BNP PARIBAS FLEXI III

SICAV - SIF

Annual Report
at 31/12/2022

R.C.S. Luxembourg B 130 436

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Organisation

Registered Office

10 Rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg

Board of Directors

Chairman

Mr. Roger MINERS, Global Chief Marketing Officer, BNP PARIBAS ASSET MANAGEMENT UK Ltd., London (until 22 March 2022)

Mr. Hans STEYAERT, Head of Operational Change Management, BNP PARIBAS ASSET MANAGEMENT Belgium, Brussels (since 22 March 2022)

Members

Ms Sélima MABROUK-BRIET, Head of Business Management, BNP PARIBAS ASSET MANAGEMENT France, Paris

Mr. Hans STEYAERT, Head of Operational Change Management, BNP PARIBAS ASSET MANAGEMENT Belgium, Brussels (until 22 March 2022)

Mrs Fatou-Bané DIOUKHANE, Head of Middle Office Trade Support, BNP PARIBAS ASSET MANAGEMENT Belgium, Brussels (since 22 March 2022)

Mr Charles CLARKE, Client Communications Lead, BNP PARIBAS ASSET MANAGEMENT UK, Ltd, London (since 29 July 2022)

Alternative Investment Fund Manager (“AIFM”)

BNP PARIBAS ASSET MANAGEMENT Luxembourg, 10 Rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg

NAV Calculation, Registrar and Transfer Agent

BNP Paribas S.A., Luxembourg Branch*, 60 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Portfolio management is delegated to:

Effective Investment Managers

- BNP PARIBAS ASSET MANAGEMENT France, 1 Boulevard Haussmann, F-75009 Paris, France
- BNP PARIBAS ASSET MANAGEMENT UK Ltd., 5 Aldermanbury Square, London EC2V 7BP, United Kingdom

Sub-Investment Managers

- BNP PARIBAS ASSET MANAGEMENT USA, Inc., 200 Park Avenue, 11th floor, New York, NY 10166, United States of America

Depositary

BNP Paribas S.A., Luxembourg Branch*, 60 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers, Société coopérative, 2 Rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, Grand Duchy of Luxembourg

*Until 30 September 2022: BNP Paribas Securities Services, Luxembourg Branch

Information

BNP PARIBAS FLEXI III is an investment company with variable capital - specialised investment fund (abbreviated to SICAV-SIF), subject to the Luxembourg law of 13 February 2007 as amended for the last time by the law of 26 March 2012, as well as by the provisions of the AIFM Law of 12 July 2013, and constituted for an indefinite period on 18 July 2007.

The Articles of Association of the Company have been filed with the register of the District Court of Luxembourg, where any interested party may consult them and obtain a copy. There were published in the *Mémorial, Recueil des Sociétés et Association* on 4 September 2007. They were modified for the last time on 28 April 2016 with publication in the Mémorial, Recueil des Sociétés et Associations on 26 September 2016.

The Company is registered in the Luxembourg Trade Register under the number B 130 436.

The Articles of Association, the offering document and financial reports may be consulted at the Company's registered office and at the establishments responsible for the Company's financial service. Copies of the Articles of Association and the annual and interim reports are available upon request.

Information on changes to the Company will be published in a Luxembourg newspaper and any other journal deemed appropriate by the Board of Directors in countries in which the Company publicly markets its shares.

The latest net asset value per share, together with subscription and redemption prices are available on any bank business day in Luxembourg at the registered office of the Company.

The Net Asset Values (NAV) are offered in EUR for all sub-funds of the Company.

For the sub-fund "European Senior Corporate Loans" the NAV is calculated twice a month, based on the closing prices of the 15th calendar day of the month and the last Business Day of the month (the "Valuation Days") and such other days as the Board of Directors may from time to time determine at its discretion. A "Business Day" is defined as any day on which banks are open for business in the Grand Duchy of Luxembourg, Paris, London and New York unless 50% or more of the underlying assets cannot be valued (due to, but not limited to stock exchange closure for listed assets). If the valuation day is not a business day, the calculation of the NAV will be based on the closing prices of the following business day.

For the sub-fund "Global Senior Corporate Loans" the NAV is calculated twice a month, based on the closing prices of 15th calendar day of the month and the last Business Day of the month (the "Valuation Day") and such other days as the Board of Directors may from time to time determine at its discretion. A "Business Day" is defined as any day on which banks are open for business in Luxembourg, Paris, London and New York unless 50% or more of the underlying assets cannot be valued (due to but, not limited to stock exchange closure for listed assets).

For the sub-fund "Senior Secured Bank Loan Fund Mogliano", on the 22nd of each month on which banks are open for business in Luxembourg, New York, Paris and London (a "Valuation Day"), there is a corresponding NAV which is dated the same day, unless 50% or more of the underlying assets cannot be valued (due to, but not limited to stock exchange closure for listed assets). In case the 22nd Calendar day is not a Business Day the NAV will be calculated on the following Business Day.

For the sub-fund "Signature EUR", each day of the week on which banks are open for business in Luxembourg and Paris (a "Valuation Day"), there is a corresponding NAV which is dated the same day unless 50% or more of the underlying assets cannot be valued.

Manager's report

Economic context

In the face of higher-than-expected inflation, which is predicted to remain so longer than initially anticipated, particularly as a result of increased prices for energy and agricultural products, the main theme of 2022 was the normalisation of monetary policies. Key rate rises accelerated in the second half of the year despite concerns about global growth. Just after the invasion of Ukraine, the price of a barrel of Brent reached USD 128 in March, the highest since mid-2008. It then experienced sharp variations between USD 100 and USD 120 due to signs of stalemate in the conflict on the one hand and fears about the world economy on the other. In the end, the latter prevailed: the price of oil suffered from the deteriorated growth prospects and remained on a downward trend until early autumn. In the last quarter, it fluctuated sharply, reaching a low for the year in early December (at USD 76 per barrel) before ending at nearly USD 86, a 10.5% increase in 12 months. The WTI barrel price followed a similar path and ended 2022 at USD 80 (+4.2%). The rise in key rates and the acceleration of inflation (from 7.2% in January to 10.7% in October for the OECD) led to strong tensions in government bond yields and a sharp reversal of interest rate curves in the United States. The change in the Chinese authorities' attitude to the health crisis is an important factor that was rightly welcomed by investors at the end of 2022, as the authorities seem to be more concerned about growth.

United States

In 2022, GDP contracted in the first and second quarters (-1.6% and -0.6% respectively on an annualised basis) but domestic demand excluding inventories remained dynamic, as did the labour market, and growth in the third quarter was 3.2%. The "real-time" estimate of growth in the fourth quarter varied between 3% and 4% in November and December (GDPNow calculated by the Federal Reserve Bank of Atlanta). Job creation, less spectacular than in 2021 when it amounted to 6.7 million, was very dynamic throughout the year (more than 4 million from January to November). The fall in the unemployment rate from 4.0% in January to 3.6% in November led to strong wage increases, but announcements of massive lay-offs in certain sectors multiplied at the end of the year. Activity surveys deteriorated at the end of the period. In December, the Purchasing Managers' Index (PMI) stood at 45, just above the level observed in August, which was then the lowest since the pandemic, and the manufacturing sector was particularly hard hit. The economists' consensus estimates that the US economy is 70% likely to have a recession in the next twelve months, and Jerome Powell said he "didn't think anyone knew whether or not there would be a recession". The end of 2022 was also marked by inflation inflexion: in November, consumer prices rose 7.1% year-on-year (after 7.7% in October) and core inflation (excluding food and energy) was 6.0% (after 6.3% in October and 6.6% in September, which should mark the high point of this cycle). However, the Fed has indicated that it still needs to be convinced that inflation is slowing down and has revised its inflation forecast upwards for 2023 and 2024.

Europe

At the beginning of 2022, developments were mixed: activity surveys initially recovered before being affected by the geopolitical situation. Against this backdrop, GDP growth of 0.6% in the first quarter of 2022 is not what it seems as it masks the decline in domestic demand. In the second quarter, activity was supported by the recovery in tourism, which allowed GDP to grow by 0.8% (with a 1.0% increase in consumption). This favourable momentum has faded, but so far the eurozone economy has weathered the energy shock better than expected. Growth was 0.3% in the third quarter, with many predicting stagnation. However, activity surveys deteriorated sharply from July onwards: the PMI indices fell below 50, reflecting a slowdown in services and a contraction in the manufacturing sector, especially in Germany where export orders collapsed. The business climate measured by the IFO deteriorated sharply, hitting its lowest level since May 2020 in September. Confidence in the services sector collapsed, particularly in the hotel and restaurant sector. Faced with the risk of an energy shortage this winter, the degree of uncertainty about the German economy is now close to the high point reached at the time of the first lockdown and exceeds the threshold reached at the time of the invasion of Ukraine. Throughout the eurozone, and despite low unemployment (6.6%), consumer morale is at a historically low level. However, the very end of the year was characterised by a slowdown in the contraction of the eurozone economy. The average level of the PMI in the fourth quarter is still the largest quarterly drop in GDP since 2013 (excluding the pandemic). The inflexion of the price increase is very modest: in November, total inflation stood at 10.1% year-on-year (after 10.6% in October) while core inflation (excluding food and energy) stood at 5.0% compared to 2.3% in January.

Manager's report

Japan

In March 2022, while activity surveys had experienced a further change due to the deterioration of the health situation, the end of the Omicron wave and the lifting of restrictions allowed the Purchasing Managers' Index for services to bounce back, though the economy remains fragile. Industrial production suffered from supply chain disruptions due to lockdowns in China. Domestic demand at the end of the year was supported in the short term by the recovery of tourism as the government announced the ending of entry restrictions (effective as of 11 October) that had been in place for more than two years. Companies are concerned about rising costs and the prospect of a recession in the global economy. Against this backdrop, changes in the Japanese GDP have remained erratic since the beginning of the year; a 4.9% (annualised) rise in GDP in the fourth quarter of 2021 was followed by a 1.8 drop, a 4.5% rebound and a modest decline (0.8% in the third quarter). These variations have resulted in a growth rate of 1.0% for 2022, so that average growth in 2022 is expected to be more modest than in the United States and the eurozone (at 1.4% compared with the consensus of 1.9% and 3.2% respectively). The event of the year in Japan was the sharp acceleration of inflation, which in November returned to its highest level since the end of 1981 at 3.7% (index excluding fresh produce). At the same time, inflation excluding fresh produce and energy stands at 2.8%, which also corresponds to a high of almost 40 years but has not changed the analysis of the Bank of Japan (“BoJ”), which still considers this to be a temporary phenomenon (linked to energy and imported products), with service prices remaining moderate. However, price increases weigh heavily on household confidence, which, in November, returned to its lowest level since June 2020.

Emerging markets

In China, health restrictions (including strict lockdowns) continued to be put in place as new infection cases were discovered, with the authorities wishing to maintain their zero-Covid strategy despite its effects on activity. GDP growth in the second quarter (+0.4% year-on-year after +4.8% in the first quarter) disappointed expectations that were already modest and reflected the deterioration of activity in all sectors (contraction in services, slowdown in industry and construction). Activity surveys continued to deteriorate, forcing the authorities to implicitly acknowledge that the growth target now seemed out of reach and to put in place supportive policies. In the third quarter, the GDP estimate showed a rebound in growth to 3.9% year-on-year. Even with a stronger rebound in the fourth quarter, average annual growth in 2022 would only reach 3.5%, well below the government's original target. This result and the very poor industrial production and, especially, consumption data in October and November may explain the crucial shift in the health policy at the end of 2022, with the implicit abandonment of the zero-Covid policy in favour of economic growth. Elsewhere in emerging areas, aggressive monetary tightening to fight inflation has finally yielded results. The end of 2022 was thus marked by a slowdown, or even a halt, as in Brazil, in the increases in key rates. Growth in emerging economies is expected to slow in 2023, reflecting significantly lower foreign demand, persistently high inflation and tighter financing conditions in 2022. Asia is expected to be more resilient as the acceleration of inflation has been better contained and the re-opening of the Chinese economy is likely to support activity throughout the region.

Monetary policy

As early as January, the US Federal Reserve (the “Fed”) began to communicate much more aggressively. It began to raise its key rates in March (by 25 bp) and quickly increased the pace (50 bp in May and then four consecutive 75 bp hikes). On 14 December, after a 50 bp increase, the target federal funds rate was raised to the 4.25%-4.50% range, a cumulative increase of 425 bp in 2022. Over the months, it has become clear that within its dual mandate, the Fed is focused on inflation and that the potential damage to growth and employment will not stop it. This message, though clear, does not seem to be well understood. The Fed, considering inflation to be “widespread and too high”, is determined to bring it back to the 2% target and, to do so, will continue to raise its key rates in 2023 and keep them in restrictive territory for some time. For their part, investors believe that this brutal monetary tightening will provoke a recession and that the Fed will have to quickly resume cutting rates. This so-called “Fed pivot” assumption, reflected in futures markets, was sustained by the slowdown in the pace of rate rises in December and by the worsening of activity surveys. The difficulties in manufacturing have reinforced the belief of some observers that the Fed is likely to “do too much” in terms of rising key rates. The inflation inflexion (from 6.6% in September to 6.0% in November year-on-year for the consumer price index excluding food and energy) also played a role in these expectations. The Fed repeats that inflation will remain at an “uncomfortably high” level for some time and that its decline “will likely require a sustained period of growth below potential growth”. The Fed expects the unemployment rate to rise to 4.6% in 2023.

Manager's report

The European Central Bank ("ECB") did not change its key rates until June 2022, but expectations of a rise appeared in early 2022. Normalisation started with a rise of 50 bp in July, while the ECB committed in June to an increase of 25 bp. The statement noted that "the Council considered that a larger first step towards interest rate normalisation than indicated at its previous meeting was appropriate". The presentation of the anti-fragmentation tool (known as the TPI or Transmission Protection Instrument) also played a role in the decision. This new tool can be activated to "fight against an unjustified, disorderly market dynamic that would seriously threaten the transmission of monetary policy within the eurozone". As early as August, the tone of comments became much stronger in the face of accelerating inflation and in September, the ECB proceeded with a historic increase of 75 bp which, by raising the deposit rate to 0.75%, ended the period of zero or negative rates. The ECB then indicated that it intended to continue the tightening cycle and, indeed, raised its three key rates twice in the fourth quarter, by 75 bp in October and by 50 bp in December. Following the Governing Council on 15 December, the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility were raised to 2.50%, 2.75% and 2.00% respectively. After a cumulative rise of 250 bp in the second half of the year, the ECB's tone did not soften - quite the contrary. While inflation in the eurozone showed only a limited inflexion at the end of the year (at 10.1% in November year-on-year compared to 10.6% in October and 5.0% at the end of 2021), Christine Lagarde did not hesitate to evoke "a 50 bp rate of increase for some time" and specified on several occasions that going from a 75 bp increase in October to 50 bp in December does not constitute "a pivot, we are not slowing down". In addition, the various measures announced by eurozone governments to limit the consequences of the energy crisis for the most vulnerable households and companies, in effect providing support for growth, are likely to encourage the ECB to tighten its monetary policy further. Despite the downside risks to growth, it is no longer a question of simply normalising monetary policy but of implementing restrictive measures, as the ECB believes that the moderate recession, which it anticipates for the next few months, will not be enough to bring inflation down and considers that it "has no choice".

Foreign exchange markets

The Fed's very aggressive statements and decisions, along with fears about the health of the global economy, led to a widespread and rapid appreciation of the US dollar until September. The DXY dollar index (measured against a basket of the euro, yen, pound sterling, Canadian dollar, Swedish krona and Swiss franc) rose by 19% between the end of 2021 and 27 September, when it reached its highest level since May 2002. Part of the subsequent decline likely reflects questions among market participants about the appropriateness of an unqualified bullish dollar positioning against central banks that are likely to be upset by this additional source of volatility. In November, the dollar's decline became more pronounced and widespread due to the prospect of the Fed tightening its monetary policy and the renewed appetite for risky assets triggered by this assumption. Compared to the end of 2021, the DXY index finished up by 7.9%. The EUR/USD exchange rate (1.1374 at the end of 2021) fell below 1.00 on 22 August due to uncertainty about Russian gas supplies to the eurozone this winter and associated recession fears. Faced with concerns about growth, the hardened tone of ECB officials and the rise in key rates from July were not enough to sustain the European currency. Moreover, some operators consider that too rapid a tightening of the ECB's monetary policy could destabilise peripheral bond markets and thus further weaken the euro. The EUR/USD exchange rate dropped to 0.95 on 26 September, its lowest in more than 20 years, before recovering in the fourth quarter in a dollar movement that brought it above 1.07 in December, the highest since the beginning of June but down 5.9% in twelve months.

The USD/JPY exchange rate, which stood at 115.14 at the end of 2021, hovered around this level in January and February before rising sharply as the Bank of Japan ("BoJ") continued to analyse inflation as being driven by rising commodity prices. In the third quarter, the upward trend was more pronounced and Governor Kuroda did not hesitate to declare at the end of August that the BoJ had "no choice but to maintain its accommodative monetary policy until wages and prices rise in a stable and sustainable way". In September, the yen experienced a further weakening that triggered direct intervention in the foreign exchange market on the second. The effect was short-lived and the exchange rate stood at 152 on 21 October, the highest since July 1990. In November, like many financial assets, the yen experienced violent changes on the 10th following the publication of the consumer price index in the United States. Finally, in December, the dollar fell when, following its monetary policy meeting on the 20th, the BoJ announced the widening of the yield curve control interval. This decision surprised observers and sharply sent the yield of the 10-year JGB above 0.40% (compared to 0.255% at closing the day before). The BoJ had tried to curb this type of reaction by stating that it was a technical adjustment and not a change in monetary policy, which did not prevent the sharp return of the USD/JPY exchange rate to its lowest level since early August. It ended at 131.12, a 12.2% annual decline in the yen against the dollar.

Manager's report

Bond markets

The 10-year T-note yield (1.51% at the end of 2021) tracked an upward trend at the beginning of the year following the Fed's change of course to fight against increasingly high and diffuse inflation. A one-off easing occurred as a result of the invasion of Ukraine, but the Fed quickly confirmed its intention to normalise monetary policy, which led to a rapid rate hike. The 10-year T-note yield first rose above 3.00% in May, the highest since November 2018. Position adjustments were then made by investors who had taken a selling position for many months and were thus taking their profits, which led to a slight easing of rates without reversing the upward trend. The 10-year rate was close to 3.50% on 14 June, the highest in 10 years. Subsequently, concerns about growth became paramount. More and more observers began to speculate that the Fed's aggressive monetary policy could cause a recession. Despite inflation remaining very high and well above the 2% target, investors became convinced that the tightening cycle would be less abrupt than announced and followed by an easing from early 2023. Rates eased significantly until early August. The members of the Federal Open Market Committee ("FOMC") have fought against this so-called "Fed pivot" scenario, which could limit the desired effects of tightening their monetary policy. After several unambiguous statements, an upward trend was re-established on short and long rates, asserting itself in the second half of August and finally sending the 10-year rate to 4.25% in October. From then on, changes were driven by inflation figures and expectations of Fed decisions. The publication of consumer price indices played a crucial role throughout the fourth quarter. The 10-year T-note yield ended the period at 3.87%, an increase of 236 bp in twelve months. The rate curve reversed, with the 2-year rate rising from 0.73% to 4.43% (+370 bp) amid key rate rises and expectations of further tightening.

