



EuroPerformance-EDHEC European Rankings

Alpha League Table

EuroPerformance / EDHEC

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Switzerland

The Alpha League Table is the first European ranking of asset management firms based on an accurate measure of risk-adjusted performance.

The Alpha League Table, which is applied in turn to each European country and then followed by an overall rankings list, evaluates all asset management firms in the country being studied in terms of their Equity Management and their ability to deliver Alpha. The 2007 edition of the Alpha League Table began with France, then rated Spanish and Italian firms, and continues now with Switzerland. Like the earlier series, this new table will be distributed widely to asset management professionals throughout Europe.

Summary

p1
The reference rankings in Europe

p2
Results of the top 10

p3
Private bankers dominate the Swiss Alpha League

p 7
Interview: LODH & Cie Serge Ledermann

p9-11
EuroPerformance Analysis LODH & Cie

p12-13
Alpha League Table Methodology

The reference rankings in Europe

EuroPerformance and EDHEC have created the Alpha League Table, the first European ranking—by intensity of alpha—of asset management firms. Industry professionals have responded with interest to this new measurement of risk-adjusted performance. Companies are ranked using the EuroPerformance-EDHEC Style Rating. Drawing on state-of-the-art research in finance, the Style Rating—with its accurate assessment of performance adjusted for risk (alpha) as well as its consideration of both performance persistence and risk of extreme loss—makes for an accurate source of information for drawing up the rankings.

Alpha results are comparable as they are expressed in arithmetic magnitudes. The Alpha League Table ranks asset-management firms on their ability to deliver positive alpha. The highest-ranking performers on the Alpha League Table are the best providers of Alpha—that is, the firms offering the best combination of Alpha value and frequency.

Having ranked French, Italian, and Spanish asset management firms, we devote this edition of the Alpha League Table to Switzerland.

One of Geneva's most renowned banks—private bankers **Lombard Odier Darier Hentsch**—holds the top spot in this year's ranking of asset-management firms. Founded in 1796, Lombard Odier Darier Hentsch & Cie (LODH) is the oldest private bank in Geneva and one of the largest in Switzerland and in Europe. Second place is likewise held by a specialist establishment—Bank Sarasin & Cie.



few surprises and—with eight holdovers from last year's top ten—confirm the results of the previous edition.

The Alpha League is also a label that allows the ten Swiss firms in the ranking to promote their investment acumen.

Our ambition is for these rankings to become the standard for ranking asset-management firms.

We wish you enjoyable reading.

Frédéric Picard,
CEO, EuroPerformance (Fininfo Group)

Noël Amenc,
PhD, Professor of Finance, Director of the EDHEC Risk and Asset Management Research Centre

This year yet again private banks dominate the rankings, occupying four of the top five spots. The exception—Swisscanto—highly ranked last year, moves into the top five at third place. Occupying spots in the bottom half of the top ten are large banking institutions: UBS, Crédit Suisse, and BCV. The rankings are dominated by world-renowned firms attracting high levels of asset inflows. As such, the rankings contain

	Alpha Frequency	Average Alpha
Switzerland	32.4%	2.4%
Europe	33.2%	2.3%

Source: Style Analytics – 27 April 2007

Results of the top 10

The final score ('alpha intensity')

The Alpha League Table is a ranking system based on a measure of alpha intensity (performance measure that has been adjusted for the risks actually taken) for all active equity management in the selected asset management companies. All companies approved by the regulatory authorities in the relevant zone are eligible. To be considered in the rankings, at least 2/3 of the company's investment product range must be analysed. There must be at least six equity funds analysed by the EuroPerformance-EDHEC Style Rating. These are divided into at least four different categories of analysis.

The alpha intensity is calculated every month using two indicators:

- The **average alpha**, which corresponds to the average of the positive alphas for the **++++** or **+++++** funds in the Style Ratings.
- The **frequency of alpha**, which is expressed by the number of funds with a strictly positive alpha (**++++** and **+++++** 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.

Name of Company	Alpha Frequency	Average Alpha	Final Score	Ranking
LODH	38.4%	3.8%	1.5%	1
SARASIN	43.4%	3.1%	1.3%	2
SWISSCANTO	35.8%	3.5%	1.2%	3
VONTOBEL	52.3%	2.2%	1.2%	4
PICTET	51.0%	1.9%	0.9%	5
UBS	27.6%	2.1%	0.6%	6
BCV ASSET MANAGEMENT	35.1%	1.7%	0.6%	7
CREDIT SUISSE	15.5%	3.2%	0.5%	8
SWISS LIFE	18.9%	1.3%	0.2%	9
JULIUS BAER	17.8%	0.8%	0.1%	10

