

Strategy Research

Global Strategy Weekly

So farewell. And stay safe!

Albert Edwards
(44) 20 7762 5890
albert.edwards@sgcib.com

Just a very quick note before I jet off on my summer holidays. A word on Extel, a word on James Montier and a word on the increasing dangers of buy-side underperformance.

■ James and I wish to thank our readers for their support. The results of the 2009 Thomson Extel Survey of European Analysts were recently announced, and due to your votes, we were not only the top Global Strategy team, but also the top team across the entire survey (combining both macro and equity sectors). We really appreciate this support.

■ Some of you will have seen the press reports last week that James has decided to move onto the buy side – [link](#). We will miss him. James and I have been a Global Strategy duo for some eight years. It is a bit like breaking up Butch Cassidy and the Sundance Kid, Abbot and Costello or maybe even Laurel and Hardy. We wish James well.

■ My distant memories of working on the buy side some 20 years ago are that it is a stressful place. And if anything, the fear factor among fund managers from underperforming is increasing as investors are clearly getting decidedly more unforgiving.

■ Consider the recent case of James Amburn. The UK's Daily Telegraph reports that the 56 year old German-American financial advisor was kidnapped and tortured by a group of wealthy German pensioners - [link](#). It appears two couples had entrusted Mr Amburn's investment company with €2.4m, which he ploughed into Florida's boom-and-bust property market. As the properties became forfeit, the couples wanted their money back.

■ Amburn states that "as I was letting myself into my front door I was assaulted from behind and hit hard". Two of his kidnappers are said to have hit him with a Zimmer frame before "they bound me with masking tape until I looked like a mummy. I thought I was a dead man". He was then bundled into a boot of a car.

■ During his semi-naked confinement in an unheated cellar Mr Amburn alleges he was chained like an animal, burned with cigarettes and had two of his ribs broken while being beaten with a chair leg. "They threatened again and again to kill me", Mr Amburn said. He told his attackers he could not return their money as "due to market conditions, unfortunately it was gone".

■ Eventually 40 armed police rescued Mr Amburn who was found naked apart from his underwear. A physician had to be on hand to help his attackers into their police vans because of their various infirmities. The pensioners now face up to 15 years each in jail for illegal hostage taking, torture and grievous bodily harm

■ Clearly it's far more dangerous being a money manager than any of us imagined! Hopefully no such fate will befall our good friend James or indeed any of our dear buy-side clients. Stay safe.

Global asset allocation

%	Index	Index neutral	SG Weight
Equities	30-80	60	35
Bonds	20-50	35	50
Cash	0-30	5	15

Source: SG Global Strategy

Equity allocation

Very Overweight	
Overweight	US UK
Neutral	Cont Europe
Underweight	Japan Emerging mkts
Very Underweight	

Source: SG Global Strategy

**IMPORTANT: PLEASE READ
DISCLOSURES AND DISCLAIMERS
BEGINNING ON PAGE 2**

www.sgresearch.socgen.com

IMPORTANT DISCLAIMER: The information herein is not intended to be an offer to buy or sell, or a solicitation of an offer to buy or sell, any securities and including any expression of opinion, has been obtained from or is based upon sources believed to be reliable but is not guaranteed as to accuracy or completeness although Société Générale ("SG") believe it to be clear, fair and not misleading. SG, and their affiliated companies in the SG Group, may from time to time deal in, profit from the trading of, hold or act as market-makers or act as advisers, brokers or bankers in relation to the securities, or derivatives thereof, of persons, firms or entities mentioned in this document or be represented on the board of such persons, firms or entities. Employees of SG, and their affiliated companies in the SG Group, or individuals connected to them, other than the authors of this report, may from time to time have a position in or be holding any of the investments or related investments mentioned in this document. Each author of this report is not permitted to trade in or hold any of the investments or related investments which are the subject of this document. SG and their affiliated companies in the SG Group are under no obligation to disclose or take account of this document when advising or dealing with or for their customers. The views of SG reflected in this document may change without notice. To the maximum extent possible at law, SG does not accept any liability whatsoever arising from the use of the material or information contained herein. This research document is not intended for use by or targeted at retail customers. Should a retail customer obtain a copy of this report they should not base their investment decisions solely on the basis of this document but must seek independent financial advice.

Important notice: The circumstances in which materials provided by SG Fixed & Forex Research, SG Commodity Research, SG Convertible Research, SG Technical Research and SG Equity Derivatives Research have been produced are such (for example because of reporting or remuneration structures or the physical location of the author of the material) that it is not appropriate to characterise it as independent investment research as referred to in European MIF directive and that it should be treated as a marketing material even if it contains a research recommendation (« recommandation d'investissement à caractère promotionnel »). However, it must be made clear that all publications issued by SG will be clear, fair, and not misleading.

Analyst Certification: Each author of this research report hereby certifies that (i) the views expressed in the research report accurately reflect his or her personal views about any and all of the subject securities or issuers and (ii) no part of his or her compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views expressed in this report.

Notice to French Investors: This publication is issued in France by or through Société Générale ("SG") which is authorised by the CECEI and regulated by the AMF (Autorité des Marchés Financiers).

Notice to UK investors: This publication is issued in the United Kingdom by or through Société Générale ("SG") London Branch which is regulated by the Financial Services Authority ("FSA") for the conduct of its UK business.

Notice To US Investors: This report is intended only for major US institutional investors pursuant to SEC Rule 15a-6. Any US person wishing to discuss this report or effect transactions in any security discussed herein should do so with or through SG Americas Securities, LLC ("SGAS") 1221 Avenue of the Americas, New York, NY 10020. (212)-278-6000. THIS RESEARCH REPORT IS PRODUCED BY SOCIÉTÉ GÉNÉRALE AND NOT SGAS.

Notice to Japanese Investors: This report is distributed in Japan by Société Générale Securities (North Pacific) Ltd., Tokyo Branch, which is regulated by the Financial Services Agency of Japan. The products mentioned in this report may not be eligible for sale in Japan and they may not be suitable for all types of investors.

Notice to Australian Investors: Société Générale Australia Branch (ABN 71 092 516 286) (SG) takes responsibility for publishing this document. SG holds an AFSL no. 236651 issued under the Corporations Act 2001 (Cth) ("Act"). The information contained in this newsletter is only directed to recipients who are wholesale clients as defined under the Act.

IMPORTANT DISCLOSURES: Please refer to our website: <http://www.sgresearch.socgen.com>
<http://www.sgcib.com>. Copyright: The Société Générale Group 2009. All rights reserved.