



# 4 Record of performance

# The Global VaR Management Concept : product line

## 1. Commingled funds : Product line

Concept	Devise	FRANCE	LUXEMBOURG	
			<u>CAAM INVEST</u>	<u>UCITS III CAAM FUNDS</u>
VaR 2	EUR	CAAM Arbitrage VaR 2	CAAM Invest VaR 2 EUR	CAAM Funds Arbitrage VaR 2 EUR
	GBP	-	-	CAAM Funds Arbitrage VaR 2 GBP
	USD	-	CAAM Invest VaR 2 USD	CAAM Funds Arbitrage VaR 2 USD
	JPY	-	CAAM Invest VaR 2 JPY	-
VaR 4	EUR	CAAM Dynarbitrage VaR 4	CAAM Invest VaR 4 EUR	CAAM Funds Dynarbitrage VaR 4 EUR
	USD	-	CAAM Invest VaR 4 USD	CAAM Funds Dynarbitrage VaR 4 USD
VaR 8	EUR	CAAM Dynarbitrage VaR 8	CAAM Invest VaR 8 EUR	-
	GBP	-	CAAM Invest VaR 8 GBP	-
	USD	-	CA-AM Invest VaR 8 USD	-
	JPY	-	CAAM Invest VaR 8 JPY	-
VaR 20	EUR	-	CAAM Invest VaR 20 EUR	-
	USD	-	CAAM Invest VaR 20 USD	-
VaR 2*4	JPY	-	CAAM Invest VaR 2*4 JPY	-

# The Global VaR Management Concept : product line

## 2. Sources of performance French and Luxembourg-domiciled VaR products

Sources of performance	Type of limit	VaR 2	VaR 4	VaR 8	VaR 20
<b>OECD Bonds</b>	<b>Max VaR</b>	<b>150</b>	<b>300</b>	<b>600</b>	<b>1200</b>
Global bond exposure	Modified Duration	[-2;+2]	[-4;+4]	[-8;+8]	[-20;+20]
Global bond market allocation	Max VaR (bps)	100	200	400	1000
Yield curve segment allocation	Max VaR (bps)	100	200	400	1000
Futures trading	Max VaR (bps)	50	100	200	500
<b>Currencies</b>	<b>Max Percent Assets</b>	<b>50% hors Euro*</b>	<b>-</b>	<b>120% hors Euro*</b>	<b>-</b>
USD exposure	Max VaR (bps)	150	300	600	1500
Inter Bloc (EUR / JPY / CAD)	Max VaR (bps)	100	200	400	1000
Intra Bloc	Max VaR (bps)	100	200	400	1000
Emerging Currency allocation	Max VaR (bps)	100	200	400	1000
Currency trading	Max VaR (bps)	50	100	200	500
<b>non-OECD &amp; corporate bonds</b>					
Emerging Market Credit Exposure	<b>Max Percent Assets</b>	<b>+/- 5%**</b>	<b>+/- 10%**</b>	<b>+/- 20%</b>	<b>+/- 50%</b>
Country Allocation	Max VaR (bps)	75	150	300	750
Corporate credit	Max VaR (bps)	----	100	200	500
<b>Equities</b>					
Global equity exposure	<b>Max. Exposure</b>	<b>----</b>	<b>+/- 20%**</b>	<b>+/- 40%</b>	<b>+/- 50%</b>
Global equity market allocation	Max VaR (bps)	----	200	400	1000
Sector allocation	Max VaR (bps)	----	200	400	1000
Long Short Equity	Max VaR (bps)	----	100	200	500
<b>Volatility</b>	<b>Max VaR</b>	<b>50</b>	<b>100</b>	<b>200</b>	<b>500</b>
Commodity Futures	Max Percent Assets	----	+/- 2.5%	+/- 5%	+/- 12.5%
<b>Max. yearly VaR</b>		<b>2.0%</b>	<b>4.0%</b>	<b>8.0%</b>	<b>20.0%</b>
<b>Max. spot VaR</b>		<b>2.5%</b>	<b>5.0%</b>	<b>10.0%</b>	<b>25.0%</b>

\* Restrictions applicable only to the French domiciled funds

\*\* Restrictions no longer applicable to CAAM Funds with effect from 15/12/2006

Prospectus Limit

Please note that tactical limits are internal limits and are subject to changes on a periodic basis at the discretion of the CIO & Head of International Fixed Income.