Source : EuroPerformance-EDHEC Alpha League Table - data from 27 April 2007

Private bankers dominate the Swiss Alpha League

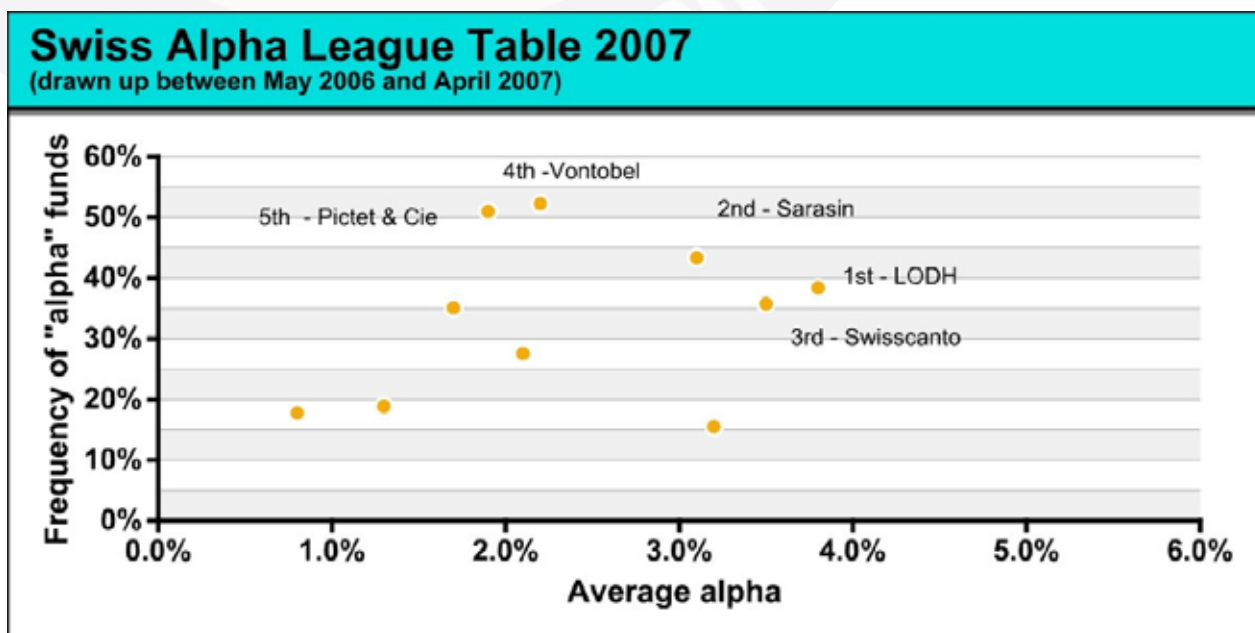
This third edition of the Alpha League Table (2007) ranks asset management firms in Switzerland. Of the 48 firms eligible for the rankings, only the top ten—taking into account the number of funds analysed and the steady creation of alpha—have been ranked.

The average score of the top ten firms in this ranking is 0.8%, a slight improvement over last year (0.6%). This improvement is the result of an increase

percentage point. This year, the Geneva bank has made a spectacular leap into first place, ahead of another specialised institution: **Bank Sarasin (2nd place)**. Bank Sarasin, in third place in 2006, climbs a spot on the strength of improvements in average alpha (from 2.9% last year to 3.1% this year) and in the frequency of "alpha" funds (from 31.9% to 43.4%).

In **third place**, with average alpha of 3.5% and a frequency of 35.8% giving

banks in Europe. The two banks have improved their scores but not as much as their main competitors, a circumstance that keeps them from repeating as champions. Pictet & Cie and Vontobel are still posting a noteworthy frequency of funds generating alpha—51% and 52.3% respectively. This rate is some twenty points above the average rate of the companies in the 2007 Alpha League Table. Average alpha, however, is slightly lower than that of the other top ten companies



Source : EuroPerformance-EDHEC Alpha League Table - data from 27 April 2007

in the frequency of "alpha" funds (from 27.4% last year to 33.6% this year) and of a 16-basis point fall in average alpha (from 2.56% in 2006 to 2.4% in 2007).

Once again, private bankers stand out, taking four of the top five spots in this year's rankings. The winner of the 2007 edition is the Geneva private bank **Lombard Odier Hentsch & Cie (1st place)**.

With a 38.4% frequency of alpha and an average alpha rate of 3.8%, LODH & Cie has a score of 1.5%. Last year, LODH missed out on the top ten by a few tenths of a

it a score of 1.2%, is **Swisscanto**, the joint venture for investment and pension services of the Swiss cantonal banks. Swisscanto, in seventh place last year, more than doubles its 2006 average alpha (1.3%) and maintains a high frequency of funds outperforming their benchmarks.

The joint winners of the 2006 edition, **Vontobel (4th place)** and **Pictet & Cie (5th place)**, round out the top five. The Vontobel Group, a specialised private bank founded in 1924, is active in wealth management and investment banking. **Pictet & Cie** is considered one of the major independent wealth-management

(1.9% for Pictet & Cie; 2.1% for Vontobel). In **6th place** is **UBS**. Ranked sixth last year as well, UBS confirms its leadership in the closed circle of banks with a Swiss network. Average alpha is 2.1% and the frequency of "alpha" funds is 27.6%.

7th place is taken by **BCV**. Founded in late 1845, BCV has expanded throughout the canton of Vaud and gradually diversified its business activities. Today, it is the second-largest cantonal bank and among the top-five full-service banks in the country. Last year, BCV was ineligible for the rankings, as the number of funds analysed was insufficient. In 2007, the

Private bankers dominate the Swiss Alpha League

funds of the company Gérifonds were absorbed by BCV Asset Management and, as a result, BCV qualified for the Alpha League Table and makes its entry at seventh place, with alpha of 1.7% and frequency of "alpha" funds at 35.1%.

Crédit Suisse is in **8th place** with alpha of 3.2% and a 15.5% frequency of funds outperforming their benchmarks.

Swiss Life takes **9th place** in the 2007 rankings. It is the only insurance company in the top ten and was ranked ninth last year as well. Its average alpha is 1.3% and its frequency of "alpha" funds is 18.9%.

Julius Baer, finally, is in **10th place**.

The 2007 rankings confirm those of 2006. Only **AIG Private Banking**, an affiliate of AIG, has fallen out of the rankings, as it did not have a sufficient number of funds generating alpha over twelve months.

How to characterise the management of the 2007 winners' high-performance funds?

