

## BNP PARIBAS EASY ESG GROWTH EUROPE UCITS ETF

MARKETING COMMUNICATION | FOR PROFESSIONAL INVESTORS ONLY | MARCH 2023

### EUROPE'S SEEDS FOR A NEW ERA OF GROWTH

#### Strong internal market

450 million<sup>1</sup> consumers with a GDP per capital of 28,220 EUR<sup>2</sup>

Vs. 328 million consumers of the US market.<sup>3</sup>

#### Largest global player

Top trading partner for 80 countries with a 4,071 billion EUR trade in goods<sup>4</sup>

Vs. 20 countries for the US with a 3,763 billion EUR trade in goods.<sup>4</sup>

#### Start-up hub

109 billion EUR<sup>5</sup> raised by European private equity and venture capital managers in 2019

Up 6% from 2018.<sup>5</sup>

#### Home to fastest growing companies

Growth companies are increasing both in numbers and weights across main Benchmarks

Weights of tech companies in STOXX 600 has doubled since 2011.<sup>6</sup>

### BNP PARIBAS EASY ESG\* GROWTH EUROPE UCITS ETF

invests in companies with high potential for growth.

#### OBJECTIVES

- Benefit from **strong return** potential from **high growth stocks**.
- Provide a portfolio with **high ESG standards**.
- Stringent control** of the risk through the investment process.

#### COMPETITIVE EDGES

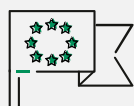
- A **unique combination** of **Growth descriptors** to identify the most promising companies.
- A **thorough ESG integration** process leveraging the expertise of several ESG data providers such as Vigeo Eiris and BNPP Asset Management.

#### KEY FIGURES

- Alpha: **6.61%** since January 2017<sup>7</sup>
- Improved ESG score by 10%.**<sup>8</sup>
- Reduced the carbon footprint by 3 times in 2020.**<sup>8</sup>

<sup>8</sup>as compared to STOXX® 600\*\*

### INVESTMENT PROCESS



#### European stocks

With an average daily trading volume above 10 Mio EUR.



#### Scoring

Stocks are rated according to four low correlated metrics that best represent the Growth factor:

- 5Y Capex Growth
- Internal Growth Rate
- 5Y Number of employees evolution
- 1Y Sales Forward Growth



#### ESG integration

**Exclusion:** Critical controversies check and ESG screenings (i.e. *energy transition score below 30%*).

**Integration:** ESG score of each company impacts its expected return & allocation.

**Guarantee:** ESG characteristics to be better than investment universe.



#### Optimization process

Implemented at the end to maximize the exposure to the Growth Factor under constraints such as the **maximum volatility of alpha below 4%**.

<sup>1</sup>European Union, as of 01 April 2021, <sup>2</sup>Eurostats, as of 01 April 2021, <sup>3</sup>US Census Bureau, as of 01 July 2019, <sup>4</sup>International trade in goods – Eurostats, as of 01 April 2021, <sup>5</sup>Meudium, as of 22 July 2020, <sup>6</sup>BNP Paribas, Bloomberg, as of 26 February 2021, <sup>7</sup>BNP Paribas, Bloomberg, as of 30 September 2021, <sup>8</sup>BNP Paribas, Bloomberg, as of 21 January 2021.

