



novethic Barometer

Measuring socially responsible investment

2008 summary

Market

SRI mutual funds available in France

as of December 31, 2008 (Source: Novethic and Morningstar)

	Assets (in millions of euros)			Number of funds	
	December 2007	December 2008	Growth	December 2007	December 2008
Best in class equity funds	9035	6827	-24,4%	85	107
SRI thematic equity funds	4225	2187	-48,2%	13	20
Diversified funds	2183	1764	-19,2%	29	36
Bond funds	3635	2854	-21,5%	35	36
Money market funds	1090	6264	+474,6%	5	13
Funds of funds	135	261	+94,2%	8	20
Total	20303	20158	-0,7%	175	232

From now on, Novethic separates bond funds and money market funds.

Nothing lost, nothing gained, but nothing's the same!

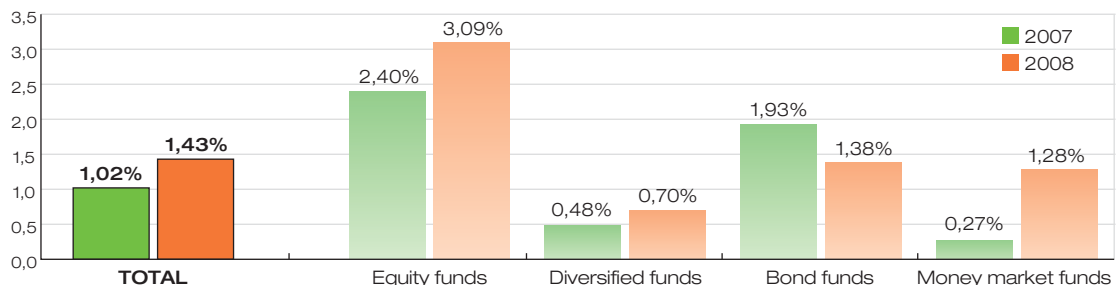
The decline in equity and bond assets under management mirrors the general drop in the global markets which are in the grip of the crisis. The strong growth in money market assets as investors retreat to this asset class means that SRI assets under management have held steady at over ? 20 billion. Most major fund managers have recently launched SRI money market funds, which totalled 13 in 2008 compared to just 5 in 2007, with each fund holding an average ? 500 million in assets under management. 6 of the 8 new funds result from the transformation of traditional money market funds and account for two-thirds of SRI money market assets under management.

The French SRI market remained buoyant, notching up 15 newcomers, notably foreign and independent asset management companies.

In fact, in relation to traditional management funds, SRI assets under management rose significantly. To compare what is comparable, the bar chart below only shows those funds registered in France: SRI assets under management for this type of fund now represent 1.43% of assets under management recorded by the AMF, the French market regulator, as of December 31, 2008.

Share of SRI funds in total AUM

Funds registered in France (Source: Novethic, Morningstar, AMF)



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The socially responsible investment barometer is carried out by Novethic's SRI research center. The scope of the survey is limited to SRI mutual funds offered in France.

Fund assets under management: MORNINGSTAR®

Produced by: Dominique Blanc, Samer Hobeika, Novethic research center.

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Novethic is a center for research and expertise in the area of socially responsible investment (SRI) and corporate social responsibility (CSR).

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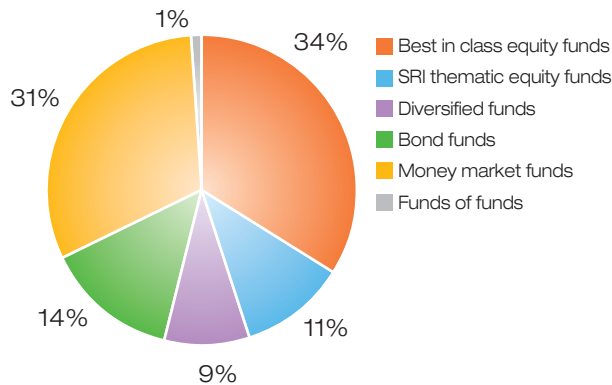
To consult the latest information on SRI funds and SRI studies: www.novethic.fr

SRI Funds

232 mutual funds are offered in France as of December 31, 2008

Distribution by fund type

Distribution of SRI assets according to fund categories, as of December 31, 2008 (Source: Novethic and Morningstar)

