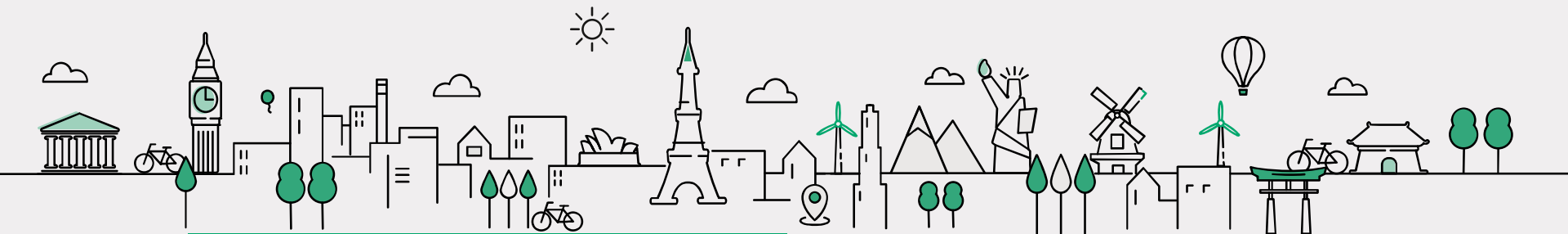


MULTI-FACTOR EQUITY

AN ALTERNATIVE TO THE CLASSIC ACTIVE - PASSIVE DEBATE

FOR PROFESSIONAL INVESTORS

MARKETING COMMUNICATION



GREGORY TAIEB – QUANT SPECIALIST
OEGSTGEEST, 5 SEPTEMBER 2019



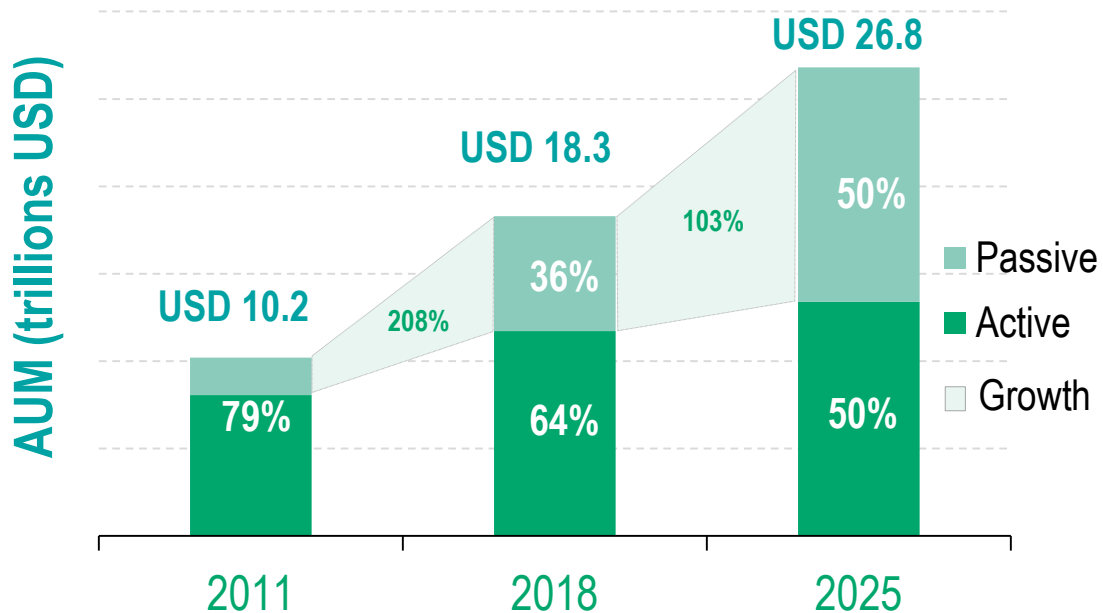
BNP PARIBAS
ASSET MANAGEMENT

The asset manager for a changing world

US mutual fund industry continues shift towards passive



PASSIVE INVESTING SIGNIFICANT GROWTH, WILL REACH 50% OF US MUTUAL FUNDS BY 2025

