

Parvest Convertible Bond World - (Classic)

RISK AND REWARD INDICATOR

lower risk higher risk

←—————→

typically lower reward typically higher reward

1	2	3	4	5	6	7
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The higher the risk, the longer the recommended investment horizon.

The investments in the funds 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 fund described being at risk of capital loss.

CODES

	Capi. code	Distri. code
ISIN	LU0823394779	LU1022396367
BLOOMBERG	BNPCWUA LX	PCMCRRU LX
WKN	A1T8T1	A14NZY

KEY FIGURES - USD

NAV (Capi.)	108.12
NAV (Distrib.)	102.82
12M NAV max. Capi. (03/05/19)	109.27
12M NAV min. Capi. (24/12/18)	99.44
Total net assets (mln)	647.27
Last dividend (16/04/19)	0.48
Initial NAV (EUR)	115.72

CHARACTERISTICS

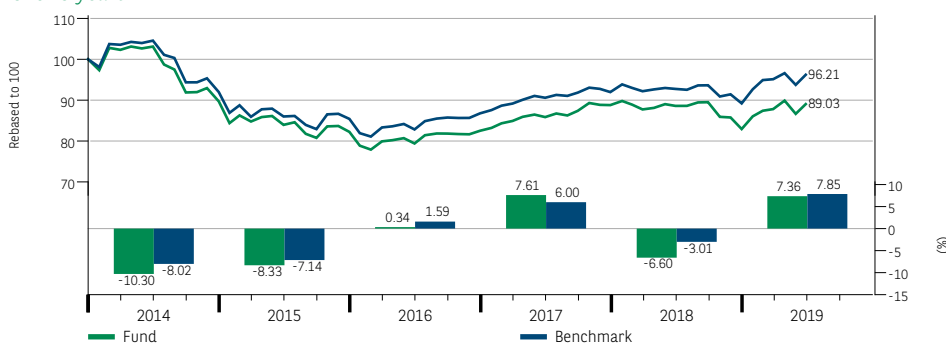
Benchmark	Thomson Reuters Convertible Global Focus (hedged in USD) (RI)
Nationality	Luxembourg
Legal form	Sub-fund of SICAV with European passport
Launch date	17 May 2013
Base currency (of share class)	U.S. Dollar
Fund Manager	Skander CHABBI
Management Company	BNP PARIBAS ASSET MANAGEMENT Luxembourg
Delegated Investment Manager	BNP PARIBAS ASSET MANAGEMENT UK Limited
External financial administrator	BNP PARIBAS ASSET MANAGEMENT Luxembourg
Custodian	BNP PARIBAS SECURITIES SERVICES-LUXEMBOURG BRANCH
Max. Entrance Fees	3%
Exit fees	0%
Max. Switch Commission	1.50%
Ongoing Charges at 31/10/2018	1.62%
Maximum Management fees (annual)	1.20%
Periodicity of NAV Calculation	Daily
Execution/Subscription type	Unknown NAV
For further information	www.bnpparibas-am.com

INVESTMENT OBJECTIVE

The Fund seeks to increase the value of its assets over the medium term by investing in convertible bonds issued by companies from all over the world and financial derivative instruments of this type of assets. The manager aims to optimise the risk-return characteristics of the Fund by investing in "mixed convertibles", avoiding convertible bonds that behave like pure bonds or pure equities. After hedging, the exposure to currencies other than USD may not exceed 25%. It is actively managed and as such may invest in securities that are not included in the index which is Thomson Reuters Global Focus (hedged in USD)(RI).

CUMULATIVE AND ANNUAL PERFORMANCE (USD) (Net)

Over 5 years



Past performance or achievement is not indicative of current or future performance. Source of Performance Calculation: BNP Paribas Securities Services.

