

INVESTING IN OUR FUNDS



INVESTMENT FUNDS



BGL
BNP PARIBAS

The bank
for a changing
world

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I. Make your projects a reality with financial savings

Saving allows you to prepare for your projects, deal with the unexpected and build both your own future and the future of your loved ones with complete peace of mind. Do you want to build up capital and make the most of it so that you can finance medium and long-term projects (property purchase, your children's studies, preparation for your retirement, etc.)?

At a time when interest rates and returns on bank savings products are at historic lows, consider diversifying your savings with financial savings solutions (security deposits, life assurance contracts, etc.).

Investing in financial savings is often the right way to go about constructing a medium or long-term project. The higher the risk of loss of capital, the longer the recommended period for holding the financial product will be, because time can mitigate the effects of market fluctuations.

The investment funds: Investment companies with variable capital (Sociétés d'Investissement à Capital Variable - SICAV) and Mutual Investment Funds (Fonds Commun de Placement - FCP)* can provide a particularly interesting solution - they are managed by professionals and are extremely varied, both in terms of asset class (equities, bonds, etc.) as well as geographical area, sector of activity and company size.

This brochure provides you with information on how to choose the right funds for your circumstances and presents our 2017-2018 range.

* SICAVs and FCPs are two types of collective investment schemes.

Your adviser is of course available to help you.

II. What are the features and benefits of the investment funds?

1. PRINCIPAL FEATURES

- These funds are managed by BNP Paribas professionals whose objective is to generate a performance equivalent to or higher than that of the market in which they invest while controlling risks. They monitor the European and international markets on a daily basis and do not hesitate to buy or sell stocks on the basis of their analyses.
- The large number of stocks in which a fund invests allows your investment to be diversified across many securities. Therefore, the valuation of your portfolio is not tied to price changes in only a few directly-held securities.
- Investment funds offer a great deal of flexibility: you can subscribe for an amount of units corresponding to your investment capacities; you also have the option to buy and sell fund units at any time. Entry fees are a maximum of 3% on the Classic component. There are no exit charges.

2. MAIN BENEFITS

- Significant diversification.
- A clearly identified level of risk for each fund.
- Management by specialists.
- Performance that tracks the dynamism of the markets.
- The possibility to optimise your tax position and arrange the onward transfer of your assets by placing your funds within a life insurance contract.
- Investment in markets that may be difficult to access on an individual basis.

Hint: certain funds are eligible for Optilife² Luxembourg life insurance. Optilife² Luxembourg is a life insurance contract that facilitates the establishment of medium to long-term savings, the protection of loved ones and the organisation of onward transmission of wealth, while benefiting from a controlled fiscal* framework.

3. MAIN DISADVANTAGES

- Products tied to changes in financial markets, which can move down as well as up.
- Risk of loss of capital invested.

* The tax treatment depends on the individual situation of each person and is therefore liable to change.

III. What questions should you ask before investing in a fund?

You have to take into account your age and your financial and wealth situation, as well as your knowledge and experience in financial matters, but you should also ask yourself two key questions:

1. WHAT DATE DO YOU ENVISAGE COMPLETING YOUR PROJECTS?

The approximate completion date for your projects determines the duration of the investment or your investment horizon. This can determine the market in which you will invest: for example, for equity funds an investment horizon of at least 5 years is recommended.

TWO POSSIBLE INVESTMENT VEHICLES:

In order to benefit from favourable tax treatment*, you have the option of investing in privileged envelopes such as:

Security deposits

This is the banking solution:

- If the securities are held for more than 6 months, there is no tax on capital gains, unless a significant investment is involved (over 10% of the capital of the entire Investment company with variable capital (SICAV)),
- If your total capital gains in a year are less than EUR 500 you will not be taxed.

All of the funds described in this brochure are eligible for security deposits.

Life insurance

Under the life insurance contract you benefit from advantageous tax treatment:

- Redemptions after 10 years are exempt from taxation and from withholding tax,
- In the event of death your contact will pay out the death benefit and you transfer your accumulated savings to your beneficiaries.

Most of the funds described in this brochure are eligible for life insurance contracts.

