

Paris, 29 September 09

## Lyxor adds nine new hedge funds to its managed account platform

Since January 2009, Lyxor Asset Management has expanded its award-winning managed account platform while increasing the platform's assets under management (AUM) by \$3bn in the same period.

Lyxor has added an additional nine new hedge funds to enrich the diversification of its investment universe. A pioneer in this field, the Lyxor managed account platform has become the reference in the industry, replicating over 100 of the industry's top-rated hedge funds.

The Lyxor managed account platform specifically responds to investors' current key decision criteria: transparency, risk control and liquidity. In today's constrained environment, Lyxor's advanced managed account model based on full segregation of assets, independent valuation, independent risk management, as well as enhanced transparency, liquidity and reporting, is fully endorsed by investors. It was recently named 'Institutional Manager of the Year' in the 2009 Annual Hedge Fund Industry Awards by *Alternative Investment News*, part of the Institutional Investor group.

Managed Accounts launched in 2009:

<b>Fund Name</b>	<b>Strategy</b>	<b>Launch date</b>
Apollo Distressed Fund Ltd.	Event Driven & Risk Arb.	September 2009
Centaurus International Risk Arb. Fund Ltd.	Event Driven & Risk Arb.	August 2009
Marathon Distressed Opportunities Fund Ltd.	Event Driven & Risk Arb.	August 2009
Gartmore European L/S Fund Ltd.	L/S Equity	July 2009
GLG European Opportunity Fund Ltd.	L/S Equity	June 2009
Ellington Quantitative Equity Fund Ltd.	L/S Equity	August 2009
Zebra Equity Fund Ltd.	L/S Equity	August 2009
Acorn Ultra ARS Fund Ltd.	CB & Volatility Arb.	January 2009
PJM Fund Ltd.	CTAs	April 2009

PRESS RELATIONS  
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## **Notes to editors about the nine hedge funds:**

### Event Driven & Risk Arbitrage:

#### **About the Lyxor / Apollo Distressed Fund Ltd.**

Apollo Capital Management was founded in 1990 by Leon Black, Josh Harris and Marc Rowan, who have worked together for more than 20 years. Apollo's investment approach is credit-oriented and value-driven, focusing on industries in which they have considerable knowledge, emphasizing downside protection and preservation of capital. The Fund seeks to generate above market risk-adjusted returns by capitalising on the unique proprietary information generated across the Apollo platform. The Fund invests across expansionary and recessionary market cycles primarily through liquid and illiquid investments in the securities of leveraged companies in North America and Europe through distressed investments, value driven investments and special opportunities. The Lyxor managed account will not fully replicate the benchmark fund - it is a tailor-made liquid version.

#### **About the Lyxor / Centaurus International Risk Arb. Fund Ltd.**

The Centaurus team was one of the pioneers in International Risk Arbitrage, investing and working together since 1995 at Paribas. Bernard Oppetit, Randel Freeman and Paul Leary founded Centaurus Capital in 2000. The Fund aims to invest in Risk Arbitrage situations on a global basis, with an emphasis on Europe and Asia, and across all sectors. The strategy focuses on liquid announced and partially-announced corporate actions, defined as all situations with a hard catalyst, a public announcement such as a takeover, merger, tender offers, liquidation, spin-off, corporatereorganisation, rights issues or other related transactions.

#### **About the Lyxor / Marathon Distressed Opportunities Fund Ltd.**

Marathon Asset Management L.P. is a global alternative investment and asset management company with approximately \$9.5 billion in assets under management. Founded in 1998, the firm employs 140 professionals worldwide. The Marathon Distressed Fund, co-managed by Marathon's co-founders Bruce Richards and Louis Hanover, invests in distressed securities and special situations in the global high yield debt universe and utilises its experience and expertise to construct a diversified portfolio through:

- identifying and selecting trades with the best risk/reward characteristics powered by a catalyst;
- competitive execution;
- performing continued due diligence and monitoring situations in the portfolio;
- intensive credit analysis, both fundamental and quantitative, to determine the creditworthiness of the corporate entity, and;
- disciplined risk controls including a predetermined exit strategy.

### Long/short Equity:

#### **About the Lyxor / Gartmore European L/S Fund Ltd.**

This managed account replicates the AlphaGen Capella strategy managed by Roger Guy and Guillaume Rambourg, the flagship of the AlphaGen range of funds. The portfolio will contain a blend of long-term, research-driven strategic positions and short-term, opportunistic tactical positions. Strategic opportunities are typically found in companies that are expected to deliver earnings growth materially above or below market expectations, and are normally held with an expected time horizon of at least six months. Tactical opportunities are typically found in companies for which a specific catalyst has been identified and which is expected to lead to a change in a company's share price over a shorter time horizon.

