

Notice to the shareholders of

PARWORLD

SICAV under Luxembourg law – UCITS class
10, rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register No. B 77 384

AND

PARVEST

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 MERGING SUB-FUND

<u>PARWORLD</u> <u>MERGING SUB-FUND</u>	<u>PARVEST</u> <u>RENAMED AS FROM 30-AUG-2019</u> <u>BNP PARIBAS FUNDS</u> <u>RECEIVING SUB-FUND</u>	<u>EFFECTIVE DATE</u> <u>OF MERGER*</u>	<u>LAST ORDER</u> <u>DATE*</u>	<u>FIRST NAV</u> <u>VALUATION</u> <u>DATE*</u>	<u>FIRST NAV</u> <u>CALCULATION</u> <u>DATE*</u>
<u>TRACKER MACRO OPPORTUNITIES</u>	<u>ABSOLUTE RETURN GLOBAL OPPORTUNITIES</u>	<u>20-SEP-2019</u>	<u>13-SEPT-2019</u>	<u>20-SEP-2019</u>	<u>23-SEP-2019</u>

*Dates:

- Effective Date of Merger – Date at which the merger is effective and final.
- Last Order Date – Last date at which subscriptions, redemptions and conversions orders are accepted until cut-off time into the Merging Sub-fund. Orders received on the merging sub-fund after this date will be rejected. Shareholders of the Merging sub-fund who do not accept the merger may instruct redemption of their shares free of charge until this date (see item 7).
- First NAV Valuation Date – Date of valuation of the underlying assets for the calculation of the first NAV post-merger.
- First NAV calculation Date – Date at which the first NAV post-merger (with merged portfolios) will be calculated.

Luxembourg, July 5, 2019

Dear Shareholders,

We hereby inform you that the Board of Directors of PARWORLD (the **Company**), decided to **merge**, on the basis of Article 32 of the Company's Articles of Association, the following share classes (the **Merger**):

⁽¹⁾ renamed **BNP Paribas Funds** as from 30-Aug-2019

PARWORLD Merging Sub-fund				BNP Paribas Funds Receiving Sub-fund			
ISIN code	Sub-fund	Class	Currency	Sub-fund	Class	Currency	ISIN code
LU0218129350	Tracker Macro Opportunities	Classic-CAP	EUR	Absolute Return Global Opportunities	Classic-CAP	EUR	LU1920356513
LU0218129350		Classic-CAP Valued in USD	EUR		Classic-CAP Valued in USD	EUR	LU1920356513
LU0256127522		Classic-DIS	EUR		Classic-DIS	EUR	LU1920356604
LU0256127522		Classic-DIS Valued in USD	EUR		Classic-DIS Valued in USD	EUR	LU1920356604
LU0774753460		Privilege-CAP	EUR		Privilege-CAP	EUR	LU1920356869
LU0774753460		Privilege-CAP Valued in USD	EUR		Privilege-CAP Valued in USD	EUR	LU1920356869
LU0774753387		N-CAP	EUR		N-CAP	EUR	LU1920356786
LU0774753387		N-CAP Valued in USD	EUR		N-CAP Valued in USD	EUR	LU1920356786
LU0218129780		I-CAP	EUR		I-CAP	EUR	LU1920357081
LU0218129780		I-CAP Valued in USD	EUR		I-CAP Valued in USD	EUR	LU1920357081
LU0774753544		X-CAP	EUR		X-CAP	EUR	LU1920357248
LU0774753544		X-CAP Valued in USD	EUR		X-CAP Valued in USD	EUR	LU1920357248

1) Background to and rationale for the Merger

- ✓ In order to have a coherent and consistent fund range offer, and taking into account the **transformation** of the overall PARVEST umbrella to the **ESG criteria**, BNP PARIBAS ASSET MANAGEMENT Luxembourg decides to **rationalise** its funds range by transfer of its **ESG compliant sub-funds** into the new named **BNP Paribas Funds** umbrella.

2) Impact of the Merger on the Merging Shareholders

Please note the following **impacts** of the Merger:

- ✓ The shareholders of the Merging Sub-fund, who do not make use of their shares redemption right explained below on point 7), will become shareholders of the Receiving Sub-fund.
- ✓ 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.

3) Impact of the Merger on Receiving Shareholders

Please note the following points:

- ✓ The Receiving sub-fund will be activated by this Merger.
- ✓ **First orders** into the Receiving sub-fund will be accepted at the First NAV Valuation Date mentioned in the initial above calendar table.

4) Organisation of the exchange of shares

You will receive, in the Receiving sub-fund, the same number of shares, in a category and class registered in the same currency as you have in the Merging sub-fund, based on an exchange ratio of one (1) share of the Merging sub-fund for one (1) share of the Receiving sub-fund.

(1) renamed **BNP Paribas Funds** as from 30-Aug-2019

Registered Shareholders will receive registered shares.

Bearer Shareholders will receive bearer shares.

5) Material differences between Merging and Receiving Sub-funds

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

features	PARWORLD	PARVEST ⁽¹⁾
Financial Year	From 01-Oct to 30-Sept	From 01-Jan to 31-Dec
Annual general Meeting of Shareholders	Third Wednesday of January	25-Apr
Yearly Dividends	Paid end Dec	Paid on 30-Apr

As regards the Sub-funds:

As mentioned on point 1) above, the Receiving PARVEST⁽¹⁾ umbrella will be transformed as of 30 August 2019 to the ESG criteria with the integration of ESG standards in the investment process of each of its sub-fund. However this integration will have no impact on the way the Receiving Sub-fund is currently managed.

There is no difference between the Merging and Receiving sub-funds, except for the following points:

- Performance fees:

PARWORLD	PARVEST ⁽¹⁾
10% with 3M Euribor	15% with Eonia + 2%

The performance fee calculation will be effected until the last NAV (valued on 19 September 2019). If performance is observed, the performance fee will be crystallised and paid to the investment managers.

