



PRODUCT KEY FACTS

BNP Paribas Funds USD Short Duration Bond March 2024

- ***This statement provides you with key information about this product.***
- ***This statement is a part of the offering document and should be read in conjunction with the Prospectus, Hong Kong Covering Document and Information for Hong Kong Investors.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Management Company:	BNP PARIBAS ASSET MANAGEMENT Luxembourg		
Fund Manager:	Internal and/or external delegation to one or more portfolio managers as described in the "General Information" section of the Prospectus and the "Management and Sub-Delegation" section of the Hong Kong Covering Document and Information for Hong Kong Investors		
Custodian:	BNP Paribas, Luxembourg Branch		
Ongoing charges over a year#:	Classic		0.83%
	Privilege - Capitalization		0.53%
Base currency:	USD	Dealing frequency:	Daily
Financial year end of this sub-fund:	31 December	Dividend policy:	Capitalisation shares – No dividend distribution (income, if any, will be reinvested)
			Distribution shares - Dividend, if declared, will be paid Distributions may be paid out of capital which may result in an immediate reduction of the sub-fund's net asset value per share
		Min. investment:	None
		Min. holding:	"Privilege" categories – EUR 3 million or or equivalent

The ongoing charges figure is calculated based on expenses for the year ended at 31 December 2023. This figure may vary from year to year. The ongoing charge is calculated by adding all direct fees, indirect fees and external fees of the sub-fund and then divided by the average net assets. Direct fees refer to charges and payment directly borne by the sub-fund such as operating costs, remuneration and payment to key operators and service providers. Indirect fees refer to the ongoing charges of the underlying funds which the sub-fund invests. External fees refer to any remuneration of the management company or other party that derives from fee-sharing arrangement.

What is this product?

This sub-fund is a fund constituted in the form of a mutual fund. It is incorporated under Luxembourg law and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

Objective and Investment Strategy

Objective

To increase the value of its assets over the medium term by investing primarily in USD denominated bonds while controlling the duration.

Strategy

The sub-fund invests at least 2/3 of its assets in USD denominated debt securities such as US treasury debt securities or notes, sovereign government bonds, supranationals bills & notes (defined as securities issued by international organisations, whereby member states transcend national boundaries), Mortgage Backed Securities (both agency and non-agency), corporate bonds including high yield corporate bonds, Asset Backed Securities and other structured debt, money market instruments and deposits.

With regards to investments in structured debt the following ratios apply:

- 0-30% US Agency MBS
- 0-10% investment Grade CMBS
- 0-10% investment Grade ABS issued by corporate entities and denominated in USD
- No ABS Home Equity Loans, HELOC, CDOs nor CLOs is allowed
- Exposure to structured debt will not exceed 30% of the assets with a combined limit of 10% for both ABS and CMBS.

Structured Debts means Financial package (off-balance sheet) which consists of issuing securities backed to a basket of assets (receivables, inventories, buildings, consumer loans, mortgages, etc) and based on the quality of the collateral they offer or their level of risk. The underlying assets are virtually "transformed" into assets, hence "securitization". Income paid to the holder of the asset are derived from the underlying assets products, hence Asset-Backed Securities (ABS), Collateralised Bond Obligation (CBO), Collateralised Debt Obligation (CDO), Collateralised Mortgage Obligation (CMO), Mortgage Back Security (MBS), Commercial Mortgage Back Security (CMBS), Residential Mortgage Back Security (RMBS), Collateralised Loan Obligation (CLO)."

HELOC means Home Equity Line of Credit: A line of credit extended to a homeowner that uses the borrower's home as collateral. Once a maximum loan balance is established, the homeowner may draw on the line of credit at his or her discretion. Interest is charged on a predetermined variable rate, which is usually based on prevailing prime rates.

In the event the portfolio ends up with any distressed securities as a result of a restructuring event or any event beyond the control of the company, the Investment Manager will assess the situation and, if he believes necessary, promptly adjust the composition of the portfolio in order to preserve the best interest of the shareholders. In any case distressed securities will never represent more than 10% of the assets.

A maximum of 20% of the sub-fund's assets may be invested in bonds issued by companies that have their registered office in or conduct the majority of their business in emerging countries in any currency.

In respect of the above investment limits, the sub-fund's investments into debt securities traded on the Bond Connect may reach up to 20% of its assets.

The remaining portion, namely a maximum of 1/3 of its assets, may be invested in any other securities or cash, and also, within a limit of 10% of the assets, in collective investment schemes.

The average duration of the portfolio does not exceed four years.

The Investment Manager applies BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance criteria in the investment process of the sub-fund.

The sub-fund may invest in sovereign debt securities but it does not contemplate to invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade and/or unrated.

Use of Derivatives/Investment in Derivatives

The sub-fund's net derivative exposure may be up to 50% of the sub-fund's NAV.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

Interest Rate Risk

- 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. An increase in interest rates may result in a decrease in the value of investments in bonds and debt instruments and the value of investments of the sub-fund may go down.

Credit Risk

- The ability of bond issuer to honour its commitments depends on the financial condition of the issuer. An adverse change in the financial condition of the issuer could lower the quality of the bonds, leading to greater price volatility of the bonds. The sub-fund may be subject to the risk that the bond issuer not making payment on interest and principal of the bonds, causing the value of the investment to go down.
- In the event of the default of bond issuer, the sub-fund may experience both delays in liquidating the bonds and losses including a decline in value of the bonds during the period when the sub-fund seeks to enforce its rights.
- Downgrades of a rating of bond issue or issuer may lead to a drop in the value of bonds in which the sub-fund has invested. Such bonds may have less liquidity, making it more difficult to sell and their values may be more volatile.

