

Sub-fund of Petercam L Fund, sicav under Luxembourg law, launched in March 1988

Last update: 30/06/2008

Investment policy

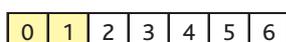
Fixed-income securities in euro with an investment grade rating

Investment strategy

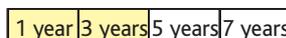
Petercam L Bonds EUR Quality is an actively managed sub-fund investing in non-government bonds of high quality (investment grade) denominated in euro. The sub-fund spreads its portfolio across a large number of issuers from several sectors. Based on macroeconomic studies, credit and yield curve analyses, the sub-fund aims to outperform the Iboxx Euro Corporate index.

Investment profile

Risk (Scale of CBFA)



Investment horizon



Fund facts

Sub-fund size: 1014.4 m EUR

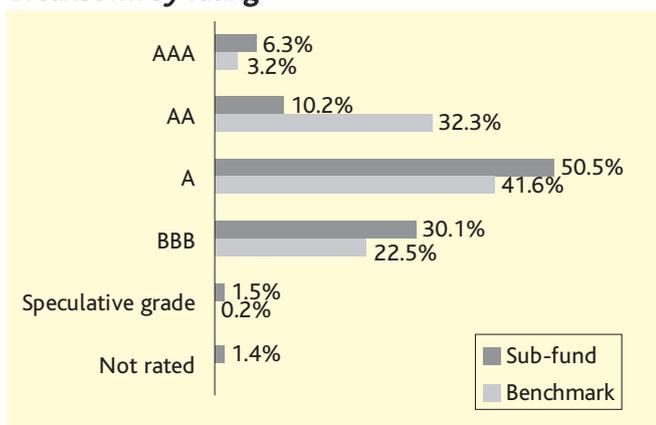
Net asset value

Accumulation share: 449.33 EUR

Income share: 152.62 EUR

Last gross dividend (20/12/07) : 6.70 EUR

Breakdown by rating

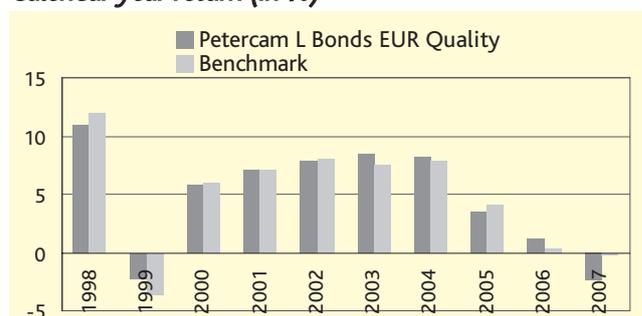


Characteristics of the portfolio

	Sub-fund	Benchmark
Average maturity (in years)	5.87	5.60
Duration (in years)	4.02	4.65
Modified duration (in %)	3.79	4.37
Yield to maturity (in %) (1)	6.94	6.70
Average rating	A-	A

(1) of the bonds in the portfolio

Calendar year return (in %)

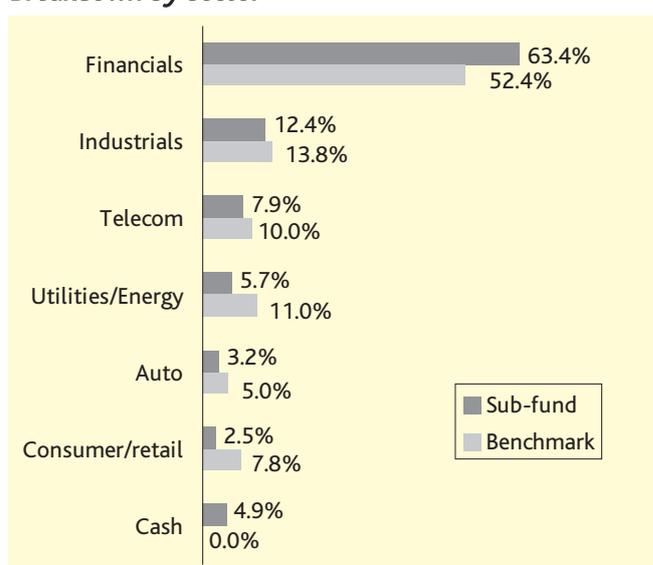


Annualized return (in %)

	1 year	3 years	5 years	10 years	Begin
Pet. L B. Qual.	-5.5	-1.6	1.6	3.9	6.5
Benchmark *	-1.2	-0.4	2.3	4.2	6.7

* till 12/99 : JPM Belg.Govt.Bds, since 2000 : Iboxx Euro Corporate

Breakdown by sector



Manager's comments

In the second quarter, the net asset value of the accumulation shares slightly declined, more precisely from EUR 450.37 to 449.33 compared to a loss of 1.1% for the Iboxx Euro Corporate Bond index. Petercam L Bonds EUR Quality outperformed its benchmark in April and May. During these months, market conditions for corporate bonds improved: the forced selling ended and the spreads on corporate bonds narrowed. This movement was most significant for subordinated financials bonds, which were still heavily represented in the portfolio. In June however, the distrusts toward the banking sector increased again and consequently the fund underperformed its benchmark. The portfolio composition did not change significantly. The fund manager participated in a few issues on the primary market, for instance Tier One bonds issued by KBC and ING offering attractive yields and an issue of Telefonica. Consequently, the duration of the fund slightly increased.

The fund manager does not plan drastic changes in the coming months. He will continue to overweight subordinated financial bonds given the attractive yield they offer. However, he does not intend to increase their weighting since they are already significantly overweight compared to the benchmark.