The German 10-year Bund yield (-0.18% at the end of 2021) quickly moved towards 0% in the wake of US long rates, with the ECB's unexpected change in tone on 3 February sending it to 0.30% in mid-February, the highest since the end of 2018. The invasion of Ukraine led to the usual flight to safety, this time accompanied by a drop in expectations of monetary policy tightening and buybacks of short positions. The German 10-year rate dropped below 0% in early March, but quickly resumed its upward trend when it became clear that the normalisation of monetary policy (raising key rates, halting asset purchases) remained, on the contrary, on the agenda. The 1.00% threshold, the highest since mid-2015, was approached at the end of April and then crossed in May, paving the way for a further rise in rates. Even though it remained chaotic, the ECB's tougher stance and the increases in its key rates from July onwards enabled the German 10-year rate to quickly clear all the symbolic thresholds (1.50% at the end of August, 1.75% and then 2.00% in September) to approach 2.50% in October, a level that had not been seen since 2011, when inflation exceeded 10% year-on-year. The short end of the yield curve reacted to the much more aggressive comments of many ECB Governing Council members. Over the weeks, it became clear that, like most of its counterparts in developed economies, the ECB would not hesitate to raise key rates to fight inflation, even if growth showed signs of weakness. The 10-year Bund yield ended at the highest level of the year at 2.57%, which corresponds to an increase of 275 bp in twelve months, while the 2-year rate rose from -0.62% to 2.76% (+338 bp). Against a backdrop of rising key rates and the end of the ECB's exceptional securities purchase programmes, the eurozone's peripheral markets had a turbulent year, which resulted in underperformance: the Italian 10-year rate rose by more than 350 bp to 4.72% and Spanish and Portuguese rates by around 310 bp to 3.66% and 3.59% respectively.

Manager's report

Equity markets

Since the beginning of the year, a geopolitical crisis has been added to the worsening health situation in Asia, which in turn has been affected by the Omicron wave. China reinstating lockdowns has been identified as a major risk to global growth. The nervousness of investors and economic agents and the soaring price of commodities that has fuelled inflationary pressures can therefore be explained by geopolitical tensions that existed even before the invasion of Ukraine on 24 February 2022.

The decline in global equities linked to geopolitical risk was partly corrected at first, but concerns eventually prevailed over the renewed hardened tone of the central banks, led by the US Federal reserve. Since the beginning of 2022, this hardened tone has also driven financial market movements and has quickly become dominant. Pressures on long-term interest rates caused by inflationary fears following the less accommodative stance taken by monetary policies have indeed penalised equities, particularly growth stocks. After weighing on the stock markets from January (regarding inflationary concerns), these pressures were practically put aside when the invasion of Ukraine stunned investors. They quickly returned to the forefront as central banks became increasingly aggressive. Global equities declined in January and February, saw a limited increase in March, sharply declined again in April, stabilised in May thanks to a market upturn in the last week of the month, before losing more than 10% in the first half of June. They were then able to take advantage of the easing of long-term rates and, while some participants likely benefited from cheap purchases, they were not able to withstand the deterioration of economic indicators and ended June down by 8.6% compared to the end of May. The MSCI AC World dollar index lost 20.9% in six months. Since the beginning of the second half of the year, stocks have fluctuated considerably, both up and down, as investors have anticipated that the Fed's monetary policy may experience a less restrictive turn in the coming months. Yet central bankers' discourse remained very aggressive and accompanied by stronger-than-expected increases in key rates as early as the summer. The “Fed pivot” scenario then evolved to become synonymous with a slowdown in the pace of key rate recovery. This assumption clearly supported equities in October and November, but from mid-December, investors had to pay more attention to central banks' statements that inflation is still too high and that monetary policy must become restrictive and should remain so in 2023.

Moreover, while business results remained encouraging, the consensus for a recession in 2023 strengthened at the end of the year with the deterioration of activity surveys and objective data, particularly in the United States. On the other hand, starting in November, the change of strategy in China in the face of the Covid pandemic has maintained hopes. The re-opening of the Chinese economy is synonymous with recovery in Asia and the normal functioning of global production chains. Faced with these contradictory factors, to which must be added the mini-financial storm of September caused by the announcement of the British mini-budget, equities ended the second half of the year practically at equilibrium (+1.4%) at the end of a rough course that reflects the confusion of investors. After three consecutive quarterly declines followed by a rebound in the fourth quarter, global equities lost 19.8% in 2022, their steepest decline since 2008, a year marked by the Global Financial Crisis and a drop of more than 40%. The American markets suffered from their often predominantly growth-oriented composition, such as the Nasdaq Composite index, down 33.1%. The S&P 500 index fell by 19.4%, the Eurostoxx 50 dropped 11.7%, and the Nikkei 225 index ended down 9.4% (local currency indices, dividends not reinvested). Sectoral performance was very disparate: The only significant increase was recorded by energy; the cyclical sectors (consumption, technology) fell sharply and defensive stocks, although declining, outperformed, as did financial stocks.

The Board of Directors

Luxembourg, 27 January 2023

Please note that the information provided in this report relates to past performance and is not a guide to future results.

Audit report

To the Shareholders of
BNP PARIBAS FLEXI III

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of BNP PARIBAS FLEXI III (the "Fund") and of each of its sub-funds as at 31 December 2022, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund's financial statements comprise:

- the statement of net assets as at 31 December 2022;
- the statement of operations and changes in net assets for the year then ended;
- the securities portfolio as at 31 December 2022; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;

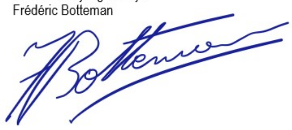
- conclude on the appropriateness of the Board of Directors of the Fund’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative Luxembourg, 20 April 2023
Represented by

Electronically signed by:
Frédéric Botteman



Frédéric Botteman

Financial statements at 31/12/2022

		European Senior Corporate Loans	Global Senior Corporate Loans	Senior Secured Bank Loan Fund Mogliano	Signature EUR
Expressed in		EUR	EUR	EUR	EUR
	Notes				
Statement of net assets					
Assets		**339 697 431**	**327 687 631**	**259 452 269**	**198 633 413**
Securities portfolio at cost price		349 260 190	336 586 778	283 481 816	83 880 447
Unrealised gain/(loss) on securities portfolio		(27 702 774)	(30 106 791)	(30 300 209)	(3 444 389)
Securities portfolio at market value	2	321 557 416	306 479 987	253 181 607	80 436 058
Net Unrealised gain on financial instruments	2,10,11	4 250 507	5 264 169	0	3 354 640
Cash at banks and time deposits		3 269 684	4 959 409	2 998 668	114 393 010
Other assets		10 619 824	10 984 066	3 271 994	449 705
Liabilities		**5 204 002**	**5 195 496**	**1 867 784**	**269 305**
Net Unrealised loss on financial instruments	2,10,11	0	0	108 027	0
Other liabilities		5 204 002	5 195 496	1 759 757	269 305
Net asset value		**334 493 429**	**322 492 135**	**257 584 485**	**198 364 108**
Statement of operations and changes in net assets					
Income on investments and assets	2	**15 441 765**	**15 433 974**	**12 286 170**	**734 216**
Management fees	3	1 545 347	1 708 645	1 133 788	194 837
Custodian charges	6	16 249	26 088	126 888	25 456
Bank interest		25 302	26 051	1 521	19 832
Interest on swaps		0	0	0	144 275
Extraordinary and other expenses	7	572 200	329 414	505 672	32 731
Taxes	8	34 600	34 096	26 350	28 933
Transaction fees	17	3 514	0	0	335
Administrative fees	5	443 975	429 186	335 788	71 973
Total expenses		**2 641 187**	**2 553 480**	**2 130 007**	**518 372**
Net result from investments		**12 800 578**	**12 880 494**	**10 156 163**	**215 844**
Net realised result on:					
Investments securities	2,15	(3 295 477)	(2 009 300)	(1 476 102)	(1 492 372)
Financial instruments	2,15	(24 009 022)	(13 897 647)	512 406	4 484 478
Net realised result		**(14 503 921)**	**(3 026 453)**	**9 192 467**	**3 207 950**
Movement on net unrealised gain/(loss) on:					
Investments securities	15	(28 330 267)	(30 071 220)	(28 962 875)	(3 538 487)
Financial instruments	15	8 052 370	7 209 220	(11 939)	3 830 010
Change in net assets due to operations		**(34 781 818)**	**(25 888 453)**	**(19 782 347)**	**3 499 473**
Net subscriptions/(redemptions)		**19 533 212**	**(4 917 737)**	**0**	**(376 921 007)**
Dividends paid	9	**(10 662 119)**	**(10 160 245)**	**(8 328 450)**	**0**
Increase/(Decrease) in net assets during the year/period		**(25 910 725)**	**(40 966 435)**	**(28 110 797)**	**(373 421 534)**
Net assets at the beginning of the financial year/period		**360 404 154**	**363 458 570**	**285 695 282**	**571 785 642**
Net assets at the end of the financial year/period		**334 493 429**	**322 492 135**	**257 584 485**	**198 364 108**

Combined
EUR
1 125 470 744
1 053 209 231
(91 554 163)
961 655 068
12 869 316
125 620 771
25 325 589
12 536 587
108 027
12 428 560
1 112 934 157
43 896 125
4 582 617
194 681
72 706
144 275
1 440 017
123 979
3 849
1 280 922
7 843 046
36 053 079
(8 273 251)
(32 909 785)
(5 129 957)
(90 902 849)
19 079 661
(76 953 145)
(362 305 532)
(29 150 814)
(468 409 491)
1 581 343 648
1 112 934 157

Key figures relating to the last 3 years

European Senior Corporate Loans

	EUR 31/12/2020	EUR 31/12/2021	EUR 31/12/2022	Number of shares 31/12/2022
Net assets	362 357 225	360 404 154	334 493 429	
Net asset value per share				
Share “I - Distribution”	966.38	967.36	881.91	20 859.798
Share “I Plus - Capitalisation”	1 026.64	1 060.27	1 000.84	20 037.741
Share “I Plus - Distribution”	975.23	977.19	891.77	35 699.404
Share “I Plus H JPY - Distribution”	9 680.00	9 741.00	8 878.00	607 257.585
Share “I Super Plus - Distribution”	977.48	980.42	895.63	88 819.541
Share “I Super Plus H JPY - Distribution”	9 851.00	9 926.00	9 058.00	2 275 547.944

Global Senior Corporate Loans

	EUR 31/12/2020	EUR 31/12/2021	EUR 31/12/2022	Number of shares 31/12/2022
Net assets	405 612 146	363 458 570	322 492 135	
Net asset value per share				
Share “I - Capitalisation”	1 051.87	1 093.75	0	0
Share “I - Distribution”	949.06	958.67	0	0
Share “I Plus - Capitalisation”	1 108.71	1 153.96	1 071.57	876.000
Share “I Plus - Distribution”	948.78	958.81	858.28	166 645.115
Share “I Plus 2014 - Distribution”	944.03	954.01	853.98	90 954.711
Share “I Plus 2016 - Capitalisation”	1 134.73	1 181.09	1 096.75	39 198.278
Share “I Plus 2016 - Distribution”	948.29	958.32	857.84	11 396.913
Share “I Plus 2017 - Capitalisation”	1 051.60	1 094.57	1 016.40	2 249.665
Share “I Plus 2017 - Distribution”	940.86	950.81	851.12	49 696.949
Share “Privilege 2014 - Distribution”	919.33	925.34	824.99	825.000
Share “X2 - Capitalisation”	1 002.27	1 048.37	978.39	2 882.000

Senior Secured Bank Loan Fund Mogliano

	EUR 31/12/2020	EUR 31/12/2021	EUR 31/12/2022	Number of shares 31/12/2022
Net assets	282 870 592	285 695 282	257 584 485	
Net asset value per share				
Share “I - Distribution”	870.85	879.54	793.00	324 822.548

Signature EUR

	EUR 31/12/2020	EUR 31/12/2021	EUR 31/12/2022	Number of shares 31/12/2022
Net assets	617 889 101	571 785 642	198 364 108	
Net asset value per share				
Share “I Plus - Capitalisation”	10 131.7889	10 107.9111	10 114.8055	4 116.66638
Share “I Plus - Distribution”	10 042.1054	10 018.5633	10 025.3968	15 632.67818
Share “I Plus H USD - Capitalisation”	10 013.5640	10 060.8317	0	0
Share “Privilege - Capitalisation”	1 029.3828	1 026.4815	1 027.2625	0.99991

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
Other			318 648 150	95.26
	Loans		**318 648 150**	**95.26**
	France		*89 429 998*	*26.75*
1 315 789	AVERYS T/L 08/08/2025	EUR	1 217 105	0.36
1 346 154	BANIJAY GROUP SAS EUR TER T/L 04/02/2025	EUR	1 326 635	0.40
5 809 091	CASINO GUICHARD-PERRACHON T/L 31/08/2025	EUR	4 886 898	1.46
3 365 854	CERBA HEALTHCARE S.A.S T/L 12/05/2028	EUR	3 101 500	0.93
8 727 301	CEVA SANTE T/L 27/03/2026	EUR	8 524 391	2.56
3 015 625	COLISEE GROUP SA 3.750% 21-30/11/2027	EUR	2 806 160	0.84
3 925 893	DELACHAUX T/L 1ST LN 30/04/2026	EUR	3 669 886	1.10
888 889	EDILIANS INVESTMENTS SARL T/L 17/02/2028	EUR	781 947	0.23
5 953 704	ELSAN SAS 3.500% 21-08/02/2028	EUR	5 584 574	1.67
2 700 000	GERFLOR T/L 26/02/2027	EUR	2 553 417	0.76
1 571 429	GRANITE FRANCE BIDCO T/L 23/09/2028	EUR	1 452 268	0.43
2 873 189	GROUPE BABILOU T/L 27/11/2027	EUR	2 748 378	0.82
2 941 176	HOLDING SOCOTEC 3.750% 21-07/05/2028	EUR	2 763 235	0.83
1 666 666	HOMEVI SAS T/L B 20-31/10/2026	EUR	1 483 749	0.44
2 500 000	HOMEVI SAS T/L B 31/10/2024	EUR	2 140 625	0.64
2 662 295	INOVIE EUR TERM LOAN B T/L 08/12/2027	EUR	2 461 877	0.74
2 500 000	INOVIE SASU EUR TERM LOAN T/L 03/03/2028	EUR	2 407 650	0.72
3 184 211	NEMERA T/L 05/12/2025	EUR	2 911 961	0.87
957 179	NUMERICABLE - SFR S.A T/L B12 06/01/2026	EUR	903 682	0.27
4 000 000	OBERTHUR TECH HLDGS T/L 09/01/2026	EUR	3 842 000	1.15
6 176 511	OBOL FRANCE 3 SAS T/L 09/12/2025	EUR	5 391 600	1.61
2 285 714	PROXISERVE (AKA PER) T/L 28/02/2026	EUR	2 147 154	0.64
1 090 910	SAVERGLASS 2022 T/L 19/02/2029	EUR	997 506	0.30
3 750 000	SIACI SAINT HONORE EUR NE T/L 21/07/2028	EUR	3 568 350	1.07
4 758 621	SIRONA BIDCO T/L 20/10/2028	EUR	4 463 587	1.33
2 915 152	STELLAGROUP SASU T/L 30/01/2026	EUR	2 718 379	0.81
3 775 072	TARKETT SA EUR TERM LOAN T/L 07/03/2028	EUR	3 175 100	0.95
1 961 855	TECHNICOLOR CREATIVE EUR T/L 07/09/2026	EUR	1 102 327	0.33
2 162 161	VIVALTO SANTE SAS T/L 20/07/2028	EUR	2 037 837	0.61
2 147 059	WEBHELP T/L B 31/07/2026	EUR	2 025 557	0.61
5 007 406	ZF INVEST T/L 30/06/2028	EUR	4 234 663	1.27
	The Netherlands		*61 647 145*	*18.45*
1 600 000	ACCELL GROUP T/L 14/09/2029	EUR	1 497 600	0.45
1 629 630	CALDIC INVESTMENTS BV T/L 04/02/2029	EUR	1 537 556	0.46
4 000 000	CLAY HOLDCO BC T/L 31/10/2026	EUR	3 685 720	1.10
4 333 333	DSM FINANCE BV T/L 29/11/2024	EUR	3 726 667	1.11
5 375 000	IGM T/L 17/07/2025	EUR	3 735 625	1.12
3 260 871	KOUTI B.V. T/L 30/06/2028	EUR	3 027 164	0.90
5 055 319	MARKERMEER FINANCE BV EUR T/L 22/01/2027	EUR	4 505 553	1.35
2 545 455	MEDIQ BV FIRST LIEN B T/L 24/02/2028	EUR	2 340 902	0.70
3 818 182	NOBEL BIDCO BV T/L 09/06/2028	EUR	3 033 087	0.91
6 581 227	NOBIAN FINANCE BV EUR TER T/L 24/06/2026	EUR	5 840 180	1.75
2 500 000	NORD AN ED FIN TB1L 3.250% 17-30/08/2024	EUR	2 412 500	0.72
3 717 528	NOURYON FINANCE 3.250% 20-01/10/2025	EUR	3 531 652	1.06
1 960 951	PHM SF DUTCH BID 3.500% 21-29/01/2028	EUR	1 698 674	0.51
1 518 182	SAPPHIRE BIDCO B.V T/L 07/12/2024	EUR	1 439 995	0.43
5 841 270	SIGMA HOLDCO BV EUR TERM T/L 02/07/2025	EUR	5 040 315	1.51
2 000 000	VILLA DUTCH BIDCO B.V. EU T/L 28/09/2029	EUR	1 838 340	0.55
8 524 591	WP/AP TELECOM HOLDINGS IV T/L 19/11/2028	EUR	8 158 715	2.45
5 000 000	ZIGGO B.V. EUR TERM LOAN T/L 17/01/2029	EUR	4 596 900	1.37
	United States of America		*44 598 296*	*13.32*
3 737 772	ARUBA INVESTMENTS (ANGUS) T/L 28/10/2027	EUR	3 569 572	1.07
1 792 484	CERAMTEC TLB T/L 19/01/2029	EUR	1 682 139	0.50
2 985 000	CLYDESDALE ACQUI 4.750% 22-13/04/2029	USD	2 658 237	0.79
246 346	DEXKO GLOBAL INC T/L 22/09/2028	EUR	206 561	0.06
1 531 014	DEXKO GLOBAL INC T/L 22/09/2028	EUR	1 283 756	0.38

