

La Mondiale Europartner / Russell Partnership



La Mondiale Europartner, specialised in cross-borders insurance operations, has decided to enhance its multi-manager offering by retaining the services of Russell, global leaders in multi-manager investing. This document explains the Russell Investment approach and its benefits for La Mondiale Europartner's clients.

About Russell

Russell Investment Group is a global company, established in 1936 in Tacoma, Washington, with offices in New York, Toronto, Paris, Geneva, Amsterdam, Johannesburg, Auckland, Singapore, Sydney and Tokyo. Russell pioneered the multi-manager investment approach and today is one of the largest manager of managers with approximately €143 billion in assets globally (€53 billion from clients in Europe, the Middle East and Africa). Russell's business also extends to a range of investment services as strategic advice (they advise clients representing assets of nearly €2 trillion), transition management, commission recapture and alternative investments (real estate securities, funds of hedge funds and private equity fund of funds).

Russell Investment approach

Over 35 years ago, Russell pioneered the Multi Asset Multi Style Multi Manager™ approach as a solution to the investment issues faced by its large institutional clients. Russell believes that carefully combining 'best of breed' investment managers in portfolios which have explicit objectives and risk constraints is the most reliable way of delivering consistent, above-average performance to clients.

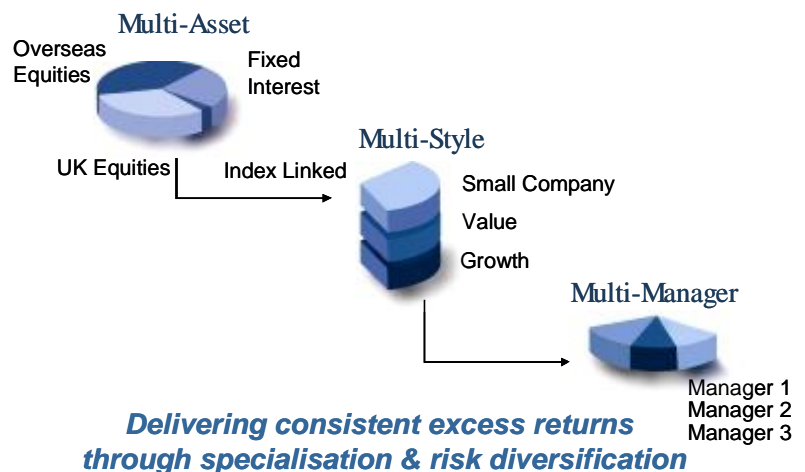
The Multi Asset Multi Style Multi Manager™ approach - the three levels of diversification:

n Multi Asset – to diversify across asset classes to reduce overall fund risk and gain exposure to different economies and different parts of the global economic cycle.

n Multi Style – because different managers manage money in different ways. These different approaches are sometimes referred to as "styles". Style diversification is important because different styles produce significantly different returns in different market environments. As it is difficult to identify which style will be in favour next month or next year, diversification across multiple styles reduces risk and provides exposure to the style that is currently in favour regardless of the market environment and promotes more consistent performance streams.

n Multi-Manager – to reduce reliance on a single investment manager, hence minimising the organisational risk of poor performance resulting from a change of ownership or key personnel within a single organisation. It also reduces the impact of any individual manager underperformance in our fund structure. The combination of specialist managers is also where the added value is produced.

By constructing portfolios that use the best specialist managers in a risk controlled, robust fashion, the Russell approach is able to reduce the risk of underperformance and thus provide more stable returns to investors.



Manager Research – the Russell’s core expertise

Russell’s Manager Research is based on two guiding principles:

- n Past performance is not a guide for future performance ;
- n No manager is best at everything.

Past performance is not a guide for future performance

Past performance is not a reliable guide to future performance. We believe that investment manager selection should not be based on track records. Most investors believe that the only investment managers worth considering are the ones that have performed well recently. This belief is probably based on the assumption that if a manager has done well lately, they must be clever and doing something right and therefore will continue to do well in future.

