

PETERCAM B FUND

PETERCAM EQUITIES EUROPEAN SMALL & MIDCAPS

SIMPLIFIED PROSPECTUS

December 2010

Multiple subfund investment company that has opted for investments meeting the conditions of directive 85/611/CEE

PETERCAM B FUND

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Information regarding the investment company:

1. Name: PETERCAM B FUND
2. Incorporation date: 17 May 1991
3. Term: unlimited
4. Member State where the Investment company has its registered office : Belgium
5. Status: Multiple subfund investment company that has opted for investments meeting the conditions of directive 85/611/CEE and is governed, with regard to its operation and investments, by the law of 20 July 2004 relating to certain forms of investment portfolio management
6. Type of management: Self-managed investment company
7. Delegation of administration: Petercam Management Services SA, Place Sainte-Gudule 19, 1000 Brussels
8. Delegation of investment portfolio management: Petercam SA, brokerage company, Place Sainte-Gudule 19, 1000 Brussels
9. Financial service: Petercam SA, brokerage company, Place Sainte-Gudule 19, 1000 Brussels
10. Distributor: Petercam SA, brokerage company, Place Sainte-Gudule 19, 1000 Brussels.

Except for the subfund Petercam Real Estate Europe Dividend, distribution in Belgium is also carried out by the following financial institutions which have entered into an agreement with Petercam for this purpose:

- Cortal Consors SA and its network, rue Royale 145, 1000 Brussels
- Deutsche Bank NV, Lange Gasthuisstraat 9, 2000 Anvers
- Van Lanschot Bankiers België NV, Desguinlei 50, 2018 Anvers.
- Crédit Professionnel SA, in Dutch Beroepskrediet NV, Avenue des Arts 6-9, 1210 Brussels
- Crédit Agricole SA, in Dutch Landbouwkrediet NV, Boulevard Sylvain Dupuis 251, 1070 Brussels
- BinckBank NV, acting through its branch registered in Belgium, Keyserlei 58, 2000 Anvers

11. Custodian: JPMORGAN EUROPE LIMITED, BRUSSELS BRANCH, bank incorporated under the laws of England, acting through its branch located at Boulevard du Roi Albert II, 1, 1210 Brussels. The functions of the custodian principally involve the settlement of the transactions performed by the manager, the custodianship of the assets, the execution, on the instructions of the manager, of transactions involving the assets, the collection of dividends and interest and certain monitoring tasks
12. Auditor: DELOITTE Auditors, SC s.f.d. SCRL, represented by Mr Philip MAEYAERT, Berkenlaan 8b, 1831 Diegem
13. Promoter: Petercam SA, brokerage company, Place Sainte-Gudule 19, 1000 Brussels
14. Tax system

* *Regarding the fund:*

- *Annual tax of 0.08% deducted based on the net sums placed in Belgium as at 31 December of the previous year for the share classes « A », « B », « R », « K » and « L » .*
- *Annual tax of 0.01% deducted based on the net sums placed in Belgium as at 31 December of the previous year for the share classes « E », « F » and « S » .*
- *Recovery of withholding tax at source on Belgian dividends and foreign income collected by the fund (in accordance with the double taxation agreements)*

* *DTR scheme*

The dividends distributed to classes “R” and “S” of the subfunds Petercam Equities Europe, Petercam Equities Euroland and Petercam Equities Europe Dividend come under the DTR (Definitively Taxed Revenues) scheme, in so far as the articles of association provide that this distribution amounts to at least 90% of the revenues collected, after deducting remunerations, commissions and fees, and to the extent that such revenues originate from dividends which, themselves, meet the DRT deduction conditions, or from capital gains realised on shares or units likely to be exempt (art. 203 CIR 92).

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In the case of shareholders of the subfund who are commercial companies, 95% of these revenues qualified as DRT are exempt from Belgian corporate income tax, without the need to meet the investment company's minimum holding conditions of 10% or minimum investment amount of EUR 1,200,000, for an uninterrupted period of full ownership of at least one year, and at long-term investment conditions (art. 202 CIR 92).

However, the capital gains realised by commercial companies liable to Belgian tax on the sale of the distribution shares in the subfund may be exempted in the same way in certain cases.

"The taxation system for income and capital gains accruing to individual investors depends on the tax legislation applicable according to the personal situation of each one and/or the place where the capital is invested. Accordingly, if an investor is unsure of his tax situation, it is his duty to consult professionals or, if need be, local organisations."

