

INVESTING IN OUR FUNDS



INVESTMENT FUNDS



**BGL
BNP PARIBAS**

The bank
for a changing
world

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I. Bring your projects to life by saving

Saving enables you to plan ahead and cope with the unexpected, as well as giving you the peace of mind of building a future for you and your loved ones. So you want to build up some capital and get the most out of it so you can finance your medium-to-long-term projects, such as buying a house, sending your kids to university or planning your retirement?

With interest rates and returns on bank savings products at record low levels, you should think about diversifying your savings with solutions like securities deposits and life insurance policies.

Investing in savings is often the best way of setting up a medium- or long-term project. The higher the risk, the longer the recommended investment horizon, because the effects of market fluctuation are mitigated over time.

Both investment companies with variable capital (Sociétés

d'Investissement à Capital Variable – SICAVs) and mutual funds (Fonds Communs de Placement – FCPs)* can offer an attractive solution. Managed by professionals, they are extremely varied in terms of asset classes (equities, bonds, etc.) , geographical areas, business sectors and company sizes.

This brochure presents our range of funds and tells you how to choose the ones that are best suited to your own circumstances.

*SICAVs and FCPs are both categories of undertakings for collective investment (UCIs).



II. What are the characteristics and advantages of investment funds?

1. KEY FEATURES

- These funds are managed by BNP Paribas professionals, whose aim is to generate returns that are equivalent to or better than those produced by the market in which they invest, while controlling risk. They monitor the European and international markets on a daily basis and buy or sell securities based on their analyses.
- Since a fund invests in many securities, your investment is diversified. This also means that the value of your portfolio does not depend on the changes in price of just a few directly held securities.
- Investment funds are extremely flexible: you can subscribe for a unit amount according to your investment capabilities, and you can buy and sell fund units at any time. The entry fees on our funds are capped at 3%. There are no exit fees.

2. MAIN ADVANTAGES

- Considerable diversification.
- A clearly identified level of risk for each fund.
- Managed by specialists.
- Performance that reflects market developments.
- The chance to reduce your tax burden and organise your estate by investing in a life insurance policy.
- Invest in markets that can be difficult to access as an individual.

Tip: certain funds are eligible for Optilife² Luxembourg life insurance. Optilife² Luxembourg is a life insurance policy that allows you to build up medium-to-long-term savings, protect your loved ones and organise your estate, all while benefiting from a controlled tax regime*.

3. MAIN DISADVANTAGES

- Since the products are linked to the financial markets, their value may fall as well as rise.
- Risk of capital loss.

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

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

You must take into account your age and your assets, as well as your financial position, knowledge and expertise, but you also need to ask yourself two fundamental questions:

1. WHEN DO YOU EXPECT TO CARRY OUT YOUR PROJECTS?

Having a rough idea of when you expect to carry out your projects enables you to determine your investment duration or horizon. This can then determine the market in which you are going to invest: for example, a horizon of at least five years is recommended for equity funds.

A CHOICE OF TWO INVESTMENT VEHICLES:

You can invest in preferential setups such as:

A securities deposit account

This is the banking solution:

- If the securities are deposited for more than six months, there is no capital gains tax* unless there is a significant stake involved (over 10% of the capital of the entire SICAV);
- If your total annual capital gains are less than €500, you will not be taxed*.

All the funds mentioned in this brochure are eligible for securities deposits.

Life insurance

A life insurance policy gives you a range of benefits:

- Insurance is an excellent way of protecting and transferring your estate;
- The policy can serve as collateral for a bank loan;
- In the event of your death, your beneficiaries receive a bereavement benefit and your accumulated savings.

Most of the funds mentioned in this brochure are eligible for life insurance policies.

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

2. WHAT RETURN ARE YOU EXPECTING FROM YOUR INVESTMENT, AND WHAT DEGREE OF RISK ARE YOU WILLING TO TAKE?

As a general rule, investments with the greatest potential returns are also the most risky. The higher the risk, the longer the recommended investment horizon. If you want high returns and are willing to see your investment fluctuate wildly and risk losing some or all of your invested capital, you might want to consider the more risky investments. If this is the case, you need to invest over the long term. On the other hand, if you are only willing to accept mild fluctuations in your savings and a small risk of capital loss, you should look at less risky investments, which are better suited to shorter periods.

