



# PRODUCT KEY FACTS

**BNP Paribas Funds Aqua**  
**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

<b>Management Company:</b>	BNP PARIBAS ASSET MANAGEMENT Luxembourg		
<b>Fund Manager:</b>	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		
<b>Custodian:</b>	BNP Paribas, Luxembourg Branch		
<b>Ongoing charges over a year#:</b>	Classic		2.23%
<b>Base currency:</b>	EUR	<b>Dealing frequency:</b>	Daily
<b>Financial year end of this sub-fund:</b>	31 December	<b>Dividend policy:</b>	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
<b>Min. investment:</b>	None		

# The ongoing charges figure is calculated based on the expenses for the period ended 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

The sub-fund seeks to increase the value of its assets over the medium-term by investing primarily in companies tackling the water-related challenges and helping to accelerate the transition to a more sustainable world.

### Strategy

This thematic sub-fund aims to invest in companies within the global water value chain. These companies support the protection and efficient use of water as a natural resource.

At all time, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by companies that conduct a significant part of their business (i.e. at least 20% of the total turnover) in water and related or connected sectors (such as water infrastructures, water utilities, water treatment and efficiency), with sustainable activities and processes.

The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities (including P-Notes), money market instruments, and/or cash, 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 collective investment schemes.

In respect of the above investments limits, the sub-fund's investments into "China A-Shares" via the Stock Connect may reach up to 25% of its assets.

The sub-fund would exclude investment in (i) securities issued by companies that violate any of the principles of the United Nations Global Compact or OECD Guidelines for Multinational Enterprises and (ii) securities issued by companies from the sensitive sectors (including but not limited to palm oil, wood pulp, mining activities, nuclear, coal-fired power generation, tobacco, controversial weapons, unconventional oil and gas and asbestos) that do not comply with the guidelines defined by BNP PARIBAS ASSET MANAGEMENT.

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.

The sub-fund does not currently intend to (i) enter into securities lending, repurchase and reverse repurchase transactions or other similar over-the-counter transactions; and (ii) hold asset backed securities and mortgage backed securities.

## 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.**

### 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 due to any of the key risks below and therefore may suffer losses. In addition, there is no guarantee of principal repayment.

**Sector Concentration Risk**

- The sub-fund's investments are concentrated in water related companies. This may result in greater volatility than funds which comprise broad-based investments. The sub-fund may be more susceptible to adverse fluctuations in value resulting from adverse condition in the water sector and the sub-fund's value may be adversely affected.
- The sub-fund may be more susceptible to different water-related factors. Companies invested in markets with regulated water tariffs may suffer from decreasing water tariffs, which would lower the revenues and the returns of listed water operators. Moreover during budget process, water-related projects may be given a lower priority and be delayed. Political forces may put priorities on projects in different sectors such as healthcare, infrastructure and education. The growth outlook of water-related companies may be reduced. The sub-fund's value may be adversely affected.

**Environmental, Social and Governance Risk**

- The use of ESG standards and analysis may affect the sub-fund's investment performance and, as such, the sub-fund may perform differently including underperforming compared to similar funds that do not use such standards.
- ESG-based exclusionary standards used by the sub-fund may result in the sub-fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their ESG characteristics when it might be disadvantageous to do so.
- In evaluating a security based on ESG standard, the investment manager may use information and data from third party providers, which may be incomplete, inaccurate or unavailable.
- Investment selection of the sub-fund is based on subjective judgement from the investment manager. The investment manager may incorrectly assess the ESG characteristics of a security and may wrongly exclude eligible security.
- Due to the lack of standardized taxonomy, the investment manager may not apply the relevant ESG standards correctly or that the sub-fund could have indirect exposure to security which do not meet the relevant ESG standards used by the sub-fund.
- ESG standard and expectation are evolving. There is a risk of style drift within the investment limits of the sub-fund.

**Risk related to Equity Markets**

- Investments in equity include significant fluctuations in prices, negative information about the issuer or market. Moreover, these fluctuations are often amplified in the short term and may 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 of the sub-fund may go down and it is possible that investors will not recover their initial investment.

**Risk related to Investments in Some Countries**

- Investments in some countries (China, India, Indonesia, Japan, Saudi Arabia and Thailand) involve risks linked to the restrictions imposed on foreign investors and counterparties, higher market volatility and the risk of lack of liquidity.

