

PARVEST JAPAN YEN 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 Japanese Yen. The interest rate outlook, derived from in-house research, sets the exposure to Japanese 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

Japanese government bond yields declined in the third quarter, led by the seven-year sector. Our duration strategy, overweight in July and September, and tactical underweight in August, had little effect on performance. Japanese breakeven inflation fell sharply, and we had a sizable negative contribution from our long breakeven inflation position. Our overweight in Financials detracted greatly from performance.

- Main investment decisions

We were caught in a range bound market early in the quarter, but switched later on to modestly overweight duration expecting the global economic slowdown to cause rates to decline. We added to our overweight in inflation-linked JGB for valuation reasons and sold some of our holdings in high grade Financials.

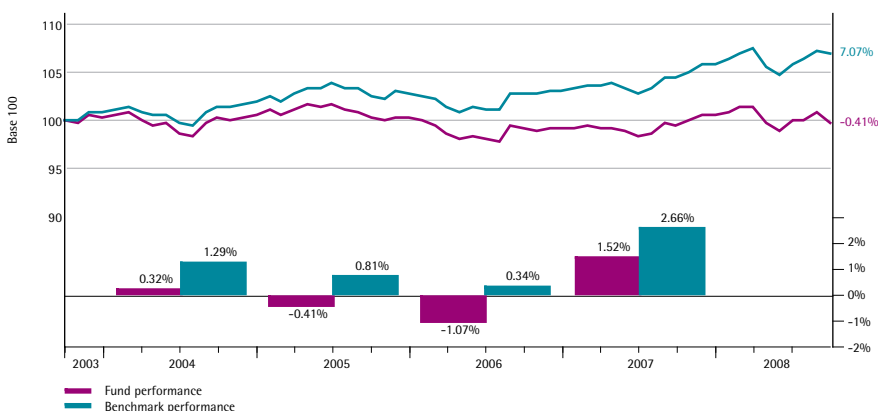
- Portfolio perspectives

We continue to have a positive view on Japanese Government Bonds. We maintain our long breakeven inflation position as the valuation remains very attractive. We are looking to reduce our overweight in corporate bonds once the current tensions ease.

PERFORMANCES AS AT 30/09/2008

Cumulative (%)	JPY		USD	
	Fund	Benchmark	Fund	Benchmark
1 month	-1.27	-0.26	0.93	1.96
3 months	-0.33	1.03	-0.48	0.88
Year to date	-1.04	1.07	4.14	6.35
1 year	0.16	2.48	8.51	11.02
3 years	-0.71	4.36	6.00	11.42
5 years	-0.41	7.07	4.80	12.66
Since inception (30/03/1990)	73.38	139.87	156.99	255.53
Annualised (%)				
3 years	-0.24	1.43	1.96	3.67
5 years	-0.08	1.37	0.94	2.41
Since inception (30/03/1990)	3.02	4.84	5.23	7.09

CUMULATIVE AND ANNUAL PERFORMANCE (JPY)


 Bonds/Asia-Pacific
 Government/Corporate Bonds

RISK SCALE (1=LOW ; 5=HIGH)

3

Recommended investment horizon : Minimum three years

FUND MANAGER

Naruki Nakamura (Fischer Francis Trees & Watts)

BENCHMARK

JP Morgan Japan Traded (RI)

KEY FIGURES - JPY

Net asset value

NAV (Capitalisation)	19,832.00
max 2008	20,229.00
min 2008	19,547.00
NAV (Distribution)	11,205.00
Assets of the sub-fund (mln)	17,576.79
Last dividend (24/06/08)	120.00