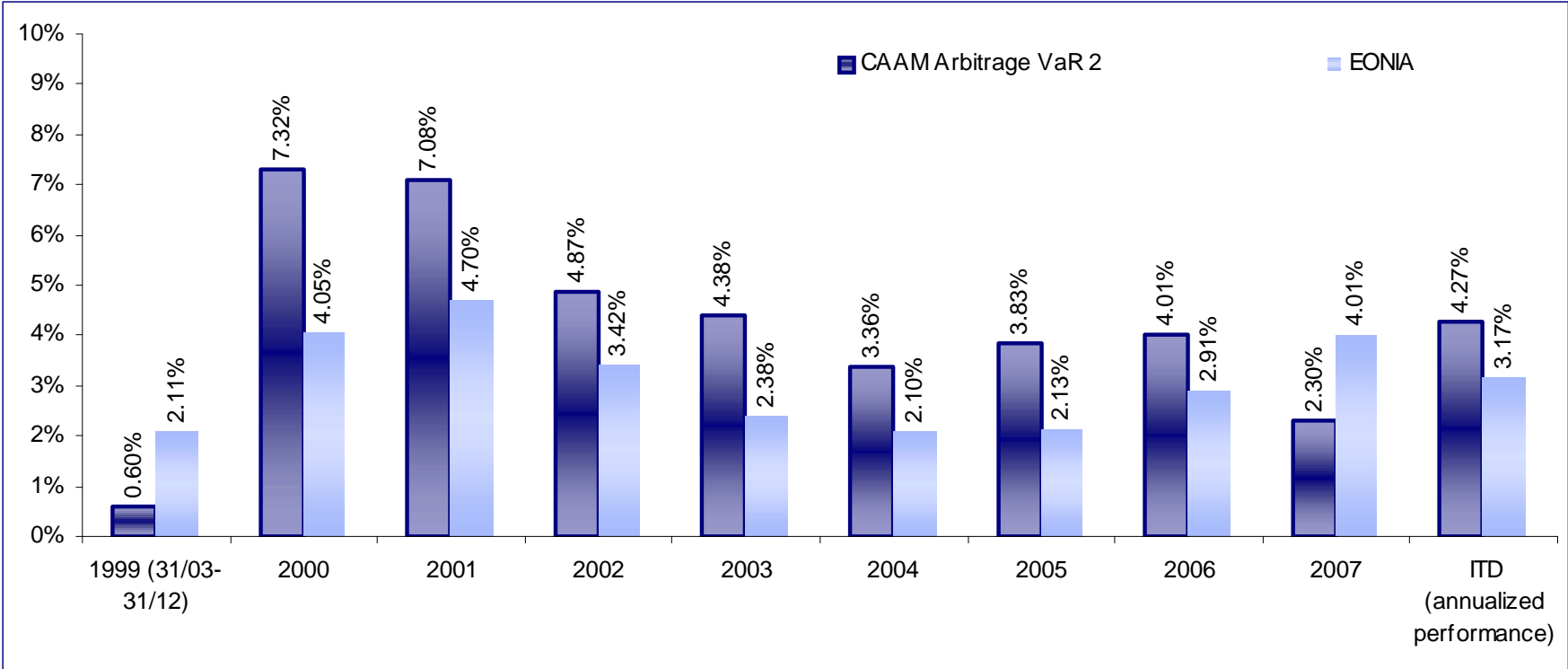
## Objective(s)

- To outperform the money market rate (MMR)
- To invest in three asset classes :
  - global bonds
  - emerging bonds
  - currencies
  
- To maintain the average volatility of the portfolio close to 1% p.a.
- To yield a return of 1% p.a. above MMR at 1-year horizon
  
