

# PARVEST EUROPEAN 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, denominated in the currencies of European OECD member states and issued by high 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

We have kept the portfolio's modified duration slightly above neutral by carrying out tactical operations on the futures markets. We gave preference to the short and intermediate segments of the yield curve. We also arbitrated Ireland 2016 bonds in favour of Netherlands bonds and bought the Italy 2011 and 2013 stocks in September.

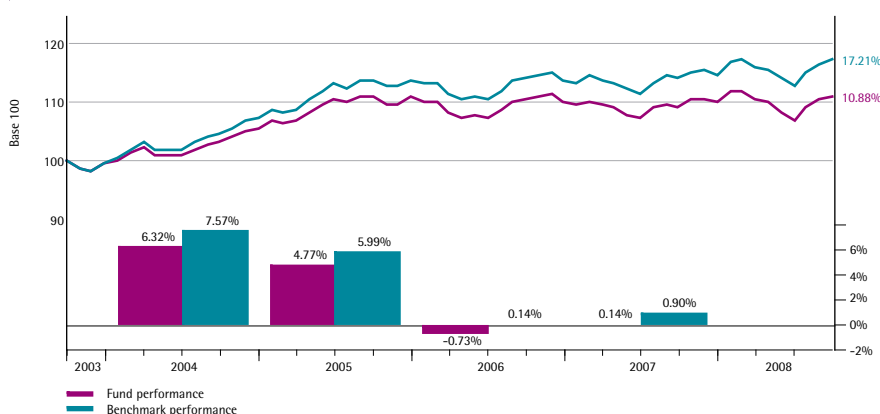
### - Portfolio perspectives

The markets are likely to remain highly volatile in coming weeks but government bonds will maintain their safe-haven status.

## PERFORMANCES AS AT 30/09/2008

Cumulative (%)	EUR		USD	
	Fund	Benchmark	Fund	Benchmark
1 month	0.41	0.85	-4.20	-3.78
3 months	3.84	4.10	-7.43	-7.19
Year to date	0.74	2.13	-3.22	-1.88
1 year	1.41	2.91	0.16	1.64
3 years	-0.02	3.14	16.48	20.16
5 years	10.88	17.21	33.74	41.38
Since inception (18/04/1991)	167.97	205.51	207.57	250.65
<b>Annualised (%)</b>				
3 years	-0.01	1.03	5.21	6.31
5 years	2.09	3.22	5.98	7.16
Since inception (18/04/1991)	5.81	6.60	6.64	7.45

## CUMULATIVE AND ANNUAL PERFORMANCE ( EUR )


 Bonds/Europe  
 Government/Corporate bonds

**RISK SCALE (1=LOW ; 5=HIGH)**

2

Recommended investment horizon : Minimum three years

**FUND MANAGER**

Claude Guérin (BNP Paribas Asset Management)