The breakdown of "alpha" funds into investment zones shows a preponderance of funds invested internationally. Funds invested in Swiss equity represent slightly more than one quarter of the funds selected for their positive alpha. Sector funds—accounting for slightly more than eight percent of four and five-star funds, are also a significant source of alpha. At 5.9%, emerging markets (Eastern Europe and the rest of the world) are no longer a large source of excess returns. All the major investment zones are present: the USA, Asia, Japan, the Euro zone. Germany (5.2%) is a favoured zone, whereas France and Great Britain are somewhat neglected.

Specialists and private banks, with highly competitive management of sector funds and of European funds, take the top spots in our rankings.

Commercial banks offer a range of products covering all markets and have high-scoring funds in all categories. UBS, for example, with more than twenty-five funds analysed for these rankings, posts an average rate of alpha of 2% over

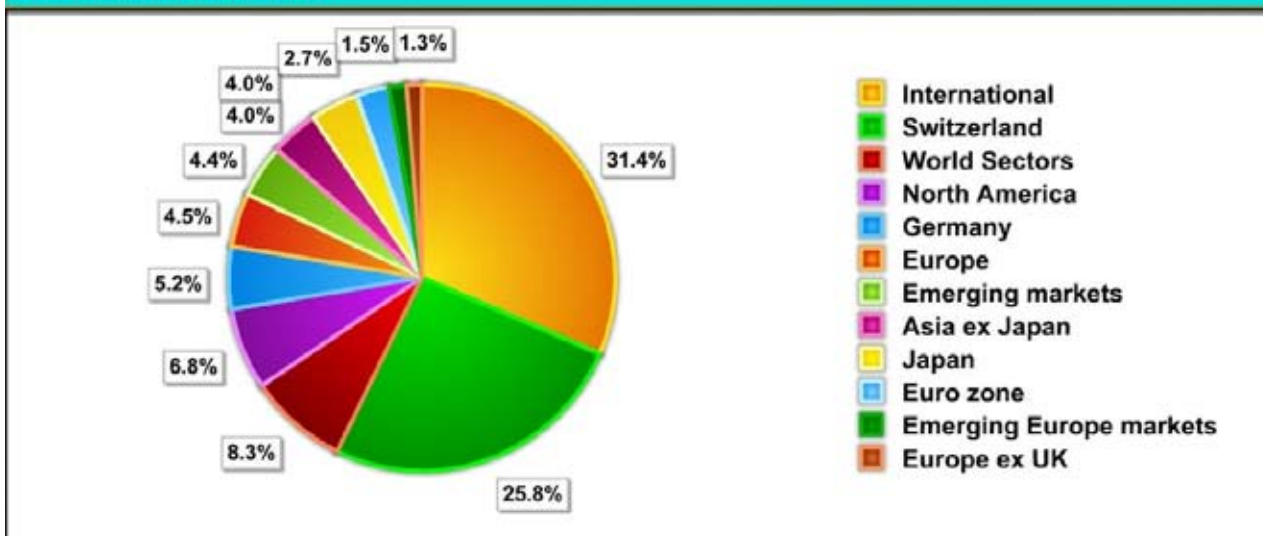
twelve monthly rankings. Its frequency of alpha is 27.6%, whereas private banks surpass 35%. Lower frequency therefore penalises commercial banks, which, over a very broad range, cannot manage to produce durable alpha in all "equity" categories. A narrower range of products allows private banks to generate—with greater frequency—returns greater than or equal to those of the fund benchmark.

Average rates of alpha vary from two to four percent—depending on investment zone. The strongest performances can be found in sector funds and in European markets. By contrast, it is more difficult to generate significant alpha with portfolios invested in emerging-market stocks.

On average, alpha funds favour large caps; small caps are limited to 30% of portfolios. This proportion is the result of markets that are strongly associated with specific styles. In emerging markets or in Asia (with the exception of Japan), the notion of small caps is irrelevant and a style-based approach favours only the pricing of company stock (growth vs. value). In markets close to Switzerland,

Breakdown of 4 and 5 star funds by investment zone

Data as at April 27, 2007



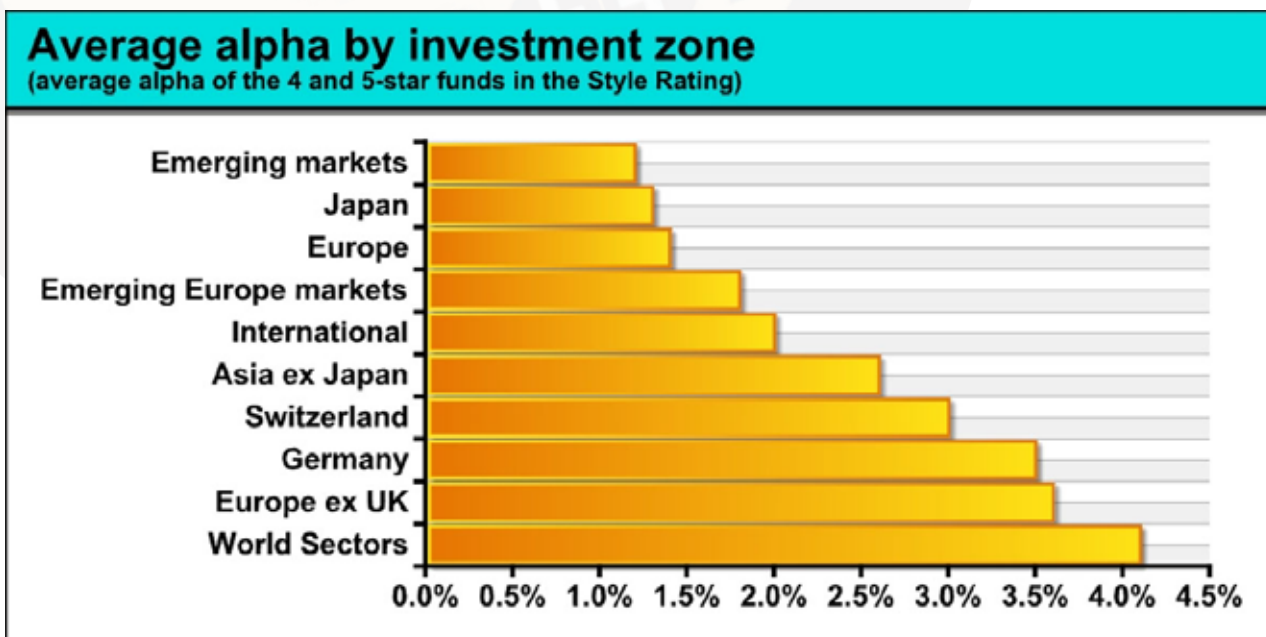
Source : EuroPerformance-EDHEC Alpha League Table - data from 27 April 2007