- To maximize the information Ratio at 1

# CAAM Arbitrage VaR 2

## Calendar Year Performance as at December 31, 2007

*Net of fixed fee of 0.40% p.a. and perf. fee of 30% above EONIA+1% p.a.*



Source : CAAM

## CAAM Arbitrage VaR 2

### Performance Attribution as at December 31, 2007

*Net of fixed fee of 0.40% p.a. and perf. fee of 30% above EONIA+1% p.a.*

	1999 (*)	2000	2001	2002	2003	2004	2005	2006	2007
<b>OECD Bonds</b>	<b>-1.19</b>	<b>1.79</b>	<b>1.74</b>	<b>0.31</b>	<b>0.73</b>	<b>0.67</b>	<b>0.56</b>	<b>0.45</b>	<b>-0.34</b>
Bond Exposure	-0.85	0.32	0.21	0.15	0.11	-0.40	-0.45	0.42	-0.21
Country allocation	0.15	0.45	0.81	0.39	0.50	0.47	0.43	0.04	-0.31
Yield curve segment allocation	-0.49	1.02	0.72	-0.23	0.12	0.59	0.55	0.04	0.10
Bond selection	----	----	----	----	----	----	-0.01	-0.05	0.08
<b>non-OECD Bonds</b>	<b>0.00</b>	<b>0.40</b>	<b>0.65</b>	<b>0.18</b>	<b>0.63</b>	<b>-0.12</b>	<b>0.13</b>	<b>0.07</b>	<b>-0.12</b>
Emerging market exposure	----	0.35	0.30	0.22	0.65	-0.01	0.07	0.09	-0.04
Emerging market allocation	----	----	----	----	-0.02	-0.12	0.06	-0.02	-0.08
Quasi-government credit	----	0.05	0.35	-0.04	----	----	----	----	----
<b>Currency allocation</b>	<b>0.34</b>	<b>0.80</b>	<b>-0.13</b>	<b>1.26</b>	<b>1.65</b>	<b>1.24</b>	<b>1.82</b>	<b>0.98</b>	<b>-0.62</b>
US dollar exposure	----	----	----	----	----	----	1.25	0.22	-1.06
Inter-Bloc (USD / EUR / JPY / Commod)	----	----	----	----	----	----	0.35	0.17	0.15
Intra-Bloc	----	----	----	----	----	----	-0.34	0.54	0.09
Emerging Currency allocation	----	----	----	----	----	----	0.54	0.05	0.20
<b>Trading</b>	<b>-0.11</b>	<b>0.82</b>	<b>0.44</b>	<b>0.14</b>	<b>-0.02</b>	<b>-0.03</b>	<b>0.09</b>	<b>0.07</b>	<b>-0.23</b>
Derivatives	-0.11	0.82	0.44	0.14	-0.02	0.01	0.04	0.05	-0.18
Commodities	----	----	----	----	----	----	----	0.00	0.00
Currencies	----	----	----	----	----	----	0.02	0.02	-0.10
Volatility	----	----	----	----	----	-0.04	0.03	0.00	0.05
<b>TER</b>	<b>-0.54</b>	<b>-0.54</b>	<b>-0.33</b>	<b>-0.43</b>	<b>-1.01</b>	<b>-0.50</b>	<b>-0.84</b>	<b>-0.47</b>	<b>-0.40</b>
<b>Total net out-performance</b>	<b>-1.50</b>	<b>3.27</b>	<b>2.37</b>	<b>1.46</b>	<b>1.98</b>	<b>1.26</b>	<b>1.70</b>	<b>1.10</b>	<b>-1.71</b>
Ex-post tracking error	-	2.06	1.38	0.77	0.43	1.01	0.91	1.30	2.07
Information ratio	-	1.59	1.72	1.89	4.61	1.25	1.87	0.90	-0.83
<b>Absolute performance</b>	<b>0.60</b>	<b>7.32</b>	<b>7.08</b>	<b>4.87</b>	<b>4.38</b>	<b>3.36</b>	<b>3.83</b>	<b>4.01</b>	<b>2.30</b>