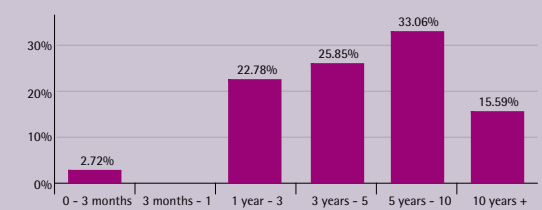
C/D CODES

	C code	D code
ISIN	LU0012182712	LU0012182639
BLOOMBERG	PYK3728 LX	PYU3727 LX
CUSIP	L7573K 52 6	L7573L 50 8

MODIFIED DURATION

Fund	6.24
Benchmark	6.49

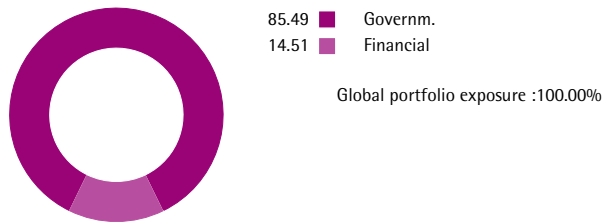
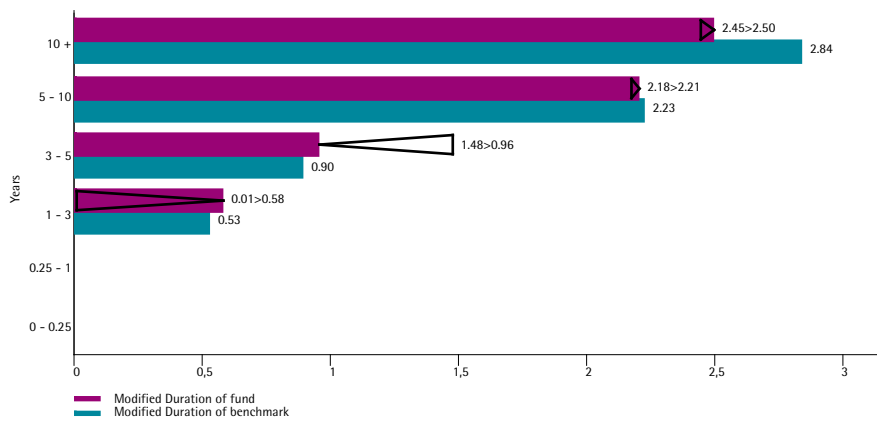
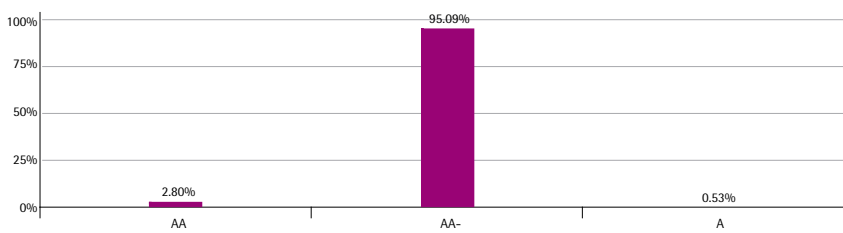
EXPOSURE BY MATURITY (DERIVATIVES INCLUDED)



WEIGHTED MODIFIED DURATION OF MAIN HOLDING (%)

JAPAN 102 (20 YEAR ISSUE) 20/06/2028	1.46	Government.
JGB 10YRS 1.70 20/12/2016	1.13	Government.
JAPON 1.50 20/12/2017	0.73	Government.
JAPON 1.50 20/06/2013	0.72	Government.
JAPAN 2.30 20/12/2035	0.67	Government.
JGB 5YRS 1.20 20/09/2011	0.57	Government.
JGB 1.00 20/03/2023	0.37	Government.
GOLDMAN SACHS 1.49 28/12/2011	0.11	Financial
DEUTSCHE BANK 1.77 25/09/2012	0.10	Financial
INDL BK KOREA 1.62 06/02/2012	0.02	Financial

Total number of positions : 14

BREAKDOWN BY ECONOMIC SECTOR (%)

CONTRIBUTION TO SENSITIVITY BY MATURITY (30/09/08 ; 29/08/08)

BREAKDOWN BY ISSUE RATING* (EXCLUDING FUNDS)


* or long term issuer if not known

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Risk analysis (over 3 years)

Volatility	2.16%
Tracking error	0.59%
Information Ratio	-2.82
Sharpe ratio	-0.36
Alpha	-1.61%
Bêta	0.97
R ²	0.93
Duration	6.34

CHARACTERISTICS

Inception date	March 27, 1990
Base currency	JPY
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-1 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

Fischer Francis Trees & Watts

Custodian

BNP Paribas Securities Services, Luxembourg branch