

PARVEST CONVERTIBLE BOND EUROPE SMALL CAP

A sub-fund of PARVEST, a Société d'Investissement à Capital Variable
(Investment Company with Variable Capital)

Simplified Prospectus September 2010

This simplified prospectus contains only general information on PARVEST (the "Sicav") and the sub-fund. For more detailed information, please ask for the latest full prospectus and annual and semi-annual reports, which are available at any time, free of charge, from PARVEST's registered office or at www.bnpparibas-ip.com.

Any reference made in this document to appendices or sections should be understood to refer to the full prospectus.

MANAGEMENT AND REFERENCE CURRENCY

Manager	BNP Paribas Asset Management, Paris, France
Reference currency	EUR

INVESTMENT POLICY AND RISKS

Investment objective: To increase the value of its assets over the medium term.

Investment policy: The sub-fund invests at least two-thirds of its assets in convertible bonds or securities treated as equivalent to convertible bonds issued as part of an initial issue that does not exceed EUR 300 million by companies that have their registered office in, and/or conduct a significant proportion of their business in, Europe, and also in derivatives on this type of asset.

The remainder, namely one-third of its assets maximum, may be invested in any other transferable securities, money market instruments, derivatives and/or cash, and also, within a limit of 10% of the assets, in UCITS or UCIs.

The provisions of the investment policy as described above may be departed from during a two-month period prior to the liquidation or merger of the sub-fund.

Sub-fund risk profile: Potential investors are asked to carefully read the prospectus in full before making any investment.

There can be no assurance that the Sicav's sub-funds will achieve their investment objectives, and past performance is no guarantee of future results. Investments may also be affected by changes to the rules and regulations governing exchange controls or taxation, including withholding tax, or by changes to economic and monetary policies.

Lastly, investors are informed that the sub-funds may not achieve their performance objectives and that they may not recover the full amount of capital invested (minus subscription fees paid).

The specific risks to which this sub-fund may be exposed are listed below.

Risks associated with equity markets: The risks associated with investments in equities (and similar instruments) include significant fluctuations in prices, negative information on the issuer or the market, and the subordinate nature of equities to any bonds issued by the same company. Short-term fluctuations may also be extreme. The risk that the performance of one or more companies declines or stagnates may have a negative impact on the performance of the portfolio as a whole at any given time.

There is no guarantee that values will appreciate. The value of assets and the amount of income generated by them may fall instead of rising, and investors may not get back the amount they initially invested.

There is no guarantee that the investment objective will be achieved.

Some sub-funds may invest in companies making an initial public offering. In such cases there is a risk that the price of the newly floated share is particularly volatile due to factors such as the absence of previous trading, unseasonal transactions, the limited number of securities available for trading and a lack of information on the issuer. A sub-fund may hold this type of asset for a very short time, which will increase the costs.

Sub-funds investing in growth stocks may be more volatile than the market generally, and may react differently to economic, political or market developments and changes affecting the issuer. Traditionally, growth stocks are more volatile than other securities, especially over very short periods. They may also have a higher price-to-earnings ratio than other types of equities. This means growth stocks may react more violently to variations in earnings growth.

The objective of some sub-funds may be to amplify market movements, which results in a higher than average volatility.

The manager may temporarily take a more defensive approach if it considers that the market or the economy of the country in which the sub-fund invests is overly volatile or is experiencing a general and persistent decline, or in any other detrimental circumstances. In such cases, the sub-fund may be unable to achieve its investment objective.

Interest rate risk: The value of investments may be affected by fluctuations in interest rates, which may be influenced by a number of factors or events, such as monetary policies, discount rates, inflation, etc. Investors should be aware that when interest rates rise the value of investments in bonds and debt securities will fall.

Credit risk: This is the risk that the credit rating of an issuer of bonds to which a sub-fund is exposed may be downgraded, thus causing the value of the investments to fall. This risk is linked to the issuer's ability to settle its debts.

If the rating of an issue or issuer is downgraded this may cause the value of the related debt securities in which the sub-fund has invested to fall. Certain strategies may involve investing in bonds issued by issuers with a high credit risk (high-yield securities). Investing in sub-funds that invest in high-yield bonds presents a higher than average risk due to greater currency fluctuations or the quality of the issuer.

Counterparty risk: This risk relates to the quality of the counterparty with whom the management company does business, in particular for the settlement/delivery of financial instruments or the conclusion of financial forward contracts. The risk reflects the counterparty's ability to honour its commitments (payment, delivery, repayment, etc.).

Liquidity risk: There is a risk that sub-funds' assets become illiquid because the market in them is particularly thin (often evidenced by a very broad bid-ask spread or substantial changes in price), or if their rating is downgraded or if the economic situation deteriorates. As a result, it may not be possible to sell or buy these assets quickly enough to prevent or minimise a loss.

Currency risk: The sub-fund holds assets denominated in currencies other than its reference currency. It may be affected by changes in rates of exchange between the reference currency and these other currencies or by changes to exchange control regulations. If the currency in which a security is denominated appreciates against the sub-fund's reference currency, the security's equivalent value in the reference currency will also appreciate. Conversely, a depreciation in the currency will result in a fall in the security's equivalent value in the reference currency.