\*ESG stands for Environmental, Social, and Governance

## PERFORMANCE SIMULATIONS

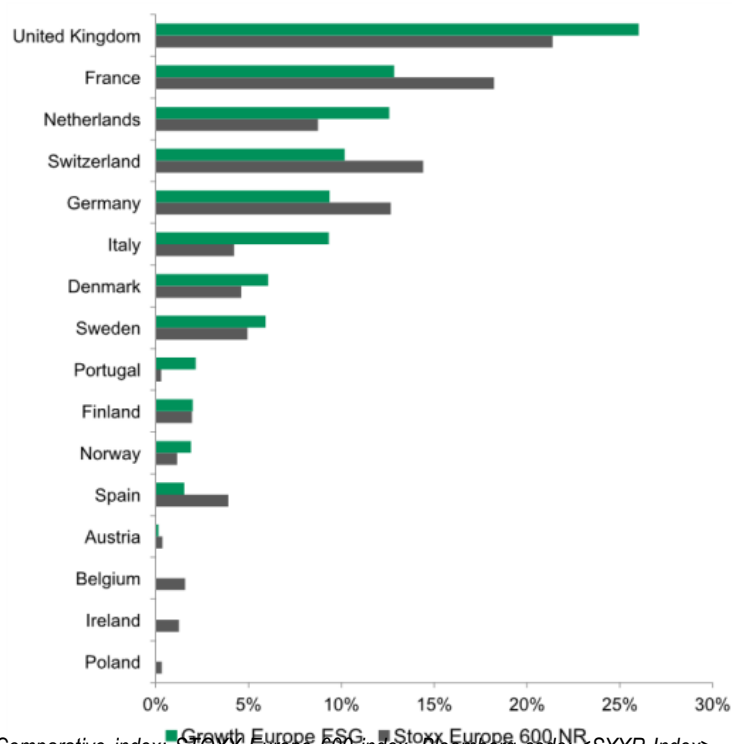
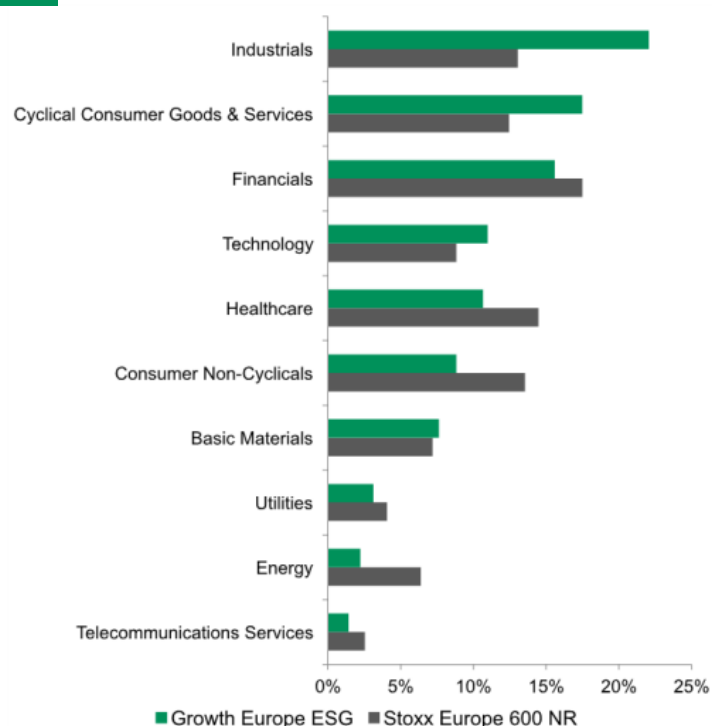


Apr 21 - Mar 23	BNP PARIBAS EASY ESG GROWTH EUROPE	Stoxx Europe 600 NR
Cumulative Performance	3.61%	9.39%
Annualised Return	1.83%	4.69%
Annualised Volatility	18.12%	16.42%
Sharpe Ratio	0.10	0.29
Max. Drawdown	-27.25%	-20.76%

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	ETF	8.23%	1.05%	0.67%										10.09%
	SXXR Index	6.74%	1.88%	-0.32%										8.39%
2022	ETF	-7.30%	-2.07%	1.10%	-3.31%	-2.93%	-9.13%	9.78%	-5.11%	-7.19%	5.34%	7.53%	-4.29%	-17.96%
	SXXR Index	-3.83%	-3.25%	1.00%	-0.72%	-0.92%	-8.02%	7.74%	-5.05%	-6.47%	6.35%	6.89%	-3.38%	-10.64%
2021	ETF				0.67%	2.93%	2.68%	3.11%	2.10%	-3.99%	5.07%	-2.13%	3.75%	14.71%
	SXXR Index				-0.00%	2.59%	1.50%	2.06%	2.18%	-3.29%	4.67%	-2.53%	5.42%	12.94%

Source: BNP Paribas and Bloomberg. Performance simulations of the BNP Paribas Growth Europe ESG Index are Total Return and in EUR, net of 0.30% fees p.a. from 27 January 2004 until 21 February 2021, historical data thereafter. Historical performance on <SXXR Index> from 27 January 2004. Past or simulated performance or achievement is not indicative of current or future performance. Comparative index for illustrative purpose only. This is for general information only and should not be used as a basis for making any specific investment, business or commercial decisions. Any economic and market trend, prediction, projection or forecast is not necessarily indicative of the future or likely performance of the funds.

## SECTOR AND COUNTRY COMPOSITION



Source: BNP Paribas. Past performance is not a reliable indicator of future returns. Comparative index: STOXX Europe 600 index, Bloomberg code: <SXXR Index>. Comparative index for illustrative purpose only.

## INVESTMENT TEAM

- Multi Asset, Quantitative and Solutions (MAQS) is an investment group within BNPP Paribas Asset Management focused on four areas of expertise: Solutions & Advisory, Multi Asset, Quantitative & Index and Structured Management. Managing more than EUR 112 billion in assets and boasting 130 experts, MAQS responds to clients' needs with constant digital innovation, stringent risk management and continuous integration of environmental, social and governance criteria.

## INVESTMENT GUIDELINES

### 1. Investment Objective

- Replicate the performance of the **BNP Paribas Growth Europe ESG Index** (Bloomberg: *BNPIFEGE Index*), including fluctuations, and to maintain the Tracking Error between the sub-fund and the index below 1%.

