

# PARVEST US HIGH YIELD BOND

30/09/2008

Classic Share

## INVESTMENT OBJECTIVE

The sub-fund seeks to increase the value of its assets over the medium term by investing mainly in below investment grade bonds issued in American markets or by American issuers.

The investment process is based on a macro-economic analysis, allowing evaluation of the environment, a sector analysis and the selection of securities based on credit analyses. These aim to estimate the default risk and include an analysis in terms of relative value. The modified duration ranges between 0.5 and 8.

## MANAGEMENT COMMENT AS AT 30/09/2008

### - Explanation of performance over the period

The market reported its worst quarterly return ever in the third quarter, as concerns regarding the stability of financial institutions and tightening credit weighed on the market. In a flight to quality, BB securities outperformed B-rated bonds. Spreads widened 290bps. The portfolio outperformed due to an underweight in the Banking and Financials sectors. Our exposure to Energy, Healthcare, Telecommunications and Utilities added to our relative performance.

### - Main investment decisions

We added to existing securities in sectors that we view favourably, including Energy and Telecommunications. We also added to exposure in the Food, Food Retailing and Energy Services sectors as they should provide a safe haven in this environment and also represent good relative value. We reduced our exposure to the Chemical and Gaming sectors.

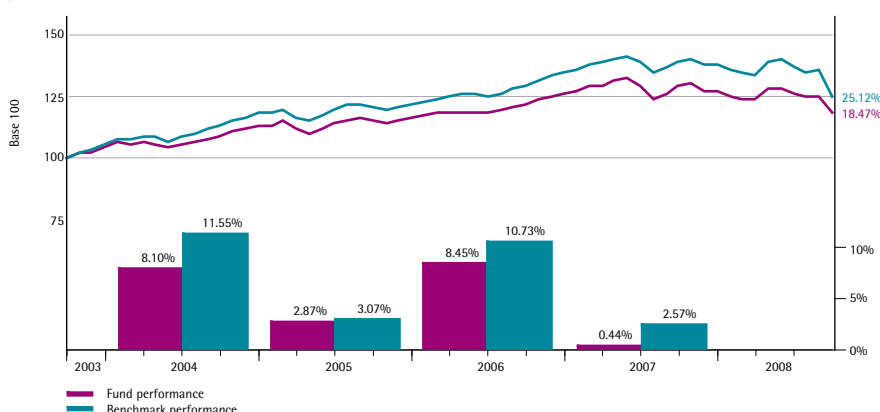
### - Portfolio perspectives

Due to the uncertainty regarding financial institutions, credit tightening, economic slowdown and the expected increase in default rates, the portfolio positioning remains defensive regarding credit quality, industry sectors, and security selection.

## PERFORMANCES AS AT 30/09/2008

Cumulative (%)	USD		EUR	
	Fund	Benchmark	Fund	Benchmark
1 month	-5.08	-7.55	-0.51	-3.10
3 months	-5.63	-8.56	5.85	2.57
Year to date	-6.62	-9.53	-2.81	-5.83
1 year	-8.31	-10.36	-7.17	-9.24
3 years	3.16	3.55	-11.45	-11.12
5 years	18.47	25.12	-1.78	3.73
Since inception (02/04/2001)	34.54	46.53	-15.33	-7.78
<b>Annualised (%)</b>				
3 years	1.04	1.17	-3.97	-3.85
5 years	3.44	4.58	-0.36	0.74
Since inception (02/04/2001)	4.03	5.22	-2.19	-1.07

## CUMULATIVE AND ANNUAL PERFORMANCE ( USD )


 Bonds/Americas  
 Corporate bonds

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

3

Recommended investment horizon : Minimum three years

## FUND MANAGER

Marianne Rossi (Fischer Francis Trees &amp; Watts)

## BENCHMARK

Merrill Lynch US High Yield, BB-B rated, Constrained Index

## KEY FIGURES - USD

### Net asset value

NAV (Capitalisation)	134.53
max 2008	146.39
min 2008	134.53
NAV (Distribution)	79.36
Assets of the sub-fund (mln)	45.36
Last dividend (17/09/08)	0.68