The accompanying notes form an integral part of these financial statements

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
796 169	DEXKO GLOBAL INC T/L 24/09/2028	EUR	667 587	0.20
280 882	FLORA FOOD T/L 23/02/2025	USD	237 491	0.07
2 987 079	HELIOS SOFTWARE HOLDINGS INC T/L 05/03/2028	EUR	2 852 660	0.85
3 829 787	HUNTER DOUGLAS EUR TERM L T/L 09/02/2029	EUR	3 349 149	1.00
4 459 460	MA FINANCE CO LLC EUR TER T/L 14/01/2027	EUR	4 406 526	1.32
5 879 546	MCAFEE CORP T/L 02/02/2029	EUR	5 547 763	1.66
2 962 500	MCGRAW-HILL EDUCATION T/L 28/07/2028	USD	2 606 667	0.78
3 582 237	MULTI-COLOR CORP EUR TERM T/L 22/10/2028	EUR	3 389 692	1.01
2 931 641	POLARIS NEWCO LLC T/L 04/06/2028	EUR	2 720 944	0.81
2 930 159	POWER SOLUTIONS EUR TERM T/L 30/04/2026	EUR	2 806 448	0.84
5 571 429	VIAGOGO T/L 29/01/2027	EUR	4 234 286	1.27
1 984 649	WESTJET AIRLINES LTD T/L 11/12/2026	USD	1 687 003	0.50
875 250	ZAYO GROUP HOLDINGS INC T/L 19/02/2027	EUR	691 815	0.21
	Germany		*32 819 513*	*9.80*
4 781 250	ADCO T/L 02/10/2026	EUR	4 458 516	1.33
4 187 501	AMEDES HOLDING EUR TERM L T/L 12/10/2028	EUR	3 921 595	1.17
2 478 262	APLEONA GMBH T/L 28/04/2028	EUR	2 357 447	0.70
512 600	CEREBRO BIDCO GMBH EUR TE T/L 11/12/2027	EUR	490 815	0.15
4 534 884	CHEPLAPHARM 2/22 GMBH T/L 09/02/2029	EUR	4 353 035	1.30
3 636 364	DEDALUS FINANCE GMBH EUR T/L 15/05/2027	EUR	3 274 255	0.98
912 281	FLENDER T/L 21/01/2028	EUR	839 299	0.25
2 272 727	IU FINANCE MANAGEMENT GMBH T/L 01/12/2028	EUR	2 176 136	0.65
531 904	MINIMAX GROUP T/L 14/06/2025	EUR	518 383	0.15
6 575 668	NIDDA HEALTHCARE HOLDING T/L 21/08/2026	EUR	6 000 296	1.79
1 988 341	TECHEM GMBH EUR TERM LOAN T/L 15/07/2025	EUR	1 897 633	0.57
4 241 379	WITTUR HOLDINGS GMBH EUR T/L 23/09/2026	EUR	2 532 103	0.76
	United Kingdom		*32 497 798*	*9.70*
2 439 025	ASDA GROUP T/L 31/12/2026	EUR	2 289 976	0.68
1 636 364	BROOKFIELD SLATE HOLDINGS T/L 20/04/2029	EUR	1 473 759	0.44
3 934 357	EG GROUP LIMITED B T/L 31/01/2025	EUR	3 554 692	1.06
2 839 063	HUNTER HOLDCO 3 LTD EUR T T/L 06/08/2028	EUR	2 751 052	0.82
2 091 775	I-LOGIC TECHNOLOGIES BIDC T/L 04/02/2028	EUR	1 985 889	0.59
3 750 000	IVC ACQUISITION EUR TERM T/L 07/02/2026	EUR	3 447 338	1.03
6 333 334	KLOCKNER PENTAPLAST LTD T/L 04/02/2026	EUR	5 546 924	1.66
6 750 000	MASMOVIL EUR NEW MONEY TE T/L 02/07/2027	EUR	6 497 819	1.94
1 000 000	SAFIC-ALCAN SAS EUR TERM T/L 13/07/2029	EUR	940 000	0.28
2 285 714	SOLENIS OLYMPUS WATER US T/L 21/09/2028	EUR	2 165 714	0.65
1 902 294	SYNLAB BONDCO PLC T/L 07/01/2026	EUR	1 844 635	0.55
	Luxembourg		*15 766 596*	*4.72*
1 495 671	AI SIRONA ACQUISITION T/L 30/09/2025	EUR	1 432 105	0.43
1 544 472	GALILEO GLOBAL EDUCATION FINANCE T/L 09/07/2028	EUR	1 471 110	0.44
4 846 153	LONZA SPECIALTY INGREDIEN T/L 30/04/2028	EUR	4 372 538	1.31
5 775 150	LSF10 XL BIDCO SCA T/L 31/03/2028	EUR	4 637 157	1.39
887 400	NEURAXPHARM HOLDCO SARL T/L 15/12/2027	EUR	849 686	0.25
3 200 000	TEAM BLUE FINCO SARL T/L 17/03/2028	EUR	3 004 000	0.90
	Sweden		*15 236 734*	*4.55*
7 805 643	AHLSELL T/L 31/03/2026	EUR	7 093 377	2.12
2 428 571	ANTICIMEX EUR TERM LOAN B T/L 21/07/2028	EUR	2 351 658	0.70
4 867 925	AURIS LUX III SA T/L18-21/02/2026	EUR	4 348 079	1.30
1 559 322	VERISURE HOLDING AB T/L 27/03/2028	EUR	1 443 620	0.43
	Finland		*10 032 129*	*3.01*
8 515 152	MASCOT BIDCO OY B T/L 28/02/2026	EUR	7 846 371	2.36
2 322 581	SPA HOLDINGS 3 OY EUR TER T/L 12/03/2028	EUR	2 185 758	0.65
	Spain		*6 902 898*	*2.06*
176 400	BERLYS & BELLSO T/L 30/01/2025	EUR	162 729	0.05
30 600	BERLYS CORP ALIM 4.000% 18-15/02/2025	EUR	28 229	0.01
72 000	BERLYS CORP ALIM 4.000% 18-15/02/2025	EUR	66 420	0.02
271 000	BERLYS CORP ALIM 4.000% 18-15/02/2025	EUR	249 998	0.07
3 990 000	KRONOSNET CX BIDCO EUR SE T/L 28/09/2029	EUR	3 658 351	1.09

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
307 933	MEMORA SA T/L 17 - 16/08/2024	EUR	301 004	0.09
569 849	MEMORA SA T/L B2 16/08/2024	EUR	557 028	0.17
1 203 217	MEMORA SA T/L B3 16/08/2024	EUR	1 176 145	0.35
719 175	MEMORA SA T/L B4 16/08/2024	EUR	702 994	0.21
	Ireland		*5 855 276*	*1.75*
6 253 968	ION TRADING FINANCE LIMIT T/L 26/03/2028	EUR	5 855 276	1.75
	Canada		*2 689 612*	*0.80*
2 760 927	KNOWLTON DEVELOPMENT EUR T/L 22/12/2025	EUR	2 689 612	0.80
	Italy		*1 172 155*	*0.35*
1 363 636	GHD GESUNDHEITS GMBH T/L 30/07/2026	EUR	1 172 155	0.35
Shares/Units in investment funds			2 909 266	0.87
	France		*2 909 266*	*0.87*
2.96	BNP PARIBAS CASH INVEST - I PLUS - CAP	EUR	2 909 266	0.87
Total securities portfolio			**321 557 416**	**96.13**

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Transferable securities admitted to an official stock exchange listing and/or traded on another regulated market		255 473	0.08
	Shares		**255 473**	**0.08**
	France		*255 473*	*0.08*
595 369	TECHNICOLOR - REGR	EUR	122 289	0.04
595 369	TECHNICOLOR CREATIVE STUDIOS	EUR	133 184	0.04
	Other		295 999 026	91.77
	Loans		**295 999 026**	**91.77**
	United States of America		*92 810 426*	*28.78*
2 530 545	AIR MEDICAL USD T/L B2 1L LOSE008771 24/09/2025	USD	1 652 364	0.51
3 960 000	AIT LOGISTIC T/L 04/06/2028	USD	3 395 081	1.05
1 753 384	ALIXPARTNERS LLP T/L 27/01/2028	EUR	1 672 290	0.52
3 737 772	ARUBA INVESTMENTS (ANGUS) T/L 28/10/2027	EUR	3 569 572	1.11
1 330 000	ASURION LLC T/L 17/08/2028	USD	1 109 423	0.34
2 203 730	ASURION LLC T/L 18/12/2026	USD	1 836 452	0.57
1 870 514	BMC SOFTWARE INC EUR TERM T/L 02/10/2025	EUR	1 749 398	0.54
2 408 015	CARESTREAM DENTAL EQPMNT T/L 01/09/2024	USD	2 233 718	0.69
2 502 894	CENTURYLINK, INC. USD TER T/L 15/03/2027	USD	2 224 146	0.69
1 004 069	CONSOLIDATED CONTAINER CO T/L 15/09/2027	USD	827 707	0.26
982 500	CONSUMER CELLULAR T/L 12/12/2027	USD	877 323	0.27
246 346	DEXKO GLOBAL INC T/L 22/09/2028	EUR	206 561	0.06
1 531 013	DEXKO GLOBAL INC T/L 22/09/2028	EUR	1 283 755	0.40
796 170	DEXKO GLOBAL INC T/L 24/09/2028	EUR	667 588	0.21
3 521 960	EFS COGEN HOLDIN I LLC T/L 24/09/2027	USD	3 166 249	0.98
1 125 714	ENDURE DIGITAL I 4.250% 21-10/02/2028	USD	945 347	0.29
421 324	FLORA FOOD T/L 23/02/2025	USD	356 237	0.11
2 485 714	HELIOS SOFTWARE HOLDINGS INC T/L 05/03/2028	USD	2 280 569	0.71
1 493 539	HELIOS SOFTWARE HOLDINGS INC T/L 05/03/2028	EUR	1 426 330	0.44
2 375 111	HERCULES ACHIEVEMENT INC T/L 09/12/2024	USD	2 141 439	0.66
3 829 787	HUNTER DOUGLAS EUR TERM L T/L 09/02/2029	EUR	3 349 149	1.04
1 568 830	I-LOGIC TECHNOLOGIES BIDCO T/L 04/02/2028	EUR	1 489 416	0.46
1 908 313	INEOS ENTERPRISES HOLDIND T/L 03/09/2026	USD	1 710 965	0.53
3 582 237	LABL ACQUISITION CORP T/L 20/10/2028	EUR	3 389 692	1.05
2 894 546	MCAFEE CORP T/L 02/02/2029	EUR	2 731 206	0.85
4 459 459	MICRO FOCUS LLC T/L 14/01/2027	EUR	4 406 525	1.37
86 892	PENN ENGINEERING & MANUFACTURING CORP T/L 13/06/2024	USD	81 213	0.03
2 931 641	POLARIS NEWCO LLC T/L 04/06/2028	EUR	2 720 944	0.84
3 395 239	POWER SOLUTIONS EUR TERM T/L 30/04/2026	EUR	3 251 892	1.01
4 168 500	PQ PERFORMANCE CHEMICALS T/L 28/04/2028	USD	3 790 298	1.18
984 992	PRIMESOURCE T/L 28/12/2027	USD	804 099	0.25
2 992 500	PRINCE INTERNATIONAL USD T/L 02/02/2029	USD	2 362 596	0.73
1 552 000	PUG LLC T/L 31/01/2027	USD	1 197 290	0.37
4 958 049	RUSSELL INVESTMENTS US INTERNATIONAL T/L 30/05/25	USD	4 456 321	1.38
2 263 156	SABERT CORP 6.262% 19-10/12/2026	USD	2 099 344	0.65
2 285 714	SOLENIS T/L 21/09/2028	EUR	2 165 714	0.67
982 631	SPA HOLDINGS T/L 10/03/2028	USD	876 979	0.27
1 029 412	TELENET FINANCING LLC USD T/L 24/04/2028	USD	937 056	0.29
1 320 064	THE CHEMOURS CO T/L 26/03/2025	EUR	1 273 862	0.40
98 000	UTZ QUALITY FOODS LLC T/L 13/01/2028	USD	90 807	0.03
5 142 857	VIAGOGO T/L 29/01/2027	EUR	3 908 571	1.21
6 038 462	VIRGIN MED INVES HOLD LTD T/L 15/11/2027	GBP	6 211 260	1.93
754 442	WESTJET AIRLINES LTD T/L 11/12/2026	USD	641 296	0.20
1 167 000	ZAYO GROUP HOLDINGS INC T/L 19/02/2027	EUR	922 420	0.29
5 711 623	ZAYO GROUP HOLDINGS INC T/L 21/02/2027	USD	4 319 962	1.34
	France		*58 428 512*	*18.12*
1 955 000	BANIJAY GROUP SAS T/L 04/02/2025	USD	1 822 652	0.57
2 082 090	BIOGROUP EUR TERM LOAN B T/L 28/01/2028	EUR	1 868 676	0.58
2 538 462	BISCUIT INTERNATIONAL EUR T/L 05/02/2027	EUR	1 699 703	0.53
5 809 091	CASINO GUICHARD-PERRACHON T/L 31/08/2025	EUR	4 886 898	1.52

The accompanying notes form an integral part of these financial statements

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
1 555 556	CEVA SANTE T/L 27/03/2026	EUR	1 519 389	0.47
3 741 379	DIAVERUM HOLDING S.A.R.L 24/05/2024	EUR	3 442 668	1.07
2 200 000	ELSAN T/L 16/06/2028	EUR	2 063 600	0.64
1 571 429	GRANITE FRANCE BIDCO T/L 23/09/2028	EUR	1 452 268	0.45
2 608 695	GROUPE BABILOU T/L 27/11/2027	EUR	2 495 373	0.77
2 941 176	HOLDING SOCOTEC T/L 05/05/2028	EUR	2 763 235	0.86
3 944 444	HOMEVI SAS T/L B 31/10/2024	EUR	3 377 431	1.05
6 005 535	NUMERICABLE - SFR S.A T/L B12 06/01/2026	EUR	5 669 886	1.76
6 038 367	OBOL FRANCE 3 SAS TERM LO T/L 09/12/2025	EUR	5 271 011	1.63
1 205 889	SFR GROUP SA T\L 31/07/2025	EUR	1 142 737	0.35
3 750 000	SIACI SAINT HONORE EUR NE T/L 21/07/2028	EUR	3 568 350	1.11
4 758 621	SIRONA BIDCO T/L 20/10/2028	EUR	4 463 587	1.38
1 083 333	STELLAGROUP SASU T/L 30/01/2026	EUR	1 010 208	0.31
3 500 000	TAKECARE BIDCO S 4.000% 21-26/05/2028	EUR	3 305 330	1.02
1 961 855	TECHNICOLOR CREATIVE EUR T/L 07/09/2026	EUR	1 102 327	0.34
6 507 406	ZF INVEST T/L 30/06/2028	EUR	5 503 183	1.71
	The Netherlands		*43 014 211*	*13.33*
1 600 000	ACCELL GROUP N.V. EUR TER T/L 14/09/2029	EUR	1 497 600	0.46
2 721 026	ACTINA T/L B 1L EUR C 3.500% 18-08/03/2025	EUR	2 657 163	0.82
1 400 532	ALPHA BIDCO AB 3.750% 18-30/07/2025	EUR	1 305 604	0.40
750 000	IGM T/L 17/07/2025	EUR	521 250	0.16
1 717 391	KOUTI B.V. T/L 30/06/2028	EUR	1 594 306	0.49
3 489 362	MARKERMEER FINANCE BV EUR T/L 22/01/2027	EUR	3 109 894	0.96
3 818 182	NOBEL BIDCO BV T/L 09/06/2028	EUR	3 033 087	0.94
6 081 227	NOBIAN FINANCE BV T/L 24/06/2026	EUR	5 396 481	1.67
1 629 630	PEARLS NETHERLANDS BIDCO T/L 04/02/2029	EUR	1 537 556	0.48
1 960 951	PHM SF DUTCH BID 3.500% 21-29/01/2028	EUR	1 698 674	0.53
3 563 636	SAPPHIRE BIDCO B.V T/L 07/12/2024	EUR	3 380 109	1.05
6 444 444	SIGMA HOLDCO BV EUR TERM T/L 02/07/2025	EUR	5 560 782	1.72
3 000 000	VILLA DUTCH BIDCO BV T/L 28/09/2029	EUR	2 757 510	0.86
6 819 672	WP/AP TELECOM HOLDINGS IV BV T/L 19/11/2028	EUR	6 526 971	2.03
2 650 943	ZIGGO B.V. EUR TERM LOAN T/L 17/01/2029	EUR	2 437 224	0.76
	Germany		*24 453 016*	*7.58*
3 489 583	AMEDES HOLDING EUR TERM L T/L 12/10/2028	EUR	3 267 994	1.01
4 534 884	CHEPLAPHARM 2/22 GMBH T/L 09/02/2029	EUR	4 353 035	1.35
2 000 000	CIDRON GLORIA GROUP SERV T/L 28/02/2025	EUR	1 860 000	0.58
750 000	IFCO MANAGEMENT T/L 29/05/2026	EUR	707 295	0.22
335 325	INEOS STYROLUTION EUR TER T/L 22/01/2027	EUR	309 505	0.10
2 272 727	IU FINANCE MANAGEMENT GMBH T/L 01/12/2028	EUR	2 176 136	0.67
4 815 882	NIDDA HEALTHCARE HOLDING T/L 21/08/2026	EUR	4 394 492	1.36
1 546 910	SPRINGER SCIENCE+BUSINESS T/L 24/08/2026	EUR	1 471 220	0.46
2 270 216	TECHEM GMBH EUR TERM LOAN T/L 15/07/2025	EUR	2 166 649	0.67
6 275 862	WITTUR HOLDINGS GMBH EUR T/L 23/09/2026	EUR	3 746 690	1.16
	United Kingdom		*23 782 169*	*7.37*
1 636 364	BROOKFIELD SLATE HOLDINGS T/L 20/04/2029	EUR	1 473 759	0.46
1 559 197	COBHAM EUR TERM LOAN B T/L 20/01/2027	EUR	1 481 237	0.46
3 658 528	EG GROUP LIMITED B T/L 31/01/2025	EUR	3 305 480	1.02
3 600 000	GENESIS SPECIALIST CARE F T/L 05/03/2027	EUR	1 240 200	0.38
2 495 050	GENESIS SPECIALIST CARE FIN UK T/L 17/10/2025	EUR	862 564	0.27
2 839 063	HUNTER HOLDCO 3 LTD T/L 06/08/2028	EUR	2 751 052	0.85
1 875 000	IVC ACQUISITION EUR TERM T/L 07/02/2026	EUR	1 723 669	0.53
3 333 333	KLOCKNER PENTAPLAST LTD T/L 04/02/2026	EUR	2 919 433	0.91
5 833 333	MASMOVIL EUR NEW MONEY TE T/L 02/07/2027	EUR	5 615 400	1.74
2 500 000	MOTOR FUEL GRP 5/21 EUR T/L 23/06/2025	EUR	2 409 375	0.75
	Sweden		*14 290 464*	*4.44*
6 275 862	AHLSELL T/L 31/03/2026	EUR	5 703 190	1.77
2 428 571	ANTICIMEX EUR TERM LOAN B T/L 21/07/2028	EUR	2 351 658	0.73
6 981 132	AURIS LUX III SA T/L18-21/02/2026	EUR	6 235 616	1.94

The accompanying notes form an integral part of these financial statements

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Luxembourg		*13 278 167*	*4.12*
5 058 442	AI SIRONA ACQUISITION T/L 30/09/2025	EUR	4 843 458	1.50
4 846 153	LONZA GROUP AG T/L 28/04/2028	EUR	4 372 538	1.36
5 059 058	LSF10 XL BIDCO SCA T/L 31/03/2028	EUR	4 062 171	1.26
	Spain		*7 680 027*	*2.37*
470 400	BERLYS & BELLSO T/L 30/01/2025	EUR	433 944	0.13
81 600	BERLYS CORP ALIM 4.000% 18-15/02/2025	EUR	75 276	0.02
192 000	BERLYS CORP ALIM 4.000% 18-15/02/2025	EUR	177 120	0.05
722 667	BERLYS CORP ALIM 4.000% 18-15/02/2025	EUR	666 660	0.21
5 000 000	KRONOSNET CX BIDCO EUR SE T/L 28/09/2029	EUR	4 584 400	1.42
196 046	MEMORA SA T/L 17 - 16/08/2024	EUR	191 635	0.06
362 796	MEMORA SA T/L B2 16/08/2024	EUR	354 633	0.11
766 031	MEMORA SA T/L B3 16/08/2024	EUR	748 796	0.23
457 865	MEMORA SA T/L B4 16/08/2024	EUR	447 563	0.14
	Finland		*7 295 087*	*2.26*
6 434 343	MASCOT BIDCO OY B T/L 28/02/2026	EUR	5 928 989	1.84
1 451 613	SPA HOLDINGS 3 OY EUR TER T/L 12/03/2028	EUR	1 366 098	0.42
	Ireland		*5 855 277*	*1.82*
6 253 968	ION TRADING FINANCE LIMIT T/L 26/03/2028	EUR	5 855 277	1.82
	Canada		*2 399 797*	*0.74*
2 463 427	KNOWLTON DEVELOPMENT EUR T/L 22/12/2025	EUR	2 399 797	0.74
	Italy		*1 562 873*	*0.48*
1 818 182	GHD GESUNDHEITS GMBH T/L 30/07/2026	EUR	1 562 873	0.48
	Georgia		*1 149 000*	*0.36*
760 629	CEREBO (EUR) T/L B1 1L 12/27	EUR	728 302	0.23
439 371	CEREBO (EUR) T/L B2 1L 12/27	EUR	420 698	0.13
Shares/Units in investment funds			10 225 488	3.18
	France		*10 225 488*	*3.18*
10.39	BNP PARIBAS CASH INVEST - I PLUS - CAP	EUR	10 225 488	3.18
Total securities portfolio			**306 479 987**	**95.03**

