

PRESS RELEASE

BNP Paribas Asset Management launches first Inclusive Growth thematic fund

- BNP Paribas Asset Management ('BNPP AM') renames BNP Paribas Human Development fund as BNP Paribas Inclusive Growth fund and changes investment strategy focused on diversity and inclusive growth.
- Inclusive Growth fund invests in companies combining financial performance with proactive approach to reducing social inequalities.
- 'Inclusion score' based on a proprietary methodology allows companies to be rated and selected for high-conviction portfolio of 40-60 equities.

BNPP AM has restructured the BNP Paribas Human Development fund, now renamed **BNP Paribas Inclusive Growth**, and managed using a new investment strategy focused on inclusive growth¹. It aims to generate returns through investment in companies with a proactive approach to reducing inequalities in income, education, gender, ethnicity, geographic origin, age or disability.

Combining social factors and financial return

The restructured fund is fully aligned with BNPP AM's Global Sustainability Strategy, of which **equality & inclusive growth** is a key pillar, along with energy transition and the environment (collectively the '3 Es'). Equality & inclusive growth forms an essential component of companies' ESG² scores and the importance of the social dimension is clearly highlighted in the current global economic and health crisis.

BNP Paribas Inclusive Growth invests in companies that contribute positively to diversity and inclusion. Its investment strategy is based on five key social challenges identified as major causes of inequalities:

- protecting the most vulnerable members of society
- promoting social mobility
- developing a quality offering accessible to the greatest number of people
- respecting business ethics
- promoting decarbonisation and biodiversity

BNP Paribas Inclusive Growth is based on the strong conviction that inclusive growth creates sustainable financial performance and better management of long-term risk, thereby offering institutional investors and savers attractive returns while contributing to an economy that creates opportunities for all.

Inclusion score based on unique and proprietary methodology

BNPP AM has developed a proprietary methodology that combines its quantitative research expertise with the non-financial data analysis capabilities of its team of ESG experts. This methodology enables all stocks in the universe to be scored out of 100, using ESG indicators associated with a specific range of inclusive growth criteria. These include employment contracts, working conditions, equal pay, employee diversity, percentage of female managers, talent management, professional training, product and service offering for low-income consumers and executive remuneration policy.

¹ The OECD defines inclusive growth as economic growth that is distributed fairly across society and creates opportunities for all, <https://www.oecd.org/inclusive-growth/#inequality-puts-our-world-at-risk>

² Environment, Social and Governance



The final 'inclusion score' enables the identification of companies that are inclusive growth leaders within the investment universe. It incorporates an enhanced weighting for social factors, which account for 65% of the overall score, compared to 20% for governance criteria and 15% for environmental. Companies that score below 20 are automatically excluded from the investment portfolio. This approach enables **BNP Paribas Inclusive Growth** to meet all the Sustainable Development Goals, with 4 of them being targeted as a priority: decent work & economic growth, reduced inequalities, gender equality and no poverty.

Maria Luz Diaz Blanco and Anne Froideval, Portfolio Managers of the Inclusive Growth fund, comment:
"By integrating specific performance indicators, such as employee turnover rate or board diversity, our proprietary model allows us to filter the investment universe to identify the leaders. Our selective approach means that we can build a high conviction equity portfolio of 40-60 stocks from around 1,000 companies initially analysed. This allows us to meet the expectations of our clients who are looking to generate a positive impact on tomorrow's society while generating long-term value."

Delphine Riou, ESG Analyst at BNP Paribas Asset Management, comments:
"The BNP Paribas Inclusive Growth fund is a continuation of BNPP AM's work on the social theme and responds to the demands of our clients. We believe that companies that implement the best practices of diversity and inclusion with their employees, their customers or their suppliers can achieve better financial results. This finding resonates all the more strongly during the Covid-19 crisis, which accelerated the emergence of social considerations in investment decision-making."

Key fund characteristics

Name	BNP Paribas Inclusive Growth	
Legal structure	Sub-fund of BNP Paribas Funds SICAV registered under Luxembourg law	
Management company	BNP Paribas Asset Management Luxembourg	
Delegated management company	BNP Paribas Asset Management France	
Custodian	BNP Paribas Securities Services - Luxembourg branch	
Launch date	5 December 2014	
Base currency	Euro	
Share classes and ISIN codes	I Capitalisation	LU1165136844
	Privilege Capitalisation	LU1165136687
	Privilege Distribution	LU1165136760
Registered for sale in	UK, Austria, Belgium, France, Germany, Greece, Hungary, Italy, Luxembourg, Netherlands, Spain, Switzerland	
Benchmark	MSCI World (NR)	
SRRRI* score (on a scale of 1 (lowest) to 7 (highest))	6	
* Synthetic Risk and Reward Indicator These internal guidelines are provided for information only and are subject to change.		

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PRESS CONTACT

BNP Paribas Asset Management

Quentin Smith

+44 (0)20 7063 7106

quentin.smith@bnpparibas.com



BNP PARIBAS
ASSET MANAGEMENT

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About BNP Paribas Asset Management

BNP Paribas Asset Management is the asset management arm of BNP Paribas, one of the world's foremost financial institutions, and offers high value-added solutions to individual savers, companies, and institutional investors. It has a broad range of skills in four investment divisions: Equities, Fixed Income, Private Debt & Real Assets, and Multi-Asset, Quantitative and Solutions (MAQS). Sustainability is at the heart of BNP Paribas Asset Management's strategy and investment decision-making process, making an active contribution to energy transition, environmental protection and the promotion of equality and inclusive growth. Its aim is to achieve long-term sustainable investment returns for its clients. BNP Paribas Asset Management has assets under management of EUR 483 billion* (as at 31 December 2020), with more than 500 investment professionals and almost 500 client servicing specialists, serving individual, corporate and institutional clients in 72 countries.

* EUR 618 billion of assets under management and advisory as at 31 December 2020

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Additional information

BNP PARIBAS ASSET MANAGEMENT Nederland N.V., (address: P.O. Box 71770, 1008 DG Amsterdam) ("BNPP AM NED"), is a Dutch (asset) management company registered with the Dutch regulator (Autoriteit Financiële Markten).

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2. (personalised) investment advice.

The BNP Paribas Inclusive Growth, a fund of BNP Paribas Funds is registered with the Dutch regulator (Autoriteit Financiële Markten) pursuant to the Act on financial supervision. For this product a prospectus and a Key Investor Information Document (KIID) have been drawn up about the product, the costs and the risks. Ask for it, read it and consult the financial instrument(s)' most recent financial reports before you buy the product. The prospectus, KIID and information about the product can be obtained via BNP PARIBAS ASSET MANAGEMENT Nederland N.V., Client Service, P.O. Box 71770, 1008 DG Amsterdam and via www.bnpparibas-am.nl.

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The ongoing charges of BNP Paribas Inclusive Growth are 1.95% on 28 December 2020 (estimation). Next to that the distributor may impose purchase and sales charges, these costs vary from 0% till max 5% and depend on the distributor and the sales channel.

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As at February 2021.



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