# CAAM Dynarbitrage VaR 4 : an absolute return product with a low risk budget

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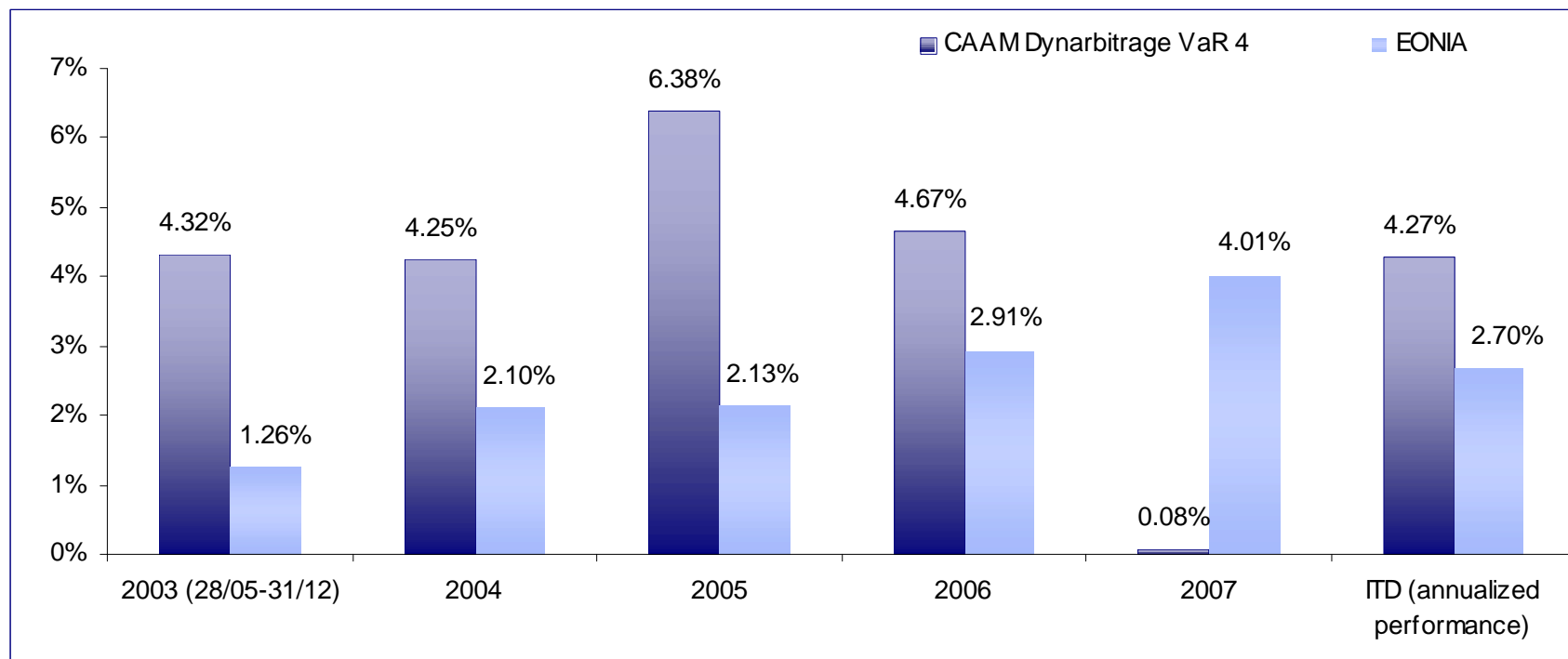
## Objective(s)

- To outperform the money market rate (MMR)
- To invest in four asset classes :
  - global bonds
  - emerging bonds
  - currencies
  - equities
  
- To maintain the average volatility of the portfolio close to 2% p.a.
- To yield a return of 2% p.a. above MMR at 2-year horizon
  
- To maximize the information Ratio at 1.2

## CAAM Dynarbitrage VaR 4

### Calendar Year Net Performance as of December 31, 2007

*Net of fixed fee of 0.60% p.a. and perf. fee of 30% above EONIA+2% p.a.*





# CAAM Dynarbitrage VaR 4

## Performance Attribution as at December 31, 2007

Net of fixed fee of 0.60% p.a. and perf. fee of 30% above EONIA+2% p.a.