Note

Since 1 July 2011, the synthetic risk and reward indicator (SRRI) has allowed investors to compare all products available on the market on the same scale of risk, regardless of the country of origin. This scale, which ranges from 1 for the least risky funds to 7 for the most volatile, appears in the Key Investor Information Document (KIID), which your advisor must give you prior to investment and which you can view on bgl.lu.

Risk and reward profile (SRRI)



As an indicator, bond funds tend to rank 2 or 3, equity funds between 5 and 7, and mixed funds between 2 and 6.

All the information on the investment products and their risks are available from your advisor, who will offer you the best possible advice depending on your investor profile.

IV. Which funds should you invest in?

OUR SELECTION

BGL BNP Paribas offers you a wide range of investment solutions. Take a look at our selection so you can choose the funds that are best suited to your needs.

Note

Each fund is presented together with its characteristics, advantages and risks.

Synthetic risk and reward indicator (SRRRI) as at 30 June 2018: number from 1 to 7 (from lowest risk to highest risk).

The funds are grouped together based on three major themes.

- GROWING YOUR ASSETS
- SAVING RESPONSIBLY
- INVESTING ON THE MAJOR STOCK MARKETS



GROWING YOUR ASSETS

1. Why?

The purpose of this is to construct a first financial savings portfolio that enables you to grow your assets while taking account of your risk profile.

Note

Not all financial assets perform the same. Each market evolves in its own way and can be affected by different external events. That is why, by diversifying their investments, investors can benefit from any upside opportunities in different markets or reduce the impact of a downturn in a particular market on their overall portfolio.

For more information, investors should consult the KIIDs and prospectuses available in branch or on www.bgl.lu and www.bnpparibas-am.lu

2. Which funds?

PARVEST FLEXIBLE BOND EUROPE CORPORATE

1 2 3 4 5 6 7 (SRRI)

Features

Investment in European corporate bonds.

A high-conviction portfolio offering flexible allocation between euro-denominated bonds of industrial and financial companies with an investment grade rating – corporate bonds with high credit quality, rated from AAA to BBB (S&P) or Aaa/Baa3 (Moody's) – and enabling tactical allocation of up to 40% of assets to high yield – corporate bonds rated below BBB- (S&P) or Baa3 (Moody's).

Benefits

- Invest in European corporate debt with moderate risk.
- Benefit from flexible management to capitalise on opportunities on the euro-denominated credit bond market, aiming to outperform government bonds.

Risks

This fund is exposed in particular to interest rate, credit, liquidity, counterparty and derivative risks.



FUNDQUEST PATRIMOINE



Features

Investment, through a “multi-management approach”, in a selection of flexible funds managed by leading asset management companies.

The flexible approach aims to exploit market upturns while mitigating their downturns as much as possible. The multi-management approach aims to select the best flexible funds according to quantitative (track record), qualitative (meeting with the fund managers) and operational (solidity of management structures) analysis criteria.

Benefits

- Take advantage of turnkey management with controlled risk.
- Benefit from BNP Paribas’ expertise in selecting external flexible funds based on the market environment.

Risks

This fund is exposed in particular to equity, bond, credit, liquidity, counterparty, operational and custody risks.

For more information, investors should consult the KIID and prospectuses available in branch or on www.bgl.lu and www.bnpparibas-am.lu

PARVEST DIVERSIFIED DYNAMIC



Features

Investment in a diversified and flexible fund whose allocation varies according to market conditions.

This innovative and dynamic fund invests in equities, bonds and diversification assets like commodities and real estate. It uses an innovative portfolio management mechanism based on changes in market volatility, designed to obtain an attractive risk/reward profile. Historically, volatility tends to increase when the markets fall and ease when they rise. When the volatility of one asset class increases, the portfolio’s exposure to this asset class is reduced; when there is low volatility in a particular asset class, portfolio exposure to this asset class increases.

Benefits

- Enjoy innovative management, where the fund manager adapts the portfolio composition to market conditions with a view to getting the best possible reward in relation to the risk undertaken.
- Have access to a flexible fund invested in different asset classes worldwide.

Risks

This fund is exposed in particular to equity, interest rate, credit, liquidity and emerging market risks.



SAVE RESPONSIBLY

1. Why?

To gain access to companies and organisations that integrate into their business:

- environmental protection (reducing CO2 emissions, recycling waste, etc.);
- a social dimension (compliance with international labour law, respect for human rights, etc.);
- good corporate governance (no conflicts of interest, an independent board of directors, etc.).

These operators help to meet the major challenges of today and tomorrow such as problems relating to water, human development, sustainable real estate and responsibly produced food.

