

Sub-fund of Petercam B Fund, sicav under Belgian law, launched in April 1998

Last update: 30/06/2008

Investment policy

Equities EMU

Investment strategy

Petercam Equities Euroland invests mainly in shares with a large market capitalisation. The sub-fund is restricted to countries that belong to the European Economic and Monetary Union (EMU). This means that there is no exchange-rate risk. We base our selection of shares on both a top-down approach per sector and the individual recommendations of our equity analysts. The objective of the sub-fund is to outperform the MSCI EMU while controlling risk.

Investment profile

Risk (Scale of CBFA)



Investment horizon



Fund facts

Sub-fund size: 760.7 m EUR

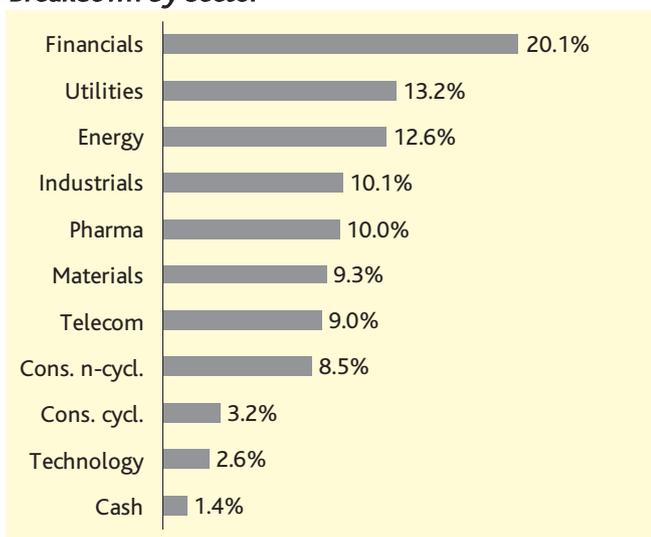
Net asset value

Accumulation share: 113.89 EUR

Income share: 111.50 EUR

Last gross dividend (28/03/08): 2.40 EUR

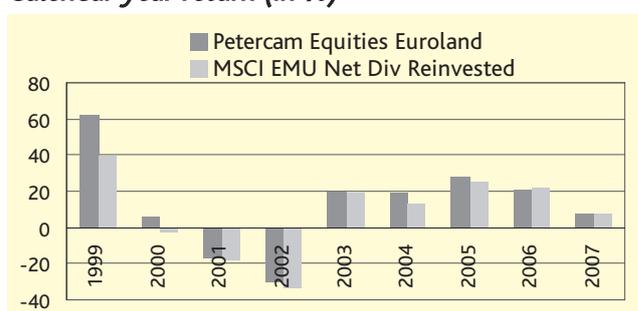
Breakdown by sector



Top 10 holdings

Holding	Sector	%
E.ON	Utilities	6.6
Telefónica	Telecom	5.1
GBL	Finance	4.3
Bayer	Pharma	4.2
ArcelorMittal	Materials	3.5
RWE	Utilities	3.3
Santander	Finance	3.1
Saipem	Energy	2.9
Total	Energy	2.9
ENI	Energy	2.8

Calendar year return (in %)



Annualized return (in %)

	1 year	3 years	5 years	10 years	Begin
Pet. E. Euroland	-20.6	6.5	13.3	5.9	6.1
MSCI EMU	-23.7	5.6	11.1	2.0	2.9

Breakdown by country



Manager's comments

The MSCI EMU Net Return index lost 5.51% in the second quarter. Petercam Equities Euroland managed to limit the damage. The net asset value of the accumulation shares fell from EUR 114.08 to 113.89.

The financial sector remained heavily underweight in the portfolio. Within the sector, the fund manager focused on banks with a good geographical diversification (Santander), defensive activities such as retail banking (National Bank of Greece, Santander) or asset management (IntesaSanPaolo). He did not invest in the automobile sector and was also highly under-weighted in cyclical sectors which depend on European consumers. One of the major changes was the decrease of capital goods from over-weight to under-weight, through the (partial) sale of GEA, MAN, Alstom and Vinci because of valuations and the difficult economic outlook in the second semester. The weighting of energy was increased, primarily through oil majors such as ENI and Royal Dutch Shell.

In the coming months, the fund manager will continue to pursue the 'barbell' strategy. This implies that the portfolio is over-weighted in sectors which profit from commodities inflation: energy, materials, transportation and utilities and at the same time over-weighted in defensive sectors like telecom, food retail and pharmaceuticals.