There can be no assurance that transactions executed by the manager to hedge against currency risks will be 100% successful.

Risk associated with derivatives: The sub-fund may use derivative instruments and techniques under the conditions described in Appendices I and II to the Prospectus (particularly warrants on securities, securities, interest rate, currency, inflation and volatility swaps and other derivatives, contracts for difference (CFD), credit default swaps (CDS), EMTN, futures contracts, or securities, interest rate or futures options, etc.), for the purpose of hedging (hedging strategies) and/or to optimise return on the portfolio (trading strategies).

Investors are informed that the use of derivatives for trading involves leverage. This increases the volatility of a sub-fund's performance.

Risk associated with inflation: Returns on short-term investments may not match the rate of inflation, thus resulting in a reduction in the investor's purchasing power.

Tax-related risks: The value of an investment may be affected by differences in applicable taxes between countries, such as withholding tax, or by changes in the country's government, economic policy or monetary policy. This means that no guarantee can be given that the investment objectives will be achieved.

Risks associated with emerging markets and small market capitalisations: Sub-funds that invest in emerging markets, small market capitalisations or specialist or small sectors may experience higher than average volatility, due to the high degree of concentration, increased uncertainty because of the poorer quality of the available information, reduced liquidity or greater sensitivity to changes in market conditions (social, political and economic conditions). Moreover, some emerging markets offer less security than most of the world's developed markets. For this reason, services provided in connection with transactions, settlement or custody on behalf of funds investing in emerging markets may entail a higher risk. The Company and the investors accept these risks.

Investments on the Russian market are made via the Russian Trading System Stock Exchange, or "RTS Stock Exchange", which brings together a large number of Russian issuers and permits an almost comprehensive cover of the Russian equities markets. The choice of the RTS Stock Exchange allows investors to benefit from the liquidity of the Russian market without having to trade in the local currency, as this exchange allows investors to trade in all issues directly in USD.

Smaller companies may not be able to raise the additional capital required for growth and development, may lack management vision or may develop products for new and untested markets.

Some of these markets are not currently considered to be regulated markets and direct investments on these markets (other than ADR and GDR), combined with investments in unlisted securities, are limited to 10% of the net assets.

Investor profile: Shares in any PARVEST sub-fund are available to both retail investors and institutional investors. Institutional investors are eligible for a special share category when their investments exceed a predetermined threshold.

ACTIVE SHARE CATEGORIES

Share category	Capitalisation class	Distribution class	Available to
Classic	Yes	Yes	Individuals and corporate entities
I	Yes	No	Institutional clients and UCIs
Privilege	Yes	No	Individuals and corporate entities
N	Yes	No	Individuals and corporate entities

The terms used above are defined as follows:

- "Institutional clients": means corporate entities that have been specifically authorised by the Sicav, subscribing i) for their own account or ii) on behalf of individuals within the framework of a collective savings scheme or any comparable scheme.
- "UCIs": means UCIs that have been specifically authorised by the Sicav.

PERFORMANCE

Performance figures are calculated over an entire calendar year for sub-funds that have existed for one whole year or more, and are stated net of costs. Performance figures do not include commissions, fees and costs received in connection with the issue or redemption of shares. The Sicav's investments are subject to market fluctuations, which means that investors may not recover the full amount initially invested. Past performance is no guarantee of future results.

Category	Performance at 31/12 (net of costs)			
	2006	2007	2008	2009
Classic	-	1.41%	-26.35%	39.11%
I	-	1.85%	-25.95%	39.87%
Privilege	-	1.85%	-25.74%	40.00%
N	-	0.91%	-26.72%	38.38%

Performance figures are shown for capitalisation share classes or, if there are no capitalisation shares, for distribution share classes.

MINIMUM INVESTMENTS

Share category	Minimum initial subscription and holding requirement	Minimum subsequent subscription
Classic	None	None
I	EUR 3 million per sub-fund or EUR 10 million in total No minimum subscription/holding requirement when the investor is an UCI	None (subject to compliance with the minimum holding requirement)
Privilege	EUR 1 million per sub-fund	None (subject to compliance with the minimum holding requirement)
N	None	None

FEES AND COSTS

Subscription, redemption and conversion fees/costs: These are the fees payable by investors for such transactions. Conversion fees are charged, as applicable, in addition to any applicable entrance or exit fees.

Fees payable to the sub-fund	Classic	I	Privilege	N
Entrance fee	None	None	None	None
Maximum exit fee for the redemption/conversion of more than 10% of the sub-fund's assets on any given Valuation Day	1%	1%	1%	1%
Maximum exit fee for all other transactions	None	None	None	None
Fees payable to the distributors	Classic	I	Privilege	N
Maximum subscription fee	5%	5%	5%	None
Maximum redemption fee	None	None	None	5%
Maximum conversion fee between sub-funds or between authorised categories within this sub-fund	i) 2% or ii) the difference between the maximum subscription fee and the rate applied for the initial subscription			

Annual fees and costs (Total Expense Ratio, or TER): These fees and costs are proportional to the average net assets in a given financial year and are expressed as a percentage of those assets.

