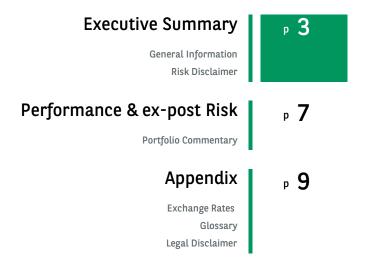
Institutional report for professional investors BNP PARIBAS A FUND Sustainable Thematic Select - Commentary





BNP PARIBAS ASSET MANAGEMENT

The sustainable investor for a changing world



BNPP AM is the source for all data in this document as at end 31/05/2024, unless otherwise specified.

Executive Summary

General Information

Key Figures (USD)

Fund AUM	2,862,567.22
Share class AUM	25,630.07
Number of holdings	16
Outstanding shares	262.37
NAV date	31/05/2024
NAV per share	97.69
12M NAV max (16/05/2024)	99.87
12M NAV min (26/10/2023)	83.00

Portfolio Characteristics

Fund Name	BNP PARIBAS A FUND Sustainable Thematic Select
ISIN Code	LU2419394056
Share Class	Classic
Share Type	Capitalisation
Share Class base Currency	USD
Inception date	17/03/2022
Track record inception	17/03/2022
Share class 1st NAV date	17/03/2022
Share class initial NAV	100.00
Domicile	Luxembourg
Legal Form	SICAV
Fund type	Offered to the public
Asset type	Balanced
Investment strategy	MAQS Target Allocation Growth World SRI
Recommended investment horizon	5 years
Agreement date	22/12/2021
Initial number of shares	0.00
Classification SFDR	Article 8
AMF Classification	Not Applicable

Classification SFDR

Article 8 - Promotes Environmental or Social Characteristics.

Involved Parties

Management Company	BNP PARIBAS ASSET MANAGEMENT Luxembourg
Fiscal closing rule	March 31st

Order Centralisation & NAV Information

Order centralisation frequency	Daily
Order centralisation time - STP	12:00 CET
NAV centralisation timing / date	Reference Date
NAV calculation frequency	Every business day in Luxembourg
NAV calculation timing / date	Reference Date + 1
NAV valorisation frequency	Daily
NAV valorisation date	Reference Date
NAV settlement timing	Reference Date + 4

Executive Summary

Risk Disclaimer

Risk of Capital Loss

The investments in the portfolios are subject to market fluctuations and the risks inherent in investments in securities. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay, the portfolios described being at risk of capital loss.

Risk Linked to the Asset Class

The risks associated with investments in equities (and similar instruments) include significant fluctuations in prices, negative information about the issuer or market and the subordination of a company's equities to its bonds. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay. Portfolios investing in growth stocks may be more volatile than the market in general and may react differently to economic, political and market developments and to specific information about the issuer.

Credit Risk

This risk relates to the ability of an issuer to honour its commitments: downgrades of an issue or issuer rating may lead to a drop in the value of associated bonds.

Operational and Custody Risk

Some markets are less regulated than most of the international markets; hence, the services related to custody and liquidation for the subfund on such markets could be more risky.



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Performance & ex-post Risk

Portfolio Commentary

Market Review

- After quickly recovering the ground they lost in April and setting new records, global equities ended May on two consecutive weeks of declines. By 20 May, global and emerging equities had gained more than 5.0% compared to the end of April, but they then slipped to end the month up by 3.8% (MSCI AC World index in US dollars) and 0.3% (MSCI Emerging Markets index in US dollars).
- The main factor behind these movements was the question of when the Fed would make its first policy rate cut, which remained the focus of investors' concerns. At first, there was some sense of relief when it became clear that a long-lasting acceleration in inflation could essentially be ruled out. Each economic indicator that pointed to a slowdown in activity in the US was welcomed by equity markets ('Bad news is good news'). On 23 May, the unexpected rebound in the services PMI triggered some concern. The reasoning was simple: With inflation still sticky, particularly in services, any re-acceleration in growth would increase the risk of overheating, delaying the Fed's first rate cut or even justifying renewed hiking. Such nervousness showed itself in the rebound in implied volatility at the end of the month, when the VIX index returned to its lowest since November 2019.
- Within developed equities, US markets significantly outperformed in May and the main indices set new records on 21 May. The S&P 500 gained 4.8% over the month and the Nasdaq Composite, 6.9%. In the eurozone, previous highs were surpassed in mid-May by several indices. The EuroSTOXX 50 finished the month up by 1.3% and, with a rise of 10.2% year to date, has matched (in local currency terms) the S & P 500 (+10.6%). In May, the MSCI EMU in euros rose by 1.7% and is up by 9.0% year to date. In Tokyo, index movements during the month were both smaller than in other markets and contrarian, with Japanese equities falling until mid-month before recovering to finally gain 1.1% (Topix index). The prospect of a hike in the Bank of Japan's policy rate and rising bond yields supported the financials sector, which outperformed significantly.
- The extent of the underperformance in emerging markets was mainly due to the fall in Chinese equities at the end of the month. As of 30 May, the MSCI Emerging Markets index gained 1.2% from the end of April compared to 3.2% for the MSCI AC World index. The abrupt (and short-lived) decline in large US tech stocks on 30 May weighed on all markets and Asian indices did not benefit from the rebound in the S&P 500 and Nasdaq the next day. The renewed positive sentiment towards Chinese equities after several supportive announcements by the authorities ran out of steam over the month: The MSCI China index, which had risen by 11% by 21 May compared to the end of April, ended the month up by only 3.6%. The MSCI AC Asia ex Japan index rose by 1.9% in May, hurt by the decline in the South Korean market.
- The fall in US long-term bond yields in the first half of the month helped the Growth style (+5.0% for the MSCI AC World Growth index) to outperform the Value style (+2.6% for the MSCI AC World Value index). Globally, the tech sector continued to lead the way, particularly semiconductors. The only drop in May was in the energy sector, which was hit by lower crude oil prices (-7.1% for Brent; -6.0% for WTI).