**BENCHMARK**

JP Morgan European Traded Bond

**KEY FIGURES – EUR**
**Net asset value**

NAV (Capitalisation) 267.97

max 2008 272.23

min 2008 257.11

NAV (Distribution) 106.93

Assets of the sub-fund (mln) 125.46

Last dividend (24/06/08) 4.53

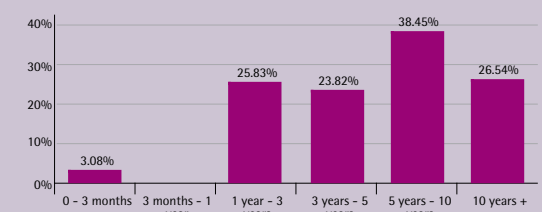
**C/D CODES**

	C code	D code
ISIN	LU0031525370	LU0031525297
BLOOMBERG	PAREUBD LX	PAEUBDD LX
CUSIP	L7573K 44 3	L7573L 42 5

**MODIFIED DURATION**

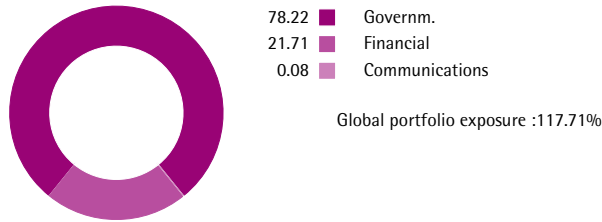
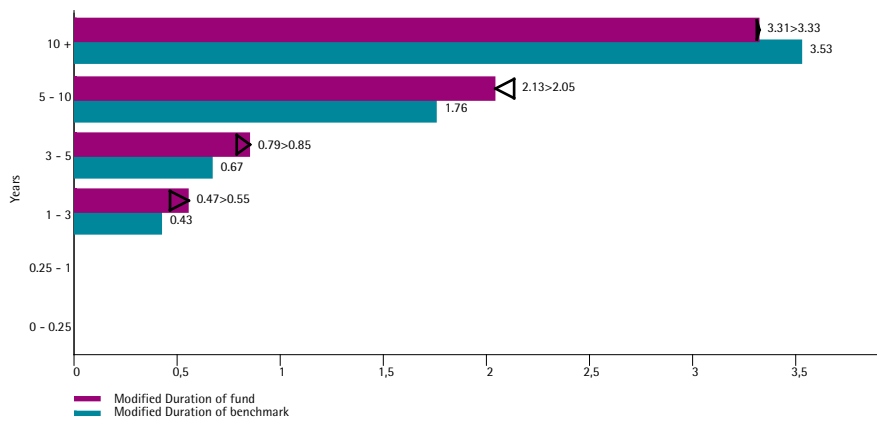
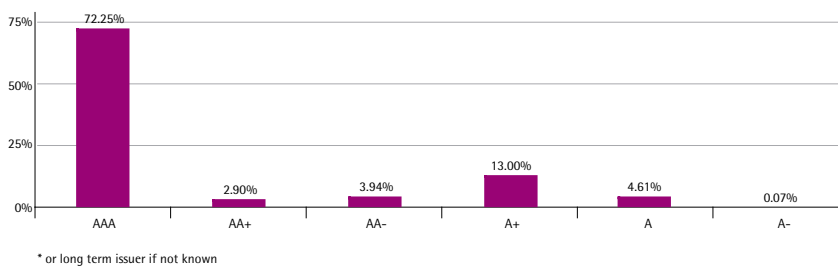
Fund 6.80

Benchmark 6.39

**EXPOSURE BY MATURITY (DERIVATIVES INCLUDED)**

**WEIGHTED MODIFIED DURATION OF MAIN HOLDING (%)**

FRENCH OAT 0% 25/04/2022	0.56	Government.
BELGIUM 5.00 28/03/2035	0.41	Government.
BUND DTB FUT. 10YRS 08/12/2008	0.34	Government.
FRENCH GOVT 4.00 25/04/2055	0.33	Government.
KREDIT FUER WIEDERAUFBAU 4.38 04...	0.31	Government.
BOBL DTB FUT. 5YRS 12/08 08/12/2008	0.28	Government.
FRENCH GOVT 4.00 25/04/2014	0.27	Government.
GREECE GOVT 5.90 22/10/2022	0.25	Government.
AUTRICHE 4.15 15/03/2037	0.23	Government.
UK TREASURY 6.00 07/12/2028	0.22	Government.

Total number of positions : 51

**BREAKDOWN BY ECONOMIC SECTOR (%)**

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

**BREAKDOWN BY ISSUE RATING\* (EXCLUDING FUNDS)**


The material in this presentation is issued by BNP Paribas Asset Management (Paris), authorised as an investment management company by the French Autorité des Marchés Financiers (AMF). This information does not constitute or form part of an offer document or any offer or invitation to subscribe for or purchase any securities, or derivatives thereof, nor shall it or any part of it form the basis of any contract or commitment whatsoever. We provide this document without knowledge of your situation. Prior to contracting with you, a suitability test will be performed. Prior to any subscription, investors should verify in which countries the fund is registered, and, in those countries, which compartments and which classes of shares are authorised for public sale. In particular, the fund cannot be offered or sold publicly in the United States. Investors considering subscribing for shares should read carefully the most recent prospectus and consult the fund's most recent financial reports, which are available from BNP Paribas Asset Management, local correspondents if any, or from the entities marketing the fund. Investors should consult their own legal and tax advisors prior to investing in the fund. Given the economic and market risks, there can be no assurance that the fund will achieve its investment objectives. The performances are shown net of management fees, but do not include subscription fees or tax. Past performance is not a guarantee of future results. Registered office: 33, rue de Gasperich, 5826 Howald - Hesperange, Grand Duché de Luxembourg.

**Risk analysis (over 3 years)**

Volatility	3.29%
Tracking error	0.45%
Information Ratio	-2.29
Sharpe ratio	-1.17
Alpha	-1.00%
Bêta	0.97
R <sup>2</sup>	0.98
Duration	6.03

**CHARACTERISTICS**

Inception date	April 18, 1991
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