* Regarding a *natural person resident in France* who is an investor: The following subfunds are eligible for PEA: Petercam Equities Belgium, Petercam Equities Europe, Petercam Equities Euroland, Petercam Securities Real Estate Europe, Petercam Equities Europe Dividend, Petercam Equities Europe Recovery, Petercam Equities European Small & Midcaps and Petercam Equities Europe Sustainable.

15. Additional information:

15.1. Sources of information:

- * On request, annual and half-yearly reports and complete information about the other subfunds may be obtained, free of charge, before or after subscribing to shares, from Petercam SA, brokerage company, Place Sainte Gudule 19, 1000 Brussels.
- * The total expense ratio and portfolio rotation rates for previous periods may be obtained at the following address: Petercam SA, brokerage company, Place Sainte-Gudule 19, 1000 Brussels
- * The following documents and the following information may be consulted on the financial service's website, www.petercam.be or on the investment company's website www.petercambfund.be : articles of incorporation, prospectus and simplified prospectus, annual report, half-yearly report and net asset value.
- * Information about the steps taken to make payments to the participants, the redemption or repurchase of shares and the distribution of information regarding the investment company: from Petercam SA, brokerage company, Place Sainte-Gudule 19, 1000 Brussels

15.2. Competent authority:

CBFA (Banking, Finance and Insurance Commission)
Rue du Congrès 12-14, 1000 Brussels

The prospectus is published after being approved by the CBFA, in accordance with article 53, 1st §, of the law of 20 July 2004 relating to certain forms of collective investment portfolio management. This approval does not include any assessment of the potential and quality of the offer, or of the situation of the fund offering it.

15.3. Point of contact from which additional explanations may be obtained if necessary: Petercam SA, brokerage company, Place Sainte-Gudule 19, 1000 Brussels (+32 2 229 62 62), Infocentre, from 8:30 am to 5:00 pm on the financial service's business days.

15.4. Person(s) responsible for the content of the prospectus and the simplified prospectus: the Board of Directors of PETERCAM B FUND SA, Place Sainte-Gudule 19, 1000 Brussels. It states that, to the best of its knowledge, the information contained in the prospectus and simplified prospectus is correct and there are no omissions that may alter their scope.

15.5. Natural persons who are investors resident in the United States: The fund's shares are not registered pursuant to the United States Securities Act of 1933 as amended, or approved by the Securities and Exchange Commission or any other local regulating authority. Furthermore, the fund has not been registered pursuant to the Investment Company Act of 1940 as amended. Consequently, shares cannot be offered to the public or sold publicly in the United States of America or any of the territories or possessions under their jurisdiction, or to nationals of the United States of America.

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Information regarding the subfund PETERCAM EQUITIES EUROPEAN SMALL & MIDCAPS:

1. Presentation

- 1.1. **Name:** PETERCAM EQUITIES EUROPEAN SMALL & MIDCAPS (*ex.PAM Equities European Small & Midcaps, ex P.A.M. European Small & Midcaps*)
- 1.2. **Incorporation date:** 26 November 1997
- 1.3. **Term:** unlimited

2. Information regarding the investments

2.1. **Objectives of the subfund:**

This subfund mainly contains investments in the shares of European companies with a low or medium market capitalisation at European level and that do not belong to these markets' leading indexes, and any securities giving access to these companies' capital. The following companies are considered to be equivalent: companies resident in non-European countries that have a significant part of their assets, activities and profit or decision-making centers in Europe and which have the above criterion. The investment policy favours the selection of companies based on their specific qualities, not taking into account any particular rules with regard to geographic or sector distribution.

More precisely, the subfund invests at least two thirds of its total assets in shares of companies having their registered office in or having a large part of their business in Europe and which are not withheld in the MSCI Pan-Euro index.

The subfund may employ derivatives, if they meet the restrictions imposed by Belgian legislation and regulations, and hold liquidities in a secondary or temporary extent in the form of current accounts, deposits or securities. The subfund invests in open undertakings for collective investment for a maximum of 10% of its assets.

No formal guarantees have been granted either to the subfund or to its shareholders.