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Transferable securities admitted to an official stock exchange listing and/or traded on another regulated market		12 442 439	4.83
	Shares		**90 834**	**0.04**
	France		*90 834*	*0.04*
211 686	TECHNICOLOR - REGR	EUR	43 480	0.02
211 686	TECHNICOLOR CREATIVE STUDIOS	EUR	47 354	0.02
	Bonds		**7 466 782**	**2.89**
	France		*4 009 307*	*1.55*
1 000 000	ALTICE FRANCE 4.125% 20-15/01/2029	EUR	759 525	0.29
2 632 000	ALTICE FRANCE 4.250% 21-15/10/2029	EUR	1 964 829	0.76
1 421 000	ILIAD HOLDING 5.625% 21-15/10/2028	EUR	1 284 953	0.50
	Germany		*1 797 890*	*0.70*
2 055 000	CHEPLAPHARM ARZN 4.375% 20-15/01/2028	EUR	1 797 890	0.70
	United States of America		*1 005 409*	*0.39*
1 176 000	SCIL IV LLC / SC 4.375% 21-01/11/2026	EUR	1 005 409	0.39
	Italy		*654 176*	*0.25*
800 000	SOFIMA HOLDING 3.750% 20-15/01/2028	EUR	654 176	0.25
	Floating rate bonds		**4 884 823**	**1.90**
	Luxembourg		*2 230 445*	*0.87*
2 272 000	ROSSINI SARL 19-30/10/2025	EUR	2 230 445	0.87
	The Netherlands		*1 950 220*	*0.76*
2 273 000	UNITED GROUP 22-01/02/2029 FRN	EUR	1 950 220	0.76
	Sweden		*704 158*	*0.27*
730 000	TRANSCOM HOLDING 21-15/12/2026 FRN	EUR	704 158	0.27
	Other		240 739 168	93.46
	Loans		**240 739 168**	**93.46**
	France		*70 209 331*	*27.27*
2 192 982	AVERYS T/L 08/08/2025	EUR	2 028 509	0.79
3 923 077	BISCUIT INTERNATIONAL EUR T/L 05/02/2027	EUR	2 626 814	1.02
4 390 909	CASINO GUICHARD-PERRACHON T/L 31/08/2025	EUR	3 693 852	1.43
4 555 556	CEVA SANTE T/L 27/03/2026	EUR	4 449 639	1.73
1 884 429	DELACHAUX T/L 1ST LN 30/04/2026	EUR	1 761 545	0.68
2 655 172	DIAVERUM HOLDING S.A.R.L 24/05/2024	EUR	2 443 183	0.95
3 860 000	ELSAN SAS 3.500% 21-08/02/2028	EUR	3 620 680	1.41
1 142 857	EURO ETHNIC FOOD T/L 28/01/2028	EUR	1 071 074	0.42
2 700 000	GERFLOR T/L 26/02/2027	EUR	2 553 417	0.99
1 760 870	GROUPE BABILOU T/L 27/11/2027	EUR	1 684 378	0.65
4 888 889	HOMEVI SAS T/L B 31/10/2024	EUR	4 186 111	1.63
1 842 105	INOVIE SASU 3.750% 20-08/12/2027	EUR	1 703 431	0.66
3 062 227	NUMERICABLE - SFR S.A T/L B12 06/01/2026	EUR	2 891 079	1.12
4 500 000	OBERTHUR TECH HLDGS T/L 09/01/2026	EUR	4 322 250	1.68
6 267 136	OBOL FRANCE 3 SAS TERM LO T/L 09/12/2025	EUR	5 470 709	2.12
1 714 286	PROXISERVE (AKA PER) T/L 28/02/2026	EUR	1 610 366	0.63
6 632 393	SFR GROUP SA T\L 31/07/2025	EUR	6 285 054	2.44
1 166 667	SGD S.A. EUR TERM LOAN T/L 28/07/2028	EUR	1 051 949	0.41
3 750 000	SIACI SAINT HONORE EUR NE T/L 21/07/2028	EUR	3 568 350	1.39
3 965 517	SIRONA BIDCO T/L 20/10/2028	EUR	3 719 655	1.44
1 733 333	STELLAGROUP SASU T/L 30/01/2026	EUR	1 616 333	0.63
1 961 855	TECHNICOLOR CREATIVE EUR T/L 07/09/2026	EUR	1 102 327	0.43
1 621 622	VIVALTO SANTE IN 3.750% 21-21/07/2028	EUR	1 528 379	0.59
6 172 840	ZF INVEST T/L 30/06/2028	EUR	5 220 247	2.03
	The Netherlands		*37 828 331*	*14.69*
3 919 167	ACTINA T/L B 1L EUR C 3.500% 18-08/03/2025	EUR	3 827 184	1.49
2 234 043	ALPHA BIDCO AB 3.750% 18-30/07/2025	EUR	2 082 619	0.81
3 232 143	IGM T/L 17/07/2025	EUR	2 246 339	0.87

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
2 717 391	KOUTI B.V. T/L 30/06/2028	EUR	2 522 636	0.98
3 276 596	MARKERMEER FINANCE BV EUR T/L 22/01/2027	EUR	2 920 266	1.13
2 727 273	NOBEL BIDCO BV T/L 09/06/2028	EUR	2 166 491	0.84
4 935 921	NOBIAN FINANCE BV T/L 24/06/2026	EUR	4 380 136	1.70
1 629 630	PEARLS NETHERLANDS BIDCO T/L 04/02/2029	EUR	1 537 556	0.60
763 636	SAPPHIRE BIDCO B.V T/L 07/12/2024	EUR	724 309	0.28
600 000	SAPPHIRE BIDCO T/L EUR 04/05/2026	EUR	565 500	0.22
4 603 175	SIGMA HOLDCO BV EUR TERM T/L 02/07/2025	EUR	3 971 987	1.54
1 180 168	STARFRUIT FINCO 3.750% 18-01/10/2025	EUR	1 121 159	0.44
6 819 672	WP/AP TELECOM HOLDINGS IV BV T/L 19/11/2028	EUR	6 526 972	2.53
3 518 868	ZIGGO B.V. EUR TERM LOAN T/L 17/01/2029	EUR	3 235 177	1.26
	United States of America		*34 388 190*	*13.34*
306 122	AERNNOVA AEROSPACE SA DEL T/L 29/01/2027	EUR	274 592	0.11
1 193 878	AERNNOVA AEROSPACE SA EUR T/L 29/01/2027	EUR	1 070 908	0.42
1 601 902	ARUBA INVESTMENTS (ANGUS) T/L 28/10/2027	EUR	1 529 817	0.59
47 850	FLINT T/L 21/09/2023	EUR	33 375	0.01
117 455	FLINT T/L 21/09/2023	EUR	81 925	0.03
280 882	FLORA FOOD T/L 23/02/2025	USD	237 491	0.09
3 829 787	HUNTER DOUGLAS EUR TERM L T/L 09/02/2029	EUR	3 349 149	1.30
1 307 359	I-LOGIC TECHNOLOGIES BIDCO T/L 04/02/2028	EUR	1 241 180	0.48
1 866 924	ION CORPORATES EUR TERM L T/L 05/03/2028	EUR	1 782 912	0.69
3 582 237	LABL ACQUISITION CORP T/L 20/10/2028	EUR	3 389 692	1.32
2 894 546	MCAFEE CORP T/L 02/02/2029	EUR	2 731 206	1.06
4 459 459	MICRO FOCUS LLC T/L 14/01/2027	EUR	4 406 525	1.71
86 892	PENN ENGINEERING & MANUFACTURING CORP T/L 13/06/2024	USD	81 213	0.03
3 521 542	POWER SOLUTIONS EUR TERM T/L 30/04/2026	EUR	3 372 863	1.31
3 414 400	PUG LLC T/L 31/01/2027	USD	2 634 039	1.02
1 714 286	SOLENIS T/L 21/09/2028	EUR	1 624 286	0.63
5 692 308	VIRGIN MED INVES HOLD LTD T/L 15/11/2027	GBP	5 855 202	2.27
875 250	ZAYO GROUP HOLDINGS INC T/L 19/02/2027	EUR	691 815	0.27
	Germany		*34 014 169*	*13.20*
4 781 250	ADCO T/L 02/10/2026	EUR	4 458 516	1.73
3 489 583	ARAGON BIDCO GMB 3.750% 21-12/10/2028	EUR	3 267 994	1.27
4 534 884	CHEPLAPHARM 2/22 GMBH T/L 09/02/2029	EUR	4 353 035	1.69
2 000 000	CIDRON GLORIA GROUP SERV T/L 28/02/2025	EUR	1 860 000	0.72
561 404	FLENDER T/L 21/01/2028	EUR	516 492	0.20
380 768	FLINT GROUP GMBH T/L 21/09/2023	EUR	265 586	0.10
1 818 182	IREL ACQUICO GMB 3.500% 19-31/05/2026	EUR	1 714 655	0.67
2 272 727	IU FINANCE MANAGEMENT GMBH T/L 01/12/2028	EUR	2 176 136	0.84
5 405 115	NIDDA HEALTHCARE HOLDING T/L 21/08/2026	EUR	4 932 168	1.91
1 251 221	OEP TRAFO HOLDCO GMBH T/L 18/07/2024	EUR	949 677	0.37
2 045 297	SPRINGER SCIENCE+BUSINESS T/L 24/08/2026	EUR	1 945 220	0.76
4 026 080	TECHEM VERWALTU 675 MBH B T/L 31/07/2025	EUR	3 842 411	1.49
6 251 724	WITTUR HOLDINGS GMBH EUR T/L 23/09/2026	EUR	3 732 279	1.45
	United Kingdom		*19 294 642*	*7.49*
1 299 331	COBHAM EUR TERM LOAN B T/L 20/01/2027	EUR	1 234 365	0.48
3 148 878	EG GROUP LIMITED B T/L 31/01/2025	EUR	2 845 011	1.10
3 600 000	GENESIS SPECIALIST CARE F T/L 05/03/2027	EUR	1 240 200	0.48
2 079 208	GENESIS SPECIALIST CARE FIN UK T/L 17/10/2025	EUR	718 803	0.28
2 839 063	HUNTER HOLDCO 3 LTD T/L 06/08/2028	EUR	2 751 052	1.07
3 834	INEOS FINANCE PLC T/L 31/03/2024	EUR	3 817	0.00
1 875 000	IVC ACQUISITION EUR TERM T/L 07/02/2026	EUR	1 723 669	0.67
4 380 952	KLOCKNER PENTAPLAST LTD T/L 04/02/2026	EUR	3 836 969	1.49
4 166 667	MASMOVIL EUR NEW MONEY TE T/L 02/07/2027	EUR	4 011 000	1.56
958 817	SYNLAB BONDCO PLC T/L 07/01/2026	EUR	929 756	0.36
	Luxembourg		*14 392 455*	*5.57*
5 086 580	AI SIRONA ACQUISITION T/L 30/09/2025	EUR	4 870 400	1.89
4 038 462	LONZA SPECIALTY INGREDIEN T/L 30/04/2028	EUR	3 643 783	1.41
3 378 320	LSF10 XL BIDCO SCA T/L 31/03/2028	EUR	2 712 622	1.05

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
811 594	PARADOCS HOLDING SARL EUR T/L 17/02/2028	EUR	779 804	0.30
923 077	SGG HOLDINGS S.A. T/L 11/07/2025	EUR	883 846	0.34
1 600 000	TEAM BLUE FINCO SARL T/L 17/03/2028	EUR	1 502 000	0.58
	Sweden		*13 810 907*	*5.36*
6 206 897	AHLSELL T/L 31/03/2026	EUR	5 640 517	2.19
2 428 571	ALL-STAR BIDCO A 3.750% 21-21/07/2028	EUR	2 351 658	0.91
4 669 811	AURIS LUX III SA T/L18-21/02/2026	EUR	4 171 122	1.62
1 779 661	VERISURE HOLDING 3.500% 21-15/01/2028	EUR	1 647 610	0.64
	Spain		*5 690 358*	*2.23*
1 220 000	BERLYS & BELLSO T/L 30/01/2025	EUR	1 125 450	0.44
152 480	MEMORA SA T/L 17 - 16/08/2024	EUR	149 050	0.06
282 175	MEMORA SA T/L B2 16/08/2024	EUR	275 826	0.11
595 802	MEMORA SA T/L B3 16/08/2024	EUR	582 397	0.23
356 117	MEMORA SA T/L B4 16/08/2024	EUR	348 104	0.14
3 843 750	TELFER INVESTMEN 4.750% 19-01/07/2026	EUR	3 209 531	1.25
	Finland		*5 156 453*	*2.00*
5 595 960	MASCOT BIDCO OY B T/L 28/02/2026	EUR	5 156 453	2.00
	Ireland		*4 391 459*	*1.70*
4 690 476	ION TRADING FINANCE LIMIT T/L 26/03/2028	EUR	4 391 459	1.70
	Italy		*1 562 873*	*0.61*
1 818 182	GHD GESUNDHEITS GMBH T/L 30/07/2026	EUR	1 562 873	0.61
Total securities portfolio			**253 181 607**	**98.29**

Securities portfolio at 31/12/2022

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Transferable securities admitted to an official stock exchange listing and/or traded on another regulated market		47 107 065	23.74
	Bonds		**47 107 065**	**23.74**
	France		*47 107 065*	*23.74*
5 000 000	BNP PARIBAS 0.000% 21-03/05/2024	EUR	4 774 299	2.41
10 000 000	BNP PARIBAS 0.000% 21-16/08/2024	EUR	9 434 601	4.76
5 000 000	BNP PARIBAS 0.000% 21-27/01/2024	EUR	4 825 751	2.43
10 000 000	BNP PARIBAS 0.107% 22-17/01/2025	EUR	9 290 266	4.68
10 000 000	BNP PARIBAS 0.158% 22-27/01/2025	EUR	9 290 918	4.68
10 000 000	BNP PARIBAS 1.446% 22-22/04/2025	EUR	9 491 230	4.78
	Other transferable securities		9 538 502	4.81
	Bonds		**9 538 502**	**4.81**
	France		*9 538 502*	*4.81*
10 000 000	BNP PARIBAS 1.856% 13/07/2025	EUR	9 538 502	4.81
	Money Market Instruments		9 999 135	5.04
	France		*9 999 135*	*5.04*
10 000 000	BNP PARIBAS ESTERCAP+ 0.050% 09/02/2023 NEU	EUR	9 999 135	5.04
	Shares/Units in investment funds		13 791 356	6.96
	France		*13 791 356*	*6.96*
246.17	BNP PARIBAS CASH INVEST - I - CAP	EUR	13 774 622	6.95
0.02	BNP PARIBAS CASH INVEST - I PLUS - CAP	EUR	16 734	0.01
	Total securities portfolio		**80 436 058**	**40.55**

The accompanying notes form an integral part of these financial statements

Notes to the financial statements

Notes to the financial statements at 31/12/2022

Note 1 - General information

Events that occurred during the financial year ended 31 December 2022

No special event occurred during the financial year.

As of 31 December 2022, the liquidation of the following sub-fund is not completed. There is still remaining amount of cash at bank:

- Short Term RMB for JPY 828 893

The cash at bank will be closed once all payables and receivables will be proceeded.

a) Sub-fund open

All sub-funds whose securities portfolios are detailed in the present document are available for subscription as at 31 December 2022. Excepted thereof is the sub-fund “Global Senior Corporate Loans”, for which some share classes are closed to subscription after the initial subscription period, ending on each 31 December of the year mentioned in the share class name. In this sub-fund only redemption orders will be allowed afterwards, except for current investors who can still increase their holdings after this period has expired.

Note 2 - Principal accounting methods

a) Net asset value

This annual report is prepared on the basis of the last unofficial technical net asset value calculated for financial statements purpose as at 31 December 2022.

b) Presentation of the financial statements

The Company's financial statements are presented in accordance with the regulations in force in Luxembourg governing Undertakings for Collective Investment. The Company's consolidation currency is the Euro (EUR).

The statement of operations and changes in net assets covers the financial year from 1 January 2022 to 31 December 2022.

c) Valuation of the securities portfolio

The valuation of all securities listed on a stock exchange or any other regulated market, which is operating regularly, is recognised and accessible to the public, is based on the last known closing price in Luxembourg on the valuation day, and, if the securities concerned are traded on several markets, on the basis of the last known closing price on the major market on which they are traded; if this price is not a true reflection, the valuation will be based on the probable sale price estimated by the Board of Directors in a prudent and bona fide manner.

Unlisted securities or securities not traded on a stock exchange or another regulated market, which functions in a regular manner, is recognised and accessible to the public, shall be valued on the basis of the probable sale price, estimated in a prudent and bona fide manner by a qualified professional appointed for this purpose by the Board of Directors.

If permitted by market practice, liquid assets, money market instruments and all other instruments may be valued at their nominal value plus accrued interest or according to the linear amortisation method. Any decision to value the assets in the portfolio using the linear amortisation method must be approved by the Board of Directors, which will record the reasons for such a decision. The Board of Directors will put in place appropriate checks and controls concerning the valuation of the instruments.

d) Net realised result on investments securities

The net realised result on the sale of securities is calculated on the basis of the average cost of the securities sold.

e) Conversion of foreign currencies

Values expressed in currencies other than the base currency of the sub-fund concerned will be converted on the basis of the exchange rate applicable on the valuation day.

Notes to the financial statements at 31/12/2022

f) Distribution of fees

The common fees of the Company's different sub-funds, categories or classes will be distributed among the various sub-funds in proportion to the net assets of each sub-fund.

g) Valuation of forward foreign exchange contracts

Unexpired forward foreign exchange contracts are valued on the basis of the exchange rates applicable on the valuation or closing date. Realised gain/loss and change in unrealised appreciation/depreciation resulting there from are included in the statement of operations and changes in net assets respectively under “Net realised results on financial instruments” and “Movement in net unrealised gain/loss on financial instruments”.

h) Valuation of Loans

The valuation of the Leveraged Loans will be made by multiplying the Principal Balance of the Collateral Obligation (loan) by the average bid price value determined by Loan Pricing Corporation or LoanX Mark-It Partners, in the case of loans, or LoanX Mark-It Partners, FT Interactive, Bridge Information Systems, KDP or IDC, in the case of bonds, or, in either case, any other Independent pricing service designated by the manager. If such service is not available, then an average of the bid side prices determined by independent broker-dealers active in the trading of such Collateral Obligation will be used for the valuation.

i) Investment income

Dividends are accounted for as income on the date on which they are declared and insofar as information on this point can be obtained by the Company. Interest is accounted for on a daily basis.

j) Valuation of interest rate swaps

Interest rate swaps are valued on the basis of the difference between the value of all future interest payable by the Company to its counterparty on the valuation date at the zero coupon swap rate corresponding to the maturity of these payments and the value of all future interest payable by the counterparty to the Company on the valuation date at the zero coupon swap rate corresponding to the maturity of these payments.

k) Swing pricing

A sub-fund may suffer reduction of the net asset value due to investors purchasing, selling and/or switching in and out of the sub-fund at a price that does not reflect the dealing costs associated with this sub-fund's portfolio trades undertaken by the Investment Manager to accommodate such cash inflows or outflows. In order to mitigate this effect and enhance the protection of existing shareholders, the mechanism known as “swing pricing” may be applied at the discretion of the Board of Directors of the Company.

Such Swing Pricing mechanism may be applied to a given sub-fund when its total capital activity (i.e. net amount of subscriptions and redemptions) exceeds a pre-determined threshold determined as a percentage of the net assets value for a given valuation day. The net asset value of the relevant sub-fund may then be adjusted by an amount (the “swing factor”) to compensate for the expected transaction costs resulting from the capital activity. The level of thresholds, if and when applicable, will be decided on the basis of certain parameters which may include the size of the sub-fund, the liquidity of the underlying market in which the respective sub-fund invests, the cash management of the respective sub-fund or the type of instruments that are used to manage the capital activity. The swing factor is, amongst others, based on the estimated transaction costs of the financial instruments in which the respective sub-fund may invest. Typically, such adjustment will increase the net asset value when there are net subscriptions into the sub-fund and decrease the net asset value when there are net redemptions. Swing pricing does not address the specific circumstances of each individual investor transaction. An ad hoc internal committee is in charge of the implementation and periodic review of the operational decisions associated with swing pricing. This committee is responsible for decisions relating to swing pricing and the ongoing approval of swing factors which form the basis of pre-determined standing instructions.

In principle, the swing factor will not exceed 1% of the respective sub-fund's net asset value. Such limit could however be raised beyond this maximum level when necessary and on a temporary basis to protect the interests of shareholders, typically during exceptional market conditions.

