

Sub-fund of Petercam B Fund, sicav under Belgian law, launched in December 1999

Last update: 30/06/2008

## Investment policy

Equities real estate, Europe

## Investment strategy

Petercam Real Estate Europe invests in shares of real estate companies listed on a European stock exchange. The sub-fund seeks companies whose management ensures profit growth by dynamic management of its investments. The sub-fund pursues a balanced geographical composition of its portfolio. Its benchmark is the Petercam European Property Shares (PEPS), an index compiled by the firm Global Property Research.

## Investment profile

Risk (Scale of CBFA)

0	1	2	3	4	5	6
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Investment horizon

1 year	3 years	5 years	7 years
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## Fund facts

Sub-fund size: 107.8 m EUR

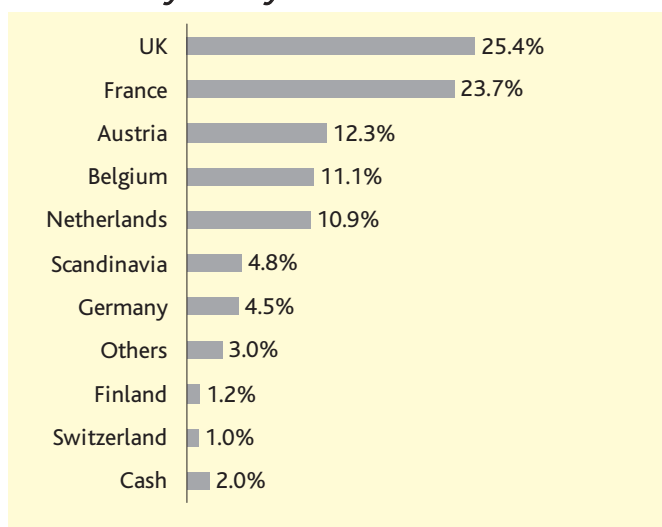
Net asset value

Accumulation share: 234.49 EUR

Income share: 222.91 EUR

Last gross dividend (28/03/08): 13.40 EUR

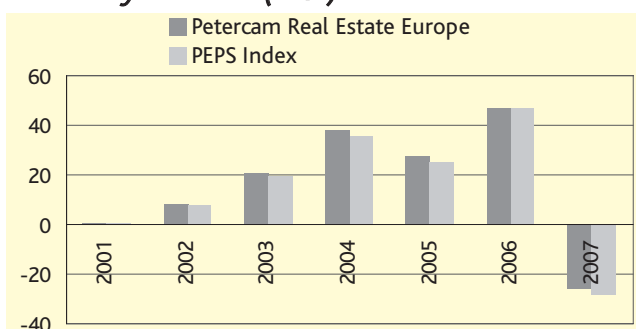
## Breakdown by country



## Top 10 holdings

Holding	Country	%
Unibail - Rodamco	France	8.6
Land Securities Group	United Kingdom	7.7
British Land	United Kingdom	4.9
Immofinanz Im.	Austria	3.7
Klépierre	France	3.5
Immoeast Immobilien	Austria	3.4
Hammerson	United Kingdom	3.2
Corio	Netherlands	3.1
Cofinimmo	Belgium	2.7
Wereldhave	Netherlands	2.6

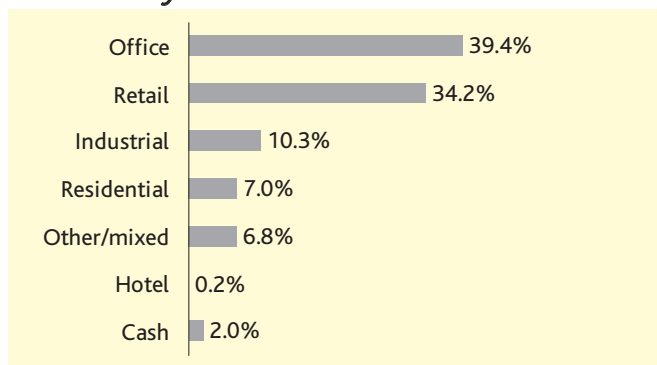
## Calendar year return (in %)



## Annualized return (in %)

	1 year	3 years	5 years	10 years	Begin
Pet. R.E. Europe	-35.6	-1.1	12.7	-	10.5
PEPS Index	-35.2	-2.1	11.2	-	9.6

## Breakdown by sector



## Manager's comments

The net asset value of the accumulation shares declined from 273.01 to 234.49 EUR in the second quarter against a 15% loss of the PEPS Index. Unlike the first quarter, real estate performed considerably worse than the European exchanges in general, more specifically due to the strong increase in long-term rates and their negative impact on the cash flows of the real estate companies. During this quarter, the fund manager has gradually reduced the weight of heavily indebted companies (IVG, Deutsche Wohnen and Norwegian Property) which more specifically made it possible to reduce the performance gap in comparison to the PEPS Index. In June, he increased the weight of United Kingdom to neutral considering that the share prices are already discounting a lot of bad news.

During the coming months, the fund manager will continue to favour companies with excellent financial health and a low degree of indebtedness, companies that can benefit from inflation through a system of indexed rents (long term leases) and also well-financed in the long run, companies that offer attractive and sustainable dividend yields (6% and over) as well as oversold shares/markets which are therefore strongly undervalued. The portfolio manager could continue to increase the weight of United Kingdom.