



## Performance Review Oct 14\* - Parworld Quant Equity World Guru (C USD, CAP)

### Investment Objective

The Parworld Quant Equity World Guru Fund aims to outperform the global equity market over the medium term through an exposure to the most liquid stocks from the largest global market capitalizations selected according to the GURU selection methodology.

### Investment strategy \*

- Equity components are selected in a systematic way based on companies' fundamentals according to the 3 criteria: profitability, prospects and valuation.
- A systematic and transparent allocation mechanism, without any discretionary intervention, that aims at limiting implementation costs and risk concentration.

\* For further details, please refer to the KIID and the prospectus.

### RISK AND REWARD PROFILE

lower risk higher risk

potentially lower rewards potentially higher rewards

1	2	3	4	5	6	7
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\*The synthetic risk indicator is determined on a scale from 1 to 7 (7 being the highest risk level). It is subject to a periodical computation and can consequently change over time. We invite you to consult regularly the DICL.

### CODES

ISIN Code LU0774754948  
Bloomberg Code PARQWCLX

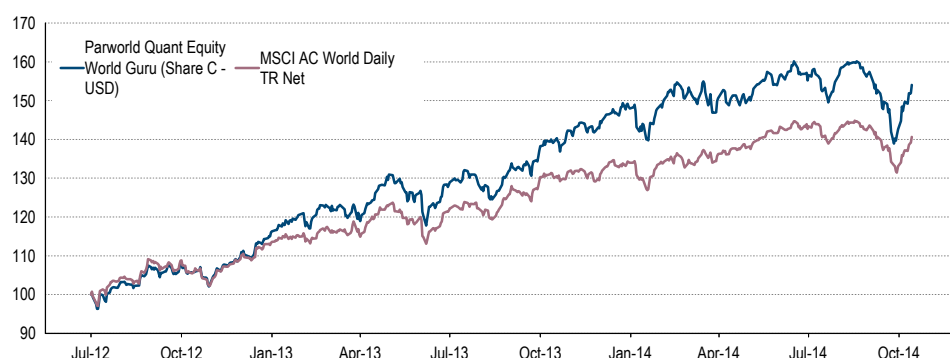
### KEY FIGURES

NAV (Capi.) (USD) 154.08  
12M NAV max.(USD) 160.10  
12M NAV min. (USD) 136.89  
Total net assets (mln USD) 243.42

### CHARACTERISTICS

Benchmark	MSCI AC World Daily TR Net
Legal form	Sub-fund of Parworld Luxembourg SICAV, UCITS IV Compliant
Launch date of SICAV sub-fund	18 Jul 2012
Base currency (of share class)	USD
Management Company	BNP Paribas Investment Partners Luxembourg
Delegated Investment Manager	THEAM
Cut-Off (CET)	D-1 12H fax / D-1 16H STP orders
Initial NAV (SICAV sub-fund)	100 USD
Min. initial subscription	No minimum
Maximum subscription fees	5.00%
Maximum conversion fees	2.00%
Redemption fees	None
Management fees	1.40%
Performance fees	None
Other fees	0.40%
Foreign UCIs Tax	0.01%
Subscription tax	0.05%
Total fees (ongoing charges)	1.86%
Periodicity of NAV Calculation	Daily
Share class	Capitalisation
Capital protection	No capital guarantee
European Passporting	Austria, Belgium, Denmark, Finland, France, Greece, Germany, Italy (light registered), Luxembourg, Netherlands, Norway, Singapore (light registered), Spain, Sweden, Switzerland, UK

### Comparison to the MSCI AC World Daily TR Net Index



Source: Bloomberg, BNP Paribas as of 31 Oct 2014. Performance expressed net of fees and in USD.  
Past performance is not a reliable indicator of future results.