The Swing Pricing mechanism may be applied across the following sub-funds:

- European Senior Corporate Loans
- Global Senior Corporate Loans

As at 31 December 2022, no sub-funds have applied the Swing Pricing mechanism.

Note 3 - Management fees (maximum per annum)

Management fees are calculated and deducted monthly from the average net assets of a sub-fund, share category, or share class, paid to the AIFM and serve to cover remuneration of the asset managers and also distributors in connection with the marketing of the Company's stock.

The rate applicable to the "I" class is also applicable to the "N" class.

No management fee is applicable for "X2" class.

The Company is subject to the following maximum management fees:

Sub-fund	"I" Class	"I Plus" Class	"I Super Plus" Class	"Privilege" Class
European Senior Corporate Loans	0.60%	0.50%	0.40%	0.90%
Global Senior Corporate Loans	0.60%	0.50%	N/A	0.90%
Senior Secured Bank Loan Fund Mogliano	0.55%	N/A	N/A	N/A
Signature EUR	N/A	0.30%	N/A	0.50%

Note 4 - Performance fees

The positive difference between the annual performance of the sub-fund/category/class (i.e. over the accounting year) and the hurdle rate (this can be a reference index performance, a fixed rate or another reference). This fee is payable to the AIFM. The performance fee will be calculated daily and provision will be adjusted on each Valuation Day during the financial year with the application of the "high water mark with hurdle rate" method. Hurdle rate means the performance of a reference index (or other references) as specified at the level of the sub-fund/category/class whereas high water mark means the highest NAV of the sub-fund/category/class as at the end of any previous financial year on which performance fees become payable to the AIFM, after deducting any performance fee. Performance fee will be accrued if the performance of the sub-fund exceeds the hurdle rate and the high water mark. Furthermore, if shares are redeemed during the financial year, the fraction of the provisioned performance fee that corresponds to the total amount redeemed shall be granted definitively to the AIFM.

There is no performance fee for all sub-funds.

Note 5 - Administrative services

Administrative fees are calculated on each Valuation Day on the net asset value of each sub-fund at a rate which shall be agreed from time to time with the AIFM and are paid to the AIFM monthly. This fee shall cover the services of the Administrative Agent, Domiciliary and Corporate Agent and the Registrar & Transfer Agent as well as of service providers and fees incurred in places where the Company is registered.

Note 6 - Custodian charges

Custodian charges are calculated on the net asset value of each sub-fund and are paid by the Company. The rate will depend on the market in which the assets are invested and typically range from 0.003% of the net assets of the sub-fund in developed markets to 0.35% of the net assets of the sub-fund in emerging markets (excluding transaction charges and reasonable disbursements and out-of-pocket expenses), plus VAT if any. Certain sub-funds and share classes may pay higher custody fees applicable to investment in emerging markets.

Note 7 - Extraordinary and other expenses

Expenses other than management, performance, distribution and administrative services.

They will be borne by the Company and include stamp duties, taxes, commissions and other dealing costs, foreign exchange costs, bank charges, registration fees in relation to investments, insurance and security costs, fees and expenses of the Auditors, the remuneration and expenses of its directors and officers, all expenses incurred in the collection of income and in the acquisition, holding and disposal of investments. The Company will also be responsible for the costs of preparing, translating, printing and distributing all rating agencies statements, notices, accounts, Prospectuses/offering documents, annual and semi-annual reports and relevant documents as required by relevant local laws, as well as certain other expenses incurred in the administration of the sub-fund such as but not limited to rating agency fees.

Certain sub-funds and share classes will also pay specific additional costs, without limitation, such as hedging expenses.

Moreover, the Company bears any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets, in the countries where the Company is marketed. The following sub-funds disclose this type of extraordinary losses:

Sub-fund	Currency	Amount in currency
Global Senior Corporate Loans	EUR	267 841
Senior Secured Bank Loan Fund Mogliano	EUR	425 976
Signature EUR	EUR	2 561

Note 8 - Taxes

The Company is subject in Luxembourg to an annual subscription tax *("taxe d'abonnement")* representing 0.01% of the value of the net assets.

Are exempt from the "*taxe d'abonnement*":

a) the value of the assets represented by units or shares held in other undertakings for collective investment, provided that these units or shares have already been subject to the subscription tax provided for by the Article 174 of the amended Law of 17 December, 2010 relating to undertakings for collective investment;

b) specialised investment funds as well as individual sub-funds of specialised investment funds with multiple sub-funds:
- (i) the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions, and,
- (ii) the weighted residual portfolio maturity of which does not exceed 90 days, and,
- (iii) that have obtained the highest possible rating from a recognised rating agency;

c) specialised investment funds the securities of which are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employer's initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they own, in order to provide their employees with retirement benefits.

d) specialised investment funds as well as individual sub-funds of specialised investment funds with multiple sub-funds the main object of which is the investment in microfinance institutions.

A grand-ducal regulation shall determine the conditions necessary for the application of the exemption, and fix the criteria with which the money market instruments referred to above must comply.

The provisions of c) above apply mutatis mutandis to:

- individual sub-funds of a specialised investment fund with multiple sub-funds the securities of which are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employer's initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they own, in order to provide their employees with retirement benefits, and,

- individual classes created within a specialised investment fund or within a sub-fund of a specialised investment fund with multiple sub-funds the securities of which are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employer's initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they own, in order to provide their employees with retirement benefits.

Notes to the financial statements at 31/12/2022

A grand-ducal regulation shall lay down the criteria which specialised investment funds as well as individual sub-funds of specialised investment funds with multiple sub-funds referred to in d) above, shall fulfil.

When due, the subscription tax is payable quarterly on the basis of the associated net assets, and is calculated at the end of the quarter for which it is applicable.

Note 9 - Dividends

Dividends paid on 15 March 2022 on the distribution shares outstanding as at 22 February 2022 with an ex-date 22 March 2022:

Sub-fund	Share class	Currency	Dividend
Senior Secured Bank Loan Fund Mogliano	I - Distribution	EUR	10.43

Dividends paid on 12 September 2022 on the distribution shares outstanding as at 22 August 2022 with an ex-date 22 September 2022:

Sub-fund	Share class	Currency	Dividend
Senior Secured Bank Loan Fund Mogliano	I - Distribution	EUR	15.21

Dividends paid on 21 December 2022 on the distribution shares outstanding as at 15 November 2022 with an ex-date 30 November 2022:

Sub-fund	Share class	Currency	Dividend
European Senior Corporate Loans	I - Distribution	EUR	30.23
European Senior Corporate Loans	I Plus - Distribution	EUR	30.56
European Senior Corporate Loans	I Plus H JPY - Distribution	JPY	305.00
European Senior Corporate Loans	I Super Plus - Distribution	EUR	30.69
European Senior Corporate Loans	I Super Plus H JPY - Distribution	JPY	311.00
Global Senior Corporate Loans	I Plus - Distribution	EUR	31.89
Global Senior Corporate Loans	I Plus 2014 - Distribution	EUR	31.73
Global Senior Corporate Loans	I Plus 2016 - Distribution	EUR	31.87
Global Senior Corporate Loans	I Plus 2017 - Distribution	EUR	31.62
Global Senior Corporate Loans	Privilege 2014 - Distribution	EUR	30.67

Note 10 - Forward foreign exchange contracts

As at 31 December 2022, the following positions were outstanding:

European Senior Corporate Loans

Currency	Purchase amount	Currency	Sale amount
EUR	191 794 983	EUR	365 434 215
JPY	52 797 124 320	JPY	26 832 632 440
		USD	7 385 000
		Net unrealised gain (in EUR)	**4 250 507**

As at 31 December 2022, the latest maturity of all outstanding contracts is 7 February 2023.

Global Senior Corporate Loans

Currency	Purchase amount	Currency	Sale amount
EUR	75 855 485	EUR	10 826 912
USD	11 466 000	GBP	5 475 000
		USD	68 752 000
		Net unrealised gain (in EUR)	**5 264 169**

As at 31 December 2022, the latest maturity of all outstanding contracts is 19 January 2023.

Senior Secured Bank Loan Fund Mogliano

Currency	Purchase amount	Currency	Sale amount
GBP	3 000 000	EUR	11 785 896
USD	8 870 000		
		Net unrealised loss (in EUR)	**(108 027)**

As at 31 December 2022, the latest maturity of all outstanding contracts is 20 January 2023.

Counterparties to Forward foreign exchange contracts:

BNP Paribas Paris
Citigroup Global Market
JP Morgan
Morgan Stanley Europe

Note 11 - Swaps

Interest Rate Swaps

The Company has entered into interest rate swap agreements whereby it exchanges fixed income (sum of the notional amount and the fixed rate) for variable income (sum of the notional amount and the floating rate) and vice versa. These amounts are calculated and recognised at each calculation of the Net Asset Value; the receivable amount is stated under “Other assets” in the Statement of net assets, while the payable amount is given under “Other liabilities” in the Statement of net assets.

Signature EUR

Nominal	Currency	Maturity	Sub-fund paid	Sub-fund received
5 000 000	EUR	27/01/2024	0.000%	EURIBOR 3M
5 000 000	EUR	03/05/2024	0.000%	EURIBOR 3M
10 000 000	EUR	16/08/2024	0.000%	EURIBOR 3M
10 000 000	EUR	17/01/2025	0.107%	EURIBOR 3M

Nominal	Currency	Maturity	Sub-fund paid	Sub-fund received
10 000 000	EUR	27/01/2025	0.158%	EURIBOR 3M
10 000 000	EUR	22/04/2025	1.446%	EURIBOR 3M
10 000 000	EUR	13/07/2025	1.853%	EURIBOR 3M
			Net unrealised gain (in EUR)	**3 354 640**

Clearing broker to Interest Rate Swaps:

BNP Paribas Paris, France

Note 12 - Change in the composition of the securities portfolio

The list of changes in the composition of the securities portfolio during the year is available free of charge at the AIFM's registered office and from local agents.

Note 13 - Exchange rates

The exchange rates used for consolidation and for the conversion of share classes denominated in a currency other than the reference currency of the relevant sub-fund as at 31 December 2022 were the following:

EUR 1 = GBP 0.88725
EUR 1 = JPY 140.81830
EUR 1 = USD 1.06725

Note 14 - Global overview of collateral

As at 31 December 2022, the Company pledged the following collateral in favour of the counterparties to financial instruments:

Sub-fund	Currency	OTC collateral	Type of collateral
Global Senior Corporate Loans	EUR	70 000	Cash

As at 31 December 2022, the counterparties to swap agreements pledged the following collaterals in favour of the Company:

Sub-fund	Currency	OTC collateral	Type of collateral
European Senior Corporate Loans	EUR	2 030 000	Cash
Global Senior Corporate Loans	EUR	4 930 000	Cash
Signature EUR	EUR	2 885 139	Cash

Note 15 - (Un)realised gain/(loss) on investments securities

Following the AIFM Law of July 2013, the details of the realised gain/(loss) on investment securities during the financial year are:

	Realised gain (in sub-fund currency)	Realised loss (in sub-fund currency)	Net realised result (in sub-fund currency)
European Senior Corporate Loans	137 318	3 432 795	(3 295 477)
Global Senior Corporate Loans	3 990 476	5 999 776	(2 009 300)
Senior Secured Bank Loan Fund Mogliano	630 740	2 106 842	(1 476 102)
Signature EUR	310 197	1 802 569	(1 492 372)

Following the AIFM Law of July 2013, the details of the unrealised gain/(loss) on investment securities during the financial year are:

	Movement on unrealised gain (in sub-fund currency)	Movement on unrealised loss (in sub-fund currency)	Movement on net unrealised gain/(loss) (in sub-fund currency)
European Senior Corporate Loans	394 826	28 725 093	(28 330 267)
Global Senior Corporate Loans	1 902 072	31 973 292	(30 071 220)
Senior Secured Bank Loan Fund Mogliano	43 123	29 005 998	(28 962 875)
Signature EUR	112 091	3 650 578	(3 538 487)

Note 16 - List of effective Investment managers

- BNP PARIBAS ASSET MANAGEMENT France, Paris, abbreviated to BNPP AM France
- BNP PARIBAS ASSET MANAGEMENT UK Ltd., London, abbreviated to BNPP AM UK
- BNP PARIBAS ASSET MANAGEMENT USA Inc., New York, abbreviated to BNPP AM USA

Sub-fund	Investment managers
Signature EUR	**BNPP AM France** **BNPP AM UK** (FX Management)
Senior Secured Bank Loan Fund Mogliano	**BNPP AM France** Subdelegated to **BNPP AM USA** (US Loan Management)
European Senior Corporate Loans Global Senior Corporate Loans	**BNPP AM France** Subdelegated to **BNPP AM UK** (Cash and FX Management) Subdelegated to **BNPP AM USA** (US Loan Management) **BNPP AM UK** (FX Management)

Note 17 - Transaction fees

Transaction fees incurred by the Fund relating to purchase or sale of transferable securities, money market instruments, derivatives or other eligible assets are mainly composed of standard fees, sundry fees on transaction, stamp fees, brokerage fees, custody fees, VAT fees, stock exchange fees, RTO fees (Reception and Transmission of Orders) and dilution levy.

In line with bond market practice, a bid-offer spread is applied when buying or selling securities and other financial instruments. Consequently, in any given transaction, there will be a difference between the purchase and sale prices quoted by the broker, which represents the broker's fee.

The bid-offer spread is not included in the caption "Transaction fees" of the "Statement of operations and of changes in net assets".

Notes to the financial statements at 31/12/2022

Note 18 - Significant event

Since 24 February 2022, the Board of Directors has been very attentive to the consequences of the conflict between Russia and Ukraine and its impact on the energy shortage and food supplies in Europe. The Board of Directors closely monitors developments in terms of global outlook, market and financial risks in order to take all necessary measures in the interest of shareholders.

Note 19 - SFDR Statement

Information on environmental and/or social characteristics and/or sustainable investments is available in the relevant annexes under the (unaudited) Sustainable Finance Disclosure Regulation section.

Unaudited appendix

Information according to regulation on transparency of securities financing transactions

The Company is not affected by SFTR instruments during the year ending 31 December 2022.

Information on the Remuneration Policy in effect within the Management Company

Below are the quantitative information on remuneration, as required under Article 22 of the AIFM Directive (Directive 2011/61/EU of 8 June 2011) and by Article 69(3) of the UCITS V Directive (Directive 2014/91/EU of 23 July 2014), in a format compliant with the recommendations of the AFG (French Asset Management Association)[1].

Aggregate quantitative information for members of staff of BNP PARIBAS ASSET MANAGEMENT LUXEMBOURG ("BNPP AM Luxembourg") (art 22-2-e of AIFM Directive and art 69-3 (a) of the UCITS V Directive):

Business Area	Number of staff	Total remuneration (K EUR) (fixed + variable)	of which total variable remuneration (K EUR)
All staff of **BNPP AM Luxembourg**	78	8 248	1 098

Aggregate quantitative information for members of staff whose actions have a material impact on the risk profile of the firm and who are indeed "Identified Staff" (art 22-2-f of AIFM directive and art 69-3 (b) of the UCITS V directive):

Business Area	Number of staff	Total remuneration (K EUR)
Identified Staff of BNPP AM Luxembourg	3	752
Of which AIF/ UCITS and European mandates Portfolio managers	*0*	*0*

Other information about BNPP AM Luxembourg:

- **Number of AIF and UCITS Funds under management**

	Number of sub-funds (31/12/2022)	AuM (billion EUR) (31/12/2022)
UCITS	192	118
AIFs	23	3

- Under the supervision of the Remuneration Committee of BNP Paribas Asset Management Holding and its Board of Directors, a centralised independent audit of the global remuneration policy of BNP Paribas Asset Management along with its implementation during the 2021 financial year was carried out between June and September 2022. As a result of this audit, which covered the entities of BNP Paribas Asset Management holding an AIFM and/or UCITS licence, a score of "Satisfactory" was awarded (the highest of four possible scores), thus endorsing the solidity of the system in place, particularly in its key stages: identification of regulated staff members, consistency of the relation between performance and remuneration, application of mandatory deferred remuneration rules, implementation of indexation and deferred remuneration mechanisms. A recommendation – not presented as a warning – was issued in 2022, the documentation and controls of the selection of the baskets of index for the members of the management teams who do not directly manage the portfolios themselves needed to be improved in certain cases.
- Further information concerning the calculation of variable remuneration and on these deferred remuneration instruments is provided in the description of the Remuneration Policy published on the Company's website.

[1] NB: the figures for remuneration provided below cannot be directly reconciled with the accounting data for the year as they reflect the amounts awarded based on staff numbers at the close of the annual variable remuneration campaign in May 2022. Thus, these amounts include for example all variable remuneration awarded during this campaign, whether deferred or not, and irrespective of whether or not the employees ultimately remained with the Company.
[1] The list of regulated staff members is drawn up on the basis of the review carried out at the end of the year.
[1] The amounts thus reported take into account master-feeder funds.

Unaudited appendix

Transparency of the promotion of environmental or social characteristics and of sustainable investments

Signature EUR

I - BNP Paribas Asset Management approach

On its website, BNP Paribas Asset Management provides investors with access to its policy on the integration of sustainability risks into investment decision-making processes in accordance with Article 3 of Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the publication of sustainability information in the financial services sector (SFDR).

In addition, BNP Paribas Asset Management will make available to subscribers and to the public a document outlining its policy on how its investment strategy considers environmental, social and governance-quality criteria, and the means implemented to contribute to the energy and ecological transition, as well as a strategy for implementing this policy. This information will fall under the transparency of information required regarding the negative impacts on sustainability and will be available on the Management Company's website in accordance with Article 4 of the SFDR Regulation.

The SFDR Regulation establishes rules for transparency and for the provision of information on sustainability.

In addition to the SFDR Regulation, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending the SFDR Regulation (Taxonomy Regulation) aims to establish criteria to determine whether an economic activity is environmentally sustainable.

The European Taxonomy Regulation is thus a classification system that establishes a list of economic activities which are environmentally sustainable.

Economic activities that are not recognised by the Taxonomy Regulation are not necessarily harmful to the environment or unsustainable. Furthermore, other activities that contribute substantially to the environmental and social objectives are not yet necessarily part of the Taxonomy Regulation.

BNP Paribas Asset Management's current general approach to considering environmental, social and governance (ESG) criteria is detailed on our website: https://www.bnpparibas-am.com/en/sustainability/as-an-investor/.

For BNP Paribas Asset Management, responsible investment rests on six pillars. The first four pillars contribute to improving our management practices, notably through new investment ideas, optimising the composition of our portfolios, controlling risk, and using our influence on the companies and the different markets in which we invest.

ESG Integration:

Our analysts and managers systematically take into account the most relevant ESG factors, regardless of the investment process. Our ESG guidelines and integration policy apply to all of our investment processes (and therefore to funds, mandates and thematic funds). However, they are not all applicable to index funds, exchange-traded funds (ETFs) or certain exceptions to the specific management process. In line with the convictions of BNP Paribas Asset Management, this approach allows us to identify risks and opportunities that other market players may not have knowledge of, which may therefore provide us with a comparative advantage. The process of integrating ESG factors is guided by common formal principles. Since 2020, each investment process – and, by definition, any eligible investment strategy – has been reviewed and approved by an ESG validation committee.

Vote, dialogue and commitment:

We invest wisely and have established detailed voting guidelines on a number of ESG issues. In addition, we believe that enhanced dialogue with issuers can improve our investment processes and enable us to better control long-term risks. Our managers and experts from the BNP Paribas Asset Management Sustainability Centre engage with the companies we invest in, with the goal of encouraging them to adopt responsible and environmentally friendly practices.

In addition, we aim to meet frequently with governments in order to discuss ways of fighting global warming. Our governance and voting policy is available here: https://docfinder.bnpparibas-am.com/api/files/9EF0EE98-5C98-4D45-8B3C-7C1AD4C0358A.

Unaudited appendix

Responsible business conduct and industry exclusions:

BNP Paribas Asset Management applies ESG exclusions based on the ten principles of the United Nations Global Compact for all its investments. The Global Compact is a universal reference framework for business evaluation and is applicable to all industrial sectors; it is based on international conventions in the areas of respect for human rights, labour rights, the environment and the fight against corruption.

