BNP Paribas Funds

SICAV under Luxembourg law – UCITS class
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 33.363

MERGER:
NOTICE TO THE SHAREHOLDERS OF THE "GLOBAL REAL ESTATE SECURITIES" SUB-FUND

Dear Shareholders,

We hereby inform you that the Board of Directors of BNP Paribas Funds (the Company) decides, in accordance with the provisions of Article 34 of the Articles of Association of the Company and the Chapter 8 of the Luxembourg Law of 17 December 2010 concerning UCI (the Law), to merge the Merging Sub-fund into the Receiving Sub-fund in accordance with Article 1, point 20), a) of the Law.

ISIN code	*BNP Paribas Funds Merging Sub-fund*	*Share*	*Reference Currency*	*BNP Paribas Funds Receiving Sub-fund*	*Share*	*Reference Currency*	*ISIN code*
LU0823444111	Global Real Estate Securities	Classic Capitalisation (1)	EUR	Europe Real Estate Securities	Classic Capitalisation	EUR	LU0283511359
LU0823444111		Classic Capitalisation (1) Valued in NOK	EUR		Classic Capitalisation Valued in NOK	EUR	LU0283511359
LU0823444467		Classic Distribution (2)	EUR		Classic Distribution	EUR	LU0283511433
LU0823444624		N Capitalisation	EUR		N Capitalisation	EUR	LU0283434859
LU0823444897		Privilege Capitalisation	EUR		Privilege Capitalisation	EUR	LU0283407293
LU0823445191		X Capitalisation	EUR		X Capitalisation	EUR	LU0283039807

(1) Please note that, due to the applicable exchange ratio calculated as described on below point 4), Merging shareholders who hold less than 6 shares in the Merging class will lose, in the Receiving Sub-fund, the voting's right they have in the Merging sub-fund as they will receive less than one new share.

(2) Please note that, due to the applicable exchange ratio calculated as described on below point 4), Merging shareholders who hold less than 5 shares in the Merging class will lose, in the Receiving Sub-fund, the voting's right they have in the Merging sub-fund as they will receive less than one new share.

1) Effective date of the Merger

The Merger will be effective on Friday October 15, 2021.

The first NAV into the Receiving sub-fund and classes will be calculated on Monday October 18, 2021, based on the valuation of the underlying assets set on Friday October 15, 2021.

2) Background to and rationale for the Merger

✓ As a consequence of a reorganisation impacting its global listed real estate investment team, the Management Company has decided to propose the merger of the "Global Real Estate Securities" sub-fund into the "Europe Real Estate Securities" sub-fund which, except the geographical coverage, has the same features (actively-managed, providing exposure to the listed real estate securities market) and fee structure.

3) Impact of the Merger on Merging Shareholders

✓ The last subscription, conversion and redemption orders in the Merging Sub-fund will be accepted until the cut-off time on Friday October 8, 2021.

Orders received after this cut-off time will be rejected.

✓ The shareholders of the Merging Sub-fund, who do not make use of their shares redemption right explained below on point 8), will become shareholders of the Receiving Sub-fund.

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- ✓ 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 assets of the Merging sub-fund which are not compliant with the investment policy of the Receiving sub-fund (around 80% of the portfolio) will be sold before the Merger. Such a rebalancing will occur several days (in principle five business days) before the Merger depending on the market conditions and in the best interest of the shareholders. The transaction costs associated with this rebalancing will be borne by the Management Company.
- ✓ As in any merger, the operation might involve a risk of performance dilution for the Merging shareholders, especially as consequence of the differences of targeted assets (explained below under point 6) and of the portfolio rebalancing (as explained above).

4) Impact of the Merger on Receiving Sub-fund

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

5) Organisation of the exchange of shares

The Merging shareholders will receive, in the Receiving Sub-fund, a number of new shares calculated by multiplying the number of shares they held in the Merging classes by the exchange ratio.

The exchange ratios will be calculated on Friday October 15, 2021 by dividing the net asset value (NAV) per share of the Merging classes by the NAV per share of the corresponding Receiving classes, based on the valuation of the underlying assets set on Thursday October 14, 2021.

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 Companies.

Registered Shareholders will receive registered shares.

Bearer Shareholders will receive bearer shares.

No balancing cash adjustment will be paid for the fraction of the Receiving share attributed beyond the third decimal.

6) Material differences between Merging and Receiving Sub-funds

The differences between the Merging and Receiving **Companies** are the following:

features	**Global Real Estate Securities** **Merging Sub-fund**	**Europe Real Estate Securities** **Receiving Sub-fund**
Investment objective	Increase the value of its assets over the medium term by investing in real estate companies.	Increase the value of its assets over the medium term by investing in European real estate companies.