Share category	Maximum management fee ¹	Performance fee	Maximum distribution fee ²	Other costs ³	TER, financial year 2009-2010
Classic	1.20%	No	No	0.30%	1.10%
I	0.60%	No	No	0.20%	0.54%
Privilege	0.70%	No	No	0.30%	0.79%
N	1.20%	No	0.60%	0.30%	1.62%

¹ Calculated on the basis of the average net assets of each share category over the past month. This fee includes the fees paid to the managers and sub-managers.

² Paid to the distributors, and calculated every day on the basis of the daily NAVs.

³ Intended to cover all costs incurred for the custody of assets (Custodian's fees) and their daily administrative management (calculation of NAVs, registrar duties, domiciliation, etc.), with the exception of brokerage fees, trading fees unrelated to custody of assets, interest and bank charges, extraordinary expenditure, the registration tax levied in Luxembourg and any other taxes for which the Sicav may be liable.

TRANSACTION POLICY

Net asset value: For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding net asset value which is dated that Valuation Day and calculated and published the next bank business day following that Valuation Day (the "NAV Calculation Day").

Subscription, redemption and conversion orders will be processed at an unknown net asset value according to the rules set out below. Only Luxembourg bank business days are counted as days, and the time is Luxembourg time.

Centralisation of orders ¹	NAV date for execution of orders	NAV calculation and publication date	Payment date	Currency of NAV listing and of subscription/redemption payments
3 p.m. on the Valuation Day	Valuation Day (D)	Day after the Valuation Day (D+1)	Maximum four bank business days after the Valuation Day (D+4)	EUR and USD

¹ Orders for conversions to or from sub-funds for which the centralisation deadline is set at 3 p.m. on the day before the Valuation Day must be received before 3 p.m. on the day before the Valuation Day.

Sub-fund shares may be subscribed or redeemed at the net asset value of the applicable Valuation Day. The net asset value applicable to subscriptions may be increased by an entrance fee and/or a subscription or distribution fee. The net asset value applicable to redemptions may be reduced by a redemption fee paid to the Distributor and/or an exit fee paid to the Sicav.

The categories and classes of shares that may be subscribed via a personal savings plan are specified in the prospectus and/or addenda to the prospectus and/or the subscription forms applicable in the countries in which marketing of the Sicav's shares is authorised. The fees and costs charged in the case of a personal savings plan cannot, under any circumstances, amount to more than one-third of the amount invested during the first year of the personal savings plan.

Investors are specifically advised to check the costs and other charges that they may be charged by any paying agent located in a jurisdiction in which the shares are offered who carries out a subscription or redemption transaction for them.

All net asset values are available from the Sicav's registered office, the Management Company, banks acting as paying agents and at www.bnpparibas-ip.com.

Conversion of shares into shares of other sub-funds: The terms and conditions applying to subscriptions and redemptions also apply to conversions of shares. A conversion can be analysed as a simultaneous redemption and subscription of shares. Consequently, such a transaction may only be executed on the first Valuation Day common to both of the sub-funds involved in the conversion. Conversions of shares are only possible if the restrictions applicable to the new category/class (minimum investment amount, eligible investors, etc.) are complied with.

TAX STATUS

Under current laws and regulations, the Sicav is liable for annual registration tax. At the date of this prospectus, this tax is levied at the rate of 0.05%, except for the PARVEST Short Term CHF, PARVEST Short Term USD, PARVEST Short Term Euro and PARVEST Short Term GBP sub-funds, the X category and those categories that are only available to institutional clients and UCIs (as stipulated in section IV.1.A), which pay a rate of 0.01%. This tax is payable quarterly and calculated on the basis of the value of the Sicav's net assets at the end of the relevant quarter.

Income earned by the Sicav may be liable for withholding tax in the country of origin and is therefore collected by the Sicav after deduction of such tax, which is neither deductible nor recoverable.

Since 1 July 2005, withholding tax is levied on savings income received in the form of interest payments from a paying agent in Luxembourg by effective beneficiaries who are individuals and whose place of residence for tax purposes is a different EU Member State, as provided in the Luxembourg law of 21 June 2005 transposing European Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments into Luxembourg law. In Luxembourg, withholding tax will be levied on such income at the following rates: 15% until 30 June 2008, 20% until 30 June 2011 and 35% from 1 July 2011.

Subscribers must file their own tax returns in their country of tax residence, as applicable.

GENERAL INFORMATION

Legal form

Sub-fund of PARVEST. **PARVEST** is a Luxembourg investment company with variable capital (*société d'investissement à capital variable*) with multiple sub-funds, created by the BNP Paribas group. The Sicav has been authorised pursuant to the Luxembourg law of 20 December 2002 on undertakings for collective investment. The Sicav was incorporated in Luxembourg on 27 March 1990 for an unspecified duration.

Financial year

The financial year starts on 1 March and ends on the last day of February of each calendar year.

Registered office

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