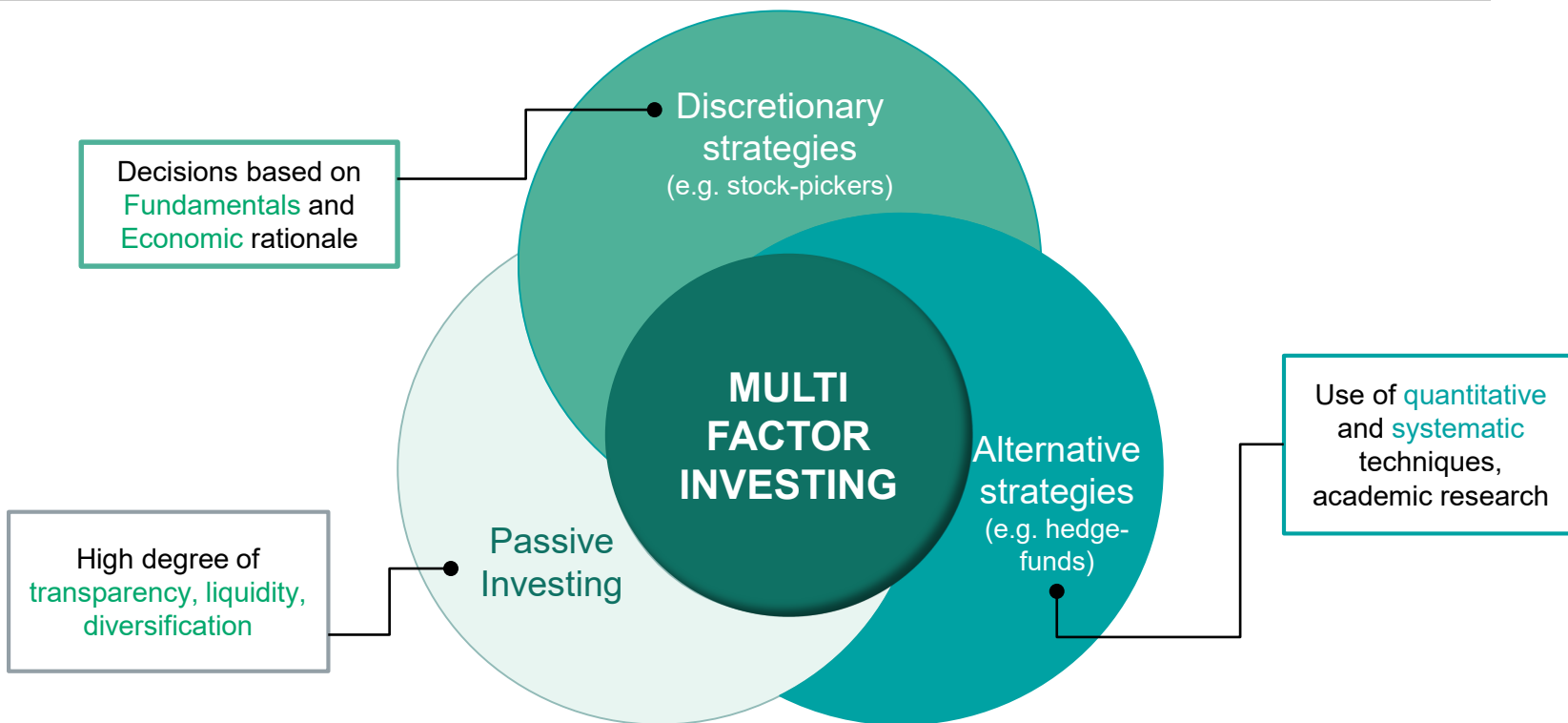


PASSIVE GROWTH

- Pressure on Fees
- ETF Offer increase
- Technology
- Regulation
- Transparency
- Inability to add value

Source: **PwC analysis** based on data from ICI. Assets represent the total US mutual fund/ETF industry. **Estimates for 2025** based on PwC analysis

Where does Factor Investing fit in the Investment industry ?



Source: BNP Paribas Asset Management, as of end of July 2019. For illustrative purpose only.