Private bankers dominate the Swiss Alpha League

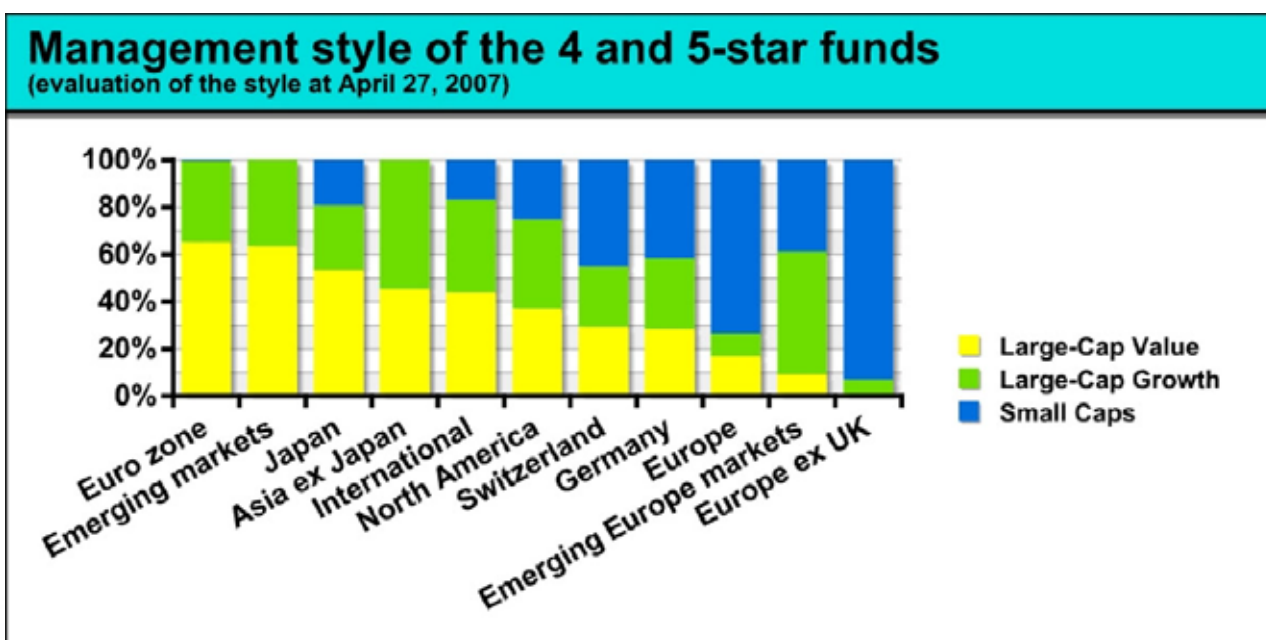
managers have better and more frequently updated knowledge of the economic environment, and the share of small caps tends to be greater. This is especially the

case for the Swiss and German funds, as well as for "Europe" portfolios in general, where the share of small and mid-cap stocks is often greater than fifty percent.

By contrast, for the most geographically diversified funds—international funds—this share may fall below ten percent.



Source : EuroPerformance-EDHEC Alpha League Table - data from 27 April 2007



Source : EuroPerformance-EDHEC Alpha League Table - data from 27 April 2007

Private bankers dominate the Swiss Alpha League

The firms in our rankings all have an international outlook and have always attracted a wealthy and demanding clientele. For this reason, Swiss bankers were quick to domicile their funds in Luxembourg, thereby establishing close links between Luxembourg and the financial marketplaces in Geneva and Zurich. Nearly fifteen percent of the funds domiciled in Luxembourg come from Swiss asset-management firms. Funds governed by Swiss law represent about 38% of the funds marketed in Switzerland (source: SFA).

This "off-shore" dimension of Swiss asset management is a significant advantage that makes "Swiss" products, in all likelihood, the most widely distributed in Europe.

The selected population

48 asset-management firms operating in the equity class are accredited in Switzerland and meet the requirements for inclusion in the Alpha League Table (as of 27 April 2007, date on which calculations were made). These firms manage slightly more than 352 equity-class funds:

- 303 funds are analysed in the Style Rating
- 288 funds (81.8%) receive a score of 1 to 5 stars.

The true Alpha of investment management

The Alpha League Table is based on the EuroPerformance-EDHEC Style Rating methodology, which enables the risks to which the funds have been exposed over a period of three years to be taken into account for each of the funds included in the asset management companies' average alpha and alpha frequency scores. An ex-post statistical analysis allows the funds' true benchmark to be reconstituted by regressing their returns onto a set of indices that is consistent with their investment universe (Return-Based Style Analysis method promoted by the Nobel Prize winner William Sharpe). Using the indices that make up the fund-specific benchmark, an unconstrained multi-index regression is carried out to extract the fund's alpha. The alpha therefore represents the additional performance obtained by the manager in comparison with the "normal" returns that correspond to the fund's exposures (betas) to each of the major risks in the equity universe: market risks and style risks (Growth, Value, Small Caps and Large Caps).

