

PARVEST EUROPEAN CONVERTIBLE BOND

30/09/2008

Classic Share

INVESTMENT OBJECTIVE

The sub-fund seeks to maximise returns over the medium term by investing principally in European convertible bonds. The fund manager draws on the expertise of equity analysts dedicated to the underlying European convertible bonds universe and on BNP Paribas Asset Management's investment strategy committee. The fund aims to provide investors with exposure to European equities without the corresponding volatility. Modified duration between 0 and 5.

MANAGEMENT COMMENT AS AT 30/09/2008

- Explanation of performance over the period

The European convertible bond market held up well until the beginning of September, but was badly hit in the final part of the quarter. Developments on the credit and equity markets, as well as very substantial selling emanating from certain alternative investment strategies, weighed on the market. The portfolio outperformed its benchmark thanks to its underweighting of the Fortis and Immofinanz convertibles, which took a particular hammering on the market.

- Main investment decisions

We took advantage of the bid for Continental to take profits on the convertible bond. At the beginning of July, we also sold our position on the Rosneft (Dresdner) 09, the borrower having enforced a conversion into shares. Lastly, we sold the France Télécom Jan-09 in order to buy the exchangeable France Télécom (Sonata) 36 bond, which was technically more attractive. We have opened a position on the Air France 20 convertible bond, which carries an attractive valuation.

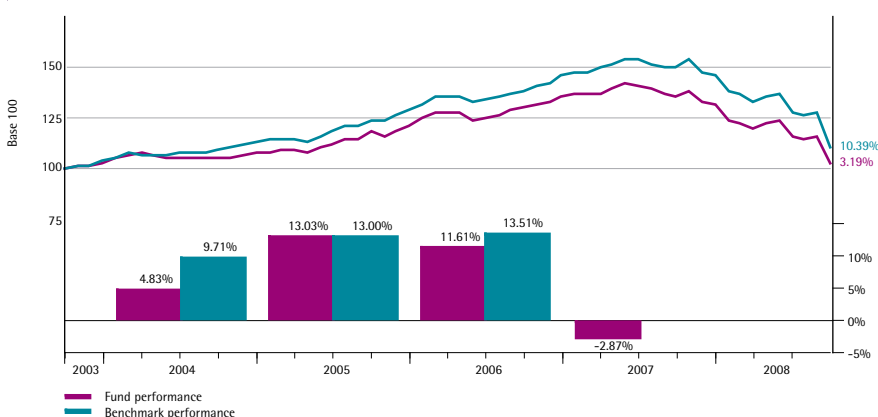
- Portfolio perspectives

The portfolio offers a bond profile that is mixed in terms of modified duration. We are not expecting any change in our sector allocation, which consists of an overweighting of cyclical and defensive stocks and an underweighting of natural resources and financials.

PERFORMANCES AS AT 30/09/2008

Cumulative (%)	EUR		USD	
	Fund	Benchmark	Fund	Benchmark
1 month	-11.09	-13.34	-15.17	-17.32
3 months	-11.04	-13.87	-20.69	-23.21
Year to date	-21.68	-24.27	-24.75	-27.25
1 year	-24.12	-26.69	-25.05	-27.59
3 years	-12.55	-11.13	1.88	3.54
5 years	3.19	10.39	24.46	33.15
Since inception (29/05/1998)	-0.36	28.19	26.35	62.55
Annualised (%)				
3 years	-4.37	-3.85	0.62	1.16
5 years	0.63	1.99	4.47	5.89
Since inception (29/05/1998)	-0.03	2.43	2.29	4.81

CUMULATIVE AND ANNUAL PERFORMANCE (EUR)


 Convertible bonds/Europe
 Theme-based

RISK SCALE (1=LOW ; 5=HIGH)



Recommended investment horizon : Minimum three years

FUND MANAGER

Eric Bouthillier (BNP Paribas Asset Management)

BENCHMARK

UBS CB European Focus (RI)

KEY FIGURES - EUR

Net asset value

NAV (Capitalisation)	100.43
max 2008	127.71
min 2008	100.22
NAV (Distribution)	79.61
Assets of the sub-fund (mIn)	385.11
Last dividend (24/06/08)	2.35

