

## Press release

Paris, September 23rd, 2008

### **SGAM AI launches “SGAM ETF T-Rex” on Euronext Paris, the first ETF worldwide aiming to replicate the performance of hedge funds**

SGAM Alternative Investments (SGAM AI) announced today the launch of the first ETF worldwide aiming to replicate the performance and risk profile of the global hedge fund universe, **SGAM ETF T-Rex (Total Return Exposure)**, on NYSE Euronext’s Paris market.

Based on the concept of *Alternative Beta*<sup>\*</sup>, SGAM ETF T-Rex aims to replicate synthetically the performance of the Hedge Funds Research Index (HFRI). The portfolio invests in the main asset classes (equities, bonds, currencies) and is managed dynamically using liquid financial instruments such as futures.

The allocation process of the SGAM ETF T-Rex portfolio is based on a quantitative model, created by SGAM AI’s Structured Asset Management team. The model automatically calculates the allocation which optimizes the correlation to the index, composed of over 2000 hedge funds tracked in the HFR database. In order to maintain this high degree of correlation, positions are reviewed every month.

This approach is intended to deliver the performance of a diversified investment in the hedge fund universe. It can be considered as a way to obtain exposure to this asset class or as a liquid and transparent complement to a standard hedge fund allocation.

SGAM ETF T-Rex gives investors access to a financial product with a risk/return profile close to the hedge fund universe, with no minimum subscription, real-time liquidity and total transparency.

The SGAM AI T-Rex strategy was also launched in a mutual fund format in August 2007 and has largely proven the effectiveness of the concept and the strength of the quantitative model. The launch of the strategy in an ETF format offers investors the choice between the subscription/redemption channel of a traditional fund and the flexibility of a real-time stock market negotiation via the ETF.

*\*Alternative Beta: replication of estimated hedge fund allocations in traditional asset classes. Academic studies show that hedge fund investments can on the whole be broken down into long/buy positions and short/sell positions in traditional asset classes. Applying this approach, it is possible to build a portfolio of dynamic strategies designed to replicate the overall allocations in the hedge funds industry, and thus attempt to replicate performances by taking up equivalent positions in these asset classes.*

The allocations per asset class of the SGAM ETF T-Rex portfolio are revised on a monthly basis and published on [www.sgamef.com](http://www.sgamef.com).

Fund name	Fund management company	Market Maker	ISIN code	Reuters	Bloomberg
SGAM ETF T-Rex	SGAM Index	Susquehanna International Securities Ltd	FR0010631374	TRX.PA	TRX FP

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ETFs (Exchanged Traded Funds) are real-time listed funds. They are as easy to trade as shares, the portfolio composition is known at all times and their net asset value is calculated and communicated continuously throughout the day. The flexibility, transparency and low cost of ETFs make them an attractive product, with a phenomenal growth rate worldwide.

With the introduction of SGAM ETF T-Rex, NextTrack, Euronext's segment dedicated to ETFs, today counts over 340 listed products and more than 220 underlying products, confirming its position as a leader in the sector.

SGAM AI launched its first structured ETFs in October 2005. The SGAM ETF range is the first to offer a complete range of structured ETFs that can adapt to the market environment whilst meeting investors' needs according to their different risk profiles.

Unlike first generation ETFs, active ETFs in the SGAM ETF range do not merely replicate the performance of their benchmark, but combine the benefits of structured asset management with the transparency of continuously quoted ETFs, by providing:

- leveraged exposure to the index ("Leveraged" range),
- capital protection, using the "portfolio insurance" technique ("Flexible" range),
- a reverse exposure to the index ("Bear" and "XBear" range).
- access to alternative investment classes.

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*This product is not sponsored, endorsed, sold or promoted by HFR, any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any HFR Fund Weighted Composite Index (HFRI).*

### **Société Générale**

Société Générale is one of the largest financial services groups in the euro-zone. The Group employs 151,000 people worldwide in three key businesses:

- Retail Banking & Financial Services: Société Générale serves more than 30 million individual customers worldwide.
- Global Investment Management & Services: Société Générale is one of the largest banks in the euro-zone in terms of assets under custody (EUR 2 733 billion, June 2008) and under management (EUR 381.4 billion, June 2008).
- Corporate & Investment Banking: Société Générale ranks among the leading banks worldwide in euro capital markets, derivatives and structured finance.

