



# PARVEST BOND USD SHORT DURATION - (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
<b>ISIN</b>	LU0012182399
<b>BLOOMBERG</b>	PUK3724 LX
<b>WKN</b>	971410
<b>CUSIP</b>	L7573K518

## KEY FIGURES - USD

<b>NAV (Capi.)</b>	<b>453.99</b>
<b>12M NAV max. Capi. (06/09/16)</b>	<b>454.58</b>
<b>12M NAV min. Capi. (15/12/16)</b>	<b>446.82</b>
<b>Total net assets (mln)</b>	<b>119.92</b>
<b>Initial NAV</b>	<b>1,309.45</b>

## CHARACTERISTICS

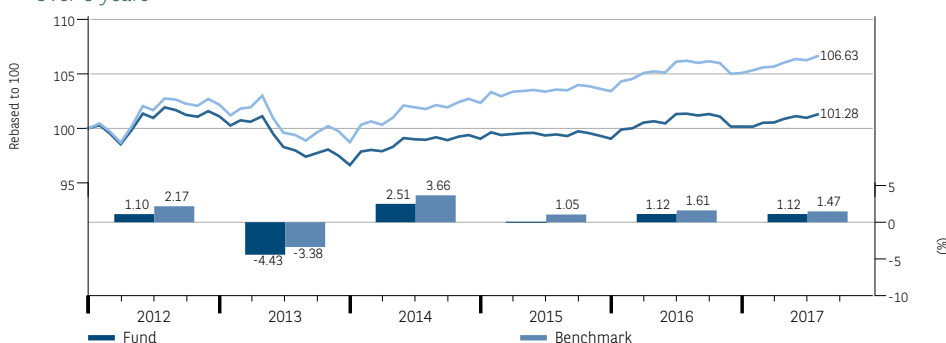
<b>Benchmark</b>	Merrill Lynch US Corp & Govt 1-5 Yr (NR)
<b>Nationality</b>	Luxembourg
<b>Legal form</b>	Sub-fund of SICAV with European passport
<b>Launch date</b>	27 March 1990
<b>Base currency (of share class)</b>	U.S. Dollar
<b>Fund Manager</b>	Kenneth O'DONNELL
<b>Management Company</b>	BNP PARIBAS ASSET MANAGEMENT Luxembourg
<b>Delegated Investment Manager</b>	BNP Paribas Investment Partners UK LTD
<b>Custodian</b>	BNP PARIBAS SECURITIES SERVICES-LUXEMBOURG BRANCH
<b>Max. Entrance Fees</b>	3%
<b>Exit fees</b>	0%
<b>Max. Switch Commission</b>	1.50%
<b>Ongoing Charges at 30/11/2016</b>	0.83%
<b>Maximum Management fees (annual)</b>	0.50%
<b>Periodicity of NAV Calculation</b>	Daily
<b>Dealing deadline</b>	Day D before 4 pm (Luxembourg time)
<b>Settlement and delivery</b>	Account credited/debited D+3
<b>Execution/Subscription type</b>	Unknown NAV

## INVESTMENT OBJECTIVE

The Fund seeks to increase the value of its assets over the medium term by investing in government and/or corporate bonds and other debt instruments, structured debt included denominated in USD with an average maturity that does not exceed four years. It is actively managed and as such may invest in securities that are not included in the index which is Merrill Lynch US Government & Corporate 1-5 Years (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.

## PERFORMANCES AS OF 31/07/2017 (USD) (Net)

Cumulative (%)	Fund	Benchmark
1 month	0.31	0.35
3 months	0.41	0.56
Year to date	1.12	1.47
July 2016 - July 2017	- 0.06	0.40
July 2015 - July 2016	1.91	2.55
July 2014 - July 2015	0.50	1.75
July 2013 - July 2014	1.00	2.40
July 2012 - July 2013	- 3.87	- 3.26
Annualised (%) (base 365 days)		
1 year	- 0.06	0.40
3 years	0.78	1.56
5 years	- 0.13	0.74
Since First NAV (30/03/1990)	4.65	5.94

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

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



**RISK ANALYSIS**

	Fund	Bench.
Modified duration	2.71	2.62
Volatility (%)	1.18	1.30
Tracking error (%)	0.33	-
Information ratio	-2.40	-
Sharpe ratio	0.15	0.74
YTM (%)	1.70	1.73
Arithmetic mean rating	A	A+
Avg. maturity	3.80	2.74
Avg. coupon (%)	2.07	2.44
Period: 3 years. Frequency: monthly		