Interview

LODH

Lombard Odier Darier Hentsch & Cie

Serge Ledermann

Head of Asset Management (since 09/2001)



Lombard
Odier
Darier
Hentsch

What is your strategic orientation?

What strategic orientation do you favour in your choice of securities?

We have chosen to develop several approaches to the management of a single class (or sub-class) of asset and we focus on identifying the management strategy that will create added-value. For international stocks, for example, we offer several differing strategies (quantitative with low volatility or fundamental).

Is your strategic orientation characteristic of asset management in your company (large caps, small caps, sectors)?

Our approach is intended to be flexible and global. Our managers have a lot of leeway to generate alpha, whether they use quantitative or judgmental methods. We also rely on the best foreign practices, as in our US or Japanese products.

Does this orientation correspond to a source of alpha that you prefer?

Our specialists, in regions as well as in sectors, have proven their ability to generate alpha over

several years. We want them to keep perfecting their knowledge of their fields, while at the same time increasing our offers in less traditional segments or developing a 130/30 approach.

Do you have rules about sector exposure, capitalisation, or style?

Each product has its own rules, depending on the management strategy and on the characteristics of the portfolio. We place tremendous importance on the stability of this strategy and on the results it generates. We avoid limiting our choices for reasons of style, except for products devoted to a single type of capitalisation. In order to stand out from the competition, we also offer products bound by few constraints.

Is your management more bottom-up or top-down?

Though these are two very different approaches, most of our stock alpha comes from our selection of stocks, using either quantitative or fundamental strategies.

What techniques do you use to generate alpha?

Is stock-picking a favoured technique?

Our added-value comes from our choice of securities. Using filters and company contacts lets our fundamental managers be in control of their universe. On a quantitative level, we have created a proprietary method that gives us a signal for every stock in the universe before we start portfolio-building.

Do you look to profit from market momentum?

It depends on the market strategy. All the same, we're more interested in spotting the price dynamics of specific stocks than in general market trends.

Do you use tactical asset allocation?

I wouldn't call it tactical allocation in the context of stock portfolios. This approach is more appropriate in our diversified portfolios, where extra value stems primarily from deviation from the original strategic asset mix.

Interview

How do you measure portfolio risk and how do you manage it?

Do you have specific tools at your disposal?

We use standard (Barra) and ad hoc tools to gauge the characteristics and risks of our portfolios. We also track management constraints, performance inconsistencies, and volatility very closely.

Do you track the potential extreme losses of your portfolios?

The combination of different indicators of tracking error, of the liquidity of each of our positions, and of style lets us gauge the risk of capital losses for all of our portfolios.

Do you use specific techniques to manage risk? Do you limit the number of positions in your portfolios?

Setting clear objectives and monitoring allow us to track precisely and consistently the movements—with respect to our expectations—of each product. That way, any deviation is immediately spotted and analysed. ■



EuroPerformance Analysis

LODH & Cie

LODH & Cie wins the 2007 edition (Switzerland) of the Alpha League Table with five of its equity funds (Invest Eastern Europe; Invest Continental European Small & Mid Caps; Swiss Cap (ex-SMI); and Swiss Leaders) generating average alpha of 3.8%.

Over the period of the study, more than 38% of the **++++** and **+++++** funds in the range of funds have a track record of at least three years. The average for the Swiss Alpha League Table is 27.5%.

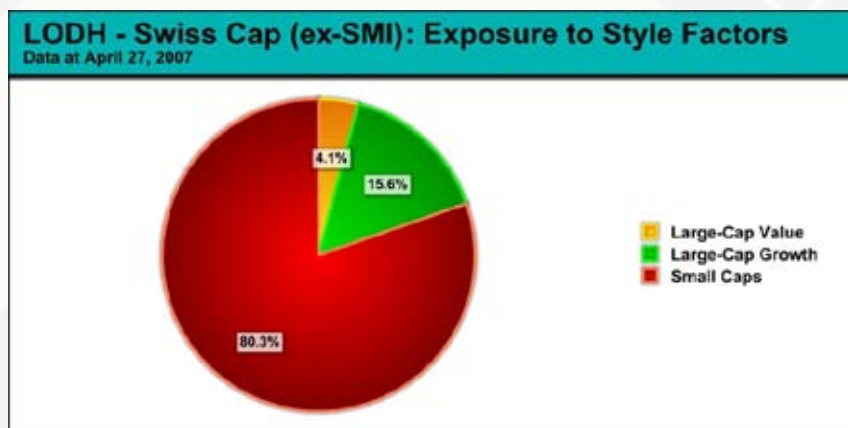
We have chosen to present the LODH fund Swiss Cap (ex-SMI), created in September 1996. This fund—with the exception of the companies making up the SMI—is invested in the shares of small and mid-sized companies that do a significant portion of their business in Switzerland and that contribute to the capitalisation of the Swiss stock market (SPI Extra TR). The approach is bottom-up, based on an in-depth analysis of the companies concerned. The portfolio contains shares of, at most, twenty-five companies. The fund is managed by B. Kaeser and H. Schneider. The performance of the fund over the last three years has been positive, with an annualised return of 25.6%.

The benchmark for the fund is the SPI Extra TR. A return-based style analysis (Sharpe 1992), comparing the fund and the index, can be done on the basis of the 156 most recent weekly returns of the fund as well as of the index. As the fund is invested in Switzerland, we have chosen the MSCI indices, which cover the fund's investment universe.