### 2. Benchmark

- The benchmark is the **BNP Paribas Growth Europe ESG Index**, published in EUR. The composition of the index is reviewed on a monthly basis. The index is valued daily. **BNP Paribas Growth Europe ESG Index** measures the performance of European companies whose growth rate is above the average of the industry and the market.
- Index components can be downloaded from <https://indx.bnpparibas.com/>

### 3. Investment Guidelines<sup>1</sup>

- Long-only equity fund
- The strategy is implemented through a synthetic replication of the index. Exposure to the index is achieved by entering into a swap that enables the sub-fund to convert the exposure of its 'substitute basket' to the exposure to the index
- The sub-fund will not invest more than 10% of its net assets in shares or units issued by UCITS or other UCIs

<sup>2</sup>These internal guidelines are mentioned for your information only and are subject to change. Prospectus and KIID guidelines will prevail.

## ETF CHARACTERISTICS

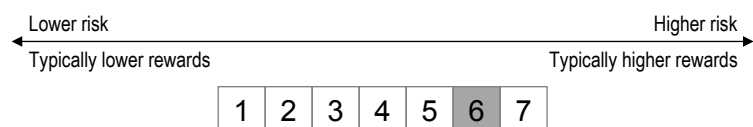
The **BNP PARIBAS EASY ESG GROWTH EUROPE** is a **Sub-fund of BNP Paribas Easy, a UCITS compliant SICAV registered under Luxembourg law.**

Fund Manager	Marie Barberot
Management Company	BNP Paribas Asset Management Luxembourg
Delegated manager	BNP Paribas Asset Management France
Inception date	15 April 2021
Ongoing charges (Nov. 21)	0.30%
Subscription / Exit fees	0%*
ISIN code	LU2244387887
Bloomberg code	EGRO FP / EGRO IM
iNAV Bloomberg ticker	To be updated
Currency	EUR
Dividend policy	UCITS ETF ACC
Custodian	BNP Paribas Securities Services, (Luxembourg)
Registered countries**	DE, FR, IT, NL
SFDR (Sustainable Finance Disclosure Regulation) Category	Article 8 – Promotion of Environmental or Social Characteristics

\*Maximum ADL fees = 0.30%. Those fees only apply on the primary market and are not relevant for investors who buy and sell the shares on a stock exchange (secondary market).

\*\*Registration for Institutional Clients only. For more information about ETFs, please contact : [LIST.AM.MAQSETFINDEXPRODUCTDEV@bnpparibas.com](mailto:LIST.AM.MAQSETFINDEXPRODUCTDEV@bnpparibas.com)

## RISK AND REWARD PROFILE



The synthetic risk indicator is determined on a scale from 1 to 7 (7 being the highest risk level). It is subject to a periodical computation and can consequently, change over time

- Historical data may not be reliable indication for future
- The risk category of a Fund is an indicator but not a target or a guarantee and may shift over time
- The lowest category does not mean a risk-free investment
- Why is the Fund in this specific category?
  - The risk category is justified by the investment mainly in Stocks and Shares, the value of which can fluctuate considerably. These fluctuations are often amplified in the short term
- The higher the risk, the longer the recommended investment horizon

## INVESTMENT RISKS

- Investments in equity can involve significant fluctuations in prices, due for instance to negative information about a company or the market. Moreover, these fluctuations are often amplified in the short term.
- Investments in securities are subject to market fluctuations and the risks inherent to the equity market. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial outlay.

### Specific risks related to this fund are described below:

- **Counterparty Risk:** This risk is associated with the ability of a counterparty in an Over The Counter financial transaction to fulfil its commitments like payment, delivery and reimbursement. The Management Company may enter into OTC Derivative with counterparties affiliated to the BNP Paribas Group. In this case, there is a potential conflict of interests between the interests of the Shareholders and the interests of the group to which the Management Company belongs. An ongoing efficient management policy of conflicts of interests shall ensure the respect of the primacy of Shareholders' interests. For more information you can read our best selection and best execution policy on [www.bnpparibas-am.com](http://www.bnpparibas-am.com)
- **Liquidity Risk:** This risk arises from the difficulty of selling an asset at a fair market price and at a desired time due to lack of buyers
- **Tracking Error Risk:** The performance of the Sub-Fund may deviate from the actual performance of the underlying index
- **Conflict of Interest Risk:** The Management Company may enter into OTC Derivative with counterparties affiliated to the BNP Paribas Group. In this case, there is a potential conflict of interests between the interests of the Shareholders and the interests of the group to which the Management Company belongs. An ongoing efficient management policy of conflicts of interests shall ensure the respect of the primacy of Shareholders' interests.
- For more information on risks, please see the "Investment Risks" section of the fund's prospectus or KIID. All relevant documents (prospectus, annual report, KIID...) can be downloaded free of charge from our website: [www.easy.bnpparibas.fr](http://www.easy.bnpparibas.fr) or [www.bnpparibas-am.com](http://www.bnpparibas-am.com)

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All information referred to in the present document is available on [www.bnpparibas-am.com](http://www.bnpparibas-am.com)