

- Press Release -

Paris, 13 October 2011

Lyxor launches SmartIX®, a more efficient, less volatile family of risk-weighted indices

Lyxor launches SmartIX®, a new range of risk-weighted indices, with the SmartIX® ERC* Equity Indices. The behavior of equity markets in this last decade has reinforced the need to prevent risk concentration and to improve diversification. With this launch, Lyxor innovates by offering a more efficient, less volatile alternative to traditional market cap-weighted indices. Investors, already convinced by the benefits of indexing, now have a range of indices at their disposal which puts risk management at the center of portfolio construction.

To avoid the risk of overweighting the volatile large-cap stocks, the SmartIX® ERC Equity Indices apply Lyxor's proprietary methodology to equalise the risk contribution of each large-cap component in the underlying index. Because small and mid-cap stocks remain cap-weighted, the SmartIX® indices offer the same investment capacity as traditional indices. According to simulations based on historical data, the SmartIX® indices have outperformed their traditional counterparts over a full market cycle, with less volatility and greater diversification.

The Lyxor ERC model has been academically validated by its publication in the *Journal of Portfolio Management* and has been referenced in a large number of leading financial publications. It has also been extensively used by Lyxor in open-ended and dedicated mandates invested in Euro zone equities, Emerging Market equities, commodities and diversified portfolios. In all, as of 30 September 2011, Lyxor manages more than \$800 million in assets using the ERC method**.

Backed by Lyxor's index management expertise, its risk management culture and the models developed by its R&D team, the SmartIX® indices are supported by the market's most effective index standards. They are independently calculated by FTSE, a widely respected global index specialist, and are published on both the FTSE (www.ftse.com/Lyxor) and Lyxor websites. The allocation methodology will be made public and transparent.

With five indices at launch, the SmartIX® range already offers access to the world's leading developed equity markets and will soon be extended.

Lyxor SmartIX® index series - Bloomberg Tickers

Lyxor SmartIX® ERC Euro Equity Index NR EUR - ERCEUNR Index
Lyxor SmartIX® ERC Europe (DC) Equity Index NR EUR - ERCEPNR Index
Lyxor SmartIX® ERC USA Equity Index NR USD - ERCUSNR Index
Lyxor SmartIX® ERC Asia Pac (DC) Equity Index NR USD - ERCAPCNR Index
Lyxor SmartIX® ERC World (DC) Equity Index NR USD - ERCWDNR Index



PRESS RELATIONS
LYXOR ASSET MANAGEMENT

Laurent Tison
Tel: +33 1 42 13 76 75
Laurent.Tison@lyxor.com

LYXOR ASSET MANAGEMENT
Société Anonyme with share capital of
€ 161 106 300 as of 16-06-2010

Nanterre Trade Register No. 418 862 215
APE No.: 652E

Registered Office: 17 cours Valmy 92987
Paris La Défense Cedex

*ERC: Equally-weighted Risk Contribution

**SmartIX ERC indices are calculated since 20 January 2006.

Notes to editors:

Lyxor Asset Management - www.lyxor.com

Created in 1998, Lyxor Asset Management currently manages EUR 81.9 billion*. A wholly-owned subsidiary of Société Générale Group, the asset management company specializes in three businesses:

- **Alternative Investments:** 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 gained its prominence with its hedge fund platform. This platform includes more than 100 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:** 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:** Lyxor 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

*AUMs as of August 31st, 2011