* The tax treatment depends on the individual situation of each person and is therefore liable to change.

2. WHAT RETURN DO YOU EXPECT TO RECEIVE FROM YOUR INVESTMENT, IN RETURN FOR WHAT LEVEL OF RISK?

In general, investments with the highest performance potential also carry the most risk. The higher the risk, the longer the recommended investment horizon. If you want high returns and are willing to see your investment fluctuate significantly and to risk losing some or all of the capital you have invested, you can consider the riskiest investments. In this case such investments must necessarily be considered long-term in nature. On the other hand, if you are only willing to accept small fluctuations in your savings and a low risk of capital loss, you can consider less risky investments that are more suited to shorter time horizons.

Please note

Since 1st July 2011 the Synthetic Risk and Reward Indicator (SRRI) has enabled investors to compare all products on the market on the same scale of risk, irrespective of the fund's country of origin. This number, which ranges from 1 for the least risky funds to 7 for the most volatile ones, is included in the Key Investor Information Document (KIID) that your adviser must give you before any subscription is made and which can be viewed on bgl.lu

Risk and return profile (SRRI indicator)



For example, funds invested in bonds usually have a risk of 2-3; funds invested in equities usually have a risk of 6-7; diversified funds generally range from 2 to 6.

All the information on the investment products and their risks are available from your adviser, who will give you advice in accordance with your investor profile.

IV. Which funds should you invest in?

OUR SELECTION

BGL BNP Paribas can offer you a wide range of investment solutions. Here is our 2017-2018 selection to help you choose the funds best suited to your projects.

Please note

Each fund is presented in sheet form with its features, advantages and points to note. The following indicator is also shown:

- Synthetic Risk and Reward Indicator (SRRI) as at 30 September 2017: 1 to 7 (lowest risk to highest risk)
- Eligible envelopes: security deposits and/or life insurance
- The labels available

The funds selected are grouped around 4 major themes.

- INVESTING IN MAJOR FINANCIAL CENTRES
- SAVING RESPONSIBLY
- INCREASING YOUR WEALTH WITH DIVERSIFIED INVESTMENTS
- PREPARING FOR YOUR RETIREMENT OR PROJECTS



INVESTING IN MAJOR FINANCIAL CENTRES

1. Why?

To access the stocks of large companies on a regional scale (Europe, United States, emerging countries) but also on a global scale. Because of their presence in the largest economies and their exposure to global growth, these companies have strong financial strength and attractive earnings prospects.

Please note

The United States and Europe have the most developed financial markets in the world. These markets include financially sound companies that are well-known on the world stage and whose operational models have already proved themselves. These companies make a large part of their profits in fast-growing emerging markets. Emerging markets include dynamic companies that benefit from a high level of competitiveness – source of exports – and from the expansion of the middle classes – source of consumption.

For more information, the investor is invited to consult the KIIDs and prospectuses available in branches and on the websites www.bgl.lu and www.bnpparibas-am.lu

2. Which funds?

BNP PARIBAS L1

EQUITY EUROPE 5 (SRRI INDICATOR)

Features

Investment in stocks of European companies with strong growth potential that enjoy a competitive advantage in the best-structured sectors.

These companies generally have a greater capacity to set their selling prices and achieve higher profits than their competitors. The management team aims to buy the shares of these companies at a reasonable price in order to improve the performance potential of the investor's portfolio.

Benefits

- Take advantage of the growth prospects of European companies with a strong competitive position and their attractive valuations.
- Benefit from the expertise of an experienced management team.

Risks

This fund is exposed to the following risks: equities and liquidity.

BNP PARIBAS L1

EQUITY USA CORE 5 (SRRI INDICATOR)

Features

Investment in the stocks of large US companies with attractive growth prospects.

These companies are among the largest in the world and are leaders in the global economy.

Benefits

- Give your portfolio exposure to the world's leading economy and take advantage of economic prospects and a monetary environment that is favourable for business activity.
- Benefit from the expertise of a team of eight specialists in the American market, with an average of 18 years of experience.

Risks

This fund is exposed to the following risks: equities and liquidity.

