

- Press release -

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The Lyxor Hedge Fund Index was up 0.20% in June

The Lyxor Hedge Fund Index was up 0.20% in June. Year-to-date performance\* as of June 30, 2008 is 1.36%.

The top winning strategies over the month were Long/Short Equity Short Bias (+8.85%), CTA Long Term (+5.49%).

The thematic Lyxor Emerging Market Index is down -3.32% in June.

The 'Lyxor Hedge Indices' are investable, asset-weighted hedge fund indices. They are based on Lyxor's hedge fund platform that covers all the major hedge fund strategies and benefits from a high level of transparency and risk control, while ensuring weekly liquidity.

Lyxor Hedge Fund Indices	Bloomberg Ticker	June 2008 Performance*	YtD Performance*
<b>Global Index</b>			
Lyxor Hedge Fund Index	LYXRHFI	0.20%	1.36%
<b>Strategy Indices</b>			
Lyxor L/S Equity Variable Bias Index	LYXRLSVR	1.66%	1.25%
Lyxor L/S Equity Long Bias Index	LYXRLSLB	-3.79%	-7.16%
Lyxor L/S Equity Short Bias Index	LYXRLSSB	8.85%	12.30%
Lyxor L/S Equity Market Neutral Index	LYXRISMN	0.44%	0.47%
Lyxor L/S Equity Statistical Arbitrage Index	LYXRSTAT	-0.74%	4.39%
Lyxor Special Situations Index	LYXRSPEC	-0.19%	2.13%
Lyxor Merger Arbitrage Index	LYXRMNA	-0.87%	1.87%
Lyxor Distressed Securities Index	LYXRDIST	0.24%	-5.05%
Lyxor Convertible Bonds Arbitrage Index	LYXRBCB	-0.66%	-0.90%
Lyxor Fixed Income Arbitrage Index	LYXRFIAR	1.48%	-11.80%
Lyxor L/S Credit Arbitrage Index	LYXRCDRT	-1.04%	-3.10%
Lyxor Global Macro Index	LYXRMACR	-0.13%	5.80%
Lyxor CTA Long Term Index	LYXRCTAL	5.49%	15.89%
Lyxor CTA Short Term Index	LYXRCTAS	-3.22%	3.55%
<b>Thematic Index</b>			
Lyxor Emerging Markets Index	LYXREMER	-3.32%	-8.17%

(\* MTD returns are based on performance from the last estimated NAV of the previous month until the last estimated NAV of the reported month. YTD returns are from December 31, 2007 through June 30, 2008.

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LYXOR ASSET MANAGEMENT  
Société Anonyme with share capital of  
€ 1 200 000 as at 31-12-2007

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**Below is a brief description of the Lyxor Hedge Fund Strategy Indices:**

**Special Situations** is a strategy that encompasses a combination of investment processes targeting equities or bonds whose valuation is altered by a special situation such as spin-offs, industry consolidations, liquidations, reorganizations, share buybacks and other extraordinary corporate transactions that generate investment opportunities.

**Merger Arbitrage** is a strategy that primarily consists of investing in equities involved in merger/acquisition operations and aims to take advantage of the spread between the price bid for the takeover and the price observed in the market.

**Distressed Securities** is a strategy that consists of investing in (or selling short) securities of companies for which the price has been, or is expected to be, affected by a distressed situation (e.g., pre- or post- bankruptcy).

**Convertible Bonds and Volatility Arbitrage** are strategies that aim to take advantage of volatility arbitrage opportunities by investing in various financial instruments. Convertible Bonds funds primarily invest in convertible bonds and discretionarily hedge some of the underlying risk factors (interest rate risk, credit risk, market risk) in order to gain exposure to volatility and/or credit risk at a very attractive price.

**Fixed Income Arbitrage** is a strategy that aims to take advantage of pricing anomalies between fixed income securities, sectors, markets and yield curves.

**L/S Credit Arbitrage** strategy is a directional strategy that involves buying bonds and credit and fixed income derivative instruments that are expected to appreciate and selling the ones that are expected to depreciate.

**Global Macro** is a strategy that aims to take advantage of expected macroeconomic trends and may invest in all types of markets and instruments.

**CTAs Long Term** is a strategy that aims to capture price movements in fixed income, equity, currency and commodity markets with the use of systematic trading models.

**CTAs Short Term** is a strategy that aims to capture short term price movements in fixed income, equity, currency and commodity market with the use of systematic trading models.

**L/S Equity Variable Bias** is a directional strategy that primarily involves buying equities and equity derivatives that are expected to appreciate and selling those that are expected to depreciate. The portfolio's net exposure to the market (possibly net long, net short or market neutral) will be actively managed depending on the manager's expectations.

**L/S Equity Long Bias** is a directional strategy that primarily involves buying equities and equity derivatives that are expected to appreciate and selling those that are expected to depreciate, while structurally maintaining a net long exposure to the equity market.

**L/S Equity Short Bias** is a directional strategy that primarily involves buying equities and equity derivatives that are expected to appreciate and selling those that are expected to depreciate while structurally maintaining a net short exposure to the equity market.

**L/S Equity Market Neutral** is a strategy that primarily involves buying equities and equity derivatives that are expected to appreciate and selling those that are expected to depreciate while generally neutralizing broad equity market risks.

**L/S Equity Statistical Arbitrage** is a strategy that primarily consists of investing in some equities and selling short other equities. The security selection approach is typically based on quantitative analysis of either fundamentals, prices, or a combination of the two. This strategy typically seeks to offer limited exposure to equity market risks.

Each index is reviewed and rebalanced on a monthly basis in line with investment guidelines and reflecting the evolution of assets under management and liquidity constraints. Owned by Société Générale Index, the indices are calculated and published on a daily basis by Standard and Poors on Bloomberg and Reuters.

A dedicated website [www.lyxorhedgeindices.com](http://www.lyxorhedgeindices.com) provides monthly factsheets, valuations, performance and methodology and performance analyses.

ASSET MANAGEMENT BY  
**LYXOR**

**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 27 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 2 583 billion, Dec. 2007) and under management (EUR 434,6 billion, Dec. 2007).
- Corporate & Investment Banking: Société Générale ranks among the leading banks worldwide in euro capital markets, derivatives and structured finance.

Société Générale is included in the five major socially-responsible investment indexes.

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

**About SGI**

Société Générale **Index** (SGI) is a leading index provider part of the Société Générale group. SGI is closely linked to the Global Equities and Derivatives Solutions division, which has been recognised as a global leader in equity derivatives for many years.

The SGI offer is organised around two main ranges of indices, each addressing a specific need either in terms of portfolio diversification or alpha generation. Furthermore, SGI indices can ultimately be combined in more sophisticated core-satellite strategies to extract the added value of both spheres.

-  $\alpha$ -research indices seek to deliver an excess return over traditional indices by reflecting the evolution of strategies based on systematic or discretionary investment processes.

-  $\beta$ -research indices aim to provide an exposure to new investment themes, alternative markets and asset classes

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

Created in 1998, Lyxor AM currently manages EUR 75.20 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 25.80 billion)**. Lyxor AM 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 170 hedge funds covering all principal strategies and represents a diversified investment universe benefiting from a high level of transparency, security and liquidity.

- **Structured Management (EUR 20.50 billion)**. Lyxor AM 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 28.90 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).