

PARVEST EURO BOND

30/09/2008

Classic Share

INVESTMENT OBJECTIVE

The sub-fund seeks to maximise returns over the medium term by investing in highly-rated Government and corporate bonds, mainly denominated in Euros and issued by top quality issuers at the time of their acquisition. The interest rate outlook, derived from in-house research, sets the exposure to European bonds. The manager then selects fixed income securities which appear attractive to obtain this exposure. Modified duration between 0.5 and 8.

MANAGEMENT COMMENT AS AT 30/09/2008

- Explanation of performance over the period

The financial crisis, followed by a banking crisis, has influenced all the fixed income markets. Benefiting from a flight to quality, two-year government bond rates fell by 112bp and 10-year rates by 60bp. The curve accordingly steepened. Swap spread rates widened by 40bp for 2 years and 15bp for the 10 years while Italian government bond rates widened by 20bp. On the credit markets, the iTraxx Main index (CDS for investment-grade issuers) widened by 18bp and the iTraxx Subordinated Financial index (CDS for subordinated financials), by 70bp.

- Main investment decisions

The portfolio's modified duration exceeded that of its benchmark during the period. The 3 to 7-year segment is substantially overweight in relation to the benchmark. The portfolio's under exposure to the credit market has been maintained. Certain financial stocks (Nordea, HSBC) were purchased, however, in order to take advantage of the deterioration in spreads.

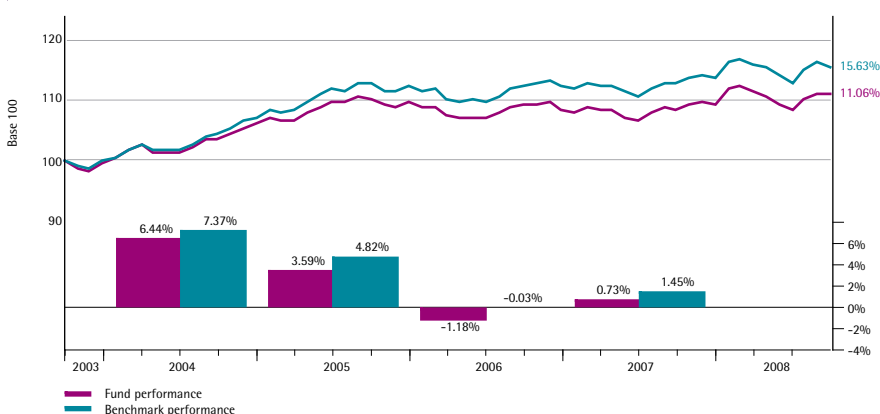
- Portfolio perspectives

The substantial deterioration in the credit market is making it possible once again to detect attractive risk premiums. Our under exposure to this market is therefore likely to be reduced.

PERFORMANCES AS AT 30/09/2008

Cumulative (%)	EUR		USD	
	Fund	Benchmark	Fund	Benchmark
1 month	-0.14	-0.48	-4.72	-5.05
3 months	2.61	2.30	-8.52	-8.79
Year to date	1.65	1.55	-2.34	-2.44
1 year	2.31	2.37	1.05	1.11
3 years	0.67	2.66	17.28	19.60
5 years	11.06	15.63	33.96	39.47
Since inception (30/06/1997)	52.91	71.85	90.12	113.68
Annualised (%)				
3 years	0.22	0.88	5.45	6.14
5 years	2.12	2.94	6.01	6.87
Since inception (30/06/1997)	3.84	4.93	5.87	6.98

CUMULATIVE AND ANNUAL PERFORMANCE (EUR)


 Bonds/Euro zone
 Government/Corporate bonds

RISK SCALE (1=LOW ; 5=HIGH)

2

Recommended investment horizon : Minimum three years

FUND MANAGER

Eric Plantier (BNP Paribas Asset Management)

BENCHMARK

Lehman Euro Aggregate (TR)

KEY FIGURES – EUR

Net asset value

NAV (Capitalisation)	153.15
max 2008	155.47
min 2008	148.59
NAV (Distribution)	96.08
Assets of the sub-fund (mln)	583.43
Last dividend (24/06/08)	4.15

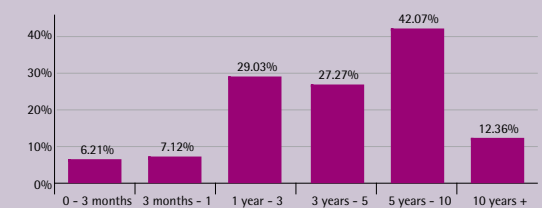
C/D CODES

	C code	D code
ISIN	LU0075938133	LU0075937911
BLOOMBERG	PAR4368 LX	PAR4369 LX
CUSIP	L7573K 43 5	L7573L 41 7

MODIFIED DURATION

Fund	5.08
Benchmark	5.14

EXPOSURE BY MATURITY (DERIVATIVES INCLUDED)