BNP PARIBAS L1 EQUITY WORLD EMERGING 6 (SRRI INDICATOR)

Features

Investment in stocks of large companies in emerging countries (including in Latin America, Asia and Eastern Europe) that are leaders in their sectors.

In the coming decades these companies should continue to benefit from the potential for growth in emerging countries, which we consider to be high because of a young population and the rise of a middle class generating a sustained level of consumption.

Benefits

- Diversify your equity portfolio by taking advantage of the dynamism of large-cap companies in emerging markets
- Benefit from a selection of equities identified through in-depth analysis which includes a comparison of the competition both at a local level and on a global scale.

Risks

This fund is exposed to the following risks: equities, liquidity and operational and custodial risk*.

* Operational and custodial risk: some markets are less regulated than most of the international markets. As a result, the services related to the custody or liquidation of the sub-fund in these markets could entail more risk.

For more information, the investor is invited to consult the KIIDs and prospectuses available in branches and on the websites www.bgl.lu and www.bnpparibas-am.lu

BNP PARIBAS L1 EQUITY WORLD QUALITY FOCUS 5 (SRRI INDICATOR)

Features

Investment in internationally-recognised companies which are considered by the management team to be of high quality (solid balance sheet, above-average earnings in their sector, etc.).

The securities of these companies are held for a period of two to three years. According to the management team, this approach should generate a better performance compared to the medium/long term international equity market under a variety of market conditions.

Benefits

- Diversify your equity investments in different geographical areas, both in developed and emerging markets.
- Benefit from the expertise of our management team, whose members have on average over 20 years of experience in equity markets.

Risks

This fund is exposed to the following risks: equities, liquidity, counterparty, derivatives, emerging countries and transactional and deposit risk.



SAVING RESPONSIBLY

1. Why?

To access companies and organisations that include the following in their activities:

- the protection of the environment (reduction of CO2 emissions, recycling waste, etc.),
- a social dimension (respect for international labour laws, respect for human rights, etc.),
- good corporate governance (absence of conflicts of interest, an independent board of directors, etc.).

These companies make a contribution towards meeting the major challenges of today and tomorrow, such as issues related to water, human development, sustainable property and responsible food production.

Investing in socially responsible funds therefore helps to create value not only for your savings but also for society as a whole.

Please note: SRI and ESG

SRI (Socially Responsible Investment) is the application of the concept of sustainable development to financial investments. It is a form of investment which, together with the pursuit of financial performance, aims to generate social and/or environmental added value. To achieve this objective, SRI management systematically integrates Environmental, Social and Governance (**ESG**) criteria into the assessment and selection of assets.

For more information, the investor is invited to consult the KIIDs and prospectuses available in branches and on the websites www.bgl.lu and www.bnpparibas-am.lu

2. Which funds?

PARVEST AQUA 5 (SRI INDICATOR)

Features

Investment in stocks of international companies whose activities are related to water.

This sector has a higher growth potential than the rest of the economy. Indeed, consumption of this resource is constantly increasing with the growth in population and the improvement of the standard of living in emerging countries, while climate change is accentuating its scarcity.

Benefits

- Benefit from the attractive performance potential of equities issued by companies in the water sector on a global scale.
- Invest in a useful way and finance the supply and processing facilities which enable the distribution of quality water, which is necessary for all human activity.

Risks

This fund is exposed to the following risks: equities, liquidity and operational and custodial risk.

BNP PARIBAS L1 SUSTAINABLE ACTIVE ALLOCATION 3 (SRI INDICATOR)

Features

Investment using an SRI approach, mainly in bonds denominated in EUR but also in international equity funds with themes relating to the environment, water, human development and sustainable property.

In parallel with the objective of financial performance, this fund aims to provide social and environmental added value by investing in countries and companies which comply with ESG criteria.

Benefits

- Take positions in different asset classes with a predominance in bonds and flexibility in the composition of the portfolio (the portion of equities can vary between 0 and 50%).
- Take advantage of the growth potential of SRI themes and make your savings meaningful.

Risks

This fund is exposed to the following risks: equities, interest rates, credit and liquidity.

BNP PARIBAS L1 SMART FOOD 5 (SRI INDICATOR)

Features

Investment at a global level in food companies that take steps to protect the environment.