PERFORMANCE AS OF 28/06/2019 (USD) (Net)

Cumulative (%)	Fund	Benchmark
1 month	2.75	2.63
3 months	1.39	1.14
Year to date	7.36	7.85
June 2018 - June 2019	0.49	3.73
June 2017 - June 2018	3.19	2.39
June 2016 - June 2017	8.13	9.36
June 2015 - June 2016	- 5.42	- 3.69
June 2014 - June 2015	- 18.58	- 17.75
Annualised (%) (base 365 days)	Fund	Benchmark
1 year	0.49	3.74
3 years	3.90	5.13
5 years	- 2.90	- 1.65
Since First NAV (29/04/2011)	- 0.83	0.34

Past performance or achievement is not indicative of current or future performance. Source of Performance Calculation: BNP Paribas Securities Services.

On May 17, 2013, the BNP PARIBAS L1 CONVERTIBLE BOND WORLD was merged into a new sub-fund of the PARVEST Luxembourg SICAV creating the Parvest Convertible Bond World. The fund is managed following exactly the same process, investment strategy and fees. All performance and risk indicators numbers presented in this document prior to May 17, 2013 are those of the former BNP PARIBAS L1 CONVERTIBLE BOND WORLD. Past performance or achievement is not indicative of current or future performance.

*All data and performance are as of that date, unless otherwise stated.



MANAGEMENT COMMENT as of 30/06/2019

Equity markets zigzagged in the second quarter to a 2.9% gain in the MSCI AC World index. Global equities fared far less well than in the first quarter, and emerging markets actually declined. The markets' very erratic shifts from month to month show how tentative investors are in this hard-to-read environment in which monetary policies (especially the Fed's) and trade talks have overshadowed economic indicators. We subscribe to new issues in the USA (Veonner 2024, Bilibili 1.375% 2026) and in EUROPE (Orpea 2027) We took some profit on Japanese positions (Takashimaya, Toray industries, Japan Airport Terminal) and European positions (Safran, Symrise). We have sold Siemens 19 which expires soon while initiating a position on JPM Siemens 2022 more defensive. The dovish comments of the FED and ECB was cheered by investors, as it should prolong a bit longer the Goldilocks scenario of moderate growth, low inflation and low interest rates. But investors are already looking ahead at what shape the global economy will be in after summer. They will remain on edge until there is good news on growth. We remain overweight in terms of equity sensitivity mainly on the US and to a lesser extent in Europe while we are cautious on Asia.

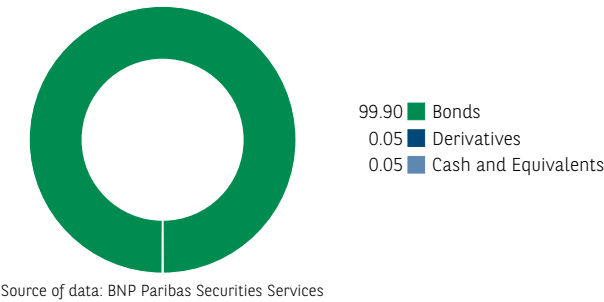
RISK ANALYSIS

	Fund
Delta	51.80
Volatility (%)	5.59
Sharpe ratio	0.38
Avg. YTP / YTM (%)	1.93
Avg. Conversion Premium	43.47
Exposure to equity risk	41.60
Period: 3 years. Frequency: monthly	

