

PRODUCT KEY FACTS

PARVEST Bond USD Government

March 2013

This statement provides you with key information about this product.

This statement is a part of the offering document.

You should not invest in this product based on this statement alone.

Quick facts

Management Company:	BNP Paribas Investment Partners Luxembourg		
Fund Manager:	Internal and/or external delegation to one or more portfolio managers as described in the "General Information" section of the Prospectus and the "Management and Sub-Delegation" section of the Hong Kong Covering Document and Information for Hong Kong Investors		
Custodian:	BNP Paribas Securities Services, Luxembourg Branch		
Base currency:	USD	Dealing frequency:	Daily
Financial year end of this sub-fund:	Last day of February	Dividend policy:	Capitalisation shares – No dividend distribution (income, if any, will be reinvested) Distribution shares - Dividend, if declared, will be paid Distributions may be paid out of capital which may result in an immediate reduction of the sub-fund's net asset value per share
	Min. investment:	None	
	Min, holding:	"Privilege" categories – Equivalent of EUR 1 million	

What is this product?

This sub-fund is a fund constituted in the form of a mutual fund. It is incorporated under Luxembourg law and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

Objective and Investment Strategy

Objective

To increase the value of its assets over the medium term.

Strategy

The sub-fund invests at least two-thirds of its assets in bonds and/or securities treated as equivalent to bonds denominated in USD and issued and/or guaranteed by the US Government, and also in derivatives on this type of asset.

The remainder, namely one-third of its assets maximum, may be invested in any other securities, money market instruments, derivatives or cash, and also, within a limit of 10% of the assets, in collective investment schemes.

The sub-fund may invest in sovereign debt securities but it does not contemplate to invest more than 10% of

its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade and/or unrated.

This sub-fund may use financial derivative instruments (such as futures and options, swaps and derivative contracts) extensively for investment purpose and/or hedging purpose. No specific strategy relating to financial derivative instruments is adopted by the Management Company and the Fund Managers of the sub-fund. The expected and maximum level of leverage in term of the net asset value of the sub-fund are as follows:

Commitment Method		Full notional method	
Expected leverage	Maximum leverage	Expected leverage	Maximum leverage
30%	100%	50%	300%

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

Derivative Risk

- The sub-fund may enter into financial derivative instruments ("FDIs") extensively for investment and hedging purposes. The use of FDIs may involve risks including:
 - the counterparty to the derivative transaction is unable to meet or defaults on its obligations;
 - high volatility of derivatives;
 - the incorrect valuation or pricing of derivatives;
 - the degree of leverage inherent in trading of derivatives. Accordingly, a relatively small price movement in derivatives may result in an immediate and substantial loss to the sub-fund; and
 - the possible absence of a liquid market for any particular instrument at any particular time.
- Should the use of FDIs be ineffective or unsuccessful, the sub-fund may suffer a substantial loss, having an adverse effect on its net asset value.

Interest Rate Risk

- The value of an investment may be affected by interest rate fluctuations. Interest rates may be influenced by several elements or events, such as monetary policy, the discount rate, inflation, etc. An increase in interest rates may result in a decrease in the value of investments in bonds and debt instruments and the value of investments of the sub-fund may go down.

Credit Risk

- The ability of bond issuer to honour its commitments depends on the financial condition of the issuer. An adverse change in the financial condition of the issuer could lower the quality of the bonds, leading to greater price volatility of the bonds. The sub-fund may be subject to the risk that the bond issuer not making payment on interest and principal of the bonds, causing the value of the investment to go down.
- In the event of the default of bond issuer, the sub-fund may experience both delays in liquidating the bonds and losses including a decline in value of the bonds during the period when the sub-fund seeks to enforce its rights.
- Downgrades of a rating of bond issue or issuer may lead to a drop in the value of bonds in which the sub-fund has invested. Such bonds may have less liquidity, making it more difficult to sell and their values may be more volatile.

Counterparty Risk

- This risk is associated with the ability of a counterparty in a financial transaction to fulfil its commitments like payment, delivery and reimbursement. The sub-fund may be exposed to significant losses in the event of a counterparty default.

Risk in connection with Investments in Non-Investment Grade and/or Unrated Debt Securities

- The sub-fund may invest in non-investment grade and/or unrated debt securities. Investing in non-investment grade and/or unrated debt securities may subject the sub-fund to higher credit risk/risk of default than investment grade debt securities. The sub-fund may be exposed to significant losses if the issuers of securities of the sub-fund default payments. The market of non-investment grade and/or unrated debt securities may be less active, making it more difficult to sell the securities. Valuation of such securities is more difficult and thus the sub-fund's price may be more volatile.

Risk in connection with Investments in Sovereign Debt

- The sub-fund may invest in sovereign debt. Investment in sovereign debt issued or guaranteed by governments or governmental entities largely in-debt involves a higher degree of risk. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. The value of investments of the sub-fund may be adversely affected.

Liquidity Risk

- Investments made by the sub-fund may become illiquid. It may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in the sub-fund.

Currency Exchange Risk

- The sub-fund may hold assets denominated in currencies that differ from the base currency, and may be affected by exchange rate fluctuations between the base currency and the other currencies and by changes in exchange rate controls. A depreciation of the denomination currency will lead to a depreciation in the exchange value of the security. When the manager is willing to hedge the currency exchange risk of a transaction, there is no guarantee that such operation will be completely effective and the sub-fund's value may be adversely affected.

Risk in connection with Dividend Payment

- The Management Company may at its discretion pay dividends out of the capital of the sub-fund. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the sub-fund's capital may result in an immediate reduction of net asset value per share. The Management Company may amend the dividend policy subject to the SFC's prior approval and by giving not less than one month's notice to investors.

Investment Risk

- When investing in a fund, there is a risk that the final outcome may deviate from the initial expectations. The sub-fund's investment portfolio may fall in value and therefore may suffer losses. In addition, there is no guarantee of principal repayment.

Is there any guarantee?

This sub-fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the sub-fund.

Fee	What you pay
Subscription fee	Up to 5% of the net asset value of the relevant share class subscribed
Switching fee (Conversion fee)	Up to 2% of the net asset value of the relevant share class converted
Redemption fee	Nil

Ongoing fees payable by the sub-fund

The following expenses will be paid out of the sub-fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the net asset value of the relevant share category)
Management fee	“Classic” categories – Up to 0.75% “Privilege” categories – Up to 0.40% “X” categories – None
Custodian fee	Included in Other costs
Performance fee	Not applicable
Administration fee	Included in Other costs
Other costs (Other costs cover the general asset custody expenses payable to the custodian and the daily administration expenses)	“Classic” and “Privilege” categories – Up to 0.25% “X” categories – Up to 0.12%

Other fees

You may have to pay other fees when dealing in the shares of the sub-fund.

Additional Information

- You generally buy and redeem shares at the sub-fund's next determined subscription price and redemption price through your authorised distributor after the transaction servicing agent receives your request via your authorised distributors in good order on or before 6 pm (Hong Kong time) on a Hong Kong business day. Investors should note that different distributors may have different dealing cut-off which may be earlier than the time specified in this document. Investors should check with the relevant authorised distributors accordingly.
- The net asset value of this sub-fund is calculated and the price of shares published each business day in the South China Morning Post and Hong Kong Economic Times.
- The compositions of the dividends for the last 12 months are available from the Hong Kong representative on request and also on the website at <http://www.bnpparibas-ip.com.hk>.
- Investors may obtain information on the intermediaries from our hotline (852) 2533 0088.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.