



## DPA Gestion Privée

### A new approach to wealth management

DPA Gestion Privée is a mutual fund registered with the French regulator, the Autorité des Marchés Financiers (AMF). It is well-suited for investors with a long-term horizon and a limited tolerance for risk. DPA Gestion Privée, a diversified fund with a reactive management philosophy, provides investors with transparent reports on expected returns and risks.

#### A. A well-diversified fund

DPA Gestion Privée is invested in equities and bonds from the main OECD countries. The fund actively manages the currency exposure resulting from investments in foreign assets. For instance, if a country's currency seems overvalued, investments in its bonds or equities are entirely hedged. In essence, the fund manages currencies as asset classes in their own right. Therefore, the fund may take long or short positions in currencies when the resulting risks are properly rewarded. **With this approach, the gains from international diversification are increased by the active management of the fund's currency exposure.**

#### B. DPA Invest's expertise in asset allocation

*« Asset allocation » is the process which defines the proportion of the portfolio invested in each major asset class (equities and bond and foreign currencies from various geographical zones). By contrast, « stock-picking » is concerned with the choice of specific securities (e.g. Volkswagen shares vs. Peugeot shares).*

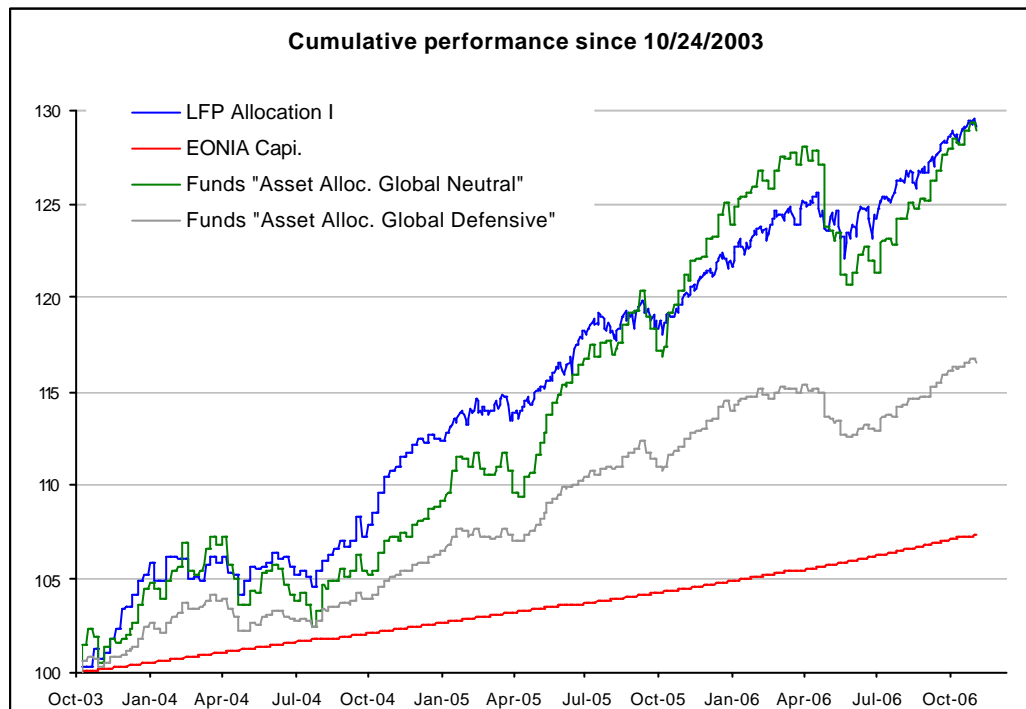
DPA Invest was founded in 2000, after the «irrational exuberance » of the late nineties. Against a backdrop of soaring equity prices driven by the Internet bubble, investors were clearly over-invested in equities. During that spell, the shortcomings of overly-rigid backward-looking asset allocation strategies and their inability to account properly for over/under valuation cycles on financial markets became blatant.

Against this background, DPA Invest's founders have elected to focus primarily on the development of modern asset allocation techniques which would be both reactive to valuation cycles and more protective for investors. The resulting tools have proven well-suited for the management of portfolios with varied investment horizons and tailored to the need of investors with different levels of risk aversion.

**Box: LFP Allocation**

DPA Invest also provides advisory services to large institutional investors. In particular, DPA Invest is currently advising *La Française des Placements* for the management of *LFP Allocation*, a global diversified fund (FCP) launched in 2003 in partnership with DPA. Like DPA Gestion Privée, LFP Allocation is also managed with a low-risk profile and a medium-term horizon. Its portfolio allocation has adjusted significantly during financial markets valuation cycles, unlike most other diversified funds.

Since inception, LFP Allocation's performance offers a vivid testimony of the merits of this innovative approach. Indeed, its low volatility, including during market turbulences, has placed it amongst the best funds in its peer group in terms of risk-adjusted return (as measured by the Sharpe ratio). This performance has aroused interest amongst institutional investors (e.g. insurance companies, French pension funds called « Caisses de retraites », private wealth managers). By 2006 year-end, assets under management exceeded €600 millions.