2.2. **Subfund investment policy:**

- * Authorised categories of assets: securities and money market instruments admitted on a regulated market, inside or outside the European Economic Area, newly issued securities, shares in undertakings for collective investment, which may or may not meet the conditions provided for by directive 85/611/CEE and may or may not be within a Member State of the European Economic Area, derivative instruments, including equivalent instruments giving rise to payment in cash, traded derivative instruments and other money market instruments and liquidities, as long as these securities and money market instruments are compatible with the subfund's objectives (see 2.1).
- * Authorised operations in derivative financial instruments: operations are executed by way of hedging (e.g. buying of puts or sale of calls on underlying positions held in the portfolio) or with a view to meeting the investment objectives (e.g. buying of calls or sale of puts on underlying positions not held in the portfolio). The effect of these operations has no real impact on the subfund's risk profile.
- * The subfund can invest in units of another UCITS or of another fund managed directly or indirectly by Petercam SA or by a company to which Petercam SA is linked in connection with pooled management or control or by a direct or indirect holding of more than 10% of the capital or votes. No commission for issuing or redeeming target funds, nor any management commission may be debited from the fund's assets in connection with such investments.

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2.3. The subfund's risk profile:

- * The value of a share may increase or decrease. This means that investors may get back less than they originally invested.
- * Description of the risks considered to be significant and relevant, as assessed by the subfund
- * Summarized table of the risks as evaluated by the subfund¹:

Risk Type	Risk definition	Nihil	Weak	Middle	High
<i>Market risk</i>	<i>risk of a decline in the market for a given category of assets that may affect the prices and value of the assets in the portfolio</i>	-	-	-	X
<i>Credit risk</i>	<i>risk of bankruptcy of an issuer or a counterparty</i>	X	-	-	-
<i>Settlement risk</i>	<i>risk that an operation will not be settled as anticipated within a given transfer system, owing to a failure to pay/deliver by a counterparty, or a payment or delivery that does not meet the original conditions</i>	-	X	-	-
<i>Liquidity risk</i>	<i>risk that a position cannot be liquidated at the appropriate time and at a reasonable price</i>	-	-	X	-
<i>Exchange risk</i>	<i>risk that the value of the investment will be affected by a variation in exchange rates</i>	-	X	-	-
<i>Concentration risk</i>	<i>risk connected with having a high concentration of investments in a given category of assets or on a given market</i>	-	-	X	-
<i>Performance risk</i>	<i>risk relating to performance</i>	(1)	-	-	-
<i>Capital risk</i>	<i>risk relating to capital</i>	-	(2)	-	-
<i>Inflation risk</i>	<i>risk that the value of the portfolio's assets may fall owing to inflation</i>	X	-	-	-
<i>Flexibility risk</i>	<i>lack of flexibility of the product itself and restrictions limiting the possibility of moving to other suppliers</i>	X	-	-	-

(1) Inapplicable as no performance fee is foreseen.

(2) The subfund does not benefit from a capital protection nor a capital guarantee.

2.4. Risk profile of the typical investor:

Dynamic

5 year investment horizon

¹ The drafting of this table follows the recommendations made by BEAMA, Belgian Association of Asset Managers of 30/09/05.

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3. Economic information:

3.1. Fees and expenses:

Non-recurring fees and expenses borne by the investor (in the subfund's currency or as a percentage of the net asset value per share)			
	Upon subscription	Upon redemption	Change of subfund
Marketing fee	3% maximum except for the classes "K" en "L" : maximum 2%	--	Potential difference between the marketing fee for the new subfund and that for the present subfund
Administrative expenses	--	--	--
Amount intended to cover the asset acquisition/liquidation expenses	--	--	--
Amount intended to discourage any redemption within the month that follows subscription	--	--	--
Tax on stock market operations	--	Capitalisation shares: 0.5% with a maximum of EUR 750	Cap. to Cap./Dis.: 0.5% with a maximum of EUR 750