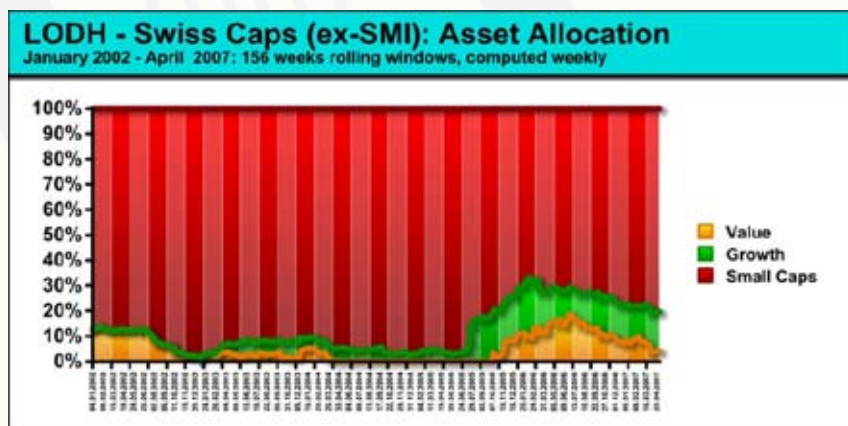
Analysis of the last three years of the SPI Extra TR index, concluded in late April 2007, shows an exposure of 75.6% to small caps. Large-cap exposure is divided equally between value stocks and growth stocks. The same analysis of the LODH—Swiss Cap (ex-SMI) fund shows very similar exposures. Exposure to the large-cap (value) style factor is 4.1%; exposure to the large-cap (growth) factor is 15.6%; and exposure to small caps is 80.3%.

The fact that the SMI equities are not included results in exposure to the small-cap style factor that is slightly higher.

Although there has been a reduction in exposure to small caps since mid-2005, long-term analysis reveals great stylistic stability.



Source: EuroPerformance Style Analytics (www.styleanalytics.com)—data from 27 April 2007



Source: EuroPerformance Style Analytics (www.styleanalytics.com)—data from 27 April 2007

EuroPerformance Analysis

LODH & Cie

Style analysis reveals the average long-term benchmark for the fund and allows the observer to distinguish between the portion of fund performance that comes from the expected reward for risk (beta) and the portion created by management (alpha). Historical analysis shows that the fund's alpha has been significantly positive since the beginning of our analyses in 2002.

Volatility, at 10.4%, is comparable to that of its benchmark (10.3%). Measuring volatility isn't enough to determine the risks of the portfolio. For this reason, the analysis takes into account the risk of extreme loss. At a 99% threshold, the Value-at-Risk on the weekly returns reveals a potential loss of 4.8%, slightly higher than that of the benchmark (4.6%).

Management, with an average tracking error (5.2%), is active. The manager's bets are successful, as the positive information ratio shows.

After measuring alpha and risk, the next step is to measure the regularity and persistence of the fund's excess performance. Persistence is measured by calculating (weekly) the frequency of positive alpha. Over the three years, the level of frequency was 51.9%. Persistence measures the manager's ability to repeat his performance week after week. A Hurst coefficient is used to measure this serial correlation. For LODH Swiss Cap (ex-SMI), the value of the coefficient is 58. It is considered that, once the value is above 50, there is momentum and there is persistence.

With these ratings, LODH Swiss Cap (Ex-SMI) obtains a **+++++** rating (Hurst exponent).

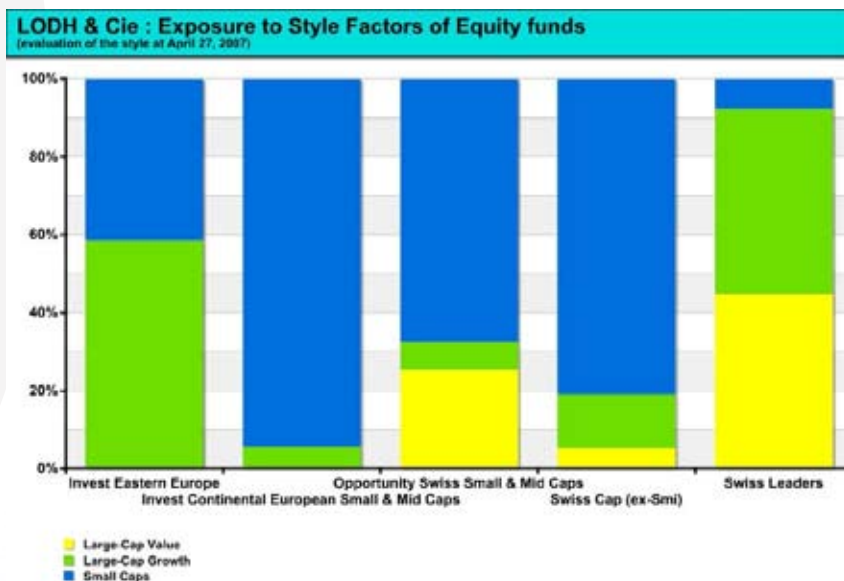
The study of all LODH's "alpha" funds shows that the most significant alpha comes from small-cap oriented funds, especially those on the Swiss market, where knowledge of the local economy is a considerable advantage. "Equity" fund

styles are well-balanced, thus revealing the firm's ability to manage all kinds of shares. Alpha—with the possible exception of Eastern Europe funds—is significantly positive. These excess returns are not the result of excessive risk-taking. Over the last three years, Value-at-Risk is low, with a potential weekly loss of between four and six percent.

