

Press Release

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The Alpha League Table 2008 for France crowns HSBC Private Bank but confirms a fall in average alpha for the year

In their annual rankings of French asset management companies' capacity to produce alpha, EDHEC and EuroPerformance have revealed that both the frequency of alpha and the average alpha generated by French asset managers have fallen in comparison with 2007.

Average alpha dropped from 2.98% to 2.50%, a decline that may be attributed in part to the behaviour of small-cap stocks. Small-cap stocks, which in France have a large role in the production of alpha, fell over the second half of 2007, just as broad-based indices did.

Overall, levels of alpha generated by French funds dropped especially in France, but also in emerging markets, in Asia (excluding Japan), and in European sector funds. Average alpha rose however for funds in International markets and in Japan.

The winner of the 2008 edition is **HSBC Private Bank France** with a score of 1.52%, resulting from 53.2% of its selected funds generating significantly positive alpha and an average alpha of 2.89%. **MMA Finance**, with a score of 1.43%, takes second place after improving from eighth position last year. The biggest jump in this year's edition was from **State Street Global Advisors France**. The firm moved up sixteen places in the rankings to third.

Style-factor analysis shows that, compared to last year, there has been a clear reduction in portfolio exposure to small-cap and mid-cap stocks. These stocks, the major sources of alpha in the French, European, and euro-zone markets, likewise account for smaller shares of instruments invested in Japan. Another reason can be found in the large current falls in the stock markets, in the wake of the turbulence experienced by the shares of financial companies. As the shares of these companies make up a large share of Value-type indices, 2007 has seen a tilt towards Growth-style.



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About the EuroPerformance-EDHEC Alpha League Table

The Alpha League Table is a ranking constructed upon a measure of the intensity of alpha (the performance adjusted for the risks that were actually taken) for all of the asset management firm's active "equity" management. The asset management firm must be registered with the regulatory authorities and must have at least six equity funds analysed, marketed and managed in the country studied. We identify the funds that produce alpha from the EuroPerformance-EDHEC Style Ratings.

The alpha intensity is calculated every month using two indicators:

- The average alpha, which corresponds to the average of the positive alphas for the 4, 5 or 5 star 'h' funds in the Style Ratings.
- The frequency of alpha, which is expressed by the number of funds with a strictly positive alpha (4, 5 and 5 star 'h' in the Style Ratings) out of all the funds rated.

The final score, or alpha intensity, is the average of the 12 monthly scores. Only companies that have participated in the 12 monthly rankings are retained for the final rankings.

These annual rankings cover major geographical areas, and are also applied at the European level. The first edition is dedicated to France, the second to Spain-Italy, the third to Switzerland, and the final rankings to the United Kingdom.

For more information on the EuroPerformance-EDHEC Style Ratings, please visit the Style Ratings website at <http://www.stylerrating.com/>.

About EDHEC and EuroPerformance

EDHEC is one of the leading French and European business schools. With 35 professors, engineers and associate researchers, the EDHEC Risk and Asset Management Research Centre is the leading European research centre in asset management.

EuroPerformance is a fund analysis company. Specialised in data collection, EuroPerformance has developed tools with considerable value-added in the areas of performance and risk analysis through a broad referential database of European funds. EuroPerformance's professional vocation is collecting, checking, classifying, extracting and broadcasting data for investors, asset management companies, investment advisors and press. This activity is completed by providing reporting tools, such as software solutions.

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