**Emerging Market Risk**

- The sub-fund invests in emerging markets. Investing in emerging markets is likely to be subject to a higher than average volatility, less liquidity and greater sensitivity than investing in more developed markets due to, among other factors, greater uncertainty, greater political, tax, economic, social, foreign exchange, liquidity and regulatory risks. The price fluctuations of the investments are often amplified in the short term and the value of investments of the sub-fund may go down.

**Small - Cap Risk**

- The sub-fund invests in small-cap companies and is likely to be subject to a higher than average volatility due to a high degree of concentration and greater uncertainty due to less liquidity, or greater sensitivity to changes in market conditions. Smaller companies may be unable to generate new funds to support their growth and development, lacking vision in management, or developing products for new and uncertain markets. The value of investments of the sub-fund may go down.

### **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.

### **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**

- A share class may be designed in a currency other than the base currency of the sub-fund. Further, the sub-fund may hold assets denominated in currencies that differ from the base currency of the sub-fund, 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. There is no guarantee that the hedging of currency exchange risk (if any) will be completely effective and the value of specific share class or sub-fund may be adversely affected.

### **Renminbi Currency and Conversion Risks**

- The sub-fund may offer share classes denominated in Renminbi ("RMB"). RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the sub-fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

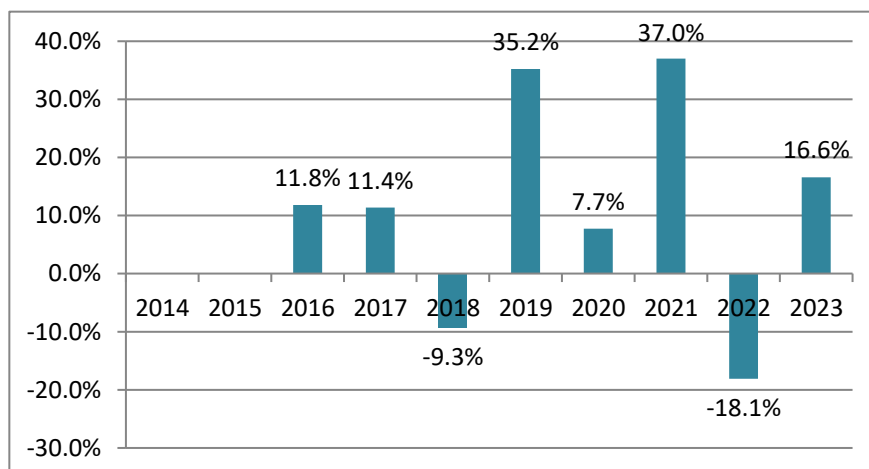
### **Operational & Custody Risk**

- Some markets are less regulated than most of the international markets; hence, the services related to custody and liquidation for the sub-fund on such markets could be more risky. In the event of a custodian default, the sub-fund may suffer a delay in recovering its assets, pending the resolution of the relevant default or bankruptcy proceedings.

### **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 change the policy in relation to payment of dividends out of capital subject to the SFC's prior approval and by giving not less than one month's notice to investors.
- The distribution amount and NAV of the hedged share class may be adversely affected by differences in the interest rates of the reference currency of the hedged share class and the sub-fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence further negative impact on capital than other non-hedged share classes.

### 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 EUR including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- BNP Paribas Funds Aqua launch date: 3 July 2015
- Classic Capitalisation share class launch date: 3 July 2015
- On 29 September 2017, BNP Paribas Funds Aqua 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
<b>Subscription fee (Entry cost)</b>	Up to 3% of the net asset value of the relevant share class subscribed
<b>Switching fee (Conversion fee)</b>	Up to 1.5% of the net asset value of the relevant share class converted
<b>Redemption fee (Exit cost)</b>	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)
<b>Management fee</b>	"Classic" categories – Up to 1.75%
<b>Custodian fee</b>	Included in Other costs
<b>Performance fee</b>	Not applicable
<b>Administration fee</b>	Included in Other costs
<b>Other costs</b> (Other costs cover the general asset custody expenses payable to the custodian and the daily administration expenses)	Up to 0.40% for all share categories

## Other fees

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

## 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 published 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.