In addition to the principles of the United Nations Global Compact, BNP Paribas Asset Management applies the OECD Guidelines for Enterprises. Specific ESG standards that must be met by companies operating in certain sectors that are sensitive to social and environmental impacts. They are defined in sectoral policies that, to date, concern palm oil, pulp, coal, nuclear energy, controversial weapons, unconventional oil & gas, mining, asbestos, agriculture and tobacco. Non-compliance with the ESG standards defined by BNP Paribas Asset Management leads to the exclusion of companies from the investment scope. Lastly, in accordance with applicable regulations, some sectors such as controversial weapons (anti-personnel mines and cluster munitions) are banned from any investment.

The BNPP AM Responsible Business Conduct Policy and its various elements are available here: https://docfinder.bnpparibas-am.com/api/files/D8E2B165-C94F-413E-BE2E-154B83BD4E9B.

A forward-looking vision:

We believe that three key points underpin a more sustainable and inclusive economic system: energy transition, environmental protection and equality. We have defined a set of objectives and developed performance indicators to measure how we align our research, our portfolios and our commitment to businesses and governments on these three issues, the "3Es".

UCI range with a strengthened non-financial approach

Part of our range incorporates the four fundamental pillars of our sustainable approach, with the addition of "enhanced ESG" strategies that include multi-factor, best-in-class and labelled funds; "thematic" strategies for investing in companies that offer products and services providing concrete solutions to environmental and/or social challenges and, finally, "impact" strategies to generate, in addition to financial performance, an intentional, positive and measurable environmental and/or social impact.

Our CSR approach

As a sustainable investor, our own practices must equal or exceed the standards we expect from the entities in which we invest. We are therefore integrating sustainable development into our operational and civic activities with the following priorities: ensuring gender equality in our workforce, reducing our waste and CO_2 emissions and working toward the inclusion of young people.

The results of our sustainable approach are summarised in our non-financial report available on our website: https://docfinder.bnpparibas-am.com/api/files/AE68BA26-4E3B-4BC0-950D-548A834F900E.

II - Investment strategy of the Company

As part of the investment strategy implemented, the Company does not promote environmental and/or social and governance characteristics, nor does it have a sustainable investment objective within the meaning of Articles 8 and 9 of the SFDR Regulation.

The Company's investments do not take into account the criteria of the European Union in terms of environmentally sustainable economic activities as established by the Taxonomy Regulation.

To be noted that any difference between the charts “top investments” in the appendix section and the securities portfolio above are coming from the use of different data’s sources.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name : BNP Paribas Flexi III European Senior Corporate Loans Corporate Loans

Legal Entity Identifier: 213800LC8YMJAWH1CY90

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?

☐ Yes

☒ No

☐ It made a sustainable investment with an environmental objective: ___%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective : ___%

☒ It promoted Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it had a proportion of 8.6% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promoted E/S characteristics but did not make any sustainable investments

All actual data within this periodic report are calculated on the closing date of the accounting year.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using an ESG internal proprietary methodology, and by investing in issuers that demonstrate good environmental social and governance practices.

The investment strategy selects corporate issuers with good or improving ESG practices within their sector of activity. The ESG performance of an issuer is evaluated against a combination of environmental, social and governance factors which include but are not limited to :

- Environmental: energy efficiency, reduction of emissions of greenhouse gases (GHG), treatment of waste;
- Social: respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);

- Governance: Board of Directors independence, managers' remuneration, respect of minority shareholders rights.

The exclusion criteria are applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the Responsible Business Conduct Policy (RBC Policy).

The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

Furthermore, the investment manager promotes better environmental and social outcomes through engagement with issuers and the exercise of voting rights according to the Stewardship policy, where applicable.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

The environmental objectives as well as the social objectives to which the sustainable investments of the financial product have contributed are indicated in the question "What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives? "

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the RBC Policy: 100.0%
- The percentage of the financial product's portfolio covered by ESG analysis based on the ESG internal proprietary methodology : At least 90%
- The weighted average ESG score of the financial product's portfolio compared to the weighted average ESG score of its investment universe, as defined in the Prospectus: 52.7 VS 48.7 (Credit Suisse Western European Leveraged Loan Index)

...and compared to previous periods ?

Not applicable for the first periodic report.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The financial product did not commit itself to having a minimum proportion of sustainable investments, but did do so.

The objectives of the sustainable investments made by the financial product are to finance companies that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

The internal methodology, as defined in the main part of the Prospectus, integrates several criteria into its definition of sustainable investments that are considered to be core components to qualify a company as sustainable. These criteria are complementary to each other. In practice, a company must meet at least one of the criteria described below in order to be considered as contributing to an environmental or social objective:

1. A company with an economic activity aligned with the EU Taxonomy objectives. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the EU Taxonomy. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: sustainable forestry, environmental restoration, sustainable manufacturing, renewable energy, water supply, sewerage, waste

management and remediation, sustainable transportation, sustainable buildings, sustainable information and technology, scientific research for sustainable development;

2. A company with an economic activity contributing to one or more United Nations Sustainable Development goals (UN SDG) targets. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the SDGs and less than 20% of its revenues misaligned with the UN SDGs. A company qualifying as sustainable investment through this criteria can for example contribute to the following objectives:

a. Environmental: sustainable agriculture, sustainable management of water and sanitation, sustainable and modern energy, sustainable economic growth, sustainable infrastructure, sustainable cities, sustainable consumption and production patterns, fight against climate change, conservation and sustainable use of oceans, seas and marine resources, protection, restoration and sustainable use of terrestrial ecosystems, sustainable management of forests, fight against desertification, land degradation and biodiversity loss;

b. Social: no poverty, zero hunger, food security, healthy lives and well-being at all ages, inclusive and equitable quality education and lifelong learning opportunities, gender equality, women and girls empowerment, availability of water and sanitation, access to affordable, reliable and modern energy, inclusive and sustainable economic growth, full and productive employment and decent work, resilient infrastructure, inclusive and sustainable industrialization, reduced inequality, inclusive, safe and resilient cities and human settlements, peaceful and inclusive societies, access to justice and effective, accountable and inclusive institutions, global partnership for sustainable development.

3. A company operating in a high GHG emission sector that is transitioning its business model to align with the objective of maintaining the global temperature rise below 1.5°C. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: GHG emissions reduction, fight against climate change;

4. A company with best-in-class environmental or social practices compared to its peers within the relevant sector and geographical region. The E or S best performer assessment is based on the BNPP AM ESG scoring methodology. The methodology scores companies and assesses them against a peer group comprising companies in comparable sectors and geographical regions. A company with a contribution score above 10 on the Environmental or Social pillar qualifies as best performer. A company qualifying as sustainable investment through this criteria can for example contribute to the following objectives:

a. Environmental: fight against climate change, environmental risk management, sustainable management of natural resources, waste management, water management, GHG emissions reduction, renewable energy, sustainable agriculture, green infrastructure;

b. Social: health and safety, human capital management, good external stakeholder management (supply chain, contractors, data), business ethics preparedness, good corporate governance.

Green bonds, social bonds and sustainability bonds issued to support specific environmental and/or social projects are also qualified as sustainable investments provided that these debt securities receive an investment recommendation 'POSITIVE' or 'NEUTRAL' from the Sustainability Center following the issuer and underlying project assessment based on a proprietary Green/Social/Sustainability Bond Assessment methodology.

Companies identified as a sustainable investment should not significantly harm any other environmental or social objectives (the Do No Significant Harm 'DNSH' principle) and should follow good governance practices. BNP Paribas Asset Management (BNPP AM) uses its proprietary methodology to assess all companies against these requirements.

More information on the internal methodology can be found on the website of the investment manager: https://www.bnpparibas-am.com/sustainability-documents/

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Sustainable investments that the product partially intends to make should not significantly harm any environmental or social objective (DNSH Principle). In this respect, the investment manager commits to consider principal adverse impacts on sustainability factors by taking into account indicators for adverse impacts as defined in SFDR, and to not invest in companies that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How were the indicators for adverse impacts on sustainability factors taken into account?

The investment manager ensures that throughout its investment process, the financial product takes into account principal adverse impact indicators that are relevant to its investment strategy to select the sustainable investments that the financial product partially intends to make by systematically implementing the sustainable investment pillars defined in the BNP Paribas Asset Management Global Sustainability Strategy (GSS) into its investment process : RBC policy, ESG integration guidelines, Stewardship, the forward-looking vision – the '3Es' (Energy transition, Environmental sustainability, Equality & Inclusive Growth).

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the '3Es' (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

The financial product considers and addresses or mitigates the following principal adverse sustainability impacts indicators:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas

8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap

13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:
Environment
4. Investments in companies without carbon emission reduction initiatives
Social
4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Sovereign mandatory indicator:
15. GHG intensity
Investee countries subject to social violations?

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The investment universe of the financial product is periodically screened with a view to identify issuers that are potentially in violation or at risk of violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This assessment is conducted within the BNPP AM Sustainability Centre on the basis of internal analysis and information provided by external experts, and in consultation with BNP Paribas Group CSR Team. If an issuer is found to be in serious and repeated violations of any of the principles, it will be placed on an 'exclusion list' and will not be available for investment. Existing investments should be divested from the portfolio according to an internal procedure. If an issuer is at risk of violating any of the principles, it is placed on a 'watch list' monitored, as appropriate.

The EU Taxonomy sets out a 'do not significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors ?

The product considers principal adverse impacts on sustainability factors by systematically implementing the sustainable investment pillars defined in the GSS into its investment process. These pillars are covered by firm-wide policies that set criteria to identify, consider and prioritise as well as address or mitigate adverse sustainability impacts caused by issuers.

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the '3Es' (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, ESG Integration Guidelines, and Engagement and Voting Policy which include the following provisions :

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment
- Engagement with issuers with the aim of encouraging them to improve their environmental, social and governance practices and, thus, mitigate potential adverse impacts
- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues
- Ensuring all securities included in the portfolio have supportive ESG research
- Managing portfolios so that their aggregate ESG score is better than the relevant benchmark or universe

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

For listed issuers:

Corporate mandatory indicators:
1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector

7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:
Environment
4. Investments in companies without carbon emission reduction initiatives

Social
4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Sovereign mandatory indicator:
15. GHG intensity
16. Investee countries subject to social violations

Unlisted issuers:

Corporate mandatory indicators:
4. Exposure to companies active in the fossil fuel sector
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:
Environment
4. Investments in companies without carbon emission reduction initiatives

More detailed information on the manner in which principal adverse impacts on sustainability factors are considered can be found in the BNP PARIBAS ASSET MANAGEMENT SFDR disclosure statement: https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-B0ED-84FC06E090BF

What were the top investments of this financial product?

The list includes investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **30.12.2022**

Largest investments	Sector	% Assets*	Country
Loan CEVA SANTE ANIMALE EURIBOR3M+4.25 PCT 13-APR-2026	Health Care	2.54%	France
Loan T-MOBILE NL 2021 TLB EURIBOR3M+4.00 PCT 16-SEP-2028	Communications	2.43%	Netherlands
Loan AMER SPORTS OYJ EURIBOR3M+4.50 PCT 30-MAR-2026	Consumer Discretionary	2.34%	Finland
Loan AHLSELL AB \\ QUIMPER AB EURIBOR6M+3.00 PCT 16-FEB-2026	Industrials	2.12%	Sweden
Loan LORCA FINCO EURIBOR3M+4.25 PCT 17-SEP-2027	Communications	1.94%	United Kingdom
Loan NIDDA BONDCO GMBH EURIBOR3M+3.50 PCT 21-AUG-2026	Health Care	1.79%	Germany
Loan ION TRADING TECHNOLOGIES LTD TLB EURIBOR3M+4.25 PCT 01-APR-2028	Technology	1.75%	Luxembourg
Loan NOBIAN FINANCE BV TLB EURIBOR3M+3.75 PCT 01-JUL-2026	Materials	1.74%	Netherlands
Loan ELSAN TL B5 EURIBOR3M+3.50 PCT 16-JUN-2028	Health Care	1.67%	France
Loan MCAFEE 2/22 (EUR) TLB EURIBOR3M+4.25 PCT 01-MAR-2029	Technology	1.66%	United States
Loan KLEOPATRA FINCO SARL TL EURIBOR3M+4.75 PCT 12-FEB-2026	Industrials	1.66%	Luxembourg
Loan OGF 1/22 TL-B2 EURIBOR3M+4.75 PCT 31-DEC-2025	Consumer Discretionary	1.61%	France
Loan SIGMA HOLDCO BV EURIBOR3M+3.50 PCT 02-JUL-2025	Consumer Staples	1.50%	Netherlands
Loan CASINO GUICHARD PERRACHON SA EURIBOR3M+4.00 PCT 31-AUG-2025	Consumer Staples	1.46%	France
Loan LSF10 XL BIDCO SCA TL EURIBOR3M+4.00 PCT 12-APR-2028	Materials	1.38%	Luxembourg

Source of data: BNP Paribas Asset Management, as at 30.12.2022
The largest investments are based on official accounting data and are based on the transaction date.
*Any percentage differences with the financial statement portfolios result from a rounding difference.

What was the proportion of sustainability-related investments?

What was the asset allocation ?

Asset allocation describes the share of investments in specific assets

The investments used to meet the environmental or social characteristics promoted by the financial product, taking into account all the binding elements of its investment strategy as mentioned above, represent the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets being qualified as Sustainable Investment, both based on the BNPP AM ESG proprietary methodologies.

The proportion of such investments used to meet the environmental or social characteristics promoted by the financial product shall be at least 19.3%.

The proportion of sustainable investments of the financial product is 8.6%.

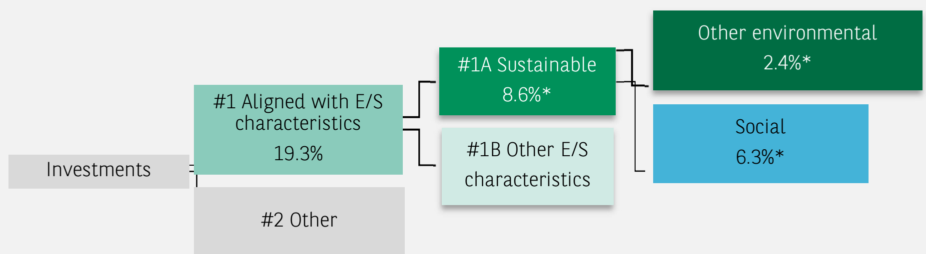
The remaining proportion of the investments may include :

- The proportion of assets that do not attain the minimum standard to meet environmental or social characteristics promoted by the financial product, being the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets being qualified as Sustainable Investment, both based on the BNPP AM ESG proprietary methodologies. These assets are used for investment purposes, or

- Instruments which are mainly used for liquidity, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives.

In any case, the investment manager will ensure that those investments are made while maintaining the improvement of the ESG profile of the financial product. In addition, those investments are made in compliance with our internal processes, including the following minimum environmental or social safeguards :

- The risk management policy. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks. And
- The RBC policy, where applicable, through the exclusion of companies involved in controversies due to poor practices related to human and labour rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment



#1 Aligned with E/S characteristics includes investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

The sub-category **#1B Other E/S characteristics** covers covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

*A portfolio security classified as sustainable investment may, taking into account all its activities, both contribute to a social objective and to an environmental objective (aligned or not with the taxonomy of the EU) and the figures shown take this into account. However, the same issuer can only be recognised once for sustainable investments (#1A Sustainable).

In which economic sectors were the investments made ?

Sectors	% Asset
Health care	19.46%
Materials	13.18%
Consumer discretionary	11.32%
Industrials	11.31%
Communications	11.02%
Technology	9.70%
Other	8.85%
Consumer staples	6.44%
Cash	3.65%
Financials	2.01%
Forex contracts	1.27%
Energy	1.06%
Real estate	0.70%

Source of data: BNP Paribas Asset Management, as at 30.12.2022
The largest investments are based on official accounting data and are based on the transaction date.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The financial product did not commit itself to having a minimum proportion of sustainable investments with an environmental objective in economic activities that are considered environmentally sustainable within the meaning of the EU Taxonomy, but did do so.

Did the financial product invest in fossil gas and/or nuclear energy activities complying with the EU Taxonomy [1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No:

At the date of closure of the accounting year and preparation of the annual report, the data are not available and the management company does not have the information relating to the previous year.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

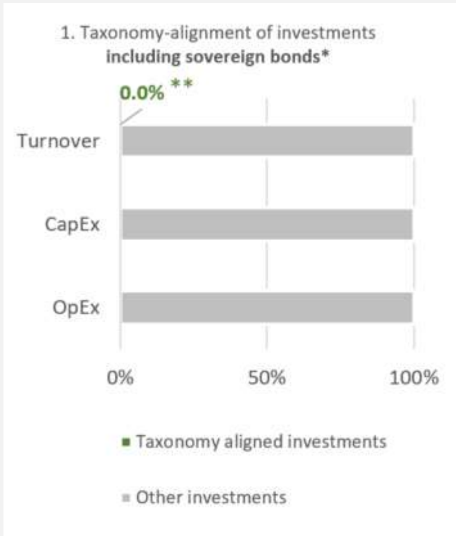
Taxonomy-aligned activities are expressed as a share of: :
- turnover reflecting the share of revenue from green activities of investee companies.
- capital expenditure (CapEx) showing the green investments made by investee companies, e.g. relevant for a transition to a green economy.
- operational expenditure (OpEx) reflecting green operational activities of investee companies

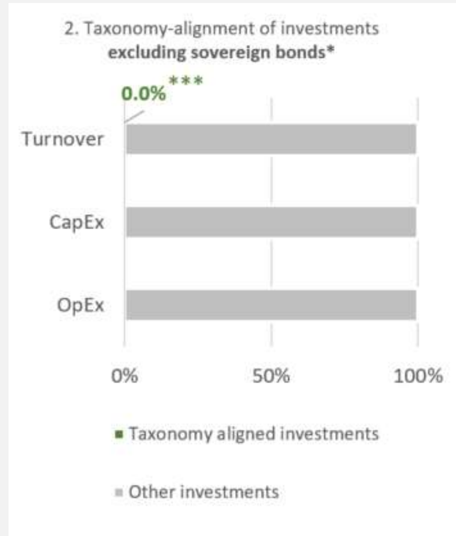
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*





* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

** Real taxonomy aligned

*** Real taxonomy aligned. At the date of this periodic information document, the management company does not have all the necessary data to determine the alignment of investments with the taxonomy excluding sovereign bonds. The percentage of alignment of investments with the taxonomy including sovereign bonds being by construction a real minimum proportion, this same figure is used accordingly.

- *What was the share of investments made in transitional and enabling activities?*

The share of investments in transitional and enabling activities within the meaning of the Regulations Taxonomy is 0% for transitional activities and 0% for enabling activities.

- *How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods ?*

Not applicable for the first periodic report.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that are not aligned with the European Taxonomy Regulation is 2.4%.

The management company is improving its systems for collecting data in line with the EU Taxonomy to ensure the accuracy and adequacy of published sustainability information under the European Taxonomy Regulation. Meanwhile, the financial product will invest in sustainable investments whose environmental objective is not aligned with the EU Taxonomy.

What was the share of socially sustainable investments?

Socially sustainable investments represent **6.3%** of the financial product..

What investments were included under ' other', what was their purpose and were there any minimum environmental or social safeguards?

The remaining proportion of the investments may include :

- The proportion of assets that do not attain the minimum standard to meet environmental or social characteristics promoted by the financial product, being the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets being qualified as Sustainable Investment, both based on the BNPP AM ESG proprietary methodologies. These assets are used for investment purposes, or

- Instruments which are mainly used for liquidity, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives

In any case, the investment manager will ensure that those investments are made while maintaining the improvement of the ESG profile of the financial product. In addition, those investments are made in compliance with our internal processes, including the following minimum environmental or social safeguards:

- The risk management policy. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks. And

- The RBC policy, where applicable, through the exclusion of companies involved in controversies due to poor practices related to human and labour rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment

What actions have been taken to meet the environmental and/or social characteristics during the reference period ?