	2003 (*)	2004	2005	2006	2007
<b>OECD Bonds</b>	<b>1.37</b>	<b>1.00</b>	<b>0.63</b>	<b>0.88</b>	<b>-0.58</b>
Bond Exposure	0.54	-0.79	-0.98	0.89	-0.30
Country allocation	1.15	0.80	0.61	0.02	-0.52
Yield curve segment allocation	-0.44	0.78	0.84	0.01	0.13
Bond selection	----	----	-0.01	-0.04	0.11
<b>non-OECD Bonds</b>	<b>0.29</b>	<b>-0.30</b>	<b>0.35</b>	<b>0.11</b>	<b>-0.34</b>
Emerging market exposure	0.36	-0.03	0.10	0.17	-0.09
Emerging market allocation	-0.07	-0.28	0.25	-0.06	-0.25
<b>Equities</b>	<b>1.33</b>	<b>0.50</b>	<b>1.81</b>	<b>0.83</b>	<b>-0.92</b>
Global equity exposure	1.10	0.65	1.77	0.81	-0.54
Global equity market allocation	0.16	0.08	0.48	-0.07	-0.29
Sector allocation	0.08	-0.24	-0.39	0.01	0.33
Long / Short Equity	----	----	-0.05	0.08	-0.42
<b>Currency allocation</b>	<b>1.52</b>	<b>2.08</b>	<b>3.35</b>	<b>1.63</b>	<b>-2.13</b>
US dollar exposure	----	----	2.24	0.35	-2.00
Inter-Bloc (USD / EUR / JPY / Commod)	----	----	0.56	0.19	-0.20
Intra-Bloc	----	----	-0.49	1.02	-0.10
Emerging Currency allocation	----	----	1.02	0.07	0.17
<b>Trading</b>	<b>0.12</b>	<b>0.19</b>	<b>0.20</b>	<b>-0.73</b>	<b>0.39</b>
Derivatives	0.12	0.19	0.15	-0.45	0.04
Commodities	----	----	----	-0.04	0.11
Currencies	----	----	0.02	-0.26	0.15
Volatility	----	-0.01	0.03	0.02	0.09
<b>TER</b>	<b>-1.49</b>	<b>-1.13</b>	<b>-1.90</b>	<b>-0.96</b>	<b>-0.35</b>
<b>Total net out-performance</b>	<b>3.06</b>	<b>2.15</b>	<b>4.25</b>	<b>1.76</b>	<b>-3.93</b>
Ex-post tracking error	1.73	2.19	1.95	1.83	4.56
Information ratio	1.77	0.98	2.18	0.97	-0.86
<b>Absolute performance</b>	<b>4.32</b>	<b>4.25</b>	<b>6.38</b>	<b>4.67</b>	<b>0.08</b>

