

**PARVEST EQUITY BEST SELECTION EURO - (Classic)**

**RISK AND REWARD INDICATOR**



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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
<b>ISIN</b>	LU0823401574	LU0823401731
<b>BLOOMBERG</b>	FOREBSA LX	FOREBSI LX
<b>WKN</b>	A1T8UZ	A1T8UO

**KEY FIGURES - EUR**

<b>NAV (Capi.)</b>	<b>532.37</b>
<b>NAV (Distrib.)</b>	<b>285.47</b>
<b>12M NAV max. Capi. (23/01/18)</b>	<b>554.13</b>
<b>12M NAV min. Capi. (29/08/17)</b>	<b>496.65</b>
<b>Total net assets (mln)</b>	<b>1,644.72</b>
<b>Last dividend (18/04/18)</b>	<b>8.65</b>
<b>Initial NAV (LUF)</b>	<b>9,692.00</b>

**CHARACTERISTICS**

<b>Benchmark</b>	MSCI EMU (NR)
<b>Nationality</b>	Luxembourg
<b>Legal form</b>	Sub-fund of SICAV with European passport
<b>Launch date</b>	24 May 2013
<b>Base currency (of share class)</b>	Euro
<b>Fund Manager</b>	Valerie CHARRIERE
<b>Management Company</b>	BNP PARIBAS ASSET MANAGEMENT Luxembourg
<b>Delegated Investment Manager</b>	BNP PARIBAS ASSET MANAGEMENT France
<b>External financial administrator</b>	BNP PARIBAS ASSET MANAGEMENT Luxembourg
<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 30/11/2017</b>	1.97%
<b>Maximum Management fees (annual)</b>	1.50%
<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
<b>For further information</b>	www.bnpparibas-am.com

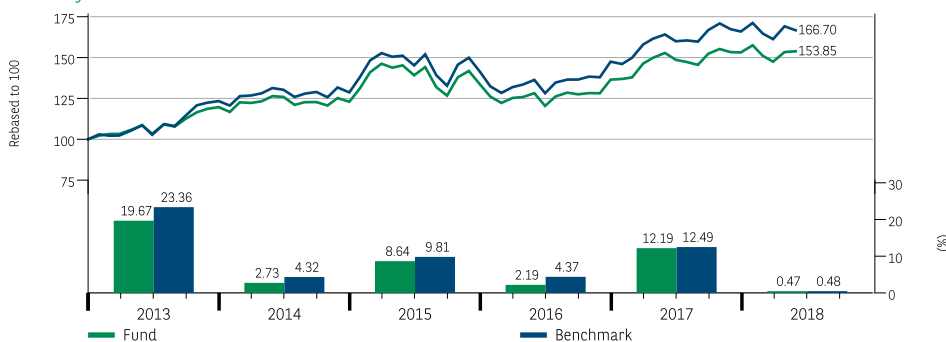


**INVESTMENT OBJECTIVE**

The Fund seeks to increase the value of its assets over the medium term by investing in EUR denominated shares issued by European companies, with a solid financial structure and/or potential for earnings growth. After hedging, the sub-fund's exposure to currencies other than EUR will not exceed 5%. It is actively managed and as such may invest in securities that are not included in the index which is MSCI EMU (NR).

**CUMULATIVE AND ANNUAL PERFORMANCE (EUR) (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 31/05/2018 (EUR) (Net)**

	Fund	Benchmark
<b>Cumulative (%)</b>		
1 month	0.33	- 1.43
3 months	1.80	1.20
Year to date	0.47	0.48
May 2017 - May 2018	0.67	1.58
May 2016 - May 2017	19.21	20.36
May 2015 - May 2016	- 11.72	- 9.79
May 2014 - May 2015	14.89	15.06
May 2013 - May 2014	16.53	20.86
<b>Annualised (%) (base 365 days)</b>		
1 year	0.67	1.58
3 years	1.94	3.31
5 years	7.24	8.93
Since First NAV (21/09/1998)	4.12	4.70

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

On May 24, 2013, the BNP PARIBAS L1 EQUITY BEST SELECTION EURO was merged into a new sub-fund of the PARVEST Luxembourg SICAV creating the PARVEST EQUITY BEST SELECTION EURO. 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 24, 2013 are those of the former BNP PARIBAS L1 EQUITY BEST SELECTION EURO. 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 31/03/2018