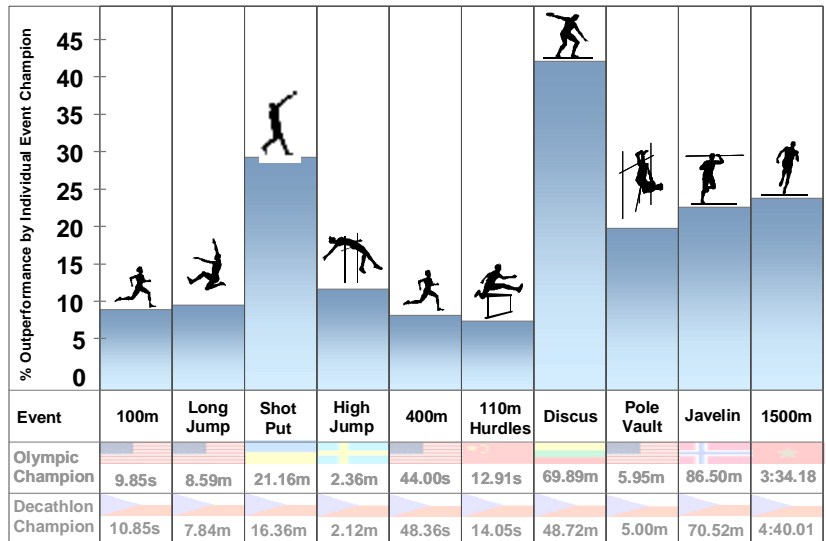
Unfortunately, managers' past performance is of limited use in forecasting their future performance. Russell – along with many other firms – has assessed the persistence of good performance in markets around the world, and the story is the same everywhere, that there is limited correlation between past performance and future returns.

No manager is best at everything.

Russell chooses some of the best investment managers from around the world in each asset class, and carefully blend different 'styles' of managers to achieve more consistent returns for the overall portfolio.

These managers would include 'boutique' firms, such as Genesis, to more widely recognised names, such as Fidelity Investments.

As in athletics, the specialist manager will beat the generalist. Each manager has a very different approach and highly specialised role to play in each of our funds. Some managers have expertise in European equities, while others are better at investing in America or Asia, or fixed income securities. Some managers focus on growth stocks, while others specialise in investing in smaller companies. Russell's research indicates that no organisation excels in every discipline.



Russell Research – To find the «best managers»

At the core of Russell's offering lies its expertise in investment manager research. Recognised globally for the quality of its research, Russell commits considerable resources to this activity. Russell employs over 200 analysts and portfolio managers, each dedicated to the task of finding the world's most skilled fund managers. These individuals conduct meetings each year with more than 6,800 investment manager firms in more than 24 countries. Intensive face to face meetings are the foundation of a research process that is comprehensive and continuous. Russell also uses state-of-the-art analytical techniques to monitor over 8,600 investment teams worldwide, and to identify which of these warrant more detailed analysis. Around 680 are accorded Russell's highest ranking and less than 180 are employed for specific assignments in Russell funds.

The Russell global research and multi-manager solution allow our clients to access to many of the best specialist managers in each part of the world. Some of these managers are only managing money on behalf of the largest institutional investors in the world.

La Mondiale Europartner's multi manager offering provides access to more than 60 specialist managers.



Benefits for Companies and Employees

We believe that diversification across asset classes, investment styles and investment management firms, is the key to successful active management. Russell achieves this thanks to its deep knowledge of capital markets and investment management firms, which ultimate objective is to identify managers who are able to deliver sustainable added value. Russell's philosophy is then implemented through the combination of highly ranked, complementary managers.

Recently, Russell won three Multi-Manager awards and several Fund Group awards. In 2005, Russell won more than 25 awards from Standard & Poor's and Lipper (Reuters group). In particular, Russell was recognized as the Best Fund Goup Equity over 3 years in Europe from Lipper.