Investing in socially responsible funds therefore helps create value not just for you as a saver, but for society as a whole.

Note: SRI and ESG

SRI (socially responsible investment) applies the concept of sustainable development to financial investments. It is a form of investment that, while seeking a financial return, looks to add social and/or environmental value. To reach this objective, SRI management systematically factors environmental, social and governance (**ESG**) criteria into its asset valuation and selection.

For more information, investors should consult the KIIDs and prospectuses available in branch or on www.bgl.lu and www.bnpparibas-am.lu

2. Which funds?

PARVEST AQUA



Features

Invest in the equities of companies from around the world that facilitate access to good quality water for as many people as possible.

These companies have better growth potential than the rest of the economy. There are four reasons for this:

- climate change;
- poor water quality;
- growing quality of life in emerging countries;
- obsolescence of water facilities in developed countries.

Benefits

- Invest in an equity fund with a small defensive component, which should profit from the expected growth of water companies in the long term.
- Invest ethically by financing companies that help to supply water to as many people as possible.

Risks

This fund is exposed in particular to equity, liquidity, counterparty, operational, custody, derivative and Shanghai – Hong Kong Stock Connect risks.

PARVEST CLIMATE IMPACT



Features

Invest in the equities of companies from around the world that provide solutions to the problems caused by global warming.

At least 50% of the business of these mainly small- or mid-cap companies must be dedicated to developing these solutions; they are involved either in reducing greenhouse gas emissions or adapting to new climate scenarios, primarily concerning the provision of water. These solutions appear in various areas such as energy efficiency, renewable resources, recycling waste, building or renovating water facilities or treating and recycling wastewater.

Benefits

- Invest in an equity fund that should benefit from the outperformance of environmental companies as part of the unavoidable fight against global warming.
- Invest ethically by financing companies that effectively combat global warming and thus shift consumption and production methods towards more sustainable patterns.

Risks

This fund is exposed in particular to equity, liquidity, counterparty, operational, custody, derivative and Shanghai – Hong Kong Stock Connect risks.

PARVEST SMART FOOD



Features

Invest in international companies in the food value chain that are helping to reduce pollution, fight global warming and promote good quality food.

Among other things, these companies are involved in manufacturing agricultural machines that use less energy, producing biodegradable packaging, seeking out non-polluting organic fertilisers or installing drip irrigation systems. Moreover, the fund is not allowed to invest in companies engaged in unethical practices or producing GMOs, Bisphenol A or artificial colourants.

Benefits

- Invest in an equity fund that should eventually profit from the growth potential of companies in the food value chain that work to reduce pollution, combat global warming or promote good quality food.
- Invest ethically by subscribing to one of the few environmental funds in the "Food" or "Agriculture" category that stands out through its strict application of fundamental precautionary principles and responsible approach to stock-picking. Hence its "Smart" name, standing for "Sustainably Manufactured and Responsibly Transformed Food".

Risks

This fund is exposed in particular to equity, liquidity, counterparty, operational, custody, derivative and Shanghai – Hong Kong Stock Connect risks.

For more information, investors should consult the KIIDs and prospectuses available in branch or on www.bgl.lu and www.bnpparibas-am.lu



INVESTING ON THE MAJOR STOCK MARKETS

1. Why?

To access the equities of large regional (Europe, US, emerging countries) and global companies. Thanks to their involvement in the biggest economies and their exposure to global growth, these companies are financially solid and offer an attractive earnings outlook.

Note

The United States and Europe have the most developed financial markets in the world. These markets comprise financially solid companies of international renown with a proven operating model. These companies make a large part of their money in fast-growing emerging markets. Emerging markets have dynamic companies that enjoy a high level of competition (source of exports) and an expanding middle class (source of consumption).

For more information, investors should consult the KIIDs and prospectuses available in branch or on www.bgl.lu and www.bnpparibas-am.lu

2. Which funds?

BNP PARIBAS L1 EQUITY EUROPE DEFI



Features

Investment in European equities.

The fund is invested in the shares of large European companies. The portfolio is constructed using a quantitative approach that involves picking each stock based on four criteria (valuation, profitability, risk and recent performance). It is diversified and offers an excellent risk/return profile.

Benefits

- Profit from the attractiveness of European equities, which should benefit from solid economic growth and the ECB's accommodative monetary policy enabled by persistently low inflation.
- Take advantage of a solid management process that combines four investment styles known to be drivers of equity performance.

