

Sub-fund of Petercam B Fund, sicav under Belgian law, launched in December 1997

Last update: 30/06/2008

### Investment policy

Equities with a small or medium-sized market capitalisation, that do not belong to the most important exchange indices, Europe

### Investment strategy

Petercam Equities European Small & Midcaps is a very actively managed sub-fund investing in shares of European companies with a small or medium sized market capitalisation that do not belong to the most important exchange indices. We base our share selection on their current specific qualities and we are not bound to an explicit geographic or sector breakdown.

### Investment profile

Risk (Scale of CBFA)	0	1	2	3	4	5	6
Investment horizon	1 year	3 years	5 years	7 years			

### Fund facts

Sub-fund size:	159.1 m EUR
Net asset value	
Accumulation share:	124.68 EUR
Income share:	114.17 EUR
Last gross dividend (28/03/08):	2.40 EUR

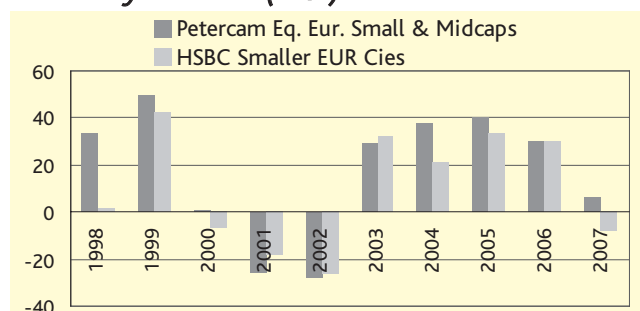
### Breakdown by sector

Industrials	33.5%
Energy	14.5%
Cons. n-cycl.	10.4%
Technology	9.7%
Cons. cycl.	7.5%
Pharma	7.4%
Materials	7.3%
Utilities	3.9%
Financials	1.7%
Telecom	0.7%
Cash	3.4%

### Top 10 holdings

Holding	Sector	%
Alapis	Consumer non-cycl.	3.5
Metka	Capital goods	3.2
Outotec	Capital goods	2.8
Unit 4 Agresso	Technology	2.7
Nexans	Capital goods	2.7
Greentech Energy	Utilities	2.5
Fugro	Energy	2.5
Andritz	Capital goods	2.3
Sbm Offshore	Energy	2.3
Sarantis	Consumer non-cycl.	2.1

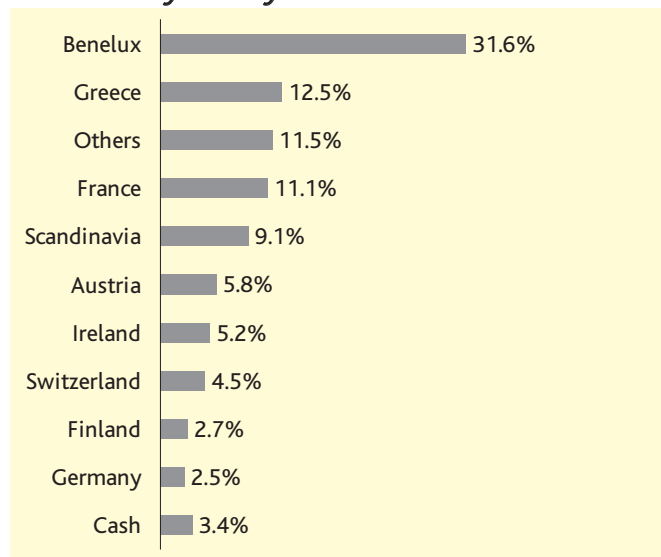
### Calendar year return (in %)



### Annualized return (in %)

	1 year	3 years	5 years	10 years	Begin
Pet. Eur. S.&M.	-31.1	8.4	20.8	7.2	11.0
HSBC Smaller Eur.	-33.1	3.4	13.3	2.9	5.0

### Breakdown by country



### Manager's comments

In the second quarter, the net asset value of the accumulation shares declined from EUR 131.17 to 124.68 compared to a loss of 6.4% for the HSBC Smaller European Companies index.

The fund outperformed the index thanks to the strong performance of companies active in or related to infrastructure, mining and energy, for instance Outotec (mining equipment), Ocean Rig (takeover bid on this oil rig company), Entrepote Contracting (pipeline design and construction), Andritz (hydro power equipment and equipment for pulp and paper industry) and Fugro (oil services). Other companies that performed well were Temenos (banking software), C-Quadrat (fund management company), Neochimiki (received a takeover bid) and Grontmij (engineering). The fund suffered from a fraud case in Greencore. Alapis (outflows out of the Greek market), Turkish Turcas and Dogus Automotive (political turmoil in Turkey) also had a negative impact on the fund's performance.

In the coming months, the fund manager stays focused on companies with higher than average visibility of order books, price setting capabilities and an ability to preserve profit margins.