Among other things, this includes the new generations of less energy-intensive agricultural machinery, biodegradable packaging, organic fertilisers and drip irrigation systems. On the other hand, the fund does not invest in companies with unethical practices or in companies which produce genetically modified organisms (GMOs), Bisphenol A or artificial colourants.

Benefits

- Profit from the long-term growth potential of responsible companies in the food sector.
- Benefit from the skills of the management teams from Impax Asset Management, our specialist partner in investments in the environmental sector, with an average of 20 years experience in the sector.

Risks

This fund is exposed to the following risks: equities, liquidity and operational and custodial risk

For more information, the investor is invited to consult the KIIDs and prospectuses available in branches and on the websites www.bgl.lu and www.bnpparibas-am.lu



INCREASING YOUR WEALTH WITH DIVERSIFIED INVESTMENTS

1. Why?

To have access to an "all-in-one" management service in which the fund manager adjusts the composition of the portfolio (equities, bonds, etc.) over time depending on the financial context and his expectations. The wide diversification of these funds contributes to an overall reduction in the effects of market fluctuations while offering the potential for attractive performance. As such, they enable your assets to grow in value.

Please note

Financial assets are particular in that they do not all move in the same way. Each market has its own logic for progression and can be influenced independently by external events. That is why, by diversifying their investments, investors can take advantage of possible opportunities for rises in the various markets or reduce the impact of one fall in a particular market on the portfolio as a whole.

For more information, the investor is invited to consult the KIIDs and prospectuses available in branches and on the websites www.bgl.lu and www.bnpparibas-am.lu

2. Which funds?

BNP PARIBAS L1 PATRIMOINE (WEALTH) 3 (SRRI INDICATOR)

Features

Investment, via an approach known as multi-management, in a selection of flexible funds managed by leading management companies.

The flexible approach seeks to take advantage of rising markets while minimising the effects of market falls. The multi-management approach aims to select the best flexible funds based on quantitative (performance monitoring), qualitative (meeting fund managers) and operational (sound management structures) analysis criteria.

Benefits

- Benefit from "turnkey" management with controlled risk.
- Profit from BNP Paribas' expertise in selecting external flexible funds suited to the market environment.

Risks

This fund is exposed to the following risks: equities, bonds, credit, liquidity, counterparty and operational and custodial risk.



BNP PARIBAS L1 BOND WORLD PLUS 4 (SRRI INDICATOR)

Features

Investment in bonds from different types of issuers (companies or governments), at an international level, with a diversified and flexible approach.

The allocation of bonds in the portfolio, as well as the exposure to interest rates (interest rate management), is adjusted depending on the economic context and the expectations of the management team, in order to take advantage of market opportunities or to reduce risk.

Benefits

- Benefit from management offering dynamic exposure to the vast universe of global bond markets.
- Benefit from experienced management, with a team which has over 10 years' experience in bond markets.

Risks

This fund is exposed to the following risks: credit, liquidity, counterparty, operational, derivatives, emerging markets and structured debt.

BNP PARIBAS L1 MULTI-ASSET INCOME 4 (SRRI INDICATOR)

Features

Investment in various financial assets providing income (high-dividend equities, property shares, corporate bonds, government bonds, etc.), in all geographic areas (North America, Europe, emerging markets, etc.).

The objective of the fund is to offer both a yearly income of 4% paid at regular intervals (annual or monthly distribution) and capital growth.

Benefits

- Obtain an attractive potential return paid on a regular basis (annual or monthly) for a lower risk than an investment that is limited to a single asset class.
- Get access to flexible management in which the manager adjusts the composition of the portfolio to market conditions in order to better take advantage of investment opportunities at a global scale.

Risks

This fund is exposed to the following risks: equities, interest rates, credit, liquidity and emerging markets.

For more information, the investor is invited to consult the KIIDs and prospectuses available in branches and on the websites www.bgl.lu and www.bnpparibas-am.lu



PREPARING FOR YOUR RETIREMENT OR PROJECTS

1. Why?

To cope with the important and predictable events in life (children's studies, buying a house, retirement, etc.) by setting up an individual savings arrangement.