Investment Policy	This sub-fund invests at least 2/3 of its assets either in transferable securities or in shares and other securities (including P-Notes) issued by real estate companies or companies operating in the real estate sector and in any other financial instruments representing real estate. The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, money market instruments, 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 UCIs. The sub-fund does not directly own any real estate properties.	This sub-fund invests at least 2/3 of its assets either in transferable securities or in shares and other securities of real estate companies or companies specialised in the real estate sector, and in any financial instruments representing real estate assets. The issuers have their registered offices or conduct the majority of their business activities in Europe. The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other transferable securities, money market instruments, 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 UCIs. The sub-fund does not directly own any real estate properties.
Sustainable Investment approach	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, falling under the Sustainable Plus/Enhanced ESG category, as set out in Book I. The sub-fund invests at last 90% of its assets in securities issued by companies that have an ESG score and carbon footprint assessed using an internal proprietary methodology, as set out in Book I. The internal ESG scoring methodology, as set out in Book I, places a strong emphasis on the Environmental pillar (at least 45% of total weight), with a critical focus on Climate Change metrics, in particular companies' physical climate risk management, share of green buildings and green buildings investments. The average portfolio ESG score of the sub-fund is higher than the one of its investment universe.	The 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, falling under the Sustainable Plus/Enhanced ESG category, as set out in Book I. The sub-fund invests at last 90% of its assets in securities issued by companies that have an ESG score and carbon footprint assessed using an internal proprietary methodology, as set out in Book I. The internal ESG scoring methodology, as set out in Book I, places a strong emphasis on the Environmental pillar (at least 45% of total weight), with a critical focus on Climate Change metrics, in particular companies' physical climate risk management, share of green buildings and green buildings investments. The average portfolio ESG score of the sub-fund is higher than the one of its investment universe.
SFDR* Categorisation	Article 8	Article 8
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 profile	Specific market risks: • Operational and Custody Risk • Environmental, Social and Governance (ESG) Investment Risk • Equity Risk • Real Estate Related Exposure Risks	Specific sub-fund risks: • Operational and Custody Risk • Environmental, Social and Governance (ESG) Investment Risk • Equity Risk • Real Estate Related Exposure Risks

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Investor type profile	This sub-fund is suitable for investors who: • Are looking for a diversification of their investments in real estate products; • Are willing to accept higher market risks in order to potentially generate higher long-term returns; • Can accept significant temporary losses; • Can tolerate volatility.	This sub-fund is suitable for investors who: • Are looking for a diversification of their investments in real estate products; • Are willing to accept higher market risks in order to potentially generate higher long-term returns; • Can accept significant temporary losses; • Can tolerate volatility.
Summary of differences for: • Investment policies • Investment Strategy • Asset Allocation	Merging and Receiving sub-funds have the same features excepted their geographical coverage: The Merging Sub-fund invests only around 20% of its assets in Europe, the targeted market of the receiving sub-fund.	
OCR based on the latest KIIDs published: • "Classic" • "N" • "Privilege" • "X"	• 1.97% • 2.72% • 1.07% • 0.36%	• 1.97% • 2.72% • 1.05% • 0.24%

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

Risk management process (Commitment Approach), SRRI (6), Accounting Currency (EUR), and NAV cycle are the same in both Merging and Receiving sub-funds.

7) Tax Consequences

This merger will have no Luxembourg tax impact for Merging shareholders.
In accordance with the European Directive 2011/16 the Luxembourg authorities will report to the tax authorities in the country of residence of the Merging shareholders 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 this merger, it is recommended that shareholders contact their local tax advisor or authority.

8) Right to redeem the shares

Your options:

- ✓ If you are **comfortable** with this Merger, you **do not need** to take any action,
- ✓ Should you **not approve** this Merger, you have the possibility to request the redemption of your shares free of charge until the cut-off time, on Friday October 8, 2021.
- ✓ In case of **any question**, please contact our **Client Service (+ 352 26 46 31 21 / AMLU.ClientService@bnpparibas.com).**

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.

9) Other information

The costs and expenses of the Merger (including banking and transaction related costs (including e.g. taxes and stamp duties) will be borne by BNP PARIBAS ASSET MANAGEMENT Luxembourg, the Management Company.
The merging operations will be validated by PricewaterhouseCoopers, Société Coopérative, the auditor of the Receiving 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 Companies, as well as the KIIDs of the Merging and Receiving Sub-funds, and the Custodian and the Auditor reports regarding this operation are available at the Management Company. The KIIDs of the Receiving Sub-fund are also available on the website www.bnpparibas-am.com where shareholders are invited to acquaint with them.
The notice will also be communicated to any potential investor before confirmation of subscription.
Please refer to the Prospectuses of the Companies for any term or expression not defined in this notice.

Luxembourg, September 7, 2021