Multi Factor Equity: Investment Objectives

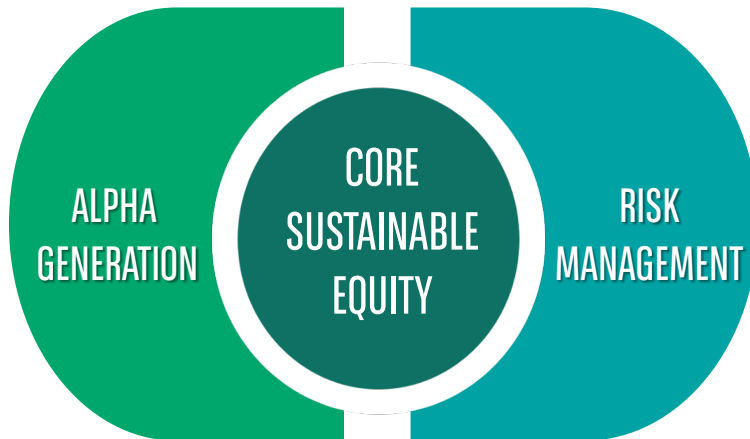


AIMING TO ADD VALUE, CONTROL INVESTMENT RISKS IN A SUSTAINABLE WAY



Sustainable Outperformance

- Core Equity exposure
- Sustainable Integration
- Stable Excess Return
- Multi Factor approach
- Diversified source of returns



Risk Controls

- Tracking Error
- Equity Beta
- Neutralization of biases
- Transaction Cost aversion
- Index stocks only

BNP Paribas Asset Management July 2019. The value of your investments may fluctuate. Past performance is no guarantee for future returns.

Our multi-factor approach to equities



FOUR PRINCIPAL FACTORS OF PERFORMANCE

- An outperformance over the long run evidenced by academic research
- Factors applied to a wide range of geographies and even other asset classes