Currently these long-term investment projects are experiencing several constraints, such as a significant erosion of the purchasing power of savings caused by inflation, low rates which affect returns and guarantees for traditional target-date funds, etc.

Please note

Traditionally two types of target-date funds can be identified:

- funds which gradually reduce the investment in risky assets as the maturity date of the investment approaches but which do not provide formal protection,
- funds guaranteeing that the investor will get back an amount equal to the highest asset value ever reached. In this case, the risk relates to obtaining a low performance potential in the event of low interest rates because of the guarantee constraints.

For more information, the investor is invited to consult the KIIDs and prospectuses available in branches and on the websites www.bgl.lu and www.bnpparibas-am.lu

2. Which funds?

BNP PARIBAS

PLAN EASY FUTURE 3/5 (SRI INDICATOR)

Features

Investment in an innovative range of target-date funds combining protection of capital with maturity and potential for performance.

The level of capital protection is tied to the duration of the investment and may vary depending on changes in interest rates. The potential performance comes from a directional component offering diversified exposure to global financial markets and a non-directional component aimed at delivering positive performance regardless of market conditions.

Benefits

- Being able to invest the amount of your choice as often as desired in the fund that best suits your specific projects and requirements.
- Benefit from formal protection from the BNP Paribas Group at the maturity date of the funds, which may be extended over time and can be consulted at any time.

Risks

This fund is exposed to the following risks: equities, credit, liquidity, counterparty and derivatives.

* The levels of capital protection are available from your adviser and on easyfuture.bnpparibas-am.fr



V. Important notes

The funds described in this document involve a risk of loss of capital and are exposed to the following risks: equities, interest rates, credit, convertible bonds, emerging markets, commodities, property, foreign exchange and counterparty.

In addition, the investor is advised that investment in the funds will give rise to charges that will affect the amount of the capital invested and the return on the investment (fund subscription commissions in a security deposit, life insurance contract entry and arbitration fees, annual management charges for the life insurance contract or the security deposits).

Entry fees amount to a maximum of 3% on the C component. The current charges vary from 1.38% to 2.49%. There are no exit charges.

For a more complete definition and description of the risks, please refer to the regulatory documentation for each fund (latest prospectus, key investor information document, latest half-yearly and annual reports), available in branches and on the websites www.bgl.lu and www.bnpparibas-am.lu. A subscription may only be made on the basis of these documents.

It is the responsibility of all potential investors to ensure that their investments are appropriate for their particular circumstances and that they understand all of the risks associated with their investments.

The information contained in this document is provided for information purposes only, is only valid at the time at which it is provided and is not intended to constitute legal advice, tax advice, or any solicitation or recommendation for investment.

No guarantee is given in relation to its accuracy or completeness.

Past performance is not a guarantee of future performance and the Bank does not assume any responsibility for the future returns from these securities.

The Bank cannot be held liable either for this information or for the decisions that any person may take on the basis of the information.

The funds described in this brochure are governed by Luxembourg law and comply with European Directive 2009/65/EC.

Before subscribing, you should read the **KIID** or prospectus carefully; these are available in branches and on the website www.bgl.lu.

The investor is advised that the capital he has invested may not be returned in full to him as the funds described in this document carry a risk of loss of capital.

The advice of the bank is provided taking into account your investor profile. The advisers are available to help with any questions or requests for information.

OUR BRANCHES IN LUXEMBOURG CITY

Bonnevoie
Cloche d'Or
Gare
Grand-Rue
Kirchberg Europe

Kirchberg Siège social
Limpertsberg
Merl-Belair
Merl-Jardins de Luxembourg
Royal Monterey

OUR BRANCHES IN LUXEMBOURG

Bascharage Kordall
Bereldange
Bettembourg
Clervaux
Diekirch
Differdange
Dudelange
Echternach
Esch Belval
Esch Benelux
Esch Centre
Ettelbruck
Grevenmacher
Howald
Junglinster
Larochette

Mamer
Mersch
Mondorf-les-Bains
Niederanven
Pétange
Redange-sur-Attert
Remich
Schifflange
Steinfort
Strassen
Tétange Käldall
Vianden
Wasserbillig
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