- Investment Policy: in the context of the **ESG integration**, the **following sentence will be added** in the investment policy of the Receiving sub-fund:
“The Investment Manager applies also BNP PARIBAS ASSET MANAGEMENT’s Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investments of the sub-fund.”
- Even if the **Investment Policies** of both the Merging and Receiving Sub-funds have **not the same wording, asset allocation, strategies and portfolio composition** will be **the same**. The investment policy of the **Receiving sub-fund** has been reworded in order to be **more transparent** for investors.

The investment policies of both sub-funds are written as follows:

Features	PARWORLD Tracker Macro Opportunities Merging Sub-fund	PARVEST ⁽¹⁾ Absolute Return Global Opportunities Receiving Sub-fund
Investment Objective	Achieve an absolute performance over the medium term.	Increase the value of its assets over the medium term. This absolute return diversified sub-fund targets volatility of approximately 500 basis points with a maximum of 800 basis points measured using the annualized standard deviation of returns. This should be understood to be neither a guarantee that this will be achieved nor a forward-looking statement limiting expected risk.
Investment policy / Strategy	The sub-fund will invest mainly in fixed-rate or floating-rate debt securities (bonds, negotiable debt securities, certificates of deposit, commercial paper, etc. insofar as such securities can be described as transferable securities), and in equities issued by companies from any country, directly or through UCITS and/or UCIs.	The objective of the sub-fund is to be invested indirectly through UCITS and/or UCIs up to 100% of its assets in fixed-rate or floating-rate debt securities (bonds, negotiable debt securities, certificates of deposit, commercial paper, etc. insofar as such securities can be described as transferable securities), and in equities issued by companies from any

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	<p>The sub-fund may also invest in commodity funds or volatility funds.</p> <p>The portfolio allocation will be composed of a low risky asset part (through, such as but not limited to, high quality Money Market funds) and a risky asset part (mainly index-tracker funds that give exposure to equities, fixed income securities, real estate*, commodities* and volatility).</p> <p>*The sub-fund does not hold real estate, commodities directly but through funds or indexes.</p> <p>The sub-fund may invest in derivatives linked to the world's main currencies for currency hedging purposes.</p> <p>The annualised portfolio volatility target is 8% maximum.</p> <p>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 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.</p>	<p>country.</p> <p>The portfolio allocation will be composed of a low risky asset part (through, such as but not limited to, high quality Money Market funds) and a risky asset part (mainly index-tracker funds that give exposure to equities, fixed income securities, real estate (1) (3), commodities (1) (2) and volatility). The sub-fund may also invest in commodity funds (1) (2) for maximum 15% of the portfolio, or volatility funds also for maximum 15% of the portfolio.</p> <p>(1) The sub-fund does not invest in commodities or real estate directly.</p> <p>(2) Exposure obtained by buying ETN on commodities or a commodities ETF.</p> <p>(3) Investments in Real Estate ETF, shares of companies linked to Real Estate, closed-ended REITs</p> <p>Description of the strategy :</p> <p>The sub-fund may apply a dynamic asset allocation strategy with an absolute performance objective under a volatility constraint. This allocation strategy is based on a disciplined screening of macro-economic fundamentals and factors in the valuations and risk fundamentals of the assets concerned. This analysis is translated into directional positions on the international markets of developed and emerging countries in the risky asset part of the portfolio described above. These directional positions have an investment horizon that range from several weeks to several months, and are dynamically reassessed so as to position the portfolio according to current macroeconomic and financial conditions.</p> <p>The Investment Manager applies also BNP PARIBAS ASSET MANAGEMENT's Sustainable Investment Policy, which takes into account Environmental, Social and Governance (ESG) criteria in the investments of the sub-fund.</p> <p><u>Derivatives and Securities Financing Transactions</u></p> <p>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.</p> <p>The sub-fund may invest in derivatives linked to the world's main currencies for currency hedging purposes.</p>
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There is no other difference between the Merging and Receiving sub-funds. They have the same characteristics, inter alia:

- Investment Manager
- Investment Objective (except for a clarification in terms of wording)
- Investment Strategy
- Fee structure (including management fees)

All the other characteristics are also similar, such as Risk Management Process, Specific Market Risks, Investor Type Profile, Accounting Currency, OCRs, SRRI, NAV Cycle and Valuation Day.

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The Merger will be done in kind.

6) Tax Consequences

This Merger will have **no Luxembourg tax impact** for you.

In accordance with the European Directive 2011/16 the Luxembourg authorities will report to the tax authorities in your state of residence the total gross proceeds from the exchange of shares in application of the Merger.

For more **tax advice or information** on possible tax consequences associated with the Merger, it is recommended that you **contact your local tax advisor or authority**.

7) Right to redeem the shares

Your options:

- ✓ Should you approve the Merger, you do **not need** to take any action,
- ✓ Should you not approve the Merger, you have the possibility to request the redemption of your shares free of charge until the cut-off time, on the dates detailed in the column "Last Order Date" in the above 1st table,
- ✓ In case of **any question**, please contact our **Client Service (+ 352 26 46 31 21 / AMLU.ClientService@bnpparibas.com)**.

8) Other information

- ✓ All expenses related to this Merger (including Audit costs), will be borne by BNP PARIBAS ASSET MANAGEMENT Luxembourg, the Management Company.
- ✓ The merging operation will be validated by PricewaterhouseCoopers, Société Coopérative, the auditor of the Company.
- ✓ The Annual and Semi-Annual Report and the legal documents of the Company, 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 <https://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 Prospectus of the Company for any term or expression not defined in this notice.

Best regards,

The Boards of Directors

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