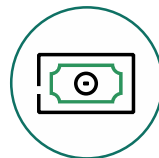
Low Volatility

Preferring companies with a **low-risk profile**



Quality

Favoring companies with a **proven business model**



Value

Selecting companies with **attractive valuations**

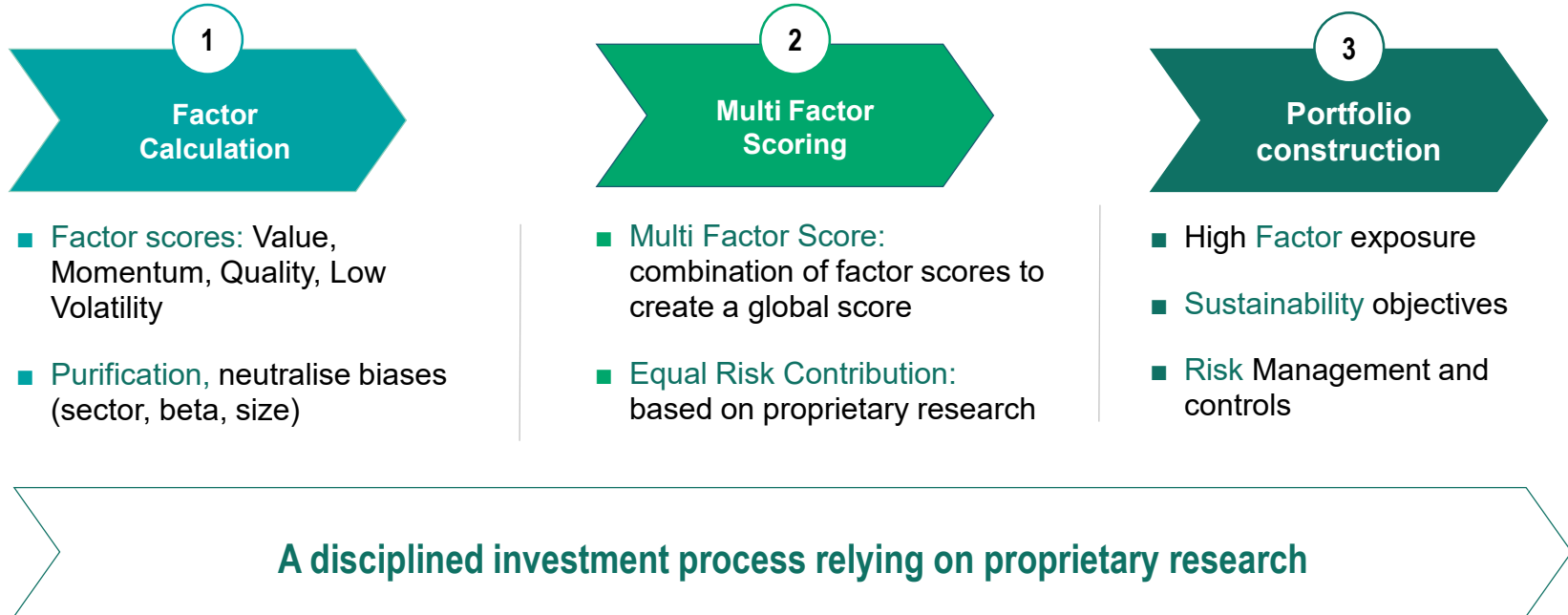


Momentum

Choosing companies on a **positive trend**

BNP Paribas Asset Management July 2019. The value of your investments may fluctuate. Past performance is no guarantee for future returns.

3 steps investment process

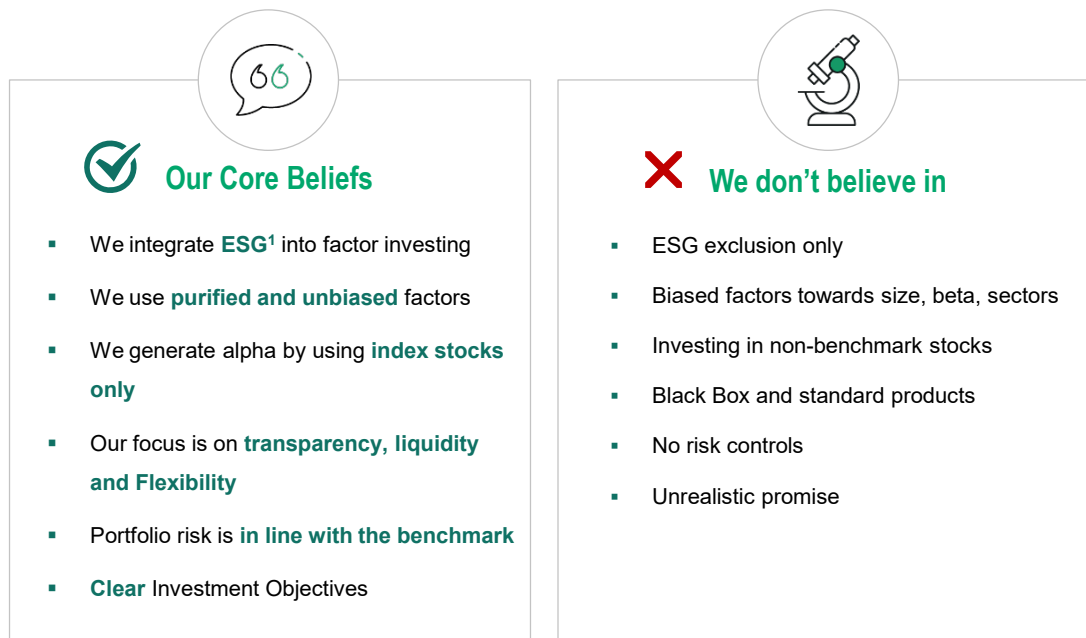


BNP Paribas Asset Management July 2019. The value of your investments may fluctuate. Past performance is no guarantee for future returns.

The thinking behind our philosophy

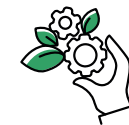


ASSUMPTIONS AND PRINCIPLES



Source: BNP Paribas Asset Management, as of end of July 2019. For illustrative purpose only. 1 ESG means Environmental, Social and Governance

Our sustainable investment beliefs



we enhanced our investment philosophy with the development of a more detailed set of investment beliefs focused on sustainability