- The financial product shall comply with the RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment

  More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: Sustainability documents - Sustainability documents - BNPP AM Corporate English

- The financial product shall have at least 75% of its assets covered by the ESG analysis based on the ESG internal proprietary methodology.

- The financial product shall have the weighted average ESG score of its portfolio higher than the weighted average ESG score of its investment universe, as defined in the Prospectus

In addition, the management company has implemented a voting and engagement policy. Several examples of commitments are detailed in the vote and commitment section of the Sustainability Report. These documents are available at the following link: https://www.bnpparibas-am.com/en/documentation-sustainability/

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

- *How does the reference benchmark differ from a broad market index?*

Not applicable

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

Not applicable

- *How did this financial product perform compared with the reference benchmark?*

Not applicable

- *How did this financial product perform compared with the broad market index?*

Not applicable

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name : BNP Paribas Flexi III Global Senior Corporate Loans

Legal Entity Identifier: 213800UGM1MEEM64QV37

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It made a **sustainable investment with an environmental objective**: ___%	☒ It promoted **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a proportion of 8.1% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective** : ___%	☐ It promoted E/S characteristics but **did not make any sustainable investments**

All actual data within this periodic report are calculated on the closing date of the accounting year.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using an ESG internal proprietary methodology, and by investing in issuers that demonstrate good environmental social and governance practices.

Corporate issuers

The investment strategy selects corporate issuers with good or improving ESG practices within their sector of activity. The ESG performance of an issuer is evaluated against a combination of environmental, social and governance factors which include but are not limited to :

- Environmental: energy efficiency, reduction of emissions of greenhouse gases (GHG), treatment of waste;

- Social: respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);
- Governance: Board of Directors independence, managers' remuneration, respect of minority shareholders rights.

The exclusion criteria are applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the Responsible Business Conduct Policy (RBC Policy).

The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

Furthermore, the investment manager promotes better environmental and social outcomes through engagement with issuers and the exercise of voting rights according to the Stewardship policy, where applicable.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

The environmental objectives as well as the social objectives to which the sustainable investments of the financial product have contributed are indicated in the question "What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives? "

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the financial product's portfolio compliant with the RBC Policy: 100.0%
- The percentage of the financial product's portfolio covered by ESG analysis based on the ESG internal proprietary methodology : at least 90%
- The weighted average ESG score of the financial product's portfolio compared to the weighted average ESG score of its investment universe, as defined in the Prospectus: 53.0 VS 48.7 (Credit Suisse Western European Leveraged Loan Index)

...and compared to previous periods ?

Not applicable for the first periodic report.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The financial product did not commit itself to having a minimum proportion of sustainable investments, but did do so.

The objectives of the sustainable investments made by the financial product are to finance companies that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

The internal methodology, as defined in the main part of the Prospectus, integrates several criteria into its definition of sustainable investments that are considered to be core components to qualify a company as sustainable. These criteria are complementary to each other. In practice, a company must meet at least one of the criteria described below in order to be considered as contributing to an environmental or social objective:

1. A company with an economic activity aligned with the EU Taxonomy objectives. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with

the EU Taxonomy. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: sustainable forestry, environmental restoration, sustainable manufacturing, renewable energy, water supply, sewerage, waste management and remediation, sustainable transportation, sustainable buildings, sustainable information and technology, scientific research for sustainable development;

2. A company with an economic activity contributing to one or more United Nations Sustainable Development goals (UN SDG) targets. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the SDGs and less than 20% of its revenues misaligned with the UN SDGs. A company qualifying as sustainable investment through this criteria can for example contribute to the following objectives:

a. Environmental: sustainable agriculture, sustainable management of water and sanitation, sustainable and modern energy, sustainable economic growth, sustainable infrastructure, sustainable cities, sustainable consumption and production patterns, fight against climate change, conservation and sustainable use of oceans, seas and marine resources, protection, restoration and sustainable use of terrestrial ecosystems, sustainable management of forests, fight against desertification, land degradation and biodiversity loss;

b. Social: no poverty, zero hunger, food security, healthy lives and well-being at all ages, inclusive and equitable quality education and lifelong learning opportunities, gender equality, women and girls empowerment, availability of water and sanitation, access to affordable, reliable and modern energy, inclusive and sustainable economic growth, full and productive employment and decent work, resilient infrastructure, inclusive and sustainable industrialization, reduced inequality, inclusive, safe and resilient cities and human settlements, peaceful and inclusive societies, access to justice and effective, accountable and inclusive institutions, global partnership for sustainable development.

3. A company operating in a high GHG emission sector that is transitioning its business model to align with the objective of maintaining the global temperature rise below 1.5°C. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: GHG emissions reduction, fight against climate change;

4. A company with best-in-class environmental or social practices compared to its peers within the relevant sector and geographical region. The E or S best performer assessment is based on the BNPP AM ESG scoring methodology. The methodology scores companies and assesses them against a peer group comprising companies in comparable sectors and geographical regions. A company with a contribution score above 10 on the Environmental or Social pillar qualifies as best performer. A company qualifying as sustainable investment through this criteria can for example contribute to the following objectives:

a. Environmental: fight against climate change, environmental risk management, sustainable management of natural resources, waste management, water management, GHG emissions reduction, renewable energy, sustainable agriculture, green infrastructure;

b. Social: health and safety, human capital management, good external stakeholder management (supply chain, contractors, data), business ethics preparedness, good corporate governance.

Green bonds, social bonds and sustainability bonds issued to support specific environmental and/or social projects are also qualified as sustainable investments provided that these debt securities receive an investment recommendation 'POSITIVE' or 'NEUTRAL' from the Sustainability Center following the issuer and underlying project assessment based on a proprietary Green/Social/Sustainability Bond Assessment methodology.

Companies identified as a sustainable investment should not significantly harm any other environmental or social objectives (the Do No Significant Harm 'DNSH' principle) and should follow good governance practices. BNP Paribas Asset Management (BNPP AM) uses its proprietary methodology to assess all companies against these requirements.

More information on the internal methodology can be found on the website of the investment manager: https://www.bnpparibas-am.com/sustainability-documents/

The share of financial product investments considered by the SFDR regulation to be sustainable investments contributes in the proportions described in the question on the allocation of assets to the environmental objectives defined in the European Regulation on Taxonomy in force to date: climate change mitigation and/or adaptation to climate change.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Sustainable investments that the product partially intends to make should not significantly harm any environmental or social objective (DNSH Principle). In this respect, the investment manager commits to consider principal adverse impacts on sustainability factors by taking into account indicators for adverse impacts as defined in SFDR, and to not invest in companies that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

How were the indicators for adverse impacts on sustainability factors taken into account?

The investment manager ensures that throughout its investment process, the financial product takes into account principal adverse impact indicators that are relevant to its investment strategy to select the sustainable investments that the financial product partially intends to make by systematically implementing the sustainable investment pillars defined in the BNP Paribas Asset Management Global Sustainability Strategy (GSS) into its investment process : RBC policy, ESG integration guidelines, Stewardship, the forward-looking vision – the '3Es' (Energy transition, Environmental sustainability, Equality & Inclusive Growth).

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the '3Es' (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

The financial product considers and addresses or mitigates the following principal adverse sustainability impacts indicators:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production

6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:
Environment
4. Investments in companies without carbon emission reduction initiatives
Social
4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Sovereign mandatory indicator:
15. GHG intensity
Investee countries subject to social violations

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The investment universe of the financial product is periodically screened with a view to identify issuers that are potentially in violation or at risk of violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This assessment is conducted within the BNPP AM Sustainability Centre on the basis of internal analysis and information provided by external experts, and in consultation with BNP Paribas Group CSR Team. If an issuer is found to be in serious and repeated violations of any of the principles, it will be placed on an 'exclusion list' and will not be available for investment. Existing investments should be divested from the portfolio according to an internal procedure. If an issuer is at risk of violating any of the principles, it is placed on a 'watch list' monitored, as appropriate.

The EU Taxonomy sets out a 'do not significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors ?

The product considers principal adverse impacts on sustainability factors by systematically implementing the sustainable investment pillars defined in the GSS into its investment process. These pillars are covered by firm-wide policies that set criteria to identify, consider and prioritise as well as address or mitigate adverse sustainability impacts caused by issuers.

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the '3Es' (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, ESG Integration Guidelines, and Engagement and Voting Policy which include the following provisions :

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment

- Engagement with issuers with the aim of encouraging them to improve their environmental, social and governance practices and, thus, mitigate potential adverse impacts

- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues

- Ensuring all securities included in the portfolio have supportive ESG research

- Managing portfolios so that their aggregate ESG score is better than the relevant benchmark or universe

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

Corporate mandatory indicators:
1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector

7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:
Environment
4. Investments in companies without carbon emission reduction initiatives

Social
4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Sovereign mandatory indicator:
15. GHG intensity
16. Investee countries subject to social violations

Unlisted issuers:

Corporate mandatory indicators:
4. Exposure to companies active in the fossil fuel sector
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:
Environment
4. Investments in companies without carbon emission reduction initiatives

More detailed information on the manner in which principal adverse impacts on sustainability factors are considered can be found in the BNP PARIBAS ASSET MANAGEMENT SFDR disclosure statement: https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-B0ED-84FC06E090BF

What were the top investments of this financial product?

Largest investments	Sector	% Assets*	Country
BNPP CASH INVEST I + C	Cash	3.17%	France
Loan T-MOBILE NL 2021 TLB EURIBOR3M+4.00 PCT 16-SEP-2028	Communications	2.02%	Netherlands
Loan AURIS LUXEMBOURG II SARL EURIBOR3M+4.00 PCT 27-FEB-2026	Health Care	1.93%	Luxembourg
Loan VIRGIN MEDIA SFA FINANCE LTD GBP3MLIB+3.25 PCT 15-NOV-2027	Communications	1.93%	United Kingdom
Loan AMER SPORTS OYJ EURIBOR3M+4.50 PCT 30-MAR-2026	Consumer Discretionary	1.84%	Finland
Loan ION TRADING TECHNOLOGIES LTD TLB EURIBOR3M+4.25 PCT 01-APR-2028	Technology	1.82%	Luxembourg
Loan AHLSELL AB \\ QUIMPER AB EURIBOR6M+3.00 PCT 16-FEB-2026	Industrials	1.77%	Sweden
Loan ALTICE FRANCE SA (FRANCE) EURIBOR3M+3.00 PCT 02-FEB-2026	Communications	1.76%	France
Loan LORCA FINCO EURIBOR3M+4.25 PCT 17-SEP-2027	Communications	1.74%	United Kingdom
Loan SIGMA HOLDCO BV EURIBOR3M+3.50 PCT 02-JUL-2025	Consumer Staples	1.72%	Netherlands
Loan ZF INVEST TLB EURIBOR3M+4.00 PCT 12-JUL-2028	Consumer Staples	1.71%	France
Loan NOBIAN FINANCE BV TLB EURIBOR3M+3.75 PCT 01-JUL-2026	Materials	1.67%	Netherlands
Loan OGF 1/22 TL-B2 EURIBOR3M+4.75 PCT 31-DEC-2025	Consumer Discretionary	1.63%	France
Loan CASINO GUICHARD PERRACHON SA EURIBOR3M+4.00 PCT 31-AUG-2025	Consumer Staples	1.52%	France
Loan ZENTIVA 2/21 (EUR) COV-LITE TLB EURIBOR3M+3.50 PCT 29-SEP-2025	Health Care	1.50%	Luxembourg

The list includes investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **30.12.2022**

Source of data: BNP Paribas Asset Management, as at 30.12.2022
The largest investments are based on official accounting data and are based on the transaction date.
*Any percentage differences with the financial statement portfolios result from a rounding difference.

What was the proportion of sustainability-related investments?

What was the asset allocation ?

The investments used to meet the environmental or social characteristics promoted by the financial product, taking into account all the binding elements of its investment strategy as mentioned above, represent the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets being qualified as Sustainable Investment, both based on the BNPP AM ESG proprietary methodologies.

Asset allocation describes the share of investments in specific assets

The proportion of such investments used to meet the environmental or social characteristics promoted by the financial product shall be at least 17.0%.

The proportion of sustainable investments of the financial product is 8.1%.

The remaining proportion of the investments may include :

- The proportion of assets that do not attain the minimum standard to meet environmental or social characteristics promoted by the financial product, being the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets being qualified as

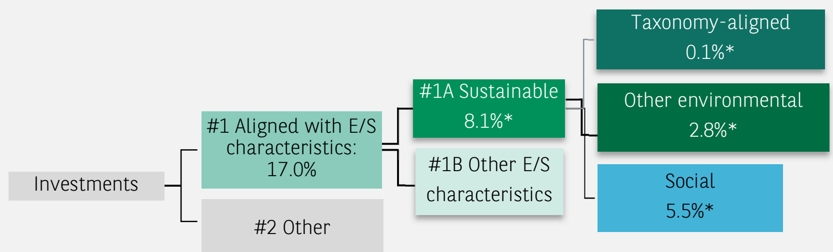
Sustainable Investment, both based on the BNPP AM ESG proprietary methodologies. These assets are used for investment purposes, or

- Instruments which are mainly used for liquidity, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives.

In any case, the investment manager will ensure that those investments are made while maintaining the improvement of the ESG profile of the financial product. In addition, those investments are made in compliance with our internal processes, including the following minimum environmental or social safeguards :

- The risk management policy. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks.

- And The RBC policy, where applicable, through the exclusion of companies involved in controversies due to poor practices related to human and labour rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment



#1 Aligned with E/S characteristics includes investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

The sub-category **#1B Other E/S characteristics** covers covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

*A portfolio security classified as sustainable investment may, taking into account all its activities, both contribute to a social objective and to an environmental objective (aligned or not with the taxonomy of the EU) and the figures shown take this into account. However, the same issuer can only be recognised once for sustainable investments (#1A Sustainable).

In which economic sectors were the investments made ?

Sectors	% Asset
Other	18.80%
Health care	15.85%
Communications	12.94%
Materials	10.19%
Consumer discretionary	9.03%
Industrials	8.55%
Consumer staples	7.27%
Cash	6.51%
Technology	6.36%
Energy	1.77%
Forex contracts	1.63%
Financials	1.11%

Source of data: BNP Paribas Asset Management, as at 30.12.2022
The largest investments are based on official accounting data and are based on the transaction date.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The financial product did not commit itself to having a minimum proportion of sustainable investments with an environmental objective in economic activities that are considered environmentally sustainable within the meaning of the EU Taxonomy, but did do so.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Did the financial product invest in fossil gas and/or nuclear energy activities complying with the EU Taxonomy [1]?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [x] No:

At the date of closure of the accounting year and preparation of the annual report, the data are not available and the management company does not have the information relating to the previous year.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

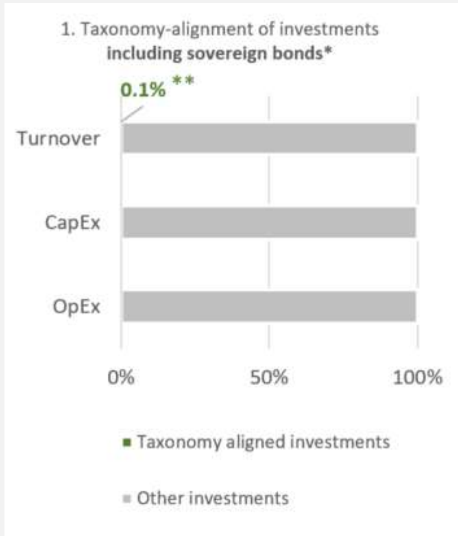
Taxonomy-aligned activities are expressed as a share of: :
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

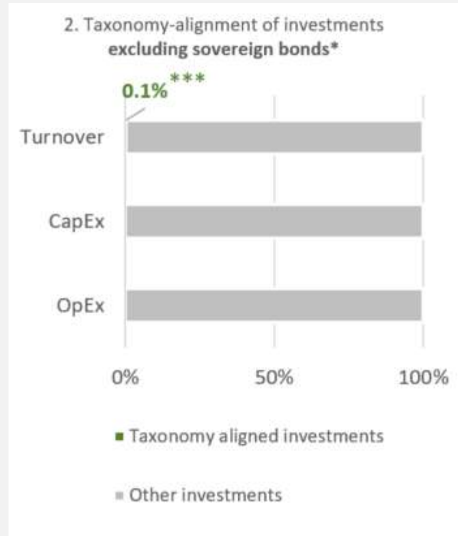
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

*** Real taxonomy aligned*

**** Real taxonomy aligned. At the date of this periodic information document, the management company does not have all the necessary data to determine the alignment of investments with the taxonomy excluding sovereign bonds. The percentage of alignment of investments with the taxonomy including sovereign bonds being by construction a real minimum proportion, this same figure is used accordingly.*

- ***What was the share of investments made in transitional and enabling activities?***

The share of investments in transitional and enabling activities within the meaning of the Regulations Taxonomy is 0% for transitional activities and 0% for enabling activities.

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods ?***

Not applicable for the first periodic report.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that are not aligned with the European Taxonomy Regulation is 2.8%

The management company is improving its systems for collecting data in line with the EU Taxonomy to ensure the accuracy and adequacy of published sustainability information under the European Taxonomy Regulation. Meanwhile, the financial product will invest in sustainable investments whose environmental objective is not aligned with the EU Taxonomy.

What was the share of socially sustainable investments?

Socially sustainable investments represent **5.5%** of the financial product..

What investments were included under ' other', what was their purpose and were there any minimum environmental or social safeguards?

The remaining proportion of the investments may include :

- The proportion of assets that do not attain the minimum standard to meet environmental or social characteristics promoted by the financial product, being the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets being qualified as Sustainable Investment, both based on the BNPP AM ESG proprietary methodologies. These assets are used for investment purposes, or

- Instruments which are mainly used for liquidity, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives

In any case, the investment manager will ensure that those investments are made while maintaining the improvement of the ESG profile of the financial product. In addition, those investments are made in compliance with our internal processes, including the following minimum environmental or social safeguards:

- The risk management policy. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks. And

- The RBC policy, where applicable, through the exclusion of companies involved in controversies due to poor practices related to human and labour rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment

What actions have been taken to meet the environmental and/or social characteristics during the reference period ?

- The financial product shall comply with the RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment

More information on the RBC Policy, and in particular criteria relating to sectoral exclusions, can be found on the website of the investment manager: Sustainability documents - Sustainability documents - BNPP AM Corporate English (https://www.bnpparibas-am.com/sustainability-documents/)

- The financial product shall have at least 75% of its assets covered by the ESG analysis based on the ESG internal proprietary methodology.

- The financial product shall have the weighted average ESG score of its portfolio higher than the weighted average ESG score of its investment universe, as defined in the Prospectus

In addition, the management company has implemented a voting and engagement policy. Several examples of commitments are detailed in the vote and commitment section of the Sustainability Report. These documents are available at the following link: https://www.bnpparibas-am.com/en/documentation-sustainability/

How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- *How does the reference benchmark differ from a broad market index?*

Not applicable

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

Not applicable

- *How did this financial product perform compared with the reference benchmark?*

Not applicable

- *How did this financial product perform compared with the broad market index?*

Not applicable

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name : BNP Paribas Flexi III Senior Secured Bank Loan Mogliano   Legal Entity Identifier: 213800YWWPYTULPXYW74

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

Did this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It made a **sustainable investment with an environmental objective**: ___%	☒ It promoted **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a proportion of 8.4% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective** : ___%	☐ It promoted E/S characteristics but **did not make any sustainable investments**

All actual data within this periodic report are calculated on the closing date of the accounting year.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The financial product promotes environmental and social characteristics by assessing underlying investments against Environmental, Social, and Governance (ESG) criteria using an ESG internal proprietary methodology, and by investing in issuers that demonstrate good environmental social and governance practices.

The investment strategy selects corporate issuers with good or improving ESG practices within their sector of activity. The ESG performance of an issuer is evaluated against a combination of environmental, social and governance factors which include but are not limited to :

- Environmental: energy efficiency, reduction of emissions of greenhouse gases (GHG), treatment of waste;
- Social: respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);

- Governance: Board of Directors independence, managers' remuneration, respect of minority shareholders rights.