Recurring fees and expenses borne by the subfund (in the subfund's currency or as a percentage of the net asset value per share)	
Remuneration for investment portfolio management	1.00% per year, drawn daily for the share classes « A » and « B » 0.50% per year, drawn daily, for the share classes « E » and « F »
Remuneration for administration	1.75% per year, drawn daily for the shares classes "K" and "L"
Remuneration of the financial service	Up to a net asset value of EUR 200 million: 0.05% per year, drawn daily; in excess of EUR 200 million: 0.01% per year, drawn daily
Remuneration of the custodian	EUR 3,000 per year
Remuneration of the auditor	Max. 0.045% per annum deducted monthly from the assets depending on their type, with the exception of 1/ assets in South Africa, Australia, Greece, Hungary, Hong Kong, Latvia, Poland, Singapore, Czech Republic and Turkey, on which a maximum of 0.16% per annum is deducted monthly depending on their type and 2/ assets in Argentina, Brazil, Bulgaria, Cyprus, Egypt, Estonia, Romania and Russia, on which a maximum of 0.51% per annum is deducted monthly depending on their type
Remuneration of directors	EUR 2,860 per year + VAT
Remuneration of individuals responsible for effective management	Max. of EUR 5,000/year per director not connected to the Petercam group, payable by PETERCAM B FUND and split equally between the subfunds
Annual tax	Max. of EUR 5,000/year per individual director in charge of actual management payable by PETERCAM B FUND and split equally between the subfunds
Other expenses (estimation)	0.08% of the net amounts invested in Belgium for the share classes « A », « B », «K" and "L" 0.01% for the share classes « E » and « F » 0.10% per year

3.2. Existence of fee-sharing agreements:

Fee-sharing agreements may exist between, on the one hand, the investment company or, if applicable, the distributor and the investment portfolio manager and, on the other hand, other distributors that may be named in the prospectus (see point Distributors and/or Information regarding the subfund - Distributors) and third parties, among others participants in undertakings of collective investment among others, but under no circumstance are such agreements exclusive. These agreements do not prevent the manager from freely carrying out his duties in the interests of the shareholders of the investment company. The management fee is distributed in line with market conditions and, notably, in line with the extent of their investments.

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4. Information regarding shares and their trading:

4.1. Types of shares offered to the public: registered, bearer or dematerialized shares.

4.2 Share classes :

Category « A » : distribution shares . This category contains following share classes :

- Class « A » : distribution shares offered to the public ;
- Class « E » : distribution shares offered to institutional and professional investors
- Class « K » distribution shares offered to the public with a marketing fee and a management fee other than those of class “A” and with a minimum initial subscription amount.

Category « B » : capitalisation shares. This category contains following share classes :

- Class « B » : capitalisation shares offered to the public ;
- Class « F » : capitalisation shares offered to institutional and professional investors.
- Class « L » : capitalisation shares offered to the public with a marketing fee and a management fee other than those of class “B” and with a minimum initial subscription amount.

ISIN Code

Class « A » : BE0058183808

Class « B » : BE0058185829

Class « E » : BE0948495297

Class « F » : BE0948494282

Class « K » : BE0948993424

Class « L » : BE0948994430

At the initial subscription/conversion of share classes E or F, the investor has to invest at least for a sum of € 25,000 per subfund, calculated on a basis of the Net Asset Value on Day D-1.

At the initial subscription/conversion of shares of classes K or L, the investor/intermediary must submit a request for a minimum amount of EUR 10,000 per subfund to the financial service, calculated on a basis of the net asset value of day D-1.

The financial service has taken various measures to verify permanently if the persons that have subscribed on shares of a share class that benefit, on one or various points, from a favorable regime or that have obtained such shares, comply with the foreseen criteria.

4.3. Currency in which the net asset value is calculated: EUR

4.4. Distribution of dividends: in principal, a dividend will be paid to the owners of distribution shares after decision of the ordinary general meeting. The shareholders will be informed of the payment and of the amount of the dividend by a notice in the press.

4.5. Initial subscription date: 7 December 1997

4.6. Initial subscription price: EUR 123.98. On 16/12/2001, the shares were divided in three.

4.7. Calculation of the net asset value: The net asset value is calculated on each working day (see point Procedure for subscribing to shares, redeeming shares and changing subfund).

4.8. Publication of the net asset value: At the date of publication of the present prospectus, the net asset value per share is published every day in following newspapers and on following sites for the following countries :

Belgium : www.petercam.be and www.beama.be

The Netherlands : De Telegraaf

Switzerland : www.fundinfo.com

France : www.boursorama.com

Spain : www.petercam.be

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This information is also available at the counters of the organisation providing the financial service.

4.9. Procedure for subscribing to shares, redeeming shares and changing subfund:

Each day that it accepts share subscription and redemption requests and on the closing of the financial year on the last day of the calendar year, the company closes its accounts and makes an inventory of its assets and liabilities, in order to determine the net asset value of each of the subfunds, according to which the share price is set.