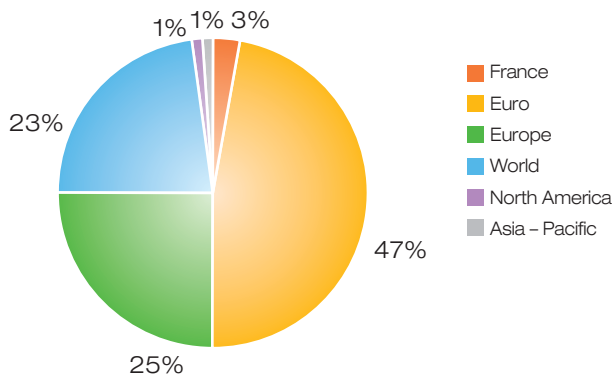


Equities and fixed-income neck and neck

The proportion of equity funds (Best-in-Class and SRI thematic) has reduced significantly. In fact, this is the first year that this asset class is not the largest, accounting as it did for 65% of assets under management in 2007. Today, it is neck and neck with fixed-income products which represent 45% of total assets as a result of the inflows into SRI money market funds. The remaining assets are split between diversified funds and funds-of-funds.

Distribution by investment region

Distribution of SRI assets of Best in class equity funds according to investment region, as of December 31, 2008 (Source: Novethic and Morningstar)

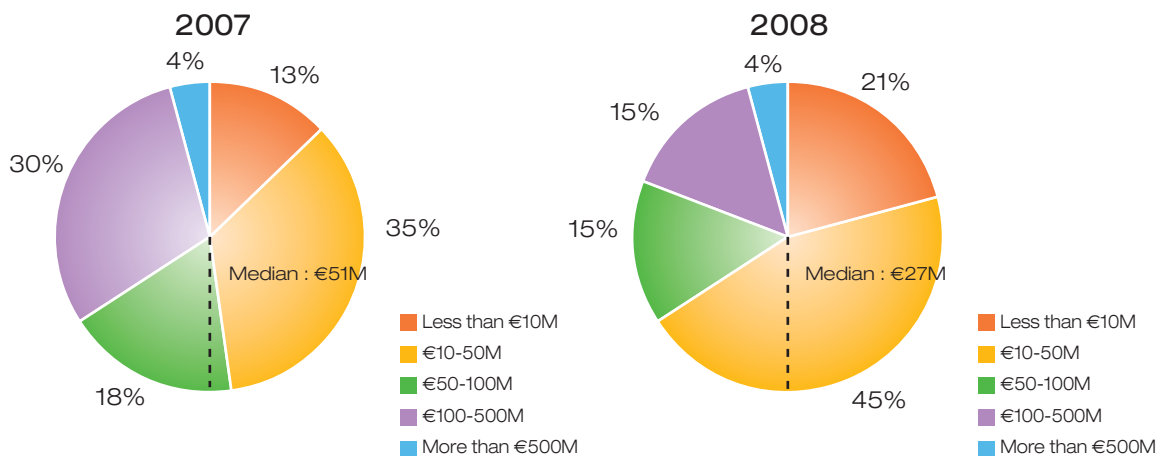


Eurozone first and foremost

Novethic has opted to limit the breakdown in assets under management to Best-in-Class equity funds since this better reflects the geographic mix. As fixed-income products are almost all categorised as invested in the eurozone, the weighting of this region has increased sharply on the back of inflows into money market funds. SRI thematic funds, for their part, have an international bias (over 95%).

Size of SRI funds

Number of SRI funds based on AUM, as of December 31 (Source: Novethic and Morningstar)



Funds below € 50 million become the norm

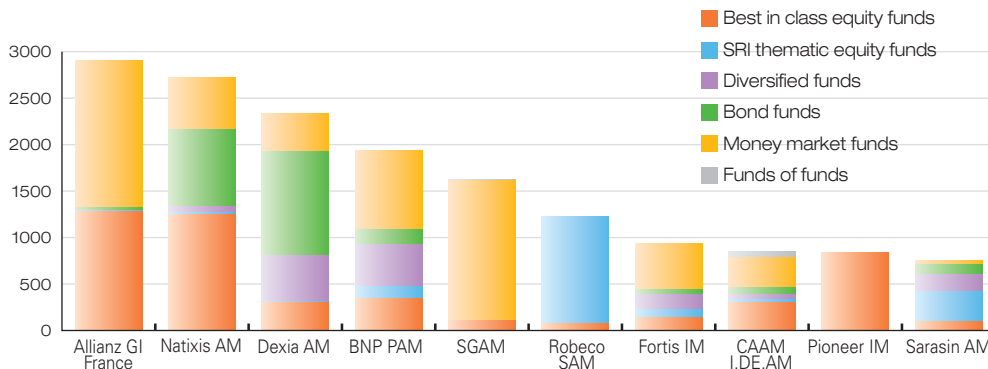
The trend inverts: While the breakdown by fund size had previously been stable, the proportion of funds with less than € 50 million under management rose from 48 to 65% within a year. This is partly explained by the emergence of new funds, where this size category accounted for 80%, but also by the drop in the assets under management of existing funds: out of the 150 funds included at both end-2007 and end-2008, 125 saw a decline in assets. As a result, median assets under management fell from € 51 million to € 27 million, which means that half of the funds have less than € 27 million under management.