## C/D CODES

	C code	D code
ISIN	LU0111549480	LU0111549308
BLOOMBERG	PARUHYC LX	PARUHYD LX
CUSIP	L7573K 53 4	L7573L 51 6

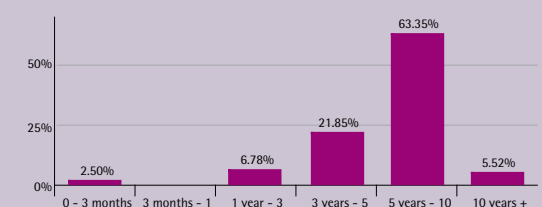
## MODIFIED DURATION

Fund	4.22
Benchmark	4.32

## PERCENTAGE OF UNDER INVESTMENT GRADE BONDS

97.50

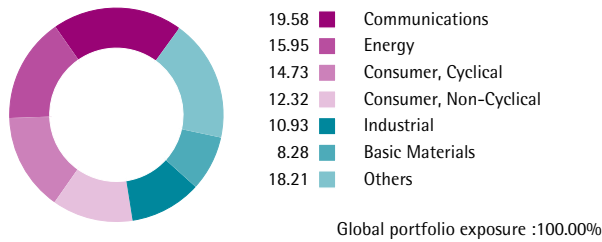
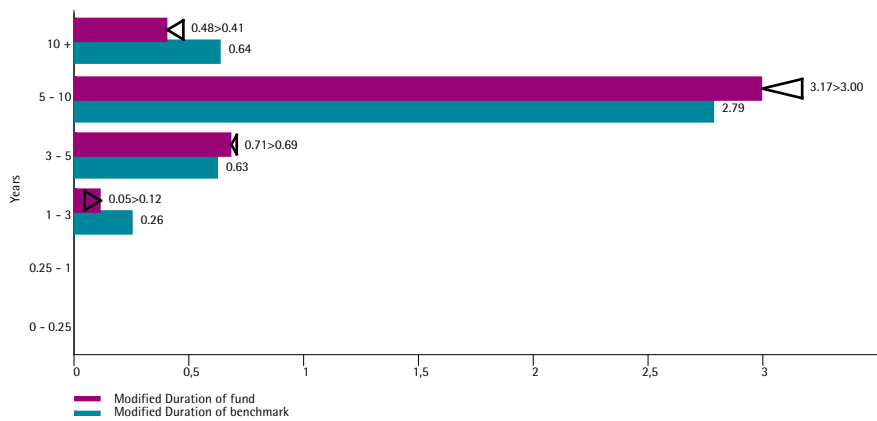
## EXPOSURE BY MATURITY (DERIVATIVES INCLUDED)



## WEIGHTED MODIFIED DURATION OF MAIN HOLDING (%)

CITIZENS COMMUNICATIONS-GLOBA...	0.13	Communications
SPRINT CAPITAL CORP - GLOBAL 8.75...	0.11	Communications
CSC HOLDINGS 7.88 15/02/2018	0.10	Communications
NRG ENERGY 7.38 01/02/2016	0.09	Utilities
NEWFIELD EXPLOR 7.13 15/05/2018	0.08	Energy
VIDEOTRON LTD 9.13 15/04/2018	0.07	Communications
BE AEROSPACE 8.50 01/07/2018	0.07	Industrial
ATLAS PIPELINE 8.75 15/06/2018	0.07	Energy
MIRANT AMERICAS 8.50 01/10/2021	0.07	Utilities
WINDSTREAM CORP 8.63 01/08/2016	0.07	Communications

Total number of positions : 122

**BREAKDOWN BY ECONOMIC SECTOR (%)**

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

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


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**Risk analysis (over 3 years)**

Volatility	5.59%
Tracking error	2.05%
Information Ratio	-0.06
Sharpe ratio	-0.69
Alpha	0.07%
Bêta	0.82
R <sup>2</sup>	0.92
Duration	4.64

**CHARACTERISTICS**

Inception date	April 2, 2001
Base currency	USD
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: 1.20% / year

- Classic Hedged: 1.20% / year

- Institutions Category: 0.60% / 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**

Fischer Francis Trees & Watts (FFTW)

**Custodian**

BNP Paribas Securities Services, Luxembourg branch  
(1) for the Classic and Institutions categories of shares