WEIGHTED MODIFIED DURATION OF MAIN HOLDING (%)

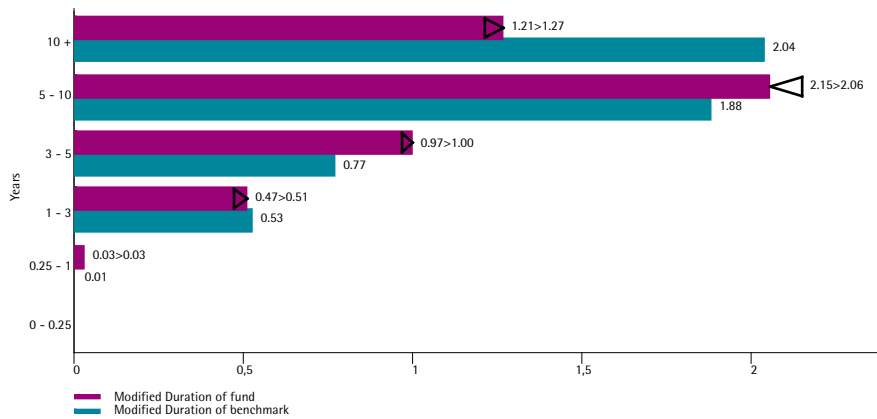
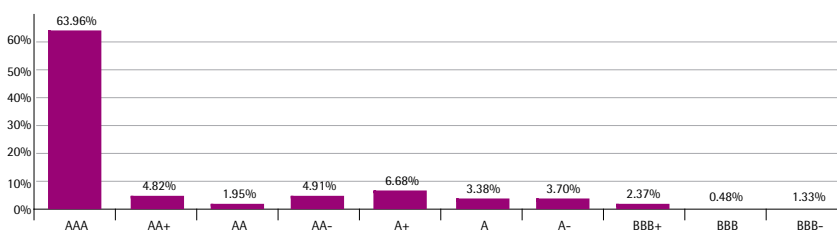
BOBL DTB FUT. 5YRS 12/08 08/12/2008	0.52	Treasury
BUND DTB FUT. 10YRS 08/12/2008	0.32	Treasury
FRENCH GOVT 4.00 25/04/2055	0.19	Treasury
FRENCH OAT 5.50 25/04/2029	0.18	Treasury
OAT 3.75 25/04/2021	0.16	Treasury
GERMANY 3.75 04/01/2017	0.15	Treasury
CAISSE REFI. DE L HAB. 4.25 25/10/2014	0.15	Mortgages
FRENCH OAT 3.15 25/07/2032	0.15	Treasury
GREECE GOVT 5.90 22/10/2022	0.14	Treasury
BEI EARN POR. 4.00 15/10/2037	0.14	Supranationals

Total number of positions : 75

BREAKDOWN BY ECONOMIC SECTOR (%)


53.32 Treasury
 18.41 Mortgages
 9.74 Banking
 4.00 Agencies
 2.94 Insurance
 2.43 Consumer Cyclical
 9.17 Others

Global portfolio exposure :124.07%

CONTRIBUTION TO SENSITIVITY BY MATURITY (30/09/08 ; 26/09/08)

BREAKDOWN BY ISSUE RATING* (EXCLUDING FUNDS)


* or long term issuer if not known

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Risk analysis (over 3 years)

Volatility	3.01%
Tracking error	0.37%
Information Ratio	-1.75
Sharpe ratio	-1.21
Alpha	-0.66%
Bêta	1.02
R ²	0.98
Duration	4.26

CHARACTERISTICS

Inception date	June 5, 1997
Base currency	EUR
Legal form	Sub-fund of Parvest, an umbrella fund established under Luxembourg law

FUND PARTICULARS
Subscription fees (1)

A max. of 5% (payable to the intermediary)

Minimum investment

Classic Category: 1 share

Entrance fees (1)

None

Switch commission (1)

A max. of 2% (payable to the intermediary)

Exit fees

None unless in the case of a sizeable withdrawal, a max. of 1% (accruing to the fund)

Maximum Management fees

- Classic Category: 0.75% / year

- Institutions Category: 0.30% / year

with a minimum investment of EUR 3 million on the sub-fund or EUR 10 million on Parvest as a whole

NAV calculation date

Daily (D+1)

Dealing deadline

Day D before 3pm (Luxembourg time)

Execution

Placed at unknown NAV (D=Day of of NAV)

Settlement and delivery

Account credited/debited D+4

Promoter

BNP Paribas

Management company

BNP Paribas Asset Management

Custodian

BNP Paribas Securities Services, Luxembourg branch