

Diversified Private Credit Strategy

Target Launch Date: Q2 2024

Marketing communication for professional investors. The targeted fund is for illustrative purposes only. The targeted fund has yet to be formed and is not available for offer or sale in any jurisdiction. It has not made any investments and no assurance can be made that the targeted fund, to the extent it is established, will achieve its investment objective, or avoid substantial loss. Target performance and other target information included herein is aspirational only and is presented to provide recipients with insight into the target fund's anticipated investment objectives, investment characteristics, expected structure and proposed terms (all of which are subject to change), as well as its anticipated risk and reward characteristics. Target performance is not a prediction, projection or guarantee of future performance. Past or current activities of BNPP AM or any other indicated persons, provide no assurance of future success and should not and cannot be relied on in any respect.

The strategy offers direct access to European private credit for individual and small institutional investors globally. The strategy aims to provide regular, stable income (over 9%¹ gross return in EUR) with quarterly liquidity windows. Investors will benefit from the extensive private credit² and sustainability expertise of BNP Paribas Asset Management, as well as the unrivalled network of BNP Paribas with European Corporates³ and Projects (Infra/Real Estate Debt). The "democratisation" of private market is supported by policy markers via the ELTIF⁴ 2.0 regulation effective in 2024.

INVESTMENT RATIONALE

Private Markets are increasingly becoming a common route for companies looking for financing and a designated asset-class for investors. However, investing in private transactions has historically been solely accessible by Institutional Investors. BNP Paribas AM aims at addressing this challenge by offering an investment strategy to individual investors focusing on private credit (ELTIF label):

- Adapted to the current environment (increased interest and inflation rate and uncertainty of Private Equity valuations)
- Utilising with BNP Paribas' strengths (Origination reach and lending culture, AM historical developments)

STRATEGY SUMMARY

- Open-ended solution providing one stop shop access to private market investments
- Invests primarily in private debt and participates in direct financing
- Seeks to add value through a diversified portfolio, capturing illiquidity premium and income generation
- Leveraging BNP Paribas credentials in managing private credit solutions as a leader in European Lending, private debt origination and syndication.

CREDENTIALS

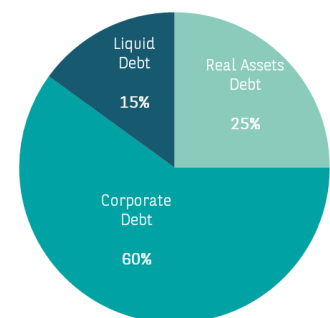
- **Leading issuers** in Europe for Infrastructure Debt and Commercial Real Estate Debt
- **A multi-channel sourcing capacity** with BNP Paribas top tier financing franchises and a proven origination track record.
- **A team of experts and a long track record** managing private assets combined with expert in managing diversified portfolios.
- **Over 100 investment professionals** covering Private Markets, based in Paris, London & Amsterdam
- **A sustainability leader** drawing a firm-wide, robust, quantitative, and consistent ESG integration approach

¹ Return based on the Euribor3M as at March 2024. Eq. to 9-10% for the EUR share. ² Private credit sits in our Private Assets platform which had EUR 40bn Assets under Management as at March 2024, ³ Corporates including Small and Medium Enterprises, ⁴European Long Term Investment Fund

TARGET FUND DETAILS

Fund Type	Open-ended, Evergreen
Legal Structure	Luxembourg UCI Part II SICAV S.A.
Target Fund Size	[EUR 500m]
BNPP AM Investment	[EUR 50m]
Investment Format	Direct Loans (not Fund of funds)
Format	Label ELTIF 2.0
Target Investors	Wholesale / Mass Affluent Small Institutional Europe/Asia/Americas (excl. US)
Subscription basis	Monthly
Redemption basis	Quarterly (3 months' notice)
Target Return (Gross)	Euribor3M + [5-6] % eq, to 9-10% for EUR share class as at March 2024
Leverage	0%-50%
Entry fees	None
Exit Fees	5% of NAV if holding less than 2 years, otherwise 0%
TER (Total Expense Ratio)	<1.45% Institutional investors <2.25% Non-professional investors
Performance fees	None
SFDR Classification	Article 8
Recommended Investment Horizon	5 years
Min. Investment	EUR [30]k for non-professional EUR [1]m for Institutional
Share Class	EUR, USD
Currency Exposure	Fully Hedged Portfolio
Risk Profile	3

TARGET ASSET ALLOCATION



Target allocation is illustrative and may evolve over time.



BNP PARIBAS
ASSET MANAGEMENT

The sustainable investor for a changing world

ALLOCATION AND PERFORMANCE TARGETS

The portfolio provides loans to corporates and Real Assets projects (e.g. Infrastructure). To manage liquidity, c. 15% of the strategy is allocated to liquid credit. The portfolio offers direct access to multiple sectors with a flexible asset allocation. Overall, the portfolio targets an ongoing average maturity of 4 years with limited exposure to duration risk (< 20% of portfolio with fixed rate). A credit facility helps to pilot liquidity and capital deployment (leverage capped at 50%).