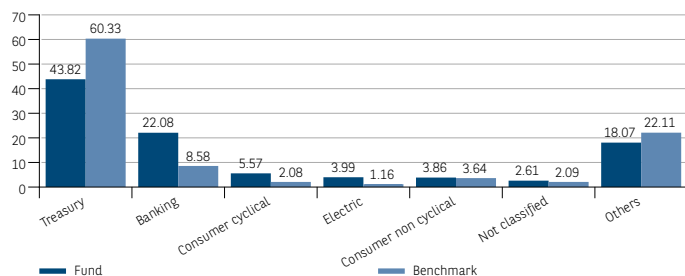
● **PORTFOLIO'S MAIN HOLDINGS**

Asset name	%
US TREASURY N/B 1.50 15/05/2020	6.70
US TREASURY N/B 1.25 31/05/2019	5.67
US TREASURY N/B 1.88 30/04/2022	5.46
USA 1.38 31/05/2021	4.21
UNITED STATES TREASURY 300621 1.125 GB 1.13 30/06/2021	4.08
US TREASURY N/B 1.38 31/05/2020	3.75
US TREASURY N/B 1.63 30/11/2020	2.51
UNITED STATES OF AMERICA NOTES FIXED 1.5% 1.50 15/06/2020	2.17
US TREASURY N/B 31/07/2019	2.09
US TREASURY N/B 1.75 31/05/2022	1.92

Number of holdings in the portfolio: 96

Source of data: BNP Paribas Securities Services

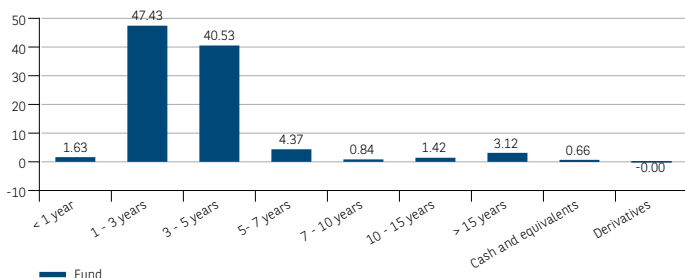
● **BREAKDOWN BY SECTOR (%)**



Total exposure: 97.10 %

Source of data: BNP Paribas Securities Services

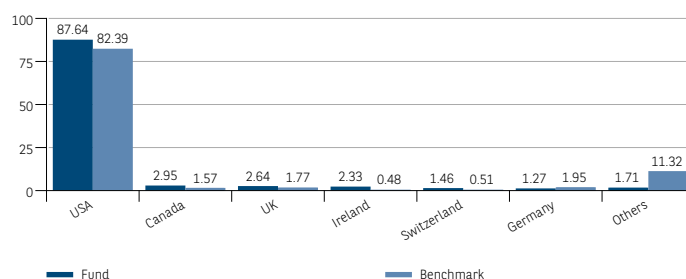
● **BREAKDOWN BY MATURITY (%)**



Total exposure: 97.10 %

Source of data: BNP Paribas Securities Services

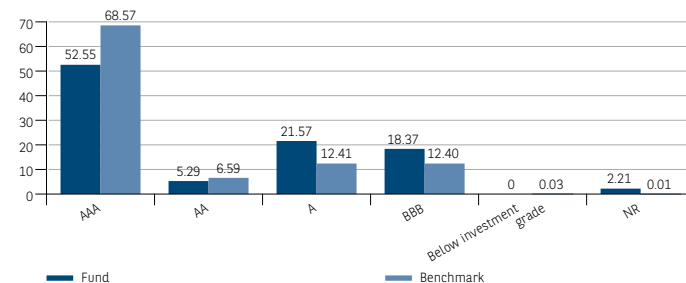
● **BREAKDOWN BY COUNTRY (%)**



Total exposure: 96.44 %

Source of data: BNP Paribas Securities Services

● **BREAKDOWN BY RATING (%)**



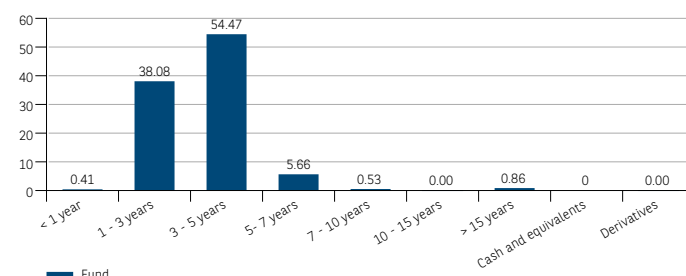
Total exposure: 99.34 %

Source of data: BNP Paribas Securities Services

Sources : Fitch, Moody's, S&P

Ratings lower than BBB- refer to high-yield or speculative-grade bonds

● **MODIFIED DURATION BREAKDOWN BY MATURITY**



Total exposure: 97.10 %

Source of data: BNP Paribas Securities Services



## ● MAIN RISKS

- **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.

### R<sup>2</sup>

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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