PORTFOLIO'S MAIN HOLDINGS

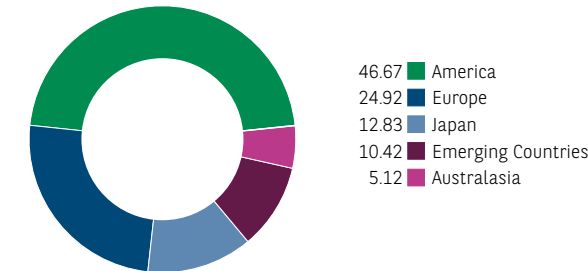
Asset name	%
STMI 0% 22 USD 03/07/2022	2.62
MICR 1.625% 27 USD 1.63 15/02/2027	2.30
POSEIDON 0 CV 2025 01/02/2025	2.28
On Semiconductor Corp 1.00 12/2020 1.00 01/12/2020	2.12
DEUTSCHE WOHNEN 0.60 05/01/2026	2.00
CTIP.COM INTL 1.25% 16-15/09/2022 CV 1.25 15/09/2022	1.93
AIRBUS GRP CONV. 01/07/2022	1.85
CELLNEX TELECOM 1.5% 18/26 16/01/2026	1.81
PALO 0.75% 23 USD 0.75 01/07/2023	1.79
AIRBUS GROUP ZERO 0621 14/06/2021	1.50
Number of holdings in the portfolio: 113	
Source of data: BNP Paribas Securities Services	

BREAKDOWN BY ASSET CLASS (%)



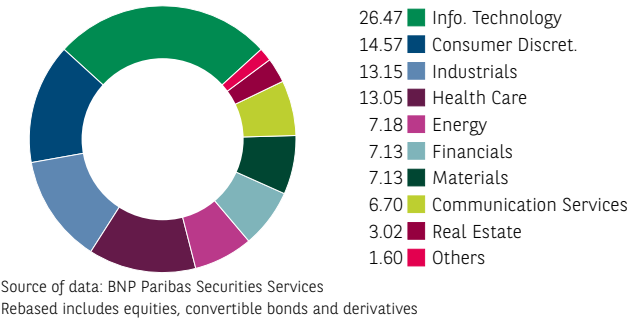
REGIONAL BREAKDOWN (%)

Underlying equities

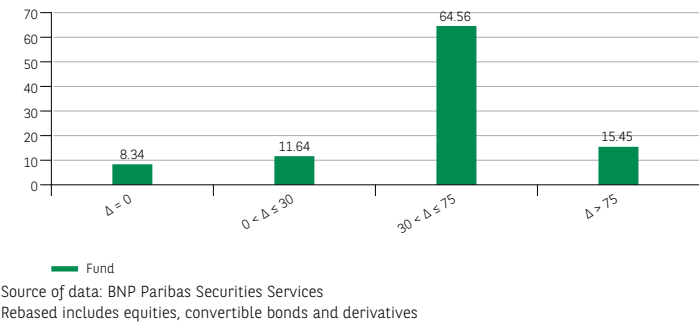


BREAKDOWN BY SECTOR (%)

Underlying equities

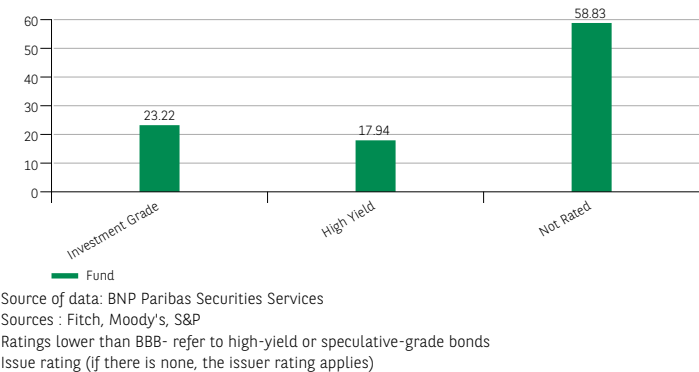


BREAKDOWN BY DELTA (%)



BREAKDOWN BY RATING (%)

Bonds



MAIN RISKS

- **Operational and Custody Risk:** Some markets are less regulated than most of the international markets; hence, the services related to custody and liquidation for the subfund on such markets could be more risky.
- **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.
- **Derivatives Risk:** When investing in over the counter or listed derivatives, the Fund aims to hedge and/or to leverage the yield of its position. The attention of the investor is drawn to the fact that leverage increases the volatility of the subfund.
- **Credit Risk:** This risk relates to the ability of an issuer to honour its commitments: downgrades of an issue or issuer rating may lead to a drop in the value of associated bonds.
- **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.