ESG integration helps us achieve **better risk-adjusted returns**



Our **fiduciary duty** is aligned with sustainable investment



Stewardship is an opportunity and obligation



We are long-term, **forward looking** investors



Sustainable economic future relies on **sustainable investment practices**



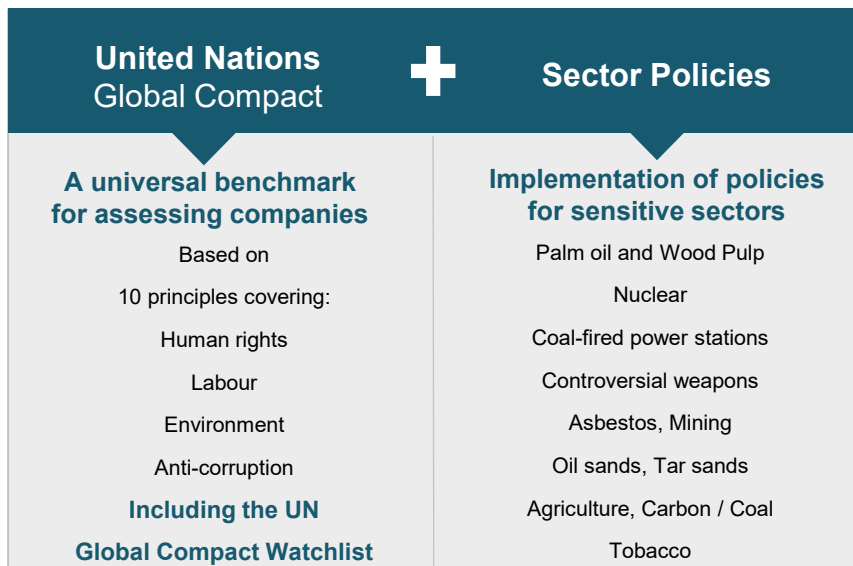
Walking the talk is critical to achieving excellence

Source: BNP Paribas Asset Management, as of end of July 2019. For illustrative purpose only.

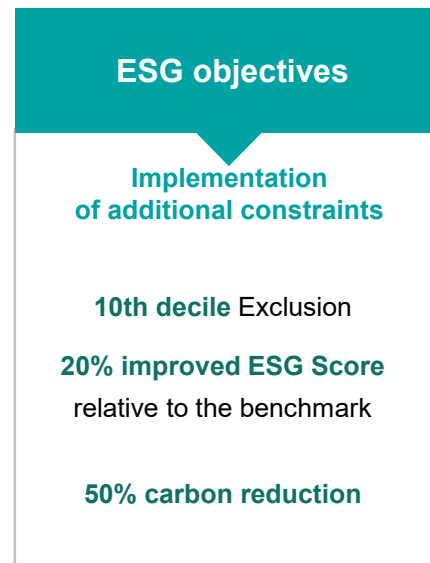
ESG integration in multi-factor equity strategies



General BNP Paribas Standards



Sustainability Investing



Sustainable objectives: To construct a portfolio with **20%** improved ESG score and **50%** carbon reduction versus the benchmark.

Source: BNP Paribas Asset Management, as of end of July 2019. For illustrative purpose only. Trademark, copyright, and other intellectual property rights are and remain the property of their respective owners.

ESG Integration: similar risk return profile



ESG INTEGRATION IS BETTER PRACTICE THAN ESG EXCLUSION

Europe

Portfolios	Ex-post Information Ratios		Ann. Excess Benchmark Returns, %		Ex-post Tracking Errors, %	
	IR -5 Y	IR -10 Y	Ann. Ex Ret -5Y	Ann. Ex Ret -10Y	TE -5 Y	TE -10 Y
MFE ¹	1.13	1.51	3.60	4.50	3.20	3.00
Ex-Decile 10*	1.11	1.59	3.30	4.50	3.00	2.80
Ex-Decile 10* + Int+20	1.15	1.66	3.40	4.70	3.00	2.80
Ex-Decile 10* + Int+20 + Carb -50	1.07	1.68	3.20	4.70	3.00	2.83

* Excluding Decile 10 + UNGCC

US

Portfolios	Ex-post Information Ratios		Ann. Excess Benchmark Returns, %		Ex-post Tracking Errors, %	
	IR -5 Y	IR -10 Y	Ann. Ex Ret -5Y	Ann. Ex Ret -10Y	TE -5 Y	TE -10 Y
MFE	0.60	1.10	2.00	3.70	3.40	3.30
Ex-Decile 10*	0.49	1.12	1.60	3.80	3.30	3.40
Ex-Decile 10* + Int+20	0.51	1.13	1.70	3.80	3.30	3.40
Ex-Decile 10* + Int+20 + Carb -50	0.61	1.18	2.00	4.00	3.30	3.40

* Excluding Decile 10 + UNGCC

BNP Paribas Asset Management July 2019. The value of your investments may fluctuate. Past performance is no guarantee for future returns.