The exclusion criteria are applied with regard to issuers that are in violation of international norms and convention, or operate in sensitive sectors as defined by the Responsible Business Conduct Policy (RBC Policy).

The investment manager also applies the BNP Paribas Group's sensitive countries framework, which includes restrictive measures on certain countries and/or activities that are considered as being particularly exposed to money laundering and terrorism financing related risks.

Furthermore, the investment manager promotes better environmental and social outcomes through engagement with issuers and the exercise of voting rights according to the Stewardship policy, where applicable.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

The environmental objectives as well as the social objectives to which the sustainable investments of the financial product have contributed are indicated in the question "What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives? "

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- The percentage of the portfolio assets compliant with the RBC Policy; 100.0%
- The percentage of the financial product's portfolio covered by ESG analysis based on the ESG internal proprietary methodology : at least 90%
- The weighted average ESG score of the financial product's portfolio compared to the weighted average ESG score of its investment universe, as defined in the Prospectus: 52.2 vs 48.7 (Credit Suisse Western European Leveraged Loan Index)

...and compared to previous periods ?

Not applicable for the first periodic report.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The financial product did not commit itself to having a minimum proportion of sustainable investments, but did do so.

The objectives of the sustainable investments made by the financial product are to finance companies that contribute to environmental and/or social objectives through their products and services, as well as their sustainable practices.

The internal methodology, as defined in the main part of the Prospectus, integrates several criteria into its definition of sustainable investments that are considered to be core components to qualify a company as sustainable. These criteria are complementary to each other. In practice, a company must meet at least one of the criteria described below in order to be considered as contributing to an environmental or social objective:

1. A company with an economic activity aligned with the EU Taxonomy objectives. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the EU Taxonomy. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: sustainable forestry, environmental restoration, sustainable manufacturing, renewable energy, water supply, sewerage, waste

management and remediation, sustainable transportation, sustainable buildings, sustainable information and technology, scientific research for sustainable development;

2. A company with an economic activity contributing to one or more United Nations Sustainable Development goals (UN SDG) targets. A company can be qualified as sustainable investment in case it has more than 20% of its revenues aligned with the SDGs and less than 20% of its revenues misaligned with the UN SDGs. A company qualifying as sustainable investment through this criteria can for example contribute to the following objectives:

a. Environmental: sustainable agriculture, sustainable management of water and sanitation, sustainable and modern energy, sustainable economic growth, sustainable infrastructure, sustainable cities, sustainable consumption and production patterns, fight against climate change, conservation and sustainable use of oceans, seas and marine resources, protection, restoration and sustainable use of terrestrial ecosystems, sustainable management of forests, fight against desertification, land degradation and biodiversity loss;

b. Social: no poverty, zero hunger, food security, healthy lives and well-being at all ages, inclusive and equitable quality education and lifelong learning opportunities, gender equality, women and girls empowerment, availability of water and sanitation, access to affordable, reliable and modern energy, inclusive and sustainable economic growth, full and productive employment and decent work, resilient infrastructure, inclusive and sustainable industrialization, reduced inequality, inclusive, safe and resilient cities and human settlements, peaceful and inclusive societies, access to justice and effective, accountable and inclusive institutions, global partnership for sustainable development.

3. A company operating in a high GHG emission sector that is transitioning its business model to align with the objective of maintaining the global temperature rise below 1.5°C. A company qualifying as sustainable investment through this criteria can for example contribute to the following environmental objectives: GHG emissions reduction, fight against climate change;

4. A company with best-in-class environmental or social practices compared to its peers within the relevant sector and geographical region. The E or S best performer assessment is based on the BNPP AM ESG scoring methodology. The methodology scores companies and assesses them against a peer group comprising companies in comparable sectors and geographical regions. A company with a contribution score above 10 on the Environmental or Social pillar qualifies as best performer. A company qualifying as sustainable investment through this criteria can for example contribute to the following objectives:

a. Environmental: fight against climate change, environmental risk management, sustainable management of natural resources, waste management, water management, GHG emissions reduction, renewable energy, sustainable agriculture, green infrastructure;

b. Social: health and safety, human capital management, good external stakeholder management (supply chain, contractors, data), business ethics preparedness, good corporate governance.

Green bonds, social bonds and sustainability bonds issued to support specific environmental and/or social projects are also qualified as sustainable investments provided that these debt securities receive an investment recommendation 'POSITIVE' or 'NEUTRAL' from the Sustainability Center following the issuer and underlying project assessment based on a proprietary Green/Social/Sustainability Bond Assessment methodology.

Companies identified as a sustainable investment should not significantly harm any other environmental or social objectives (the Do No Significant Harm 'DNSH' principle) and should follow good governance practices. BNP Paribas Asset Management (BNPP AM) uses its proprietary methodology to assess all companies against these requirements.

More information on the internal methodology can be found on the website of the investment manager: https://www.bnpparibas-am.com/sustainability-documents/

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Sustainable investments that the product partially intends to make should not significantly harm any environmental or social objective (DNSH Principle).

In this respect, the investment manager commits to consider principal adverse impacts on sustainability factors by taking into account indicators for adverse impacts as defined in SFDR, and to not invest in companies that do not meet their fundamental obligations in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How were the indicators for adverse impacts on sustainability factors taken into account?

The investment manager ensures that throughout its investment process, the financial product takes into account principal adverse impact indicators that are relevant to its investment strategy to select the sustainable investments that the financial product partially intends to make by systematically implementing the sustainable investment pillars defined in the BNP Paribas Asset Management Global Sustainability Strategy (GSS) into its investment process : RBC policy, ESG integration guidelines, Stewardship, the forward-looking vision – the '3Es' (Energy transition, Environmental sustainability, Equality & Inclusive Growth).

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the '3Es' (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

The financial product considers and addresses or mitigates the following principal adverse sustainability impacts indicators:

Corporate mandatory indicators:

1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas

8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap

13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:
Environment
4. Investments in companies without carbon emission reduction initiatives
Social
4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Sovereign mandatory indicator:
15. GHG intensity
16. Investee countries subject to social violations

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The investment universe of the financial product is periodically screened with a view to identify issuers that are potentially in violation or at risk of violation of the UN Global Compact Principles, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business & Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This assessment is conducted within the BNPP AM Sustainability Centre on the basis of internal analysis and information provided by external experts, and in consultation with BNP Paribas Group CSR Team. If an issuer is found to be in serious and repeated violations of any of the principles, it will be placed on an 'exclusion list' and will not be available for investment. Existing investments should be divested from the portfolio according to an internal procedure. If an issuer is at risk of violating any of the principles, it is placed on a 'watch list' monitored, as appropriate.

The EU Taxonomy sets out a 'do not significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors ?

The product considers principal adverse impacts on sustainability factors by systematically implementing the sustainable investment pillars defined in the GSS into its investment process. These pillars are covered by firm-wide policies that set criteria to identify, consider and prioritise as well as address or mitigate adverse sustainability impacts caused by issuers.

The RBC policy establishes a common framework across investments and economic activities that help identify industries and behaviours presenting a high risk of adverse impacts in violation of international norms. As part of the RBC Policy, sector policies provide a tailored approach to identify and prioritize principal adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place.

The ESG Integration Guidelines includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. The proprietary ESG scoring framework includes an assessment of a number of adverse sustainability impacts caused by companies in which we invest. Outcome of this assessment may impact the valuation models as well as the portfolio construction depending on the severity and materiality of adverse impacts identified.

Thus, the Investment Manager considers principal adverse sustainability impacts throughout the investment process through the use of the internal ESG scores and construction of the portfolio with an improved ESG profile compared to its investment universe.

The Forward-looking perspective defines a set of objectives and developed performance indicators to measure how the researches, portfolios and commitments are aligned on three issues, the '3Es' (Energy transition, Environmental sustainability, Equality & inclusive growth) and thus support investment processes.

Furthermore, the Stewardship team regularly identifies adverse impacts through ongoing research, collaboration with other long-term investors, and dialogue with NGOs and other experts.

Actions to address or mitigate principal adverse sustainability impacts depend on the severity and materiality of these impacts. These actions are guided by the RBC Policy, ESG Integration Guidelines, and Engagement and Voting Policy which include the following provisions :

- Exclusion of issuers that are in violation of international norms and conventions and issuers that are involved in activities presenting an unacceptable risk to society and/or the environment

- Engagement with issuers with the aim of encouraging them to improve their environmental, social and governance practices and, thus, mitigate potential adverse impacts

- In case of equity holdings, voting at Annual General Meetings of companies the portfolio is invested in to promote good governance and advance environmental and social issues

- Ensuring all securities included in the portfolio have supportive ESG research

- Managing portfolios so that their aggregate ESG score is better than the relevant benchmark or universe

Based on the above approach, and depending on the composition of the financial product's portfolio (i.e. the type of issuer), the financial product considers and addresses or mitigates the following principal adverse sustainability impacts:

For listed issuers

<u>*Corporate mandatory indicators:*</u>
1. GreenHouse Gas (GHG) Emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production

6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:
Environment
4. Investments in companies without carbon emission reduction initiatives

Social
4. Lack of a supplier code of conduct
9. Lack of a human rights policy

Unlisted issuers:

Corporate mandatory indicators:
4. Exposure to companies active in the fossil fuel sector
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Corporate voluntary indicators:
Environment:
4. Investments in companies without carbon emission reduction initiatives

More detailed information on the manner in which principal adverse impacts on sustainability factors are considered can be found in the BNP PARIBAS ASSET MANAGEMENT SFDR disclosure statement: https://docfinder.bnpparibas-am.com/api/files/874ADAE2-3EE7-4AD4-B0ED-84FC06E090BF

What were the top investments of this financial product?

The list includes investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **22.12.2022**

Largest investments	Sector	% Assets *	Country
Loan T-MOBILE NL 2021 TLB EURIBOR3M+4.00 PCT 16-SEP-2028	Communications	2.53%	Netherlands
Loan SFR GROUP SA EURIBOR3M+3.00 PCT 31-JUL-2025	Communications	2.44%	France
Loan VIRGIN MEDIA SFA FINANCE LTD GBP3MLIB+3.25 PCT 15-NOV-2027	Communications	2.29%	United Kingdom
Loan AHLSELL AB \\ QUIMPER AB EURIBOR6M+3.00 PCT 16-FEB-2026	Industrials	2.19%	Sweden
Loan OGF 1/22 TL-B2 EURIBOR3M+4.75 PCT 31-DEC-2025	Consumer Discretionary	2.12%	France
Loan ZF INVEST TLB EURIBOR3M+4.00 PCT 12-JUL-2028	Consumer Staples	2.03%	France
Loan AMER SPORTS OYJ EURIBOR3M+4.50 PCT 30-MAR-2026	Consumer Discretionary	2.01%	Finland
Loan NIDDA BONDCO GMBH EURIBOR3M+3.50 PCT 21-AUG-2026	Health Care	1.91%	Germany
Loan ZENTIVA 2/21 (EUR) COV-LITE TLB EURIBOR3M+3.50 PCT 29-SEP-2025	Health Care	1.88%	Luxembourg
Loan FRESHWORLD HOLDING IV GMBH TLB EURIBOR3M+3.75 PCT 02-OCT-2026	Industrials	1.73%	Germany
Loan CEVA SANTE ANIMALE EURIBOR3M+4.25 PCT 13-APR-2026	Health Care	1.73%	France
Loan ION TRADING TECHNOLOGIES LTD TLB EURIBOR3M+4.25 PCT 01-APR-2028	Technology	1.71%	Luxembourg
Loan MICRO FOCUS 1/22 (EUR) TL-B EURIBOR3M+4.00 PCT 26-FEB-2027	Technology	1.71%	United States
Loan NOBIAN FINANCE BV TLB EURIBOR3M+3.75 PCT 01-JUL-2026	Materials	1.70%	Netherlands
Loan CHEPLAPHARM 2/22 TL-B EURIBOR3M+4.00 PCT 09-FEB-2029	Health Care	1.69%	Germany

Source of data: BNP Paribas Asset Management, as at 22.12.2022
The largest investments are based on official accounting data and are based on the transaction date.
*Any percentage differences with the financial statement portfolios result from a rounding difference.

What was the proportion of sustainability-related investments?

What was the asset allocation ?

Asset allocation describes the share of investments in specific assets

The investments used to meet the environmental or social characteristics promoted by the financial product, taking into account all the binding elements of its investment strategy as mentioned above, represent the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets being qualified as Sustainable Investment, both based on the BNPP AM ESG proprietary methodologies.

The proportion of such investments used to meet the environmental or social characteristics promoted by the financial product shall be at least 17.9%.

The proportion of sustainable investments of the financial product is 8.4%.

The remaining proportion of the investments may include :

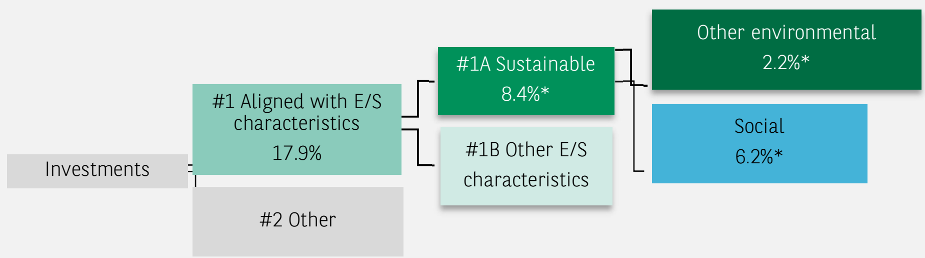
- The proportion of assets that do not attain the minimum standard to meet environmental or social characteristics promoted by the financial product, being the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets being qualified as Sustainable Investment, both based on the BNPP AM ESG proprietary methodologies. These assets are used for investment purposes, or

- Instruments which are mainly used for liquidity, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives.

In any case, the investment manager will ensure that those investments are made while maintaining the improvement of the ESG profile of the financial product. In addition, those investments are made in compliance with our internal processes, including the following minimum environmental or social safeguards :

- The risk management policy. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks. And

- The RBC policy, where applicable, through the exclusion of companies involved in controversies due to poor practices related to human and labour rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment



#1 Aligned with E/S characteristics includes investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

The sub-category **#1B Other E/S characteristics** covers covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

*A portfolio security classified as sustainable investment may, taking into account all its activities, both contribute to a social objective and to an environmental objective (aligned or not with the taxonomy of the EU) and the figures shown take this into account. However, the same issuer can only be recognised once for sustainable investments (#1A Sustainable).

In which economic sectors were the investments made ?

Sectors	% Asset
Health care	21.50%
Communications	17.11%
Industrials	16.44%
Consumer discretionary	11.25%
Materials	10.67%
Technology	7.63%
Consumer staples	6.54%
Other	3.80%
Financials	2.44%
Cash	1.53%
Energy	1.11%
Forex contracts	-0.01%

Source of data: BNP Paribas Asset Management, as at 22.12.2022
The largest investments are based on official accounting data and are based on the transaction date.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

The financial product did not commit itself to having a minimum proportion of sustainable investments with an environmental objective in economic activities that are considered environmentally sustainable within the meaning of the EU Taxonomy, but did do so.

Did the financial product invest in fossil gas and/or nuclear energy activities complying with the EU Taxonomy [1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No:

At the date of closure of the accounting year and preparation of the annual report, the data are not available and the management company does not have the information relating to the previous year.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

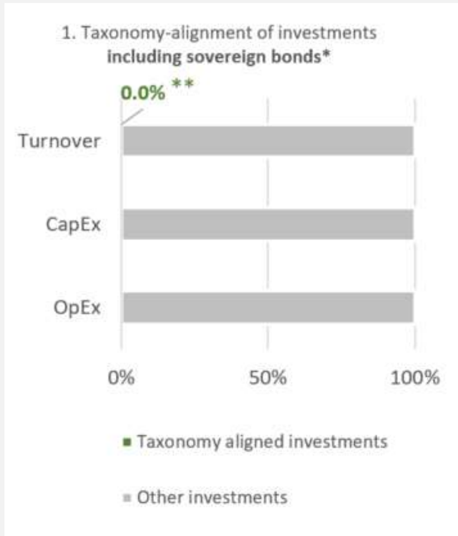
Taxonomy-aligned activities are expressed as a share of: :
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

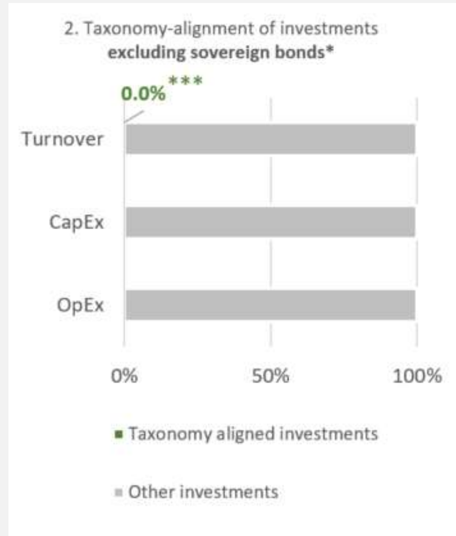
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

*** Real taxonomy aligned*

**** Real taxonomy aligned. At the date of this periodic information document, the management company does not have all the necessary data to determine the alignment of investments with the taxonomy excluding sovereign bonds. The percentage of alignment of investments with the taxonomy including sovereign bonds being by construction a real minimum proportion, this same figure is used accordingly.*

- *What was the share of investments made in transitional and enabling activities?*

The share of investments in transitional and enabling activities within the meaning of the Regulations Taxonomy is 0% for transitional activities and 0% for enabling activities.

- *How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods ?*

Not applicable for the first periodic report.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that are not aligned with the European Taxonomy Regulation is **2.2%**

The management company is improving its systems for collecting data in line with the EU Taxonomy to ensure the accuracy and adequacy of published sustainability information under the European Taxonomy Regulation. Meanwhile, the financial product will invest in sustainable investments whose environmental objective is not aligned with the EU Taxonomy.

What was the share of socially sustainable investments?

Socially sustainable investments represent **6.2%** of the financial product..

What investments were included under ' other', what was their purpose and were there any minimum environmental or social safeguards?

The remaining proportion of the investments may include :

- The proportion of assets that do not attain the minimum standard to meet environmental or social characteristics promoted by the financial product, being the proportion of assets with a positive ESG score combined with a positive E score or a positive S score and the proportion of assets being qualified as Sustainable Investment, both based on the BNPP AM ESG proprietary methodologies. These assets are used for investment purposes, or

- Instruments which are mainly used for liquidity, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives

In any case, the investment manager will ensure that those investments are made while maintaining the improvement of the ESG profile of the financial product. In addition, those investments are made in compliance with our internal processes, including the following minimum environmental or social safeguards:

- The risk management policy. The risk management policy comprises procedures as are necessary to enable the management company to assess for each financial product it manages the exposure of that product to market, liquidity, sustainability and counterparty risks. And

- The RBC policy, where applicable, through the exclusion of companies involved in controversies due to poor practices related to human and labour rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment

What actions have been taken to meet the environmental and/or social characteristics during the reference period ?

- The financial product shall comply with the RBC Policy by excluding companies involved in controversies due to poor practices related to human and labor rights, environment, and corruption, as well as companies operating in sensitive sectors (tobacco, coal, controversial weapons, asbestos,...), as these companies are deemed to be in violation of international norms, or to cause unacceptable harm to society and/or the environment

More information on the RBC Policy, and in particular on criteria relating to sectorial exclusions, can be found on the website of the investment manager: Sustainability documents - BNPP AM Corporate English (bnpparibas-am.com);

- The financial product shall have at least 75% of its assets covered by the ESG analysis based on the ESG internal proprietary methodology.

- The financial product shall have the weighted average ESG score of its portfolio higher than the weighted average ESG score of its investment universe, as defined in the Prospectus

In addition, the management company has implemented a voting and engagement policy. Several examples of commitments are detailed in the vote and commitment section of the Sustainability Report. These documents are available at the following link: https://www.bnpparibas-am.com/en/documentation-sustainability/

How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How does the reference benchmark differ from a broad market index?

Not applicable

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

Not applicable

- *How did this financial product perform compared with the reference benchmark?*

Not applicable

- *How did this financial product perform compared with the broad market index?*

Not applicable