**C. Investing efficiently in various asset classes**

Once the asset allocation choices have been made for DPA Gestion Privée, DPA Invest selects the appropriate securities in order to maximize the return of each asset class. For bonds, DPA Gestion Privée is primarily invested in highly-rated securities issued by government or public entities from OECD countries. For equities, DPA Invest shuns stock-picking and invests in equity indices (through Exchange-Traded Funds or futures) or selects mutual funds (OPCVM) from other fund managers based upon their performances over the



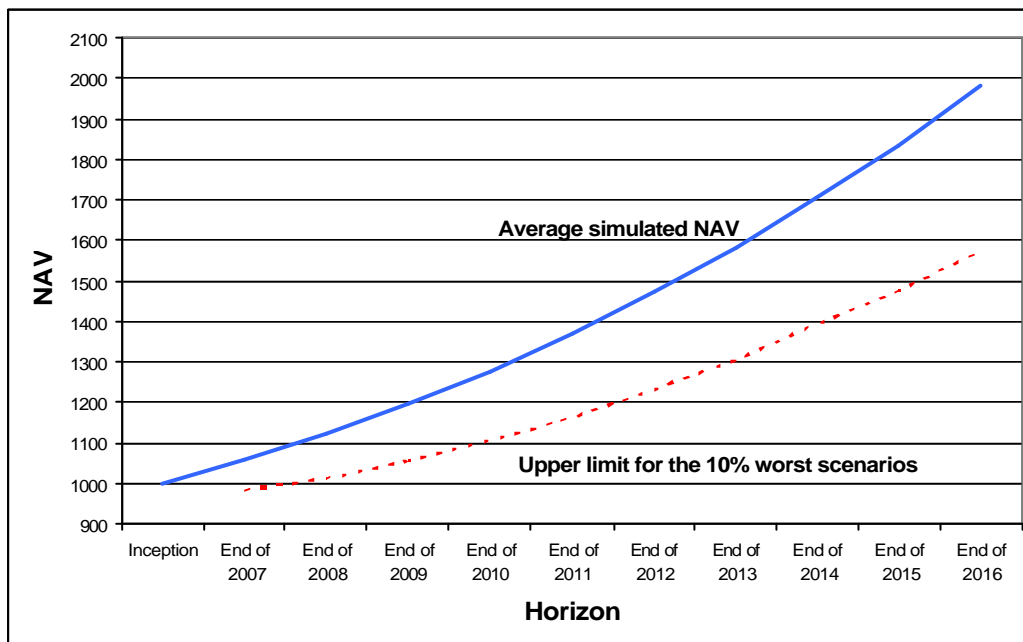
long run. Finally, the fund manages its exposure, and in particular its currency risk exposure, through futures.

**D. Transparent reporting on expected returns and associated risks**

DPA Invest continuously reevaluates the expected returns in the long run for the main asset classes and adjusts accordingly the fund’s asset allocation.

A by-product of this analysis is an estimate of the fund’s rate of return at different times in the future as well as the associated risks. For instance, in December 2006, at prevailing market conditions, an investor in the fund can reasonably expect an average annual return of about 7% (net of fees) over a 10-year period. Equivalently, the fund’s expected Net Asset Value (NAV) would double within 10 years. At the same time horizon, according to DPA’s simulation tools, the average return exceeds 4% in 14 cases out of 15.

**Simulating future NAV for DPA Gestion Privée  
(average NAV and upper limit for the 10% worst scenarios\*)**



*\* This graph reads as follows. We have performed a number of stochastic (Monte Carlo) simulations. Assume an initial NAV of 1000 for the fund. By 2016 year-end, on average in these simulations DPA Gestion Privée’s NAV is worth almost 2000. In 10% of the simulations, the NAV is below 1575.*

These simulations and the resulting estimates will be revisited every three months in our Quarterly Reporting. This will also be an opportunity to comment on the vagaries of financial markets and to discuss their implications for the future performances of the fund.



**Box: Fund Facts (see the Funds's Prospectus for details).**

- **Legal Structure:** Fonds Commun de Placement (FCP)
- **Manager:** DPA Invest
- **Custodian:** BNP Paribas Securities Services
- **Calculation Agent:** BNP Paribas Asset Servicing
- **Date of inception:** 8/12/2006
- **Currency:** Euro
- **Valuation:** Weekly, on Friday.
- **Distribution of dividends:** None – Capitalization
- **NAV diffusion:** [www.dpainvest.com](http://www.dpainvest.com).
- **Sales charges:** 4% maximum
- **Redemption fees:** None
- **Management fees:** 1.10%
- **Performance fees:** 25% of the performance above EONIA + 3%
- **Minimum subscription:** 1 share
- **Subscription/Redemption orders:** Before 10 A.M. on Thursdays (Paris time).