### Fund management commentary

**Market context** – October was distinguished by a peak of investor nervousness, manifested most notably by the increase in volatility to its highest level since mid-2012 (just over 26% for the VIX index calculated on S&P 500 options), and by actions taken by central banks. Even though the markets dropped spectacularly over the first half of the month, they quickly and sharply recovered afterwards. The MSCI AC World index, down 6% between the end of September and 16 October, eventually closed the month in positive territory (+0.7% in dollar terms). While investor nervousness may have been justified by the release of rather disappointing economic data early in the month – especially in the euro zone – and by the downward revision in global growth prospects, the economic situation had not changed fundamentally in the space of a few weeks. Similarly, the end of the Fed's QE (announced on 29 October) came as no surprise, and the normalisation of key rates will remain very cautious and gradual. The (pleasant) surprise came from the Bank of Japan, which on 31 October announced that it was raising its monetary base target to 80,000 billion yen (from 60-70,000 billion previously). This announcement helped spark a steep rally in the main equity indices right at the end of the month. Furthermore, the earnings season is proceeding rather well in the US and more chaotically in Europe in the case of some major companies. Finally, some extra-financial elements, such as the Brazil presidential elections or sanitary risks linked to the Ebola virus also had an impact in October's hectic moves.

**Performance** – In this context, the Parworld Quant Equity GURU World fund significantly outperforms its benchmark, which enables the strategy to gain a slight year-to-date advantage versus the MSCI.

**Exposures** – Bottom-up, the October performance has been impacted by very sharp individual falls and rises. We can mention Southwest Airlines (2.1% of the portfolio) which, after giving up -14% over the first 2 weeks, rebounded 20% the following 15 days; or United Rentals (2.2%) which first dropped by 19% and regained 22% afterwards. These practical cases should at least enable us to mitigate the "efficient market hypothesis"!

Portfolio implied sectorial bets, resulting from a bottom-up aggregation of the stock-picking process, still favour Travel & Leisure and Industrial Goods & Services. Conversely, Banks and Techno remain underweighted.



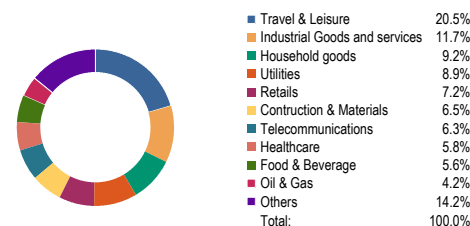
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### Monthly Performances

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2014	Fund	-2.73%	6.29%	-0.23%	-1.26%	2.76%	1.87%	-3.03%	4.45%	-5.52%	2.18%			
	Bench.*	-4.00%	4.83%	0.44%	0.95%	2.13%	1.88%	-1.21%	2.21%	-3.24%	0.70%			
2013	Fund	6.77%	1.34%	3.00%	0.89%	2.82%	-4.03%	5.80%	-4.00%	5.98%	5.40%	3.80%	2.38%	33.76%
	Bench.*	4.61%	-0.02%	1.81%	2.88%	-0.27%	-2.92%	4.79%	-2.08%	5.17%	4.02%	1.42%	1.73%	22.80%
2012	Fund								3.04%	3.22%	0.26%	1.81%	2.57%	
	Bench.*								2.17%	3.15%	-0.67%	1.28%	2.27%	

Source: Bloomberg, BNP Paribas as of 31 Oct 2014. Performance expressed net of fees and in USD.  
Past performance is not a reliable indicator of future results. \*Bench refers to the benchmark MSCI AC World Daily TR Net index.

### Sector distribution



### Performance and risk analysis\*

	YTD		1 Year		3 Years		Since launch	
	Fund	Bench.**	Fund	Bench.**	Fund	Bench.**	Fund	Bench.**
Return	4.26%	4.46%	10.79%	7.77%			20.80%	16.09%
Annualized volatility	13.80%	8.74%	13.18%	8.56%			12.78%	9.74%
Sharpe Ratio	-	-	-	-			-	-
VaR 95% (historical)	-3.51%	-2.61%	-3.37%	-2.50%			-2.92%	-2.45%
Max drawdown	-13.22%	-9.24%	-13.22%	-9.24%			-13.22%	-9.24%
Time to recovery*	-	-	-	-			-	-
Info ratio	-	-	-	-			-	-
Tracking error - Fund vs Bench.**	7.20%		7.00%				6.03%	

Source: Bloomberg, BNP Paribas as of 31 Oct 2014. Performance expressed net of fees and in USD.  
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\*In number of working days. \*\*Bench refers to the benchmark MSCI AC World Daily TR Net index.

