

# Press Release

Hong Kong, 30 September 2005

## **Lyxor Asset Management launches Pan-Asia Reverso Guaranteed Funds in USD and AUD**

***Strong investor demand urges for this second tranche of Reverso Guaranteed Fund Series that enable the investment return generating from market volatility rather than market trend***

### **Main features of the Funds:**

- Available in USD and AUD to suit different investment objectives
- Attractive guaranteed coupon payable after one year
- Potential to profit from the maximum positive and negative absolute performances of the Asian stock basket
- 100% capital guarantee at maturity

The Reverso Guaranteed Fund Series hit the market big last month and Lyxor Asset Management today announced the launch of a second tranche - the Pan-Asia Reverso Fund Series. The funds again offer two choices of base currency, namely US dollar (the "USD Fund") and Australian dollar (the "AUD Fund") and provide a unique opportunity for investors to diversify their portfolio by investing in market volatility rather than market trend.

"The overwhelming response for Reverso Guaranteed Fund Series is a solid proof that investors are looking for attractive returns from a unique absolute performance mechanism that links to the performance of carefully-selected stocks," said Andrew Au, Senior Vice President at SG Structured Products Asia ex-Japan.

"We are pleased that our team, within a short turn-around time of two months, structured the second tranche that links to 12 Asian stocks to meet investors' appetite in current financial climate," he continued.

The popular features of the Funds are back, including:

### **1. Two currency choices to suit investors' investment objectives**

The investment period of the "USD Fund" is 4 years and denominated in US dollar, whereas the "AUD fund" is 2.5 years and based in Australian dollar.

### **2. Attractive guaranteed coupons payable after one year**

Regardless of the performance of Asian equity markets, investors will receive at the end of Year 1:

- USD Fund: a 8% guaranteed coupon
- AUD Fund: a 7.5% guaranteed coupon

**3. Investment linked to a diversified basket of 12 prominent stocks**

The 12 stocks in the basket are the constituent stocks of the major indices in Australia, Hong Kong, Japan and Korea. They were selected on the basis of credit ratings of at least A- rated by Standard & Poor's, recognised brand names, as well as market capitalization of at least USD 10 billion.

***Basket of 12 Prominent Stocks***

Sector	Company	Country	Industry
Diversified industrial/ Consumer	SWIRE PACIFIC LTD 'A'	Hong Kong	Diversified Operations
	CANON	Japan	Office Automation & Equipment
	HONDA MOTOR	Japan	Auto-Cars/Light Trucks
	TOYOTA MOTOR	Japan	Auto-Cars/Light Trucks
	TOKYO ELECTRIC POWER	Japan	Electric-integrated
	TAKEDA PHARMACEUTICAL	Japan	Medical drugs
Financial/Property/	SAMSUNG ELECTRONICS	Korea	Semiconductor
	NATIONAL AUSTRALIA BANK	Australia	Commercial Banks
	ST GEORGE BANK	Australia	Commercial Banks
	HANG SENG BANK	Hong Kong	Commercial Banks
	HSBC HOLDINGS	Hong Kong	Commercial Banks
	SUN HUNG KAI PROPERTIES	Hong Kong	Real Estate

**4. Potential to profit from the maximum positive and negative absolute performances of the Asian stocks basket**

On each quarterly observation date, the average performance of the basket of 12 stocks since launch will be measured on a point-to-point basis. At maturity, investors will receive the realisation price, equal to the higher of:

$$\text{Offer Price} \times \left( \text{Reference Level} + \frac{\text{Maximum Positive Basket Performance} + \text{Maximum Negative Basket Performance (in absolute value)}}{2} \right) ; \text{ or}$$

- 100% of the offer price.

**5. 100% capital guarantee at maturity**

The Fund will be distributed by Bank of America (Asia) Ltd., Citibank (HK) Limited., CITIC Ka Wah Bank, Dah Sing Bank, DBS Bank, Hang Seng Bank Ltd, and Mevas Bank from 3 October 2005 till 2 November 2005.