Asset management firms

60 asset management firms offer at least one SRI fund on the French market as of December 31, 2008

Top 10 asset management firms present in the French SRI market

By SRI assets under management, as of December 31, 2008 (Source: Novethic and Morningstar)

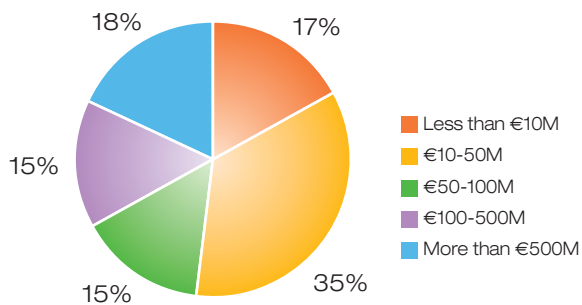


Allianz GI France takes the lead

Natixis AM has lost € 1 billion and its lead position in SRI fund manager rankings. 7 of the top 10 players have been able to hold onto or improve their positioning thanks to their money market funds. Allianz GI France is in pole position with its € 1.5 billion money market fund, and Société Générale AM, which has a similar-sized money market fund, saw an 11-fold increase in assets. French management companies have thus claimed the top spot, with Dexia AM being the only foreign manager to make it into the top 5. Alongside UBS AM, who dropped out of the top 10, one of the big losers this semester is Robeco SAM. Following the debacle surrounding environmental funds, the company saw its assets under management, which primarily consist of SRI thematic funds, cut in half.

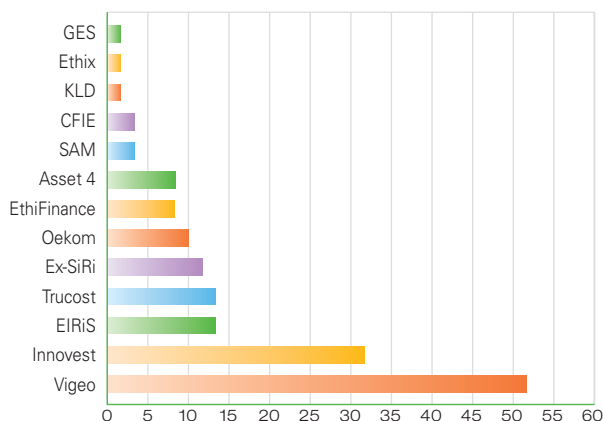
Volume of AUM

Distribution of asset management firms based on SRI assets under management as of December 31, 2008 (Source: Novethic and Morningstar)



Weight of rating agencies

Rate of penetration for societal rating agencies (%) in asset management firms that sell SRI funds in France, as of December 31, 2008 (Source: Novethic)



Companies are managing less money

As most major fund managers are already present on the French SRI market, the 15 newcomers (10 French and 5 foreign) are generally small independent management companies or foreign fund managers looking to set up in France. The largest of these companies manages just € 65 million. As a result, the proportion of fund managers with less than € 100 million in assets has gone from half to over two-thirds. Despite the withdrawal of Crédit Suisse and the takeover of Écureuil Gestion and ABN AMRO AM (by Natixis AM and Fortis IM respectively), the number of fund managers on the French SRI market has grown from 48 to 60 within 12 months.

Innovest gains ground, SiRi breaks up

Vigeo is still the leading extra-financial rating agency, even if Innovest is closing the gap. New management companies do not have access to a large number of rating agencies given their limited SRI assets under management or because they focus exclusively on multi-management funds. 2008 saw SiRi Group split into two new groups, with on the one hand Switzerland's Centre Info and INrate, and on the other DSR, AIS and Scoris which now constitute Sustainabilitytics. Novethic currently has no information as to how SiRi's traditional client base breaks between the new groups and consequently both networks are grouped together in the graph.

