✓ First orders of the Merging shareholders will be accepted in the Receiving Sub-fund on 7 June 2024 after 12:00 CET for non-STP orders and 16:00 CET for STP orders and will be processed on the NAV dated 10 June 2024 calculated on 11 June 2024, provided that the new positions have been taken into account by their financial intermediary.
- ✓ The level of the management costs and other administrative and operating costs (the “OOC”) of all share categories of the Receiving Sub-fund and of the Merging Sub-fund are the same.

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

Please note the following points:

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

4) *Organisation of the exchange of shares*

- ✓ Shareholders of the Merging Sub-fund will receive, in the Receiving Sub-fund, a number of new shares calculated by multiplying the number of shares they held in the relevant share category of the Merging Sub-fund by the exchange ratio.
- ✓ The exchange ratios will be calculated on Friday 7 June 2024 by dividing the NAV per share of the share categories of the Merging Sub-fund by the NAV per share of the corresponding share category of the Receiving Sub-fund, based on the valuation of the underlying assets set on Thursday 6 June 2024.
- ✓ The criteria adopted for the valuation of the assets and, where applicable, the liabilities for the calculation of the exchange ratio will be the same as those described in the chapter “Net Asset Value” of the Book I of the prospectus of the Company.
- ✓ No balancing cash adjustment will be paid for the fraction of the share in the Receiving Sub-fund attributed beyond the third decimal.

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

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

Features	Latin America Equity Merging Sub-fund	Brazil Equity Receiving Sub-fund
Investment objective	Increase the value of its assets over the medium term by investing primarily in Latin American equities.	Increase the value of its assets over the medium term by investing primarily in **Brazilian** equities.
Investment policy	This sub-fund aims to invest its assets in Latin American equities and/or equity equivalent securities, and at all times it will be invested at least for 75% of them in equities and/or equity equivalent securities issued by companies that have their registered office or conduct a significant proportion of their business in Latin America (all American countries except the USA and Canada) and by selecting the best market opportunities among the most representative values in this market. On ancillary bases, the sub-fund may invest a maximum of 25% of its assets in any other transferable securities, money market instruments, and also, within a limit of 10% of the assets, in UCITS or UCIs. The sub-fund is actively managed with the index « MSCI EM Latin America 10/40 (NR) » as benchmark*. Due to the active approach of the Investment Manager, the performance objective of the sub-fund is to outperform the benchmark. * with “MSCI Limited” as Benchmark Index administrator. Since 1 January 2021, “MSCI Limited” is considered as a “third country” UK administrator vis-à-vis the European Union and no longer appears on the Benchmark Register. The non-EU benchmarks are permitted to be used in the EU until the Regulation 2016/1011’s transition period which has been extended to 31 December 2025. During this time “MSCI Limited” can either be granted the UK “equivalence” by the European Union or “endorsement” or “recognition” as per Regulation 2016/1011. The investment philosophy is based in a long-term bottom-up approach taking into consideration the financial structure of companies with superior earnings growth and sound profitability, quality of the management, sustainable growth and others. The selection approach is based on an assessment of critical factors such as valuation multiples, earnings growth and cash flow generation. Alongside, a top down overlay approach is used to identify companies operating in sectors/countries with strong long term macroeconomic fundamentals. Opportunities are sought everywhere in the Latin America investment universe, whether inside or outside of the index, with no particular constraints other than liquidity. Nevertheless, when certain market’s circumstances justify it in order to preserve the overall liquidity of the sub-fund, the Investment Manager will focus on the most tradable equities, the composition of the portfolio could get closer to that of the benchmark. Such circumstances are related to emerging markets inefficiencies, such as liquidity issues and severe FX devaluations during global instabilities, irrational speculative attacks towards emerging markets, and electoral periods in which prices are chiefly driven by political news-flow rather than fundamentals. The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.	At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by companies that have their registered office or conduct a significant proportion of their business in **Brazil**. The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities, money market instruments, **and also, within a limit of 15% of the assets, in debt securities of any kind** and, within a limit of 10% of the assets, in UCITS or UCIs. The sub-fund may hold ancillary liquid assets within the limits and conditions described in Book I, Appendix 1 – Eligible Assets, point 7.
Reference currency	USD	USD
Sustainable Investment Policy	The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT’s Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, as set out in Book I.	The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT’s Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investment process of the sub-fund, as set out in Book I.

	The sub-fund respects the Minimum Extra-Financial Analysis coverage rate, as set out in Book I. The average portfolio ESG score of the sub-fund is higher than the one of its investment universe.	The sub-fund respects the Minimum Extra-Financial Analysis coverage rate, as set out in Book I. The average portfolio ESG score of the sub-fund is higher than the one of its investment universe.
SFDR* classification	Article 8	Article 8
Minimum portion of sustainable investments in the meaning of SFDR	31%	**23%**
Derivatives and Securities Financing Transactions	Core financial derivative instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.	Core financial derivative instruments may be used for efficient portfolio management and hedging as described in points 2 and 3 of Appendix 2 of Book I.
Risk Management Process	Commitment	Commitment
Risk Indicator	5	**6**
Specific Risk Profile	Specific market risks: • Concentration Risk • Emerging Markets Risk • Extra-Financial Criteria Investment Risk • Equity Risk • Risks related to investments in some countries For an overview of generic risks, please refer to the Appendix 3 of Book I of the Prospectus.	Specific market risks: • Concentration Risk • Emerging Markets Risk • Extra-Financial Criteria Investment Risk • Equity Risk • Risks related to investments in some countries 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; ✓ Have an investment horizon of 6 years.	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; ✓ Have an investment horizon of 6 years.
Summary of differences for: • **Investment Policies** • **Investment Strategy** • **Asset Allocation**	Both sub-funds invest in equities following a similar investment strategy and philosophy. However, the investment universe of the Merging Sub-fund is broader than the one of the Receiving Sub-fund as the Merging sub-fund may invest in equities issued by companies located in the Latin American region while the Receiving Sub-fund may only invest in equities issued by companies located in Brazil.	
OOC: • "Classic"	• 2.23%	• 2.23%
Performance fee	Not applicable	Not applicable
NAV Cycle • Centralisation of Orders • Valuation Day • NAV Calculation • Orders Settlement Date	• D • D • D+1 • D+3	• D • D • D+1 • D+3
Valuation Day	For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day, except if 50% or more of the assets of the sub-fund are listed on closed Stock Exchange.	For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day, **except if the Sao Paulo stock exchange is closed**.

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

6) *Tax Consequences*

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

7) *Right to redeem the shares*

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

8) *Other information*

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

Best regards,

The Board of Directors