Portfolio Update

In absolute terms, May turned out to be a positive month as the fund gained 2.07% on a gross basis.

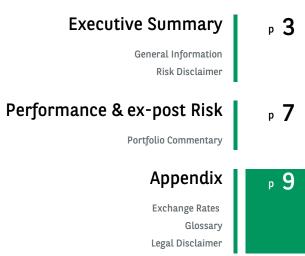
Asset Allocation Positioning

- The effect from asset allocation and stock selection contributed negatively this month.
- On asset allocation side we gained on our overweight equity and the OW US equity but lost on the OW on EM and Japan equity.
- In terms of stock selection, the drawdown came mainly from the regional (US) equity bucket.
- The effect within the thematic equity bucket was negative. LO Golden Age and Theam Quant World Climate Carbon Offset Plan suffered the most and were the driving force behind the underperformance within the thematic equity bucket.
- During the month, we did the following meaningful movements in the portfolio:
- We took profit on a large part of our China equity position and switched it to broad EM equity exposure
- Our position in Japanese equity was reduced towards month-end
- We increased our position in Invesco NASDAQ-100 ESG
- We ended the month with a 79.97% equity position and 18.65% of fixed income weight
- Expectations about Fed monetary policy governed financial market movements in May. Economic indicators provided little help in deciding whether activity and inflation are slowing or the inflation risk is being kept high by strong growth. Over the weeks, contradictory data added to investor nervousness. From mid-May, investors were tending towards the second scenario, although it was far from being set in stone. The pushback of expected policy rate cuts then led to upward pressure on bond yields, which in turn weighed on equities. Despite consensus being hard to find, investors are gradually locking in on the abnormal and unstable situation where 'bad news' on growth is 'good news' for risky assets as it would mean monetary policy loosening should be coming soon.
- Although the first signs of slowing activity are still tentative and inflation is still somewhat too high to feel fully at ease, the monetary easing cycle has started in developed economies and is likely to establish itself (cautiously) in the coming months. Questions about the pace of this easing and its 'terminal point' in 2025 will likely persist, fuelling volatility in government bonds. Debates about the level of the 'neutral rate' have

Performance & ex-post Risk

Portfolio Commentary

indeed returned to the forefront in recent weeks, and it is unlikely that central banks will want to make a formal assessment on this. Beyond these questions, which could lead to sharp swings in the short term, the evolving scenario seems quite favourable for risky assets. Equities should continue to benefit from the investment themes that have prevailed in recent months and that have supported, among others, the technology sector.



Exchange Rates

as of 31/05/2024

ISO Code	Currency name	1 USD =
AUD	AUSTRALIAN DOLLAR	1.503646
CHF	SWISS FRANC	0.902150
CNY	CHINESE YUAN	7.244000
EUR	EURO	0.921150
GBP	BRITISH POUND	0.785423
HKD	HONG KONG DOLLAR	7.823350
SGD	SINGAPORE DOLLAR	1.351700

Appendix

Glossary

Benchmark or benchmark index

Index used to represent the market(s) which a fund is supposed to be invested. It is the standard by which the performance of an investment fund is measured.

Maturity

The time that remains until the rights associated with a financial asset expire. The maturity of a share is in theory infinite, while that of a bond depends on its principal repayment date, or "maturity date". A bond's actual maturity may be cut short if the issuer is able to call or redeem the bond before the maturity date.

Maximum drawdown

The maximum loss that a portfolio incurs over a given period (expressed as a percentage), taking into account monthly performance observations.

Basis point

A hundredth of a percentage point, or 0.01% (abbreviated as bp).

Information ratio

The difference between a portfolio's returns and those of its benchmark, divided by the portfolio's tracking error. Measures a fund manager's risk-adjusted performance relative to the benchmark.

$$IR = \frac{Ret_{Fund} - Ret_{Bench}}{TE}$$

Sharpe ratio

A measure of an investment's performance relative to the risk incurred. It is calculated by dividing the difference between the portfolio's return and the risk-free interest-rate by the portfolio's volatility.

$$Sharpe = \frac{Ret_{Fund} - Rate_{riskfree}}{\sigma_{ann.}}$$

Duration

Expresses the potential variation between the price of a bond (or bond portfolio) in response to a 1% change in the interest rate.

$$Modified Duration = \frac{Duration}{(1+r)}$$

r = bond yield

Tracking error

The standard deviation of the differences between fund and benchmark returns over time. It represents the risk that the fund manager takes in straying from the benchmark.

$TE_{ann.} = \sqrt{\frac{\sum_{i=1}^{N} (PR_i - Av(PR_i))^2}{n}} x\sqrt{k}$ $PR_i = excess return$

Volatility

A measure of risk as the standard deviation of a portfolio's returns above and below its average return over a specified investment period. For example, if a portfolio has a volatility (risk) of 8% this means that it will on average vary 8% above or below its average return over the investment period.

$$\sigma_{ann.} = \sqrt{\frac{\sum_{i=1}^{N} (P_i - Av(P_i))^2}{n}} x \sqrt{k}$$

Where Avg (P_iis the average of n returns and k is the number of investment periods in the year.

R²

Statistical measure that represents the proportion of a fund or security's movements that can be explained by movements in a benchmark index. R^2 values range from 0 to 1. An R^2 of 1 means that all movements of a security are completely explained by movements in the index.



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