Société Générale is included in 3 socially-responsible investment indexes: FTSE, ASPI and Ethibel.

[www.socgen.com](http://www.socgen.com)

**Société Générale Asset Management** is one of the world's leading asset managers with €309bn of assets under management as at June 30, 2008.

A subsidiary of the Société Générale Group, SGAM is a global player with a balanced and robust business model based on:

- its multi-center structure: more than 3,000 employees, including more than 750 managers and analysts, are located at the heart of the markets in Europe, in the United States and in Asia;
- a business that covers all asset classes: equities, fixed income, balanced, and alternative investment where SGAM is among the leaders with €50bn in assets under management;
- access to all types of investors: institutions, distributors, corporates and individuals, all of whom benefit from SGAM's leading edge expertise and a local service.

Thanks to cross-selling, a focus on quality and constant innovation, SGAM has developed value-added management solutions tailored to clients' specific needs and which optimize performance and risk control.

SGAM is rated M2 by Fitch Ratings, thus retaining since 2000 the top rating awarded to an asset management company for the whole of its international structure. For investors, this rating is a guarantee of the professionalism of SGAM's teams and the quality of its international organization.

[www.sgam.com](http://www.sgam.com)

**SGAM Alternative Investments** (SGAM AI) is a wholly-owned subsidiary of Societe Generale Asset Management.

SGAM Alternative Investments has developed successfully by combining active asset management processes with a capital market culture that mixes innovation and risk management. With €35.6bn in assets under management as at 30<sup>th</sup> June 2008, 387 employees worldwide and the strategic and financial backing of Société Générale Group, SGAM Alternative Investments has become one of the leading global specialists in alternative investments. SGAM Group as a whole (SGAM AI, TCW and BAREP) manages €50bn in alternative investments assets as at 30<sup>th</sup> June 2008.

Based in Paris, London, Tokyo and Hong Kong, **SGAM AI Structured Asset Management Group** manages €25.7bn as at 30<sup>th</sup> June 2008, with 138 professionals, through guaranteed structured products, structured credit products, index funds and ETFs.

[www.sgam-ai.com](http://www.sgam-ai.com)

**SGAM Index SA** is a wholly owned Société Générale Asset Management subsidiary created to gather under a single structure several management types: passive management, differentiated index management, structured ETFs and alternative beta products. The funds managed by SGAM Index SA are commercialised by SGAM Alternative Investments.

### **About NYSE Euronext**

NYSE Euronext (NYX) operates the world's leading and most liquid exchange group, and seeks to provide the highest levels of quality, customer choice and innovation. Its family of exchanges, located in six countries, includes the New York Stock Exchange, the world's largest cash equities market; Euronext, the Eurozone's largest cash equities market; Liffe, Europe's leading derivatives exchange by value of trading; and NYSE Arca Options, one of the fastest growing U.S. options trading platforms. NYSE Euronext offers a diverse array of financial products and services for issuers, investors and financial institutions in cash equities, options and derivatives, ETFs, bonds, market data, and commercial technology solutions. As the world's largest exchange group by number of listings and market capitalization, NYSE Euronext is home to over 6,400 listed issues representing a combined \$26.7 / 17.1€ trillion (as of June 30, 2008) in total global market capitalization, approximately four times that of any other exchange group.

NYSE Euronext's equity exchanges transact an average daily trading value of approximately \$157.0 / 102.7€ billion (as of June 30, 2008), which represents more than one-third of the world's cash equities trading. NYSE Euronext is part of the S&P 500 index and the only exchange operator in the S&P 100 index. For more information and free real-time stock prices for all NYSE-listed securities, please visit [www.nyx.com](http://www.nyx.com).