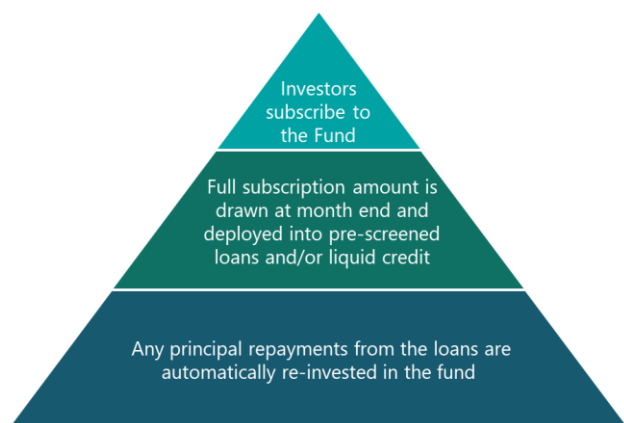
PORTFOLIO	Target Allocation	Current Yield (in EUR) ¹
Corporate Debt	40% (senior)	Euribor 3M + [4-5]%
	20% (Unitranche)	Euribor 3M + [7-8]%
Real Assets Debt	25% (Infra/CRE)	Euribor 3M + [4-5]%
		Euribor 3M + [5-6]%
Liquid Debt	15%	Euribor 3M + [2-3]%
TOTAL	100%	EURIBOR 3M + [5-6]%(Eq. 9-10% for EUR) ²

¹Gross Yield excluding default assumptions, before fees.

²Based on market conditions as at March 2024.

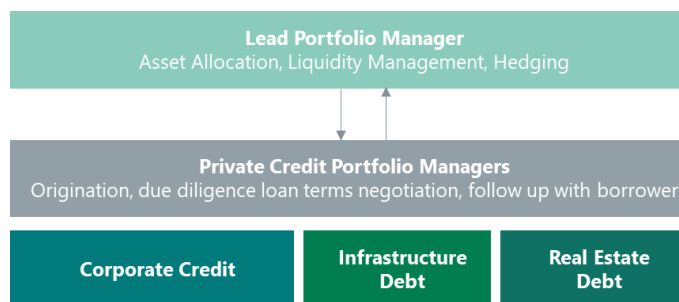
CAPITAL DEPLOYMENT PROCESS

Subscriptions in the projected fund are fully drawn at month end. Subscriptions are deployed into pre-screened loan opportunities and/or liquid credit on an ongoing basis.



GOVERNANCE

The Solution Portfolio Management team is responsible for the management of the projected fund (strategic asset allocation, liquidity management and hedging). The team provides asset allocation guidelines to each corresponding Private Asset Investment teams who are in charge of originating, assessing and monitoring individual loans. This governance structure is already in place for large institutional mandates, and enables an efficient deployment of capital while benefiting from the expertise from each specialized private asset teams.



LIQUIDITY FEATURES

Investors will be able to **subscribe monthly** and **redeem holdings quarterly**.

The redemption requests require 3 months' notice. If the cumulative amount of new redemption exceeds new subscription for more than 5% of the NAV of the target fund, redemption is on a best effort basis and at the full discretion of the AIFM. In case some redemption cannot be met, the redemption amount will be prorated down and rolled forward to the next quarter.

ESG & SUSTAINABILITY

The projected fund is intended to be classified as **Article 8** under SFDR. An article 8 fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

MAIN RISK FACTORS

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

Credit risk: This risk relates to the ability of an issuer to honor its commitments: downgrades of an issue or issuer rating may lead to a drop in the value of bonds in which the strategy has invested.

Counterparty risk: This risk is associated with the ability of a counterparty in a financial transaction to fulfil its commitments like payment, delivery, and reimbursement.

Liquidity risk: This risk arises from the difficulty of selling an asset at a fair market price and at a desired time due to a lack of buyers.

Operational and Custody Risk: Some markets are less regulated than most of the international markets; hence, the services related to custody and liquidation for the portfolio in such markets could be more risky

Discretionary management risk: The discretionary management style is based on anticipating trends in the various markets of the investment universe. However, there is a risk that the strategy may not be always invested in the best-performing assets.

Environmental, Social and Governance (ESG) Investment Risk: The lack of common or harmonized definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by managers when setting ESG objectives. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may be based on metrics that may share the same name but have different underlying meanings. In evaluating a security based on the ESG and sustainability criteria, the Investment Manager may also use data sources provided by external ESG research providers. Given the evolving nature of ESG, these data sources may for the time being be incomplete, inaccurate or unavailable. Applying responsible business conduct standards in the investment process may lead to the exclusion of securities of certain issuers. Consequently, the targeted fund's performance may at times be better or worse than the performance of comparable funds that do not apply such standards.

BNP PARIBAS ASSET MANAGEMENT France, “the investment management company”, is a simplified joint stock company with its registered office at 1 boulevard Haussmann 75009 Paris, France, RCS Paris 319 378 832, registered with the “Autorité des marchés financiers” under number GP 96002.

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Given the economic and market risks, there can be no assurance that the financial instrument(s) will achieve its/their investment objectives. Returns may be affected by, amongst other things, investment strategies or objectives of the financial instrument(s) and material market and economic conditions, including interest rates, market terms and general market conditions. The different strategies applied to financial instruments may have a significant effect on the results presented in this material. Past performance is not a guide to future performance and the value of the investments in financial instrument(s) may go down as well as up. Investors may not get back the amount they originally invested.

The performance data, as applicable, reflected in this material, do not take into account the commissions, costs incurred on the issue and redemption and taxes.

You can obtain this by clicking here:

www.bnpparibas-am.fr/investisseur-professionnel/synthese-des-droits-des-investisseurs a summary of investor rights in French. BNP PARIBAS ASSET MANAGEMENT FRANCE may decide to discontinue the marketing of the financial instruments, in the cases covered by the applicable regulations.

“The sustainable investor for a changing world” reflects the objective of BNP PARIBAS ASSET MANAGEMENT France to integrate sustainable development into its activities, although not all funds managed by BNP PARIBAS ASSET MANAGEMENT France fulfil the requirement of either Article 8, for a minimum proportion of sustainable investments, or those of Article 9 under the European Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). For more information, please see www.bnpparibas-am.com/en/sustainability.

As at March 2024