* D = date of the order acceptance deadline (4:00 pm every day that the financial service is open) and date of the published net asset value. Requests legitimately made and accepted before 4:00 pm take effect on the next working day, at the price determined according to the net asset value established on this day based on the latest known or estimated prices of the day of the closing of reception of the requests. Saturday is not considered to be a working day. The prices used on this day cannot be known for more than 80% of the assets' value at the acceptance deadline. Otherwise, the prices for the next trading day are used. Requests received after 4:00 pm on a working day are deemed to have been made on the next business day before 4:00 pm.

The order acceptance deadline given here is only valid for the finance department and distributors referred to in the prospectus. For other distributors, the investor must contact them to find out the deadline for order acceptance.

* D + 1 = date when the subscription and redemption requests made on day D are executed and date of the calculation of the net asset value based on the prices for the day preceding D + 1 business day, as long as at least 80% of the net assets are valued at prices that are unknown at the order acceptance deadline on day D.

* D + 3 = date of payment or redemption for requests

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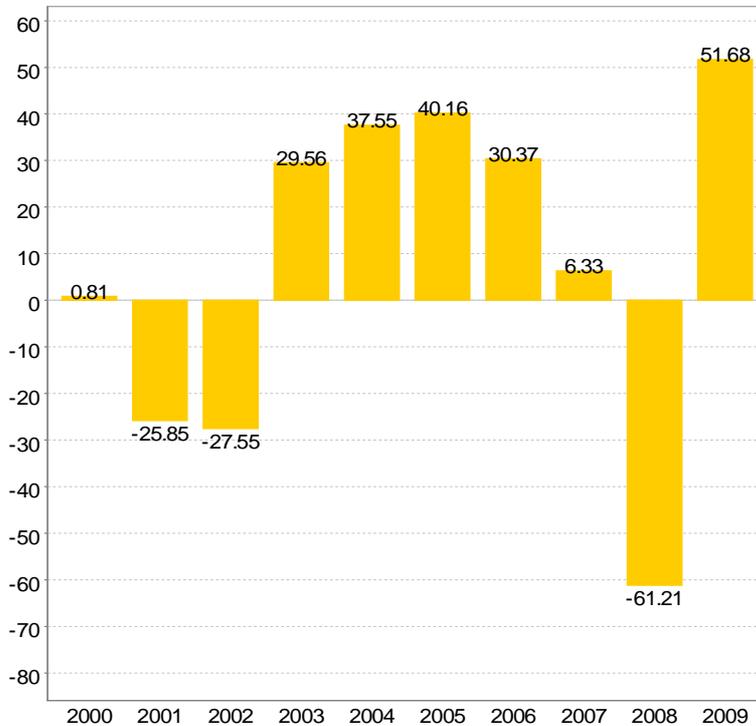
Annex: information revisable annually for the period 01/01/2009 to 31/12/2009

1. Synthetic risk indicator: 5 on a scale of 0 (lowest risk) to 6 (highest risk)

2. Past performance by share class:

* These figures represent past performance and are not indicative of future performance. These figures do not account for any restructuring operations.

* Performance chart (expressed in %)



* Table of past performances:

	Since xx/xx/xx	Average accumulated performance on			
		1 year	3 years	5 years	10 years
PETERCAM EQUITIES EUROPEAN SMALL & MIDCAPS					
Share Cap (B)	07/12/1997: 6.97%	51.68%	-14.46%	2.71%	0.99%
Share Dis (A)	07/12/1997 : 6.97%	51.65%	-14.48%	2.70%	0.99%
Share Cap (F)	08/12/2008 : 49.19%	52.51%	N/A	N/A	N/A
Share Dis (E)	08/12/2008 : 49.57%	52.54%	N/A	N/A	N/A

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3. Total expense ratio (TER):

	Fees	
	Total operating cost per share class (transaction fees and the financial charges are not included)	Total expense ratio (on an annual basis)
Unit	EUR	TER
Share Cap (B)	452 529.03	1.26
Share Cap (F)	63 615.40	0.68
Share Dis (A)	227 331.19	1.25
Share Dis (E)	139 836.65	0.66

* The following charges are not included in the TER: the transaction and delivery fees inherent to the investments and the financial charges

4. Turnover rates:

- * Portfolio turnover rate: 34,63%
- * Adjusted portfolio turnover rate: 40,63%