European equities were negative after a turbulent Q1. After a strong start in the first 3 weeks, the market corrected sharply and volatility spiked on the back of sharp Government Bond yield increases, looming inflation fears and the escalating US- China trade dispute. March 8th saw President Trump impose tariffs of 25 % on steel imports as well as import taxes of 10% on aluminium. On March 22nd, the US announced tariffs covering USD 60bn of Chinese imports. The US dollar also depreciated against most currencies and oil price rebounded. In terms of sector allocation, being overweight in Pharmaceuticals and underweight in Automobiles was detrimental. Main positive contributors were Deutsche Boerse (supported by the rising yields and spur in volatility), ADP (on-going privatisation process), ASML (a leader in chips lithography experiencing strong sales of its new generation of machine). Our main detractors were Bayer (Q4 results missed versus consensus & must consider further remedies to acquire Monsanto), ING (Basle 4 outcome & Q1 results missed earnings expectations), and Linde (must overcome the delay in EU antitrust process in Europe). We have sold out exposure to BMW and reduced in Saint-Gobain. Increased exposure in Aena and CRH and added Orange to the portfolio.

RISK ANALYSIS

	Fund	Bench.
Volatility (%)	13.24	13.84
Tracking error (%)	2.50	-
Information ratio	-0.55	-
Sharpe ratio	0.17	0.26
Alpha (%)	-1.17	-
Beta	0.94	-
R <sup>2</sup>	0.97	-

Period: 3 years. Frequency: monthly

PORTFOLIO'S MAIN HOLDINGS

Asset name	%
BAYER AG	4.70
SAP	4.35
BANCO SANTANDER	4.27
CRH PLC	4.21
LVMH	4.17
ASML HOLDING NV	4.01
DEUTSCHE BOERSE	3.67
AMADEUS IT HLDGS	3.59
UNILEVER NV	3.50
FRESENIUS MEDICAL CARE	3.39

Number of holdings in the portfolio: 39

Source of data: BNP Paribas Securities Services

BREAKDOWN BY SECTOR (%)

Equities



- 20.05 Finance
- 14.54 Materials
- 14.20 Info. Technology
- 11.99 Industrials
- 11.57 Health Care
- 9.16 Consumer Discret.
- 8.65 Consumer Staples
- 5.19 Energy
- 4.65 Telecom Services

Total exposure: 99.40 %

Source of data: BNP Paribas Securities Services

BREAKDOWN BY COUNTRY (%)

Equities



- 28.80 Germany
- 21.38 France
- 15.94 Spain
- 12.59 Netherlands
- 6.20 UK
- 4.02 Italy
- 3.68 Portugal
- 2.62 Sweden
- 4.77 Others

Total exposure: 99.40 %

Source of data: BNP Paribas Securities Services

SECTOR EXPOSURE (%)

	of the portfolio	compared with the index
Finance	20.05	1.91
Materials	14.54	5.58
Info. Technology	14.20	5.03
Industrials	11.99	-1.47
Health Care	11.57	3.63
Consumer Discret.	9.16	-4.4
Consumer Staples	8.65	-1.36
Energy	5.19	-0.57
Telecom Services	4.65	1.01
Capital Goods	0.00	-1.4

Source of data: BNP Paribas Securities Services

MAIN ACTIVE POSITIONS COMPARED TO BENCHMARK

Stocks	Overweighted	Stocks	Underweighted
Crh Plc	3.58%	Total	-3.10%
Deutsche Boerse Ag New	3.15%	Siemens Ag Npv Eur	-2.12%
Aeroports De Paris	3.10%	Allianz	-1.95%
Fresenius Medical Care	2.95%	Basf Se	-1.92%
Amadeus It Hldgs	2.87%	Sanofi Aventis	-1.85%
Bayer Ag	2.64%	Anheuser Busch Inbev Sa/nv	-1.52%
Nordic Baltic Hldg Fdr	2.62%	Bnp Paribas	-1.48%
Banco Santander	2.46%	Daimler Ag	-1.47%
Aib Group	2.44%	Airbus Group Nv	-1.40%
Asml Holding Nv	2.42%	L Oreal	-1.29%

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.

## 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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