Risks

This fund is exposed in particular to equity and liquidity risk.

BNP PARIBAS L1 USA



Features

Investment in US equities.

The fund invests in the shares of US companies. The portfolio is constructed using a quantitative approach that involves picking each stock based on four criteria (valuation, profitability, risk and recent performance). It is diversified and offers an excellent risk/return profile.

Benefits

- Profit from the attractiveness of US companies, which are among the largest in the world.
- Take advantage of a solid management process that combines four investment styles known to be drivers of equity performance.

Risks

This fund is exposed in particular to equity, liquidity and currency risk.

PARVEST EQUITY WORLD EMERGING



Features

Investment in the shares of high-quality companies from emerging markets with significant growth potential.

The fund invests in emerging market equities and allows investors to benefit from the relatively strong growth in these countries and of these local businesses. Investment is centred on quality companies with varied business models, significant growth potential and considerable liquidity. Stocks are selected using an in-depth analysis that includes a comparison with both local and global competitors.

Benefits

- Diversify your equity portfolio while drawing from the dynamic growth of big companies in emerging markets.
- Benefit from stock-picking that results from an in-depth analysis consisting of more than just a comparison with competitors.

Risks

This fund is exposed in particular to equity, liquidity, operational, custody and Shanghai – Hong Kong Stock Connect risks.

For more information, investors should consult the KIIDs and prospectuses available in branch or on www.bgl.lu and www.bnpparibas-am.lu

PARVEST DISRUPTIVE TECHNOLOGY



Features

Invest in the shares of international companies at the forefront of technological innovation.

The progress made in several new technologies – such as cloud computing, robotics, automation, the internet of things and artificial intelligence – has created brand new business models. The impact of these disruptive technologies is being felt not only in the tech sector but also in many others, including industry, financial services, health care, consumer goods and energy. Thanks to this new technology, companies are becoming more efficient and are able to offer new products and services.

Benefits

- Capitalise on developments and growth in the technology sector.
- Invest in innovative companies whose economic models and methods of operating are being transformed by disruptive technologies.

Risks

This fund is exposed in particular to equity, liquidity, operational and custody risks.



V. Important information

The funds described in this document entail a risk of capital loss and are exposed in particular to the following risks: equity, interest rate, convertible bond, emerging market, commodity, real estate, counterparty and foreign exchange risk; operational risk and custody risk; liquidity risk; risk of capital loss; risk associated with derivative instruments and risks linked to the Shanghai – Hong Kong Stock Connect.

Moreover, investors are advised that their investment in the fund will incur charges that will have an effect on the amount of capital invested and the return of the investment (fund subscription fees for a securities deposit account, entry and switching fees for a life insurance policy, and annual management fees for both life insurance policies and securities deposit accounts).

Entry fees are capped at 3%. In 2017, the most recent ongoing charges ranged from 1.27% to 2.67%. There are no exit fees.

For a more detailed definition and description of the risks involved, please see each fund's regulatory documents (most recent prospectus, KIID, latest annual and semi-annual reports), which are available in branch and online at www.bgl.lu and www.bnpparibas-am.lu. All investments may only be made on the basis of these documents.

All potential investors are responsible for ensuring that their investments are suited to their particular situation and for understanding all the associated risks.

The information in this document is provided for information purposes, was correct at the time of writing and constitutes neither legal and tax advice nor a solicitation or recommendation to invest.

There is no guarantee as to the accuracy and exhaustiveness of this information.

Past results are no guarantee of future performance, and the Bank shall not be held liable in any way for the returns generated by these securities in the future.

The Bank is liable neither for this information nor for any decisions made based thereon.

The funds described in this brochure are subject to Luxembourg and French law and comply with European Directive 2009/65/EC.

You must read the **KIID** or prospectus carefully before subscribing, both of which are available in branch or online at www.bgl.lu.

Investors are warned that they may not get all of their investment back as the funds described in this document present a risk of capital loss.

The advice given by the Bank is based on your investor profile. Do not hesitate to ask one of our advisors if you have any questions or would like additional information.

OUR BRANCHES IN LUXEMBOURG CITY

Bonnevoie
Cloche d'Or
Gare
Grand-Rue
Kirchberg Europe

Kirchberg Headquarters
Limpertsberg
Merl-Belair
Merl-Jardins de Luxembourg
Royal Monterey

OUR BRANCHES ELSEWHERE 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
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