1 Multi Factor Equity

Sustainable outperformance with risk controls

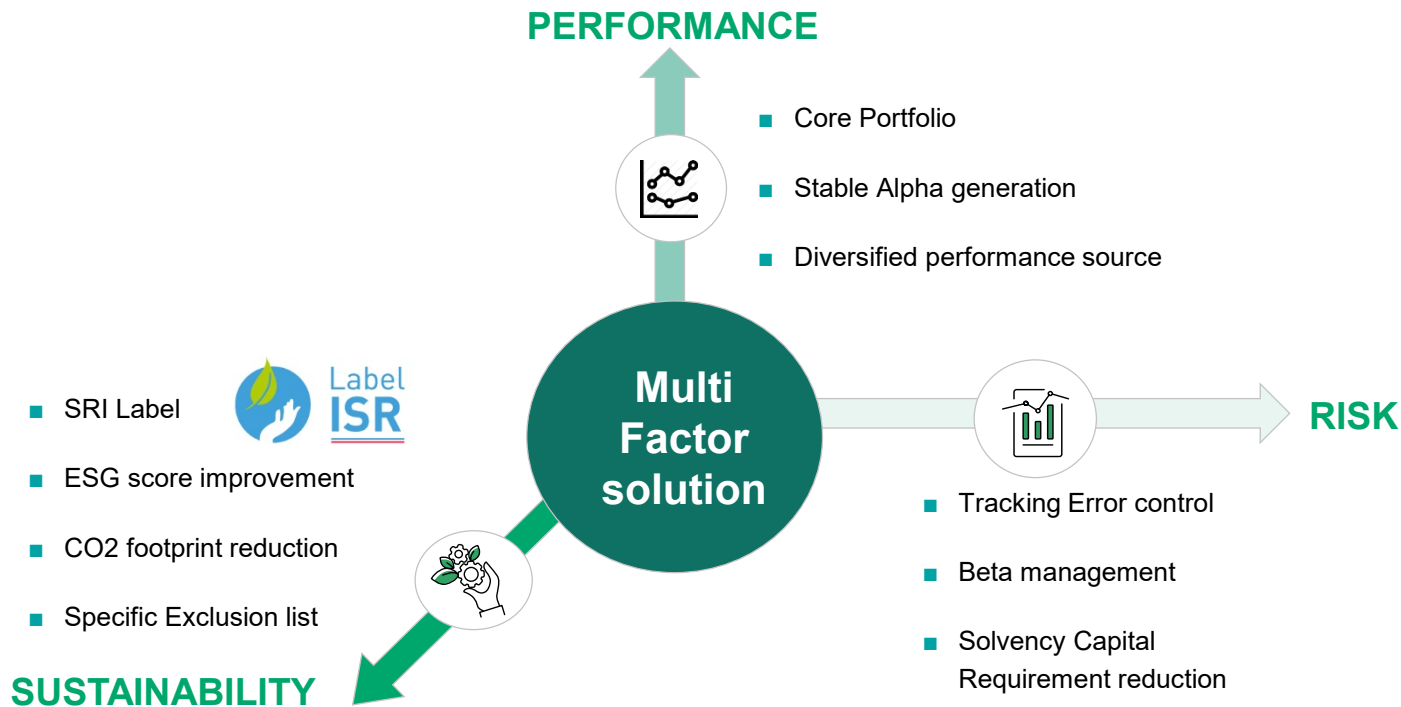
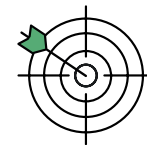


PERFORMANCE OF MULTI FACTOR EQUITY RANGE SINCE INCEPTION

	WORLD	USA	EUROPE
Since inception	Since Jul 14	Since Jun 15	Since Jul 16
Currency	USD	USD	EUR
Momentum	0,5%	0,2%	1,0%
Low Volatility	2,5%	3,0%	0,9%
Value	-1,1%	-1,3%	-0,4%
Quality	1,3%	0,6%	0,9%
Total excess return (gross of fees)	1,2%	2,2%	1,4%
Benchmark	6,7%	10,9%	7,7%
Fund (gross of fees)	7,8%	13,0%	9,1%
Monthly Turnover (2-ways)	17%	14%	21%
Tracking Error (ex-post)	3,6%	3,4%	3,1%
Information Ratio (gross of fees)	0,3	0,6	0,5

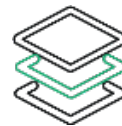
BNP Paribas Asset Management July 2019. The value of your investments may fluctuate. Past performance is no guarantee for future returns. As a result of currency fluctuations, returns can increase or decrease.