#### **About the Lyxor / GLG European Opportunity Fund Ltd.**

The Fund is a trading oriented long/short equity program managed by Markus Mez focusing on highly liquid Pan European equities, particularly in Consumer, Financials, Energy/Utilities, TMT and Industrials. The investment strategy focuses on technical analysis after bottom-up and top-down analyses. The manager's experience, leveraged with GLG's infrastructure, provides the fund with the ability to source trade ideas from a wide range of technical and fundamental factors through a strict investment process

#### **About the Lyxor / Ellington Quantitative Equity Fund Ltd.**

The Fund is managed by Andreas Schulz, previously a founding member of Goldman Sachs' equities division's statistical arbitrage department. The investment objective of the fund is to realise high appreciation in the value of its assets, primarily by employing statistical and quantitative fundamental analysis with a focus on small to mid caps in North America. The Fund operates process-driven trading strategies, in which trading decisions are based on statistical forecasts of equity prices. Forecasts can be based on a range of different data inputs, including but not limited to past price histories, industry information, sell side research, and corporate fundamental data.

#### **About the Lyxor / Zebra Equity Fund Ltd.**

The Zebra Equity Fund is a Market-Neutral Long / Short U. S. equity strategy. It is based on models developed by Zhiwu Chen and refined by Roger Ibbotson over the last years. Emmett Harty and the staff of Zebra Capital Management implement the strategy. Zebra's Stock Valuation Model assesses a stock's fair value based on three fundamental variables: current earnings per share (EPS), analysts' consensus forecast of the firm's future EPS, and the Long Treasury bond yield. It is a dynamic discounted cash flow/earnings valuation model, where the parameters capture how the market has priced each stock in relation to its fundamentals and the interest rate environment. Zebra's predictive alphas are determined by its Return Forecasting Models. Return forecasts combine several important factors, both fundamental and technical.

### Volatility Arbitrage:

#### **About the Lyxor / Acorn ARS Fund Ltd.**

Acorn's Ultra ARS strategy is based on the Lyxor / Acorn strategy, a fund on the platform since December 2001, but Ultra ARS is authorised to use double the maximum options exposure. Two of the portfolio managers (William O. Melvin and Robert J. Greeley) have been working together for over 12 years and recently brought on board Robert J. Groden as portfolio manager focusing on "portable alpha" strategies. The fund uses a butterfly options arbitrage strategy to capture the spread between the implied volatility of S&P 500 listed options and the historical volatility of the S&P 500 index.

### CTA:

#### **About the Lyxor / PJM Fund Ltd.**

The PJM Fund is run by Peter Matthews, who has over 25 years of experience in trading and systems development. He created all the original systems for the MINT CTA hedge fund business, i.e. the basis of the AHL product, one of the first developed CTAs which today remains amongst the biggest futures program in the world. After a few years away from the investment management business, he decided to develop improved trading systems with a return path that would be as smooth as possible, with lower volatility than traditional CTAs.

The PJM Fund implements a systematic dynamic asset allocation strategy that adapts to both the direction and volatility of prices in each market with a much higher weighting to markets with a low recent risk profile and lower weights to high risk price paths, i.e. by strictly limiting the risk on every trade. The PJM strategy can thus be viewed as a risk management model and as a true hedge against real investment uncertainty.

These past 12 months have to be seen as an important validation of the PJM approach: it achieved quite resilient returns with low volatility, especially compared to medium term CTAs which suffered over the period. As designed, it has accomplished this with a low maximum daily drawdown and a quite low annualised daily volatility, by adapting to the major shifts in trends and volatility during the economic crisis and its aftermath.

### **Société Générale**

Société Générale is one of the largest financial services groups in the euro-zone. The Group employs 163,000 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 2 906 billion, June 2009) and under management (EUR 333 billion, June 2009).
- **Corporate & Investment Banking:** Société Générale tailors solutions for its clients across sectors by capitalizing on its worldwide expertise in investment banking, global finance, and global markets.

Société Générale is included in 3 socially-responsible investment indexes: FTSE4Good, ASPI and Ethibel.

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

### **Lyxor Asset Management - [www.lyxor.com](http://www.lyxor.com)**

Created in 1998, Lyxor AM currently manages EUR 68.40 billion\*. A wholly-owned subsidiary of Société Générale Group, belonging to the Corporate and Investment Banking arm of the group, the asset management company specializes in three businesses:

- **Alternative Investments (EUR 15.20 billion).** Lyxor offers a broad range of hedge funds, funds of hedge funds and absolute return funds, adhering to high risk-management standards and rigorous hedge fund manager selection guidelines. Lyxor AM gained its prominence with its hedge fund platform. This platform includes more than 107 hedge funds covering all principal strategies and represents a diversified investment universe benefiting from a high level of transparency, security and liquidity.
- **Structured and Quantitative Management (EUR 21.60 billion).** Lyxor offers investment solutions to its customers adapted to their risk profiles and return objectives. These solutions integrate the innovations of the Group into this domain, world number 1 as regards structured products on equity.
- **Index Tracking (EUR 31.50 billion).** Lyxor AM offers one of the most diversified and liquid range of ETF (Exchange Traded Funds). The company is one of the top players of the European ETF industry. Lyxor ETFs are listed in Europe and Asia and reflect Equity, Bond and Commodity markets. [www.lyxoretf.com](http://www.lyxoretf.com).

\*AUMs as of August 31<sup>st</sup>, 2009