Source : CAAM

(\*) as from May 28, 2003

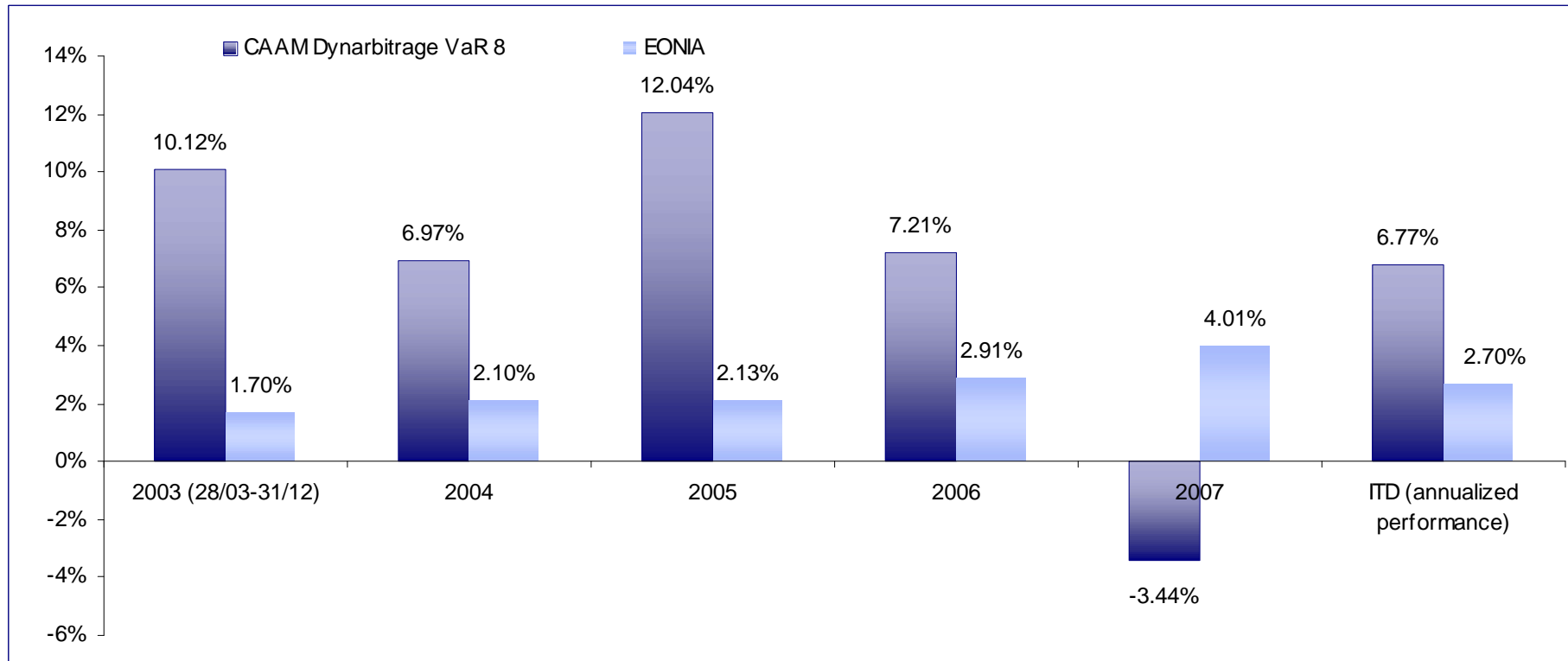
## Objective(s)

- To outperform the money market rate (MMR)
- To invest in four asset classes :
  - global bonds
  - emerging bonds
  - currencies
  - equities
  
- To maintain the average volatility of the portfolio close to 4% p.a.
- To yield a return of 4% p.a. above MMR at 4-year horizon
  