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### Portfolio Fundamentals

	Strategy	Bench.*
Return on Equity :	17.4%	13.0%
Price/Earning Ratio:	12.6	14.4
12-month Earnings Growth:	28.3%	7.2%

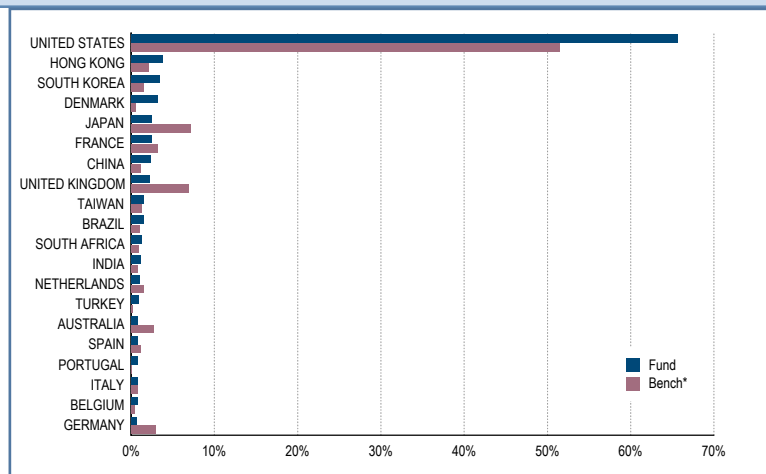
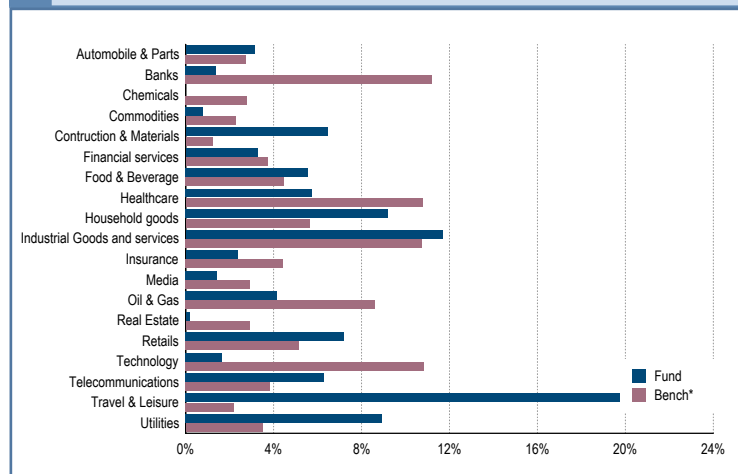
### Top 10 equity exposures of the fund (total amount of equity exposures: 222)

	Company name	Weight in %
1	PANDORA A/S	2.50%
2	UNITED RENTALS INC	2.39%
3	SOUTHWEST AIRLINES CO	2.26%
4	DELTA AIR LINES	2.06%
5	ALASKA AIR GROUP	1.81%

	Company name	Weight in %
6	JETBLUE AIRWAYS CORP	1.78%
7	ORANGE	1.62%
8	AVIS BUDGET GROUP INC	1.54%
9	TAKE-TWO INTERACTIVE SOFTWARE	1.49%
10	GILEAD SCIENCES INC	1.29%

Source: Bloomberg, BNP Paribas. Portfolio data at the close of 03 Nov 2014.

### Sector and top 20 country exposures of the fund



Source: Bloomberg, BNP Paribas. Portfolio data at the close of 03 Nov 2014. . \*Bench refers to the benchmark MSCI AC World Daily TR Net index.



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