C/D CODES

	C code	D code
ISIN	LU0086913042	LU0102023610
BLOOMBERG	PARACBC LX	PARECCD LX
CUSIP	L7573K 55 9	L75733P 34 3

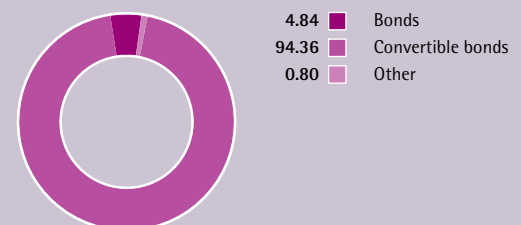
MODIFIED DURATION (BONDS)

Fund	2.05
Benchmark	1.78

EXPOSURE TO EQUITY RISK

25.40

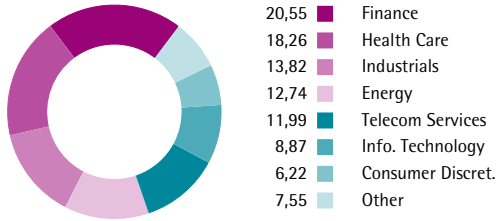
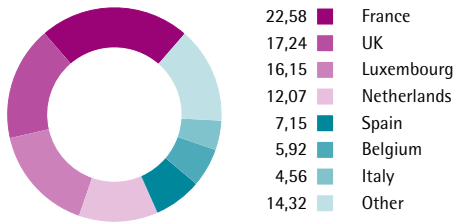
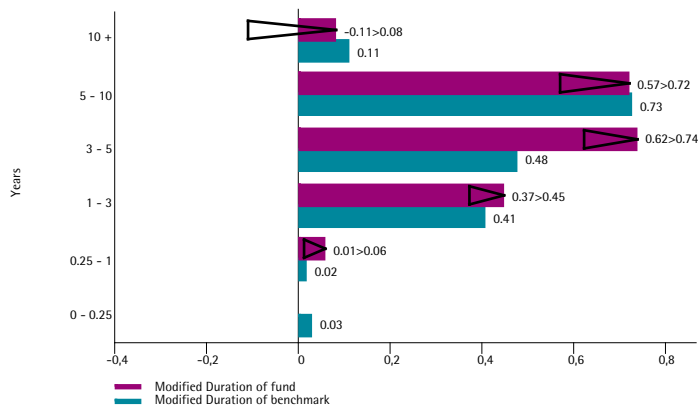
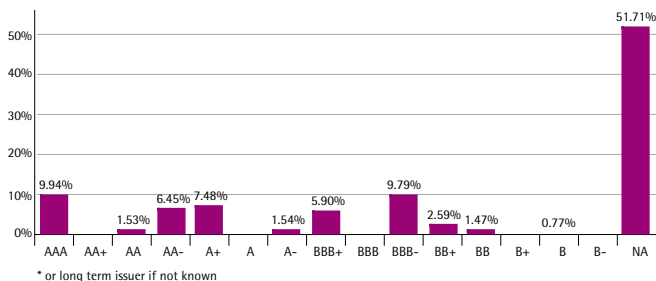
BREAKDOWN BY ASSET TYPE (%)



PORTFOLIO'S MAIN HOLDINGS

KFW 3.25%08-270613 CONV.	5.01%	Germany
KFW CV	4.93%	Germany
GENERALI (UNICREDITO) CV	4.83%	Italy
SHIRE	4.66%	UK
SONATA SECUR.TV	4.64%	Luxembourg
PPR (ARTEMIS) CV	4.43%	France
PARGESA NLD CV	4.19%	Netherlands
NEWS CORP FIN CV	4.08%	USA
CAPGEMINI SA CV	3.94%	France
GEDEON RICHTER CV	3.94%	Hungary

Total number of positions : 37

BREAKDOWN BY ECONOMIC SECTOR - EQUITIES (%)

GEOGRAPHIC BREAKDOWN - EQUITIES (%)

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	9.79%
Tracking error	2.06%
Information Ratio	-0.25
Sharpe ratio	-0.84
Alpha	-0.92%
Bêta	0.91
R ²	0.97

CHARACTERISTICS

Inception date	May 7, 1998
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: 1.10% / year
- Institutions Category: 0.55% / 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

(1) for the Classic and Institutions categories of shares