- To maximize the information Ratio at 1.2

# CAAM Dynarbitrage VaR 8

## Calendar Year Net Performance as of December 31, 2007

*Net of fixed fee of 0.80% p.a. and perf. fee of 30% above EONIA+4% p.a.*



# CAAM Dynarbitrage VaR 8

## Performance Attribution as at December 31, 2007

*Net of fixed fee of 0.80% p.a. and perf. fee of 30% above EONIA+4% p.a.*

	2003 (*)	2004	2005	2006	2007
<b>OECD Bonds</b>	<b>1.64</b>	<b>1.48</b>	<b>1.26</b>	<b>1.78</b>	<b>-1.26</b>
Global bond exposure	0.95	-1.56	-1.92	1.78	-0.64
Global bond market allocation	1.89	1.29	1.21	0.04	-0.99
Yield curve segment allocation	-0.40	1.63	1.65	0.04	0.17
Bond selection	----	----	----	-0.08	0.20
<b>non-OECD Bonds</b>	<b>1.41</b>	<b>-0.64</b>	<b>0.65</b>	<b>0.15</b>	<b>-0.34</b>
Emerging market exposure	1.45	-0.23	0.36	0.19	-0.10
Emerging market allocation	-0.04	-0.42	0.29	-0.04	-0.24
<b>Equities</b>	<b>3.53</b>	<b>1.01</b>	<b>3.72</b>	<b>1.59</b>	<b>-1.34</b>
Global equity exposure	2.88	1.25	3.56	1.55	-0.64
Global equity market allocation	0.45	0.28	0.99	-0.14	-0.62
Sector allocation	0.20	-0.53	-0.75	0.03	0.45
Long / Short Equity	----	----	-0.08	0.15	-0.53
<b>Currency allocation</b>	<b>4.81</b>	<b>4.38</b>	<b>6.88</b>	<b>3.11</b>	<b>-4.12</b>
US dollar exposure	----	----	4.57	0.45	-4.01
Inter-Bloc (USD / EUR / JPY / Commo	----	----	1.15	0.47	-0.15
Intra-Bloc	----	----	-0.92	2.08	-0.19
Emerging Currency allocation	----	----	2.05	0.11	0.23
<b>Trading</b>	<b>-0.79</b>	<b>0.08</b>	<b>0.39</b>	<b>-1.27</b>	<b>0.44</b>
Derivatives	-0.79	0.10	0.32	0.14	-0.06
Commodities	----	----	----	-0.14	0.12
Currencies	----	----	0.03	-1.19	0.22
Volatility	----	-0.02	0.04	-0.08	0.16
<b>TER</b>	<b>-2.97</b>	<b>-1.34</b>	<b>-2.63</b>	<b>-1.06</b>	<b>-0.83</b>
<b>Total net out-performance</b>	<b>8.41</b>	<b>4.86</b>	<b>9.91</b>	<b>4.30</b>	<b>-7.45</b>
Ex-post tracking error	3.40	5.26	5.41	5.05	9.35
Information ratio	3.31	0.92	1.83	0.89	-0.80
<b>Absolute Portfolio Performance</b>	<b>10.12</b>	<b>6.97</b>	<b>12.04</b>	<b>7.21</b>	<b>-3.44</b>

(\*) as from March 28, 2003

Source : CAAM

# CAAM Invest VaR 20: an absolute return product with a high risk budget

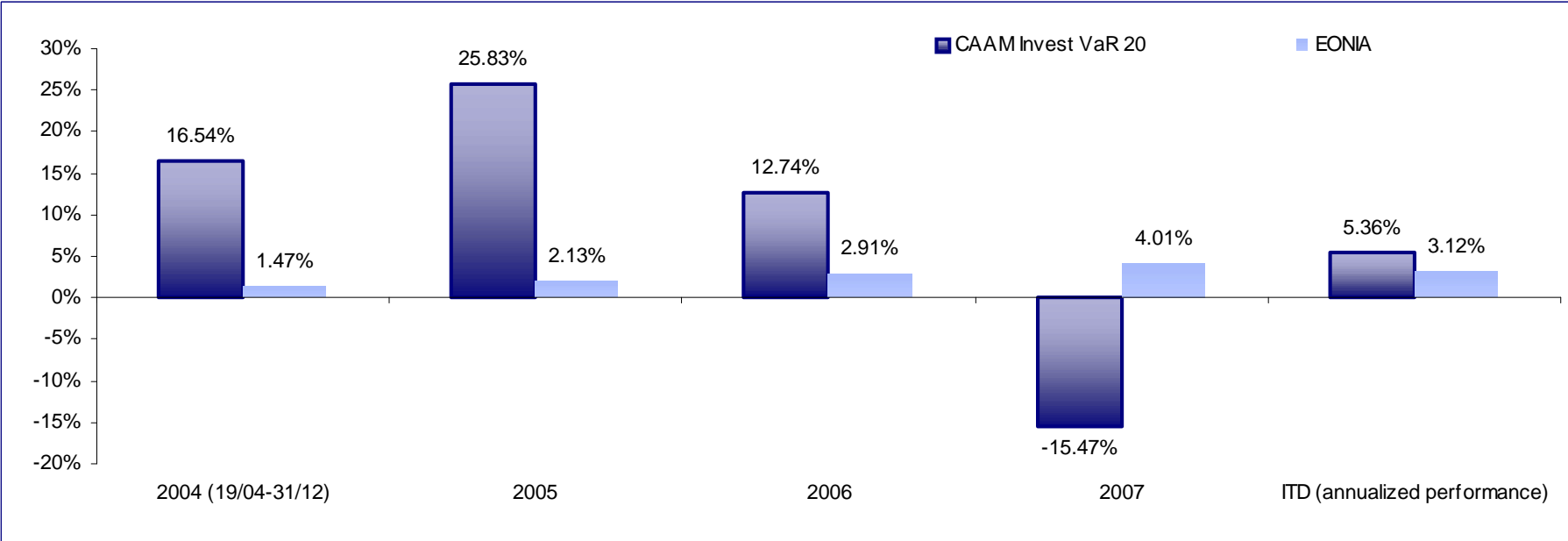
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## Objective(s)