GLOSSARY

Alpha

Alpha is an indicator used to measure the value added by an active portfolio manager relative to a passive exposure to a benchmark. A positive alpha expresses an outperformance whereas a negative alpha indicates an underperformance. A simple way to calculate alpha is to subtract a portfolio's expected return (based on the benchmark's performance adjusted with the beta of the portfolio, see Beta definition for further details). For instance, an alpha of 0.50 means that the portfolio outperformed the market-based return (benchmark's performance adjusted from the Beta exposure of the portfolio) by 0.50%.

Beta

Beta is a measure of portfolio market risk, the market being represented by financial indices (such as MSCI World) that are consistent with the portfolio's guidelines. It measures the sensitivity of portfolio performance to the performance of the market. For example a beta of 1.5 means the portfolio will move by 1.5% for a market performance of 1%. Mathematically, it is the correlation between the portfolio and the market multiplied by their ratio of volatilities.

Conversion premium

Amount by which the price of a convertible security exceeds the current market value of the common stock into which it may be converted.

Convexity

Convexity measures the sensitivity of the price to interest rate fluctuations. Generally, bonds exhibit positive convexity.

Coupon

A certificate attached to a bearer security (share or bond) that entitles the holder to payment of dividend or interest. A bond will have one coupon for each interest payment.

Equity risk

Equity risk is "the financial risk involved in holding equity in a particular investment." Equity risk often refers to equity in companies through the purchase of stocks, and does not commonly refer to the risk in paying into real estate or building equity in properties.

Information ratio

The information ratio is a risk-adjusted return that measures the relationship between the portfolio's tracking error and its relative return compared with the benchmark index (called active return).

Investment grade

Investment grade is a high consideration of credit quality (low probability of default) assigned by a rating agency. For instance, to be classified investment grade according to Standard and Poor's, a bond or an issuer must have a rating greater than BBB-. Investment grade is opposed to high yield.

Maturity

Residual duration before the redemption of the principal amount of a bond.

Modified duration

A measure of a bond's sensitivity to changes in interest rates. The longer the remaining term to maturity, the more bond prices react to a change in interest rates, and the higher the duration. The rule is that if the yield rises or falls by 1%, the value of the bond will fluctuate by 1% x duration.

R²

The Correlation Coefficient indicates the strength and direction of a linear relationship between fund performance and benchmark. The coefficient is an element of [-1,1], where 1 equals a perfectly correlated increasing linear relationship, -1 equals a perfectly correlated decreasing linear relationship, and 0 means that there is no linear correlation.

Rating

An evaluation of a corporate or municipal bond's relative safety from an investment standpoint. Basically, it scrutinizes the issuer's ability to repay principal and make interest payments.

Sharpe ratio

A measure for calculating risk-adjusted return. It indicates the return earned in excess of the risk-free rate per unit of risk. It is calculated by dividing the difference between the return and the risk-free rate by the standard deviation of the return on the investment. The Sharpe ratio indicates whether the excess return was obtained thanks to good investment management or by taking additional risk. The higher the ratio, the better the risk-adjusted return.

Tracking error

The tracking error measures the volatility of a portfolio's relative return in relation to its benchmark index.

Volatility

An asset's volatility is the standard deviation of its return. As a measure of dispersion, it evaluates the uncertainty of asset prices, which is often equated to their risk. Volatility can be calculated ex post (retrospectively) or estimated ex ante (anticipatively).

YTM (Yield To Maturity)

A yield calculation that takes into account the relationship between a security's maturity value, time to maturity, current price, and coupon yield.

YTP / YTM

Yield to maturity has a few common variations that are important to know. One such variation is Yield to put (YTP) that is the interest rate that investors would receive if they held the bond until its put date.

A glossary of financial terms appearing on this document can be found at <http://www.bnpparibas-am.com>

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