## Fund Details:

	USD Fund	AUD Fund
<b>Offer period:</b>	Until 2 November 2005	
<b>Launch date:</b>	8 November 2005	
<b>Maturity date:</b>	9 November 2009	8 May 2008
<b>Tenor:</b>	4 years	2.5 years
<b>Base currency:</b>	US dollar	Australian dollar
<b>Initial offer price:</b>	USD10 per unit	AUD10 per unit
<b>Minimum investment:</b>	USD3,000	AUD5,000
<b>Initial sales charge:</b>	0%	
<b>Realisation fee:</b>	0%	
<b>Management fee<sup>1</sup>:</b>	Upfront: 3.60% Annual: 0.15% per annum	Upfront: 2.50% Annual: 0.10% per annum
<b>Dealing deadline:</b>	First and third Wednesday of each month	
<b>Manager:</b>	Lyxor Asset Management (a 100% SG Subsidiary)	
<b>Guarantor:</b>	Société Générale (AA-, Aa2)	

### For more information, please contact:

Andrew Au  
Senior Vice President  
SG Structured Products  
Tel: (852) 2166 4259  
Fax: (852) 2166 4639  
Email: andrew.au@sgcib.com

### Issued by:

Laurent Tison  
Head of Communications, SG CIB Asia-Pacific  
Tel: (852) 2166 4021  
Fax: (852) 2166 4658  
Email: laurent.tison@sgcib.com

## NOTE TO EDITORS

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Société Générale is one of the largest financial services groups in the euro-zone. The Group employs 92,000 people worldwide in three key businesses:

- Retail Banking & Financial Services: Société Générale serves more than 17 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 1,275 billion, June 2005) and under management (EUR 353 billion, June 2005).
- Corporate & Investment Banking: SG CIB ranks among the leading banks worldwide in euro capital markets, derivatives and structured finance.

Société Générale is included in the four major socially-responsible investment indexes. [www.socgen.com](http://www.socgen.com)

### **SG CORPORATE & INVESTMENT BANKING (SG CIB)**

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- Euro capital markets. A top ten player in debt and equity segments (convertibles, bonds, securitisations, and syndicated loans).
- Derivatives. Among the world leaders in equity derivatives and in many interest rate, credit, foreign exchange and commodities derivatives.
- Structured Finance. A worldwide leader in export, project and structured commodity finance.

Combining innovation and quality of execution, SG CIB provides corporates, financial institutions, investors and public sector clients with value-added integrated financial solutions. [www.sgcib.com](http://www.sgcib.com)

### **SG EQUITY DERIVATIVES AND STRUCTURED PRODUCTS**

SG has a proven track record and a leading market reputation in equity derivatives and structured products. It was named "Equity Derivatives House of the Year 2003, 2004 and 2005" by The Banker, "Equity Derivatives House of the Year 2001 and 2003" by Asia Risk, "Equity Derivatives House of the Year 2003" by Asiamoney, "Equity Derivative House of the Year 2001 and 2004" by IFR Magazine, "Equity Derivatives House of the Year 2002, 2003 & 2004" by The Asset, and "Equity Derivatives House of the Year 2001, 2002 and 2004" by Risk Magazine. SG is well qualified to provide the necessary risk management techniques required for pricing and hedging these types of complex derivatives.

### **LYXOR ASSET MANAGEMENT**

Lyxor AM ("Lyxor") is a 100% subsidiary of SG, fully dedicated to structured funds activities. Its mission is to facilitate access to innovative structured investments: equity and index derivative instruments and capital guaranteed or leverage products. Lyxor was named Asset Manager of the Year by AsiaRisk Magazine in 2004. As of April 2005, Lyxor managed close to USD 60.8 billion of assets through more than 1,200 funds, and employed more than 160 people.