

Press Release

Nice, September 22, 2008

## **EDHEC sets up a research chair in Private Asset Liability Management in partnership with ORTEC Finance**

The EDHEC Risk and Asset Management Research Centre and ORTEC Finance have announced the creation of a new research chair in Private ALM focused on understanding the application of Asset-Liability Management (ALM) methodology in Private Wealth Management (PWM). The research chair is a three-year research programme piloted by a joint ORTEC Finance/EDHEC committee.

“Recent EDHEC research has shown that asset-liability management is the natural approach for the design of truly client-centric services in private wealth management. We are delighted to be able to pursue our research in this area within the framework of this original and path-breaking partnership with ORTEC Finance,” commented Noël Amenc, Director of the EDHEC Risk and Asset Management Research Centre.

“ORTEC Finance is proud to be partnering with EDHEC in the nascent field of Private ALM and we are very much looking forward to expanding the academic foundation on which Private ALM solutions will be built. In combination with our own research efforts and experience in delivering solutions to Private Wealth Managers and with our background of over 20 years of experience in the institutional environment and in ALM solutions, the partnership with the EDHEC Risk and Asset Management Research Centre is a natural fit for us. We are very excited about how this research may be useful to our clients in the future,” explained Ton van Welie, CEO of ORTEC Finance.

First-year research will focus on the superiority of the ALM approach in private wealth management (PWM), with special attention being given to the Life Cycle asset allocation developed in the academic literature over the past decade. Subsequent research in the course of the three-year project will examine the shortcomings of current PWM practices, putting them in perspective in relation to best practices for Private ALM, and also look at the consequences of high levels of inflation for Private ALM. The latter will involve general inflation (global price index) or particular cases of inflation e.g. the inflation exposure of HNWI's.

All the results of the Private ALM Management research chair, in line with EDHEC's “Research for Business” philosophy, will be widely disseminated to finance professionals, notably through the specialised website, [www.edhec-risk.com](http://www.edhec-risk.com), and at conferences organised by EDHEC.

**Contact:**

For further information, please contact:

**Séverine Anjubault, EDHEC:**

Tel.: +33 (0)4 93 18 78 63 – E-mail: [severine.anjubault@edhec-risk.com](mailto:severine.anjubault@edhec-risk.com)

**Sascha Vrolijk, ORTEC Finance:**

Tel.: +31 (0) 10 498 66 66 – E-mail: [svrolijk@ortec.nl](mailto:svrolijk@ortec.nl)

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RISK AND ASSET MANAGEMENT RESEARCH CENTRE

## About EDHEC

EDHEC Business School, founded in 1906 and among the select few institutions to have garnered international recognition through the triple crown of EQUIS, AACSB and Association of MBAs accreditations, offers management education designed to meet the needs of companies. Its large range of international graduate programmes draws students from the world over. With its three campuses in Lille, Nice, and Paris, its 4,700 students, more than 25% of whom are from abroad, and its 100 full-time faculty, EDHEC has been ranked among the top European business schools for several years.

For the last four years, as part of its strategy for international excellence, EDHEC Business School has espoused an innovative research policy that takes into account the needs of companies and the market. Research at EDHEC is organised into four centres built on the expertise of the faculty.

EDHEC Business School is recognized as a centre of excellence for asset management and alternative investment research and several of its professors are regarded as international experts in the fields of asset management, fixed income securities, alternative investments and risk management. The aim of the EDHEC Risk and Asset Management Research Centre is to produce research that meets the most stringent academic standards and to facilitate corporate use of this research. In partnership with large financial institutions, the research centre brings together 35 researchers and implements six industry-sponsored programmes focusing on asset allocation and risk management in the traditional and alternative investment universes.

## About ORTEC Finance

ORTEC Finance is a leading, global provider of solutions for holistic risk/return management for pension funds, insurance companies and asset managers. The company was founded in 1981 and has more than 130 employees with expertise in areas such as actuarial sciences, economics, econometrics, investment management and information technology.

ORTEC Finance has a large blue chip customer base and highly values the long-lasting relationship with its clients. With its roots in the pension fund market the total number of clients in this segment exceeds 100. Other institutional clients include premier insurance companies and international asset managers.

ORTEC Finance delivers tailored solutions for pension funds in Asset Liability Management (ALM), risk management and investment consulting. ORTEC Finance has experience with the pension systems in a large number of countries (e.g. Austria, Australia, Belgium, France, Germany, Holland, Japan, Norway, South Korea, Sweden, Switzerland, UK, US). Over the years ORTEC Finance has performed over 500 ALM studies in these countries.

Besides our expertise with pension funds and insurance companies, we are pioneers in making institutional ALM techniques available to advisors focused on private individuals. Our client-centric methodology allows for an efficient but tailored approach for both the initial advice and for continuous monitoring. Using the institutional industry experiences and techniques for the benefit of individuals, ORTEC Finance Private ALM solutions integrate the following methodologies:

- 1) Economic scenario generation including the underlying economic theories
- 2) Portfolio and asset allocation optimization techniques
- 3) Risk profiling and behaviour of individuals (behavioural finance)
- 4) Financial Life Planning (objectives and cash flows)
- 5) Legislative framework

In 2008 over 4,000 advisors in Holland and other European countries including Belgium, Luxembourg and Switzerland use ORTEC Finance solutions for Private Wealth Management (PWM). These professionals work for more than 20 asset managers, family offices and (private) banks, but also include independent financial advisors, and financial and wealth planners. ORTEC Finance offers customised solutions for each market segment composed of consultancy, software models and training.

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RISK AND ASSET MANAGEMENT RESEARCH CENTRE

393-400 Promenade des Anglais - BP 3116 - 06202 Nice Cedex 3 - France  
Tel. +33 (0)4 93 18 78 24 - Fax +33 (0)4 93 18 78 40  
[www.edhec-risk.com](http://www.edhec-risk.com)