Counterparty Risk

- This risk is associated with the ability of a counterparty in a financial transaction to fulfil its commitments like payment, delivery and reimbursement. The sub-fund may be exposed to significant losses in the event of a counterparty default.

Risk in connection with Investments in Non-Investment Grade and/or Unrated Debt Securities

- The sub-fund may invest in non-investment grade and/or unrated debt securities. Investing in non-investment grade and/or unrated debt securities may subject the sub-fund to higher credit risk/risk of default than investment grade debt securities. The sub-fund may be exposed to significant losses if the issuers of securities of the sub-fund default payments. The market of non-investment grade and/or unrated debt securities may be less active, making it more difficult to sell the securities. Valuation of such securities is more difficult and thus the sub-fund's price may be more volatile.

Risk in connection with Investments in Sovereign Debt

- The sub-fund may invest in sovereign debt. Investment in sovereign debt issued or guaranteed by governments or governmental entities largely in-debt involves a higher degree of risk. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. The value of investments of the sub-fund may be adversely affected.

Risk associated with investments in financial derivative instruments

- Risk associated with financial derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instruments by the sub-fund. Exposure to financial derivative instruments may lead to a high risk of significant loss by the sub-fund.

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Liquidity Risk

- Investments made by the sub-fund may become illiquid. It may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in the sub-fund.

Currency Exchange Risk

- The sub-fund may hold assets denominated in currencies that differ from the base currency, and may be affected by exchange rate fluctuations between the base currency and the other currencies and by changes in exchange rate controls. 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 and the sub-fund's value may be adversely affected.

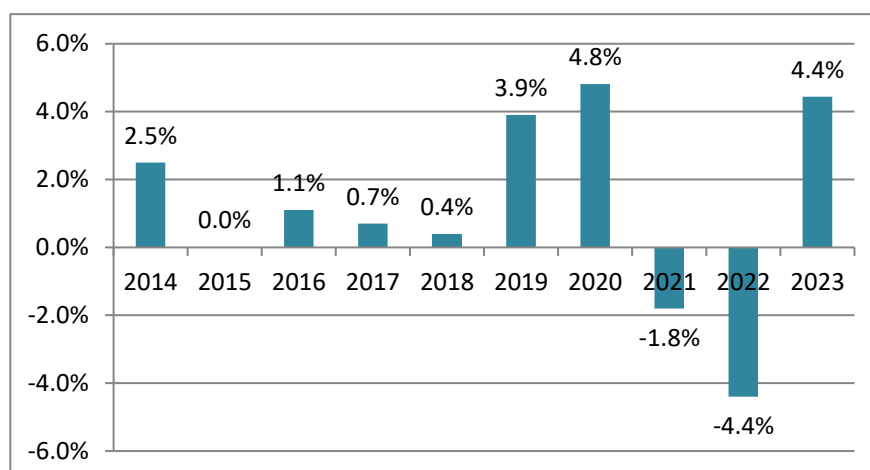
Risk in connection with Dividend Payment

- The Management Company may at its discretion pay dividends out of the capital of the sub-fund. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the sub-fund's capital may result in an immediate reduction of net asset value per share. The Management Company may amend the dividend policy subject to the SFC's prior approval and by giving not less than one month's notice to investors.

Investment Risk

- When investing in a fund, there is a risk that the final outcome may deviate from the initial expectations. The sub-fund's investment portfolio may fall in value and therefore may suffer losses. In addition, there is no guarantee of principal repayment.

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- Classic Capitalisation, being a share class with the same reference currency as the sub-fund with the longest track record among all share classes and not restricted to certain types of clients, is selected as the representative share class.
- These figures show by how much the Classic Capitalisation share class increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- BNP Paribas Funds US Short

BNP Paribas Funds USD Short Duration Bond

Duration Bond launch date: 27 March 1990

- Classic Capitalisation share class launch date: 13 January 1997
- On 25 October 2019, BNP Paribas Funds US Short Duration Bond absorbed a Luxembourg fund which is not authorized by the SFC.

Is there any guarantee?

This sub-fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the sub-fund.

Fee	What you pay
Subscription fee (Entry cost)	Up to 3% of the net asset value of the relevant share class subscribed
Switching fee (Conversion fee)	Up to 1.5% of the net asset value of the relevant share class converted
Redemption fee (Exit cost)	Nil

Ongoing fees payable by the sub-fund

The following expenses will be paid out of the sub-fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the net asset value of the relevant share category)
Management fee	“Classic” categories – Up to 0.50% “Privilege” categories – Up to 0.25%
Custodian fee	Included in Other costs
Performance fee	Not applicable
Administration fee	Included in Other costs
Other costs (Other costs cover the general asset custody expenses payable to the custodian and the daily administration expenses)	“Classic” categories – Up to 0.25% “Privilege” categories – Up to 0.20%

Other fees

You may have to pay other fees when dealing in the shares of the sub-fund.

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Additional Information

- You generally buy and redeem shares at the sub-fund's next determined subscription price and redemption price through your authorised distributor after the transaction servicing agent receives your request via your authorised distributors in good order on or before 6 pm (Hong Kong time) on a Hong Kong business day. Investors should note that different distributors may have different dealing cut-off which may be earlier than the time specified in this document. Investors should check with the relevant authorised distributors accordingly.
- The net asset value of this sub-fund is calculated and the price of shares daily on the website at <https://www.bnpparibas-am.com/en-hk>.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the website at <https://www.bnpparibas-am.com/en-hk>.
- The compositions of the dividends for the last 12 months are available from the Hong Kong representative on request and also on the website at <https://www.bnpparibas-am.com/en-hk>.
- Investors may obtain information on the intermediaries from our hotline (852) 2533 0088.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.