Flexibility, tailored and dedicated Equity solution



BNP Paribas Asset Management July 2019. The value of your investments may fluctuate. Past performance is no guarantee for future returns. Trademark, copyright, and other intellectual property rights are and remain the property of their respective owners.

On risks associated to an investment in the fund



Investments are subject to market fluctuations and other risks inherent to investing in securities. The value of investments and the income they generate may rise or fall and it is possible that investors may not recover their initial investment.

The sub-fund may be exposed to other risks defined below:

LOSS OF CAPITAL RISK: Investments are subject to market fluctuations and other risks inherent to investing in securities. The value of investments and the income they generate may rise or fall and it is possible that investors may not recover their initial investment.

COUNTERPARTY RISK: This risk relates to the quality or the default of the counterparty with which the management company negotiates, in particular involving payment for/delivery of financial instruments and the signing of agreements involving forward financial instruments. This risk is associated with the ability of the counterparty to fulfil its commitments (for example: 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 lack of buyers.

OPERATIONS AND CUSTODY RISK: Some markets are less regulated than most of the international markets; hence, the services related to custody and liquidation for the funds on such markets could be more risky.

RISK ASSOCIATED WITH DERIVATIVES: In order to hedge (hedging derivative investments strategy) and/or to leverage the yield of the sub fund (trading derivative investment strategy), the sub fund is allowed to use derivative investments' techniques and instruments under the circumstances set forth in Appendices 1 and 2 of the prospectus (in particular, warrants on securities, agreements regarding the exchange of securities, rates, currencies, inflation, volatility and other financial derivative instruments, contracts for difference [CFDs], credit default swaps [CDSs], futures and options on securities, rates or futures). The investor's attention is drawn to the fact that these derivatives include leveraging. Because of this, the volatility of these sub funds is increased.

Disclaimer



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.

This material is issued and has been prepared by the investment management company.

This material is produced for information purposes only and does not constitute:

1. an offer to buy nor a solicitation to sell, nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or
2. investment advice.

This material makes reference to certain financial instruments authorised and regulated in their jurisdiction(s) of incorporation.

No action has been taken which would permit the public offering of the financial instrument(s) in any other jurisdiction, except as indicated in the most recent prospectus and the Key Investor Information Document (KIID) of the relevant financial instrument(s) where such action would be required, in particular, in the United States, to US persons (as such term is defined in Regulation S of the United States Securities Act of 1933). Prior to any subscription in a country in which such financial instrument(s) is/are registered, investors should verify any legal constraints or restrictions there may be in connection with the subscription, purchase, possession or sale of the financial instrument(s).

Investors considering subscribing to the financial instrument(s) should read carefully the most recent prospectus and Key Investor Information Document (KIID) and consult the financial instrument(s)' most recent financial reports. These documents are available on the website.

Opinions included in this material constitute the judgement of the investment management company at the time specified and may be subject to change without notice. The investment management company is not obliged to update or alter the information or opinions contained within this material. Investors should consult their own legal and tax advisors in respect of legal, accounting, domicile and tax advice prior to investing in the financial instrument(s) in order to make an independent determination of the suitability and consequences of an investment therein, if permitted. Please note that different types of investments, if contained within this material, involve varying degrees of risk and there can be no assurance that any specific investment may either be suitable, appropriate or profitable for an investor's investment portfolio.

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.

All information referred to in the present document is available on www.bnpparibas-am.com

BNP PARIBAS ASSET MANAGEMENT

Herengracht 595

1017CE AMSTERDAM

bnpparibas-am.nl

joost.hoppener@bnpparibas.com

Tel: +31 20 5275 223



BNP PARIBAS
ASSET MANAGEMENT

The asset manager for a changing world