

EDITORIAL

[EDHEC-Risk Days Europe 2012](#) After the success of the last EDHEC-Risk Institutional Days and EDHEC-Risk Alternative Investment Days, which attracted more than 800 investors and investment professionals from all over Europe and beyond, and in order to better satisfy the requirements of institutional investors, EDHEC-Risk Institute has decided to merge its two annual conferences into a unique three-day event in Europe, the EDHEC-Risk Days Europe, which will take place at the Brewery in London in March 2012 (27-28-29). [More...](#)

INDUSTRY ANALYSIS

[Residential investments - a new asset class?](#) Investment in real estate is largely in the commercial sector worldwide, with institutions not hugely interested in houses. Things are different in Switzerland, where pension fund exposure to property amounts to 19%, with a strong preference for residential property, which is regarded as more stable than commercial property, according to the asset management firm Swisscanto. This is in sharp contrast to the UK. [More...](#)

[EDHEC-Risk Efficient Equity Indices: Live Results](#) When the FTSE EDHEC-Risk Efficient Index Series was launched in 2009, the only information available on the performance of these indices was based on their back-history. While a related academic research paper has shown that efficient indexation achieves robust risk-adjusted outperformance compared to cap-weighted indices over different market conditions in the past fifty years, there was no real-life test of the strategy. This test is now available, since the five indices launched initially, covering the main international markets, have now been live for two years, from November 2009 through November 2011. [More...](#)

FEATURES

[What are the Risks of European ETFs?](#) Exchange-traded funds have traditionally been perceived as vehicles combining the diversified exposure of mutual funds with the low-cost, flexibility, ease and liquidity of trading enjoyed by publicly listed stocks, while also offering lower-expense ratios and better tax-efficiency relative to mutual funds. Most ETFs are passive, index-tracking investment vehicles, which as such, have transparent economic exposure and simple payoffs. [More...](#)

INTERVIEW

[Communication on ETF risks has not focused on the interests of investors - an interview with Noël Amenc](#) In this month's interview, we talk to Noël Amenc, Professor of Finance at EDHEC Business School and Director of EDHEC-Risk Institute, about a new EDHEC position paper entitled, "What are the risks of European ETFs?", which looks at counterparty risk, liquidity risk, confusion between ETFs and other ETPs, risks associated with special types of ETFs, and the potential

impact of ETFs on the underlying markets and systemic risks. [More...](#)

RESEARCH NEWS

[Fundamental Indexation: Rebalancing Assumptions and Performance](#)

David Blitz, Bart van der Grient, Pim van Vliet. In this article, the authors investigate the impact of the choice of a rebalancing date on index performance. They especially focus on fundamental indices proposed by Arnott, Hsu, and Moore (2005) which are rebalanced once a year. In the present paper, Blitz, van der Grient and van Vliet show that the performance of fundamental indices is highly sensitive to the choice of the annual rebalancing date. [More...](#)

EDHEC PUBLICATIONS

[Solvency II: A unique opportunity for hedge fund strategies](#) *Mathieu*

Vaissié. There is growing empirical evidence that the complexity of financial markets makes it increasingly challenging for institutional investors to manage their asset/liability profile efficiently. Changes in the regulatory framework and in accounting rules make it even trickier for insurance companies. Against this backdrop, insurers have no choice but to rethink their overall investment policy. While the benefits of hedge fund strategies in asset liability management have been documented in the academic literature, the integration of these strategies into the global asset allocation of insurance companies may be jeopardised by recent developments on the regulatory front. [More...](#)

[Sensitivity of portfolio VaR and CVaR to portfolio return characteristics](#)

Stoyan V. Stoyanov, Svetlozar T. Rachev, Frank J. Fabozzi. Risk management through marginal rebalancing is important for institutional investors due to the size of their portfolios. This paper considers the problem of marginally improving portfolio VaR and CVaR through a marginal change in the portfolio return characteristics. It studies the relative significance of standard deviation, mean, tail thickness, and skewness in a parametric setting assuming a Student's t or a stable distribution for portfolio returns. [More...](#)

EDHEC-RISK NEWS

[PhD in Finance 2012-2013 electives unveiled](#) Finance professionals participating in the EDHEC-Risk Institute PhD in Finance programme will have access to an unprecedented number of electives in 2012 and 2013, during which some of the world's leading specialists will present their latest research advances in specific fields from behavioural finance and microstructure to asset allocation and portfolio construction, from estimation of continuous-time models to Monte-Carlo methods, and from derivatives pricing to risk management. [More...](#)

[EDHEC-Risk Institute announces forthcoming executive seminars](#)

During the first six months of 2012, EDHEC-Risk Institute will be offering a number of advanced executive seminars on investment management across traditional and alternative classes in Europe and North America, designed and delivered by some of the most respected practitioners and academics in the field. [More...](#)

[EDHEC-Risk Institute celebrates its 10-year anniversary with special](#)

[events in Singapore, London and Paris](#) EDHEC-Risk Institute celebrated its 10-year anniversary in 2011. In the ten years since EDHEC-Risk Institute was set up in August 2001, the support of our business partners has enabled EDHEC-Risk to become experts in the area of risk in asset management. Those ten years have also seen us extend our influence in Europe, with our London-based research centre, and also in Asia, where we have established EDHEC Risk Institute?Asia with the support of the Monetary Authority of Singapore (MAS). In order to mark the tenth anniversary of EDHEC-Risk Institute, and to thank its partners for their continued support over the years, three special celebratory events were held on October 24 in Singapore, on November 28 in London, and on December 8 in Paris, where senior representatives from the Institute and its partners presented the highlights and achievements of the past decade. [More...](#)

Events

[Alternative Investments Seminar, Singapore](#)

[CFA Institute/EDHEC-Risk Institute Advances in Asset Allocation Seminar, San Francisco](#)

[EDHEC-Risk Days Europe 2012, London](#)

[Alternative Asset Allocation Seminar, New York](#)

[Advances in Equity Portfolio Construction Seminar, London](#)

[State-of-the-Art Commodities Investing Seminar, Singapore](#)

[EDHEC-Risk Days Asia 2012, Singapore](#)

[CFA Institute/EDHEC-Risk Institute Advances in Asset Allocation Seminar, New York](#)

[Advanced Commodity Investment Seminar, London](#)

Books

[The Oxford Handbook of Quantitative Asset Management](#)



Advances in Asset Allocation Seminar

San Francisco, 6-8 March - New York, 12-14 June 2012



EDHEC-RISK - Asset Management Research - [Contact us](#)
393-400 promenade des Anglais - 06202 Nice (France)
Copyright EDHEC-Risk©2011 - [Legal Terms & Privacy](#)