Rating funds LODH Swiss Cap

ISIN	CH0005067829
Category	Swiss Equity
Name	Swiss Cap (Ex-SMI)
Average Alpha	5,0%
VaR 99%	4,8%
Positive weeks	51,9%
Hurst Exponent	58,0%
Coefficient of determination	76,0%
Style Rating	+++++ h

Source: EuroPerformance Style Analytics (www.styleanalytics.com) -data from 27 April 2007



Source: EuroPerformance Style Analytics (www.styleanalytics.com)-data from 27 April 2007

EuroPerformance Analysis

LODH & Cie

Rating funds " alpha " LODH & Cie

Code ISIN	LU066977710	LU0256787531	CH0012564768	CH0011786628
Name	Invest Eastern Europe	Invest Continental European Small & Mid Caps	Opportunity Swiss Small & Mid Caps	Swiss Leaders
Category	Emerging Europe shares	European shares— not including the UK	Swiss shares	Swiss shares
Average Alpha	0.74	2.5	3.41	0.77
R ²	78	79	82	94
Positive weeks	45.51	50	53.85	47.1
Hurst exponent	52	49	47	50
VaR 99%	8.5	6	5.2	3.9
Rating	+++	++++	+++++	++++

Source: EuroPerformance Style Analytics (www.styleanalytics.com)– data from 27 April 2007

Alpha League Table methodology

Methodology

For the first time in Europe, a ranking methodology provides a clear distinction between the talent behind the active management (alpha) and the other elements of performance that are linked to the market (beta).

The Alpha League Table, which is compiled using the Style Rating developed by EuroPerformance and EDHEC, with scores of **++++** and **+++++**, is the first European ranking system that rewards asset management companies on the basis of their capacity to generate alpha from their equity funds.

Alpha at the heart of management evaluation

At a time when passive management is growing considerably, it appears essential for the asset management industry and investors to be able to identify those talented active managers who are capable of providing their clients with an outperformance (alpha) that extends beyond the returns naturally generated by a fund's long-term exposure to market risks and different investment styles (beta).

When calculating alpha – the outperformance obtained by the asset managers above and beyond the "normal" returns achieved through exposure to market risks and investment styles – one must presume that a fund's risk exposure (beta) is determined precisely. The benchmark representing the risks actually taken by an asset manager is determined by analysing the fund's returns using a Return-Based Style Analysis, the method developed by Nobel Prize winner William Sharpe¹.

Presentation of the Alpha League Table

The Alpha League Table provides a ranking of the best asset management companies in Europe on a quarterly basis. The table focuses each year on four European zones in particular: France, Italy and Spain, Switzerland and finally, the UK. This year's tables will again be divided up into four quarters.

The ranking is designed using a score based on the alpha intensity of each asset management company.



The Alpha League Table score: alpha intensity

The objective of the Alpha League Table is to allow asset management firms to be ranked according to their capacity to generate alpha frequently: alpha intensity.

Alpha intensity is the product of two indicators calculated using information from the Europerformance-EDHEC Style Rating:

- The alpha frequency in the investment product range, which is determined according to the number of funds with strictly positive alpha (**++++** or **+++++** in the Style Rating) out of all of a given company's rated funds;

- The average alpha, which corresponds to the average percentage of alpha of the funds with strictly positive alpha (**++++** or **+++++** in the Style Rating).

The Alpha League Table alpha intensity score is the product of the alpha frequency and average alpha figures.

Example:

If company X has an alpha frequency score of 30%, i.e., 3 funds out of 10 have received a score of **++++** or **+++++**, and an average alpha (>0) score of 4%, then its final rating will be: $4\% \times 0.30 = 1.2\%$.

Similarly, if the company has a frequency figure of 50% and average alpha of 3%, its final score will be: $3\% \times 0.50 = 1.5\%$.

Winners' circle

Each month, a ranking on the basis of this final score is established. Only those companies that have participated in the 12 monthly rankings are included in the annual one.

This year, the relevant calculations cover the period from 26 May 2006 to 27 April 2007.

In the final winners' circle, the companies are ranked according to the average of their 12 monthly scores.

Asset management firms included in the Alpha League Table

The companies included in the ranking must meet two criteria:

- Eligibility in the market under analysis

All officially recognised asset management companies in the relevant zone are eligible for the Alpha League Table.

1 - "Asset Allocation: Management Style and Performance Measurement", W.F. Sharpe, *Journal of Portfolio Management*, Vol 18, winter 1992, pp7-19.

Alpha League Table methodology

This year, foreign companies with no commercial activity are excluded. However, all managed and marketed funds in officially recognised companies are included, regardless of the fund's country of domicile. When a company delegates the management of a fund to another company, the fund is considered as part of the secondary company for the purposes of the ranking.

- **Statistics criteria**

Because the table represents an assessment based on a company's equity product range, only companies for whom at least 2/3 of this range has been analysed under the EuroPerformance-EDHEC Style Rating are included.

Companies that meet the above criteria must have at least 6 rated funds under the EuroPerformance-EDHEC Style Rating in order to qualify for the Alpha League Table. These must be divided into a minimum of four categories of analysis.

Funds included in the final score

Equity funds are eligible for the Alpha League Table, on condition that they have been included in the EuroPerformance database and have been rated under the Style Rating, the scoring system developed by EuroPerformance and EDHEC. For this to be the case, they must have been in existence for at least three years, must have provided returns for the full calculation period (156 weeks) with no more than two failures to do so, and must not belong to any of the following categories:

- Gold and raw materials
- Real estate
- ETFs and all index-managed mutual funds

Style Rating

The EuroPerformance-EDHEC Style Rating is based on three criteria:

- Risk-adjusted performance (alpha)
- Potential for extreme loss (Value-at-Risk)
- Performance persistence

This scoring system incorporates the most advanced technical and conceptual research. It measures the quality of active management and then awards a score of **+** to **+++++**.