- To outperform the money market rate (MMR)
  - To invest in four asset classes :
    - global bonds
    - emerging bonds
    - currencies
    - equities
  - To maintain the average volatility of the portfolio close to 10% p.a.
  - To yield a return of 10% p.a. above MMR at 4-year horizon
- To maximize the information Ratio at 1.2

# CAAM Invest VaR 20

Calendar Year Net Performance as at December 31, 2007  
*Net of fixed fee of 1.20% p.a. and perf. fee of 20% above EONIA p.a.*



## Performance Attribution as at December 31, 2007

*Net of fixed fee of 1.20% p.a. and perf. fee of 20% above EONIA*

	2004 (*)	2005	2006	2007
<b>OECD Bonds</b>	<b>5.84</b>	<b>2.53</b>	<b>4.20</b>	<b>-4.01</b>
Global bond exposure	-2.89	-4.65	4.41	-1.74
Global bond market allocation	2.32	3.00	-0.07	-2.85
Yield curve segment allocation	3.90	3.68	0.04	0.35
Bond selection	----	-0.05	-0.18	0.23
<b>non-OECD Bonds</b>	<b>0.10</b>	<b>-0.21</b>	<b>0.43</b>	<b>-1.50</b>
Emerging market allocation	0.56	-0.19	0.65	-0.24
<i>Emerging market allocation</i>	-0.47	-0.02	-0.22	-1.26
<b>Equities</b>	<b>1.97</b>	<b>10.35</b>	<b>3.86</b>	<b>-3.30</b>
Global equity exposure	3.13	8.55	3.97	-0.92
Global equity market allocation	-1.56	3.50	-0.33	-1.93
Sector allocation	0.39	-1.40	0.04	1.11
<i>Long / Short Equity</i>	----	-0.30	0.18	-1.56
<b>Currency allocation</b>	<b>10.22</b>	<b>17.35</b>	<b>6.92</b>	<b>-10.03</b>
US dollar exposure	----	10.32	-0.35	-9.85
Inter-Bloc (USD / EUR / JPY / Commod)	----	2.80	1.30	-0.67
Intra-Bloc	----	-1.60	5.57	-0.44
Emerging Currency allocation	----	5.80	0.40	0.93
<b>Trading</b>	<b>2.77</b>	<b>0.68</b>	<b>-1.70</b>	<b>0.75</b>
<i>Derivatives</i>	2.50	0.55	1.27	-1.25
<i>Commodities</i>	----	----	-0.13	0.53
<i>Currencies</i>	----	0.03	-2.89	0.77
<i>Volatility</i>	0.27	0.10	0.05	0.70
<b>TER</b>	<b>-3.34</b>	<b>-6.42</b>	<b>-3.88</b>	<b>-1.59</b>
<b>Total net out-performance</b>	<b>15.07</b>	<b>23.70</b>	<b>9.83</b>	<b>-19.68</b>
Ex-post tracking error	10.00	9.64	10.57	23.35
Information ratio	1.51	2.46	0.95	-0.84
<b>Absolute Portfolio Performance</b>	<b>16.54</b>	<b>25.83</b>	<b>12.74</b>	<b>-15.67</b>

Source : CAAM

(\*) as from April 19, 2004



# 5 Conclusion



## Investing in CAAM's VaR product range provides :

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- a significant risk-adjusted out-performance :
  - Strong track record of excess return
  - Low volatility
  - High Sharpe ratio
  
- the security of investment diversification & instant-update monitoring of all risk components & allocations
  
- the convenience of daily liquidity and low costs
  
- the transparency of performance attribution and risk analysis

## Disclaimer

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