Indices

DJ EURO STOXX 50	Low Carbon 100	ML Carbon Leaders Europe Index	SGI Global Carbon	FTSE4Good Env. Leaders Europe 40	Total
AEGON	X	X			2
AIR LIQUIDE					0
ALLIANZ					0
ALSTOM					0
ARCELORMITTAL	X				1
ASSICURAZIONI GENERALI					0
AXA	X			X	2
BASF				X	1
BAYER	X			X	2
BANCO BILBAO					0
BANCO SANTANDER	X				1
BNP PARIBAS	X	X		X	3
CARREFOUR	X				1
CREDIT AGRICOLE					0
DAIMLER					0
DEUTSCHE BANK				X	1
DEUTSCHE BOERSE					0
DEUTSCHE TELEKOM				X	1
E.ON					0
ENEL	X				1
ENI					0
FORTIS					0
FRANCETELECOM		X		X	2
GDF SUEZ	X	X	X		3
GRP DANONE					0
GRP SOCIETE GENERALE					0
IBERDROLA		X	X		2
ING GRP					0
INTESA SANPAOLO					0
L'OREAL				X	1
LVMH MOET HENNESSY	X				1
MUENCHENER RUECK	X				1
NOKIA	X				1
PHILIPS ELECTRONICS	X			X	2
RENAULT	X		X		2
REPSOL YPF	X				1
RWE					0
SAINT GOBAIN					0
SANOFI-AVENTIS	X	X			2
SAP	X				1
SCHNEIDER ELECTRIC					0
SIEMENS	X				1
TELECOM ITALIA				X	1
TELEFONICA	X			X	2
TOTAL					0
UNICREDIT	X	X			2
UNILEVER NV	X	X		X	3
VINCI	X				1
VIVENDI	X	X		X	3
VOLKSWAGEN				X	1
TOTAL	23	9	3	14	
AVERAGE	46%	18%	6%	28%	0,98

■ Companies included in 3 out of 4 indices.

Panel of environmental indices

There is a relatively broad array of over twenty or so ratings agencies and environmental indices. The majority do however focus on specific environmental sectors, and those that include large caps from all sectors are fewer in numbers. Novethic has selected the 4 main environmental indices: three of them rate companies according to their carbon footprint which they calculate in different ways, while the fourth bases its rankings on broader eco-efficiency criteria.

Description of indices

The **Low Carbon 100** is calculated by Euronext based on Trucost and CA Cheuvreux data. From a universe comprising the 300 largest European companies, it selects the 100 with the lowest carbon intensity in their respective sectors of activity. A company's carbon intensity is the ratio of CO₂ emissions to revenue generated, i.e. the quantity of CO₂ emitted per unit of value produced. The index's sector breakdown is similar to its original universe. Given its European focus and its low selectivity (33%), close to half of the companies in the Euro Stoxx 50 are part of this index.

The **ML Carbon Leaders Europe Index** adopts a similar approach in that it also bases its ratings on Trucost data and primarily on a company's carbon footprint. However, it only takes 60 companies from a broader investment universe, the DJ Stoxx 600 Europe, hence its greater degree of selectivity (18%) among Euro Stoxx 50 companies. Moreover, stocks must receive a favourable or neutral financial rating from Merrill Lynch analysts.

The **FTSE4Good Environmental Leaders Europe 40** applies a dual filter: the first, that of the classic FTSE4Good, which rates the companies of a global investment universe according to 5 core environmental and social criteria based on the data provided by EIRIS; and the second, which limits eligibility to those companies that score the highest rating in terms of environmental best practices (environmental policies, management systems and reporting) but not in terms of actual performance. All told, the index includes the 40 biggest European large caps, 14 of which are listed on Euro Stoxx 50 (28%).

The **SGI Global Carbon**, built by Société Générale Index on the basis of EnvImpact data from Centre Info, selects stocks from S&P Global 1200 Index companies in those sectors most heavily affected by carbon intensity, namely capital goods, transport (including automobile), energy, utilities and materials. Three indicators are then taken into account: absolute carbon intensity, carbon intensity normalized by EBITDA margin, and market capitalisation. The index comprises the 30 largest companies with below-average carbon intensity within their respective sectors. Its initial global universe and the fact that it is restricted to 5 sectors and 30 companies explain why only 3 companies are part of the Euro Stoxx 50.