The **+** and **++** categories contain funds that on average do not outperform their management objectives. The **+++** category represents funds whose performance is close to the returns achieved on the market in which they invest. **++++** or **+++++** are awarded to funds that generate outperformance for the period under analysis. This is the product of management decisions: stock picking and/or market timing. Some of these high-performance funds offer significant gain frequency, indicating persistent outperformance. They are awarded the maximum score of **+++++** or **+++++h**, where the "h" symbolises the regularity with which they appear in the excess returns category.

EuroPerformance & EDHEC

The philosophy of the EDHEC Risk and Asset Management Research Centre is that research should be useful for business.

On the basis of research work relating to performance measurement and mutual fund ratings, and having observed the inadequacies of the existing ratings systems, EDHEC began to collaborate with EuroPerformance in 2002.

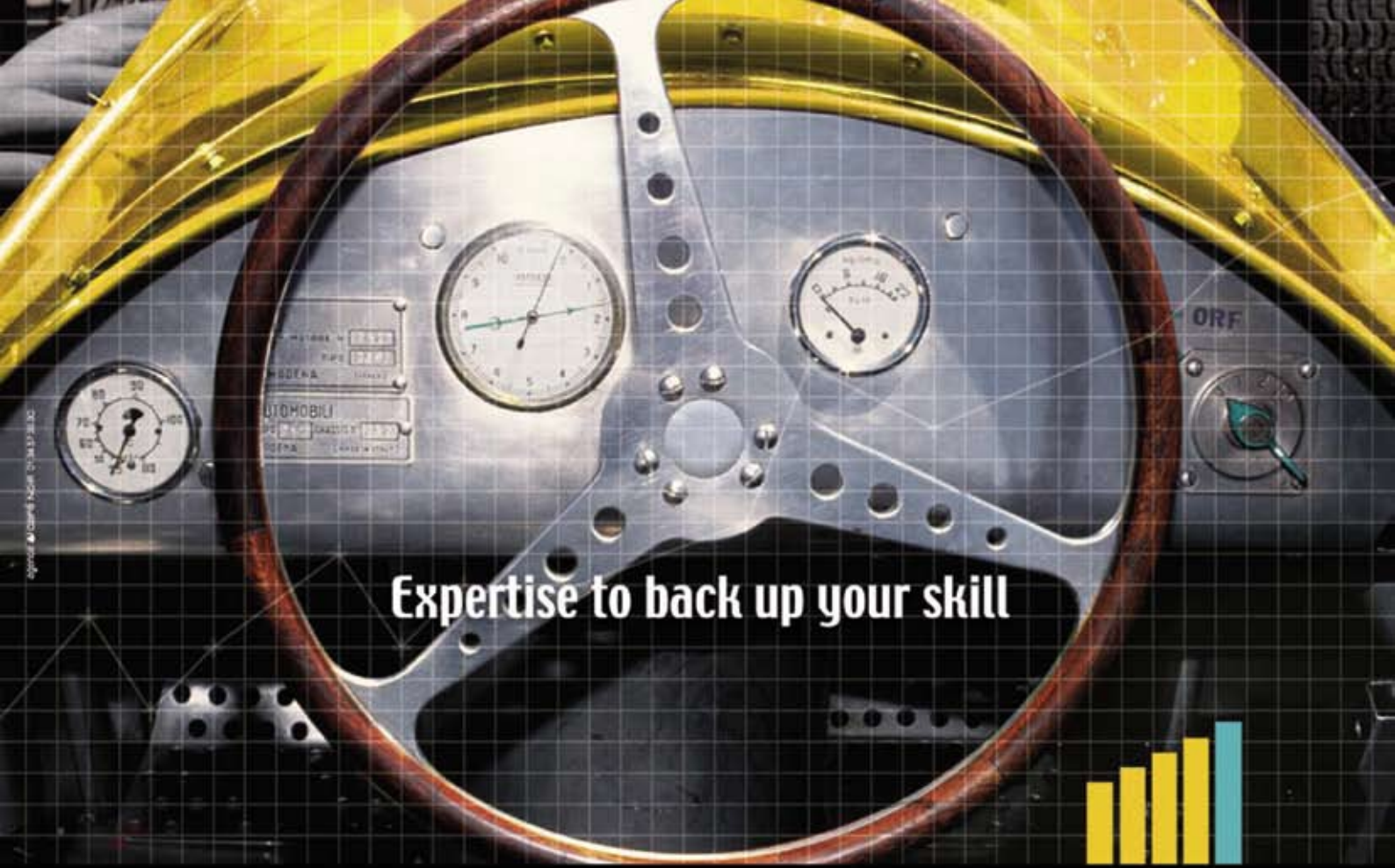
Combining the state of the art in financial research and business know-how, EuroPerformance and EDHEC developed a European fund rating method based on Alpha, the EuroPerformance-EDHEC Style Rating, a genuine analytical referential database whose calculations are used as a basis for the Alpha League Table.



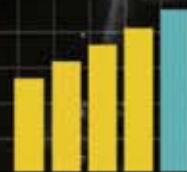
EDHEC is one of the leading French and European business schools. It ranked 7th in the Financial Times Masters in Management rankings in 2006. The EDHEC Risk and Asset Management Research Centre, with its 34 professors, engineers and research associates, is the leading European research centre in asset management.



EuroPerformance, a fund analysis company, is a subsidiary of the FININFO group, the leading French financial information 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.



Expertise to back up your skill



Style Analytics

EUROPERFORMANCE

All the calculations in the Alpha League Table rankings are drawn from "Style Analytics", a tool for measuring alpha and, more generally, the performance and risks of European funds. **www.styleanalytics.com: get connected!**

EuroPerformance:

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