



Press Release

Nice, May 5th, 2009

EDHEC and UFG create a research chair on dynamic allocation models and new forms of target-date funds

The EDHEC Risk and Asset Management Research Centre and UFG have announced the creation of a new research chair entitled “Dynamic Allocation Models and New Forms of Target-Date Funds for Private and Institutional Clients.” The chair will be overseen by a joint UFG/EDHEC steering committee.

Researchers at the EDHEC Risk and Asset Management Research Centre, under the leadership of Lionel Martellini, the scientific director of the Centre, will examine the limitations of target-date funds of gradually more conservative profiles and the advantages of an asset-liability management approach sensitive to the period and to the economic cycle for target-date funds, in particular for pensions.

“An investment solution tailored to each client, for institutional asset management as much as for private wealth management, involves asset-liability management. The optimal form of asset-liability management relies on dynamic allocation, as conventional static allocation is sub-optimal (unless you assume that the average returns and the volatility of assets are constant, which is a fairly unrealistic assumption). So it is only logical for the allocation to change when the world changes, and the investor should not be short-sighted; instead, he should be open to future changes in the allocation decisions he makes. The purpose of the UFG chair is to find a practical use for this model,” said Noël Amenc, director of the EDHEC Risk and Asset Management Research Centre.

“UFG was one of the first companies to provide active backing for the EDHEC Risk and Asset Management Research Centre. We are delighted with this new long-term commitment: the research chair on dynamic allocation models and new forms of target-date funds. It is a natural part of UFG’s development strategy and above all of its determination to ‘restore meaning to finance.’ Today, the investment solutions offered investors do not seem optimal to us either in the choice of building blocks for the allocation or in the weights assigned asset classes,” noted Xavier Lépine, chairman of the board of UFG.

The first project done as part of the chair will be an analysis of target-date funds for pensions, the results of which will be presented at EDHEC Institutional Days in Paris on 26 and 27 May 2009.

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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 AMBA accreditations, offers management education designed to meet the needs of companies. 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.

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 45 researchers and implements six industry-sponsored programmes and ten research chairs focusing on asset allocation and risk management in the traditional and alternative investment universes.

About UFG

UFG, founded in 2006, is a multi-specialist asset management firm and a subsidiary of Crédit Mutuel Nord Europe. UFG is active in financial asset management, property investment, alternative multi-management, and private equity. Because its lines of business complement each other, UFG is able to offer its clients—institutional investors, intermediaries, and individuals—investment solutions tailored to their needs. Headed by Xavier Lépine, UFG manages more than €19.5 billion of assets (as of 31 December 2008).

In late 2008 UFG partnered with Sarasin to offer, through its UFG SARASIN subsidiary, socially responsible investment products that provide concrete and sustainable responses to investor constraints.

UFG

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