



# **EDHEC-Risk Institute**

London - Nice - Singapore

Introducing  
EDHEC Risk Institute-Asia

# EDHEC Risk Institute–Asia

## *Overview*

- EDHEC-Risk Institute
- EDHEC Risk Institute–Asia
- Communications and Marketing
- Resources and Governance

# EDHEC-Risk Institute:

## *Philosophy*

- EDHEC-Risk Institute strives to become an academic institution of reference for the investment industry by:
  - (i) maintaining a strategic focus on issues that correspond to major industry needs,
  - (ii) validating research projects and output along both scientific and professional axes,
  - (iii) highlighting research results and applications towards asset-owners, asset managers, and regulators.
- EDHEC-Risk Institute's impact is demonstrated by the strength and diversity of its industry funding, the success of its research events (EDHEC-Risk Alternative Investment Days, EDHEC-Risk Institutional Days) and executive education programmes.

# EDHEC-Risk Institute:

## *Research: exploring the new frontiers*

- EDHEC-Risk Institute research focuses on the paradigm change affecting the investment industry.
- Research is conducted in the context of six programmes:
  1. Indices and Benchmarking
  2. Asset Allocation and Alternative Diversification
  3. Asset Allocation and Derivative Instruments
  4. ALM and Asset Management
  5. Style and Performance Analysis
  6. Operational Risks and Performance

# EDHEC-Risk Institute:

## *Demonstrating academic excellence*

- Research by EDHEC-Risk Institute members has been published in the **leading academic and practitioner journals** including:

*American Economic Journal, American Economic Review, Econometrica, Financial Analysts Journal, Journal of Alternative Investments, Journal of Asset Management, Journal of Banking and Finance, Journal of Derivatives, Journal of Econometrics, Journal of Economic Dynamics and Control, Journal of Economic Literature, Journal of Finance, Journal of Financial Econometrics, Journal of Financial Economics, Journal of Financial & Quantitative Analysis, Journal of Fixed Income, Journal of International Money and Finance, Journal of Investment Management, Journal of Mathematical Economics, Journal of Money, Credit & Banking, Journal of Portfolio Management, Journal of Political Economy, Journal of Wealth Management, Management Science, Quarterly Journal of Economics, RAND Journal of Economics, Review of Finance, Review of Financial Studies, etc.*

# EDHEC-Risk Institute:

## *Thought-leadership for the industry*

- EDHEC-Risk Institute research has led to numerous articles in trade:  
*Funds Europe, Global Investor, Hedge Funds Review, Investment & Pensions Europe, Life & Pensions Magazine, PWM, etc.*
- ...as well as in general business publications:  
*Wall Street Journal, Financial Times, The Economist, etc.*
- has also led to “EDHEC Position Papers” presenting the Institute’s stance on current industry issues:  
*Amaranth debacle, hedge fund replication, subprime crisis, Madoff fraud, Solvency II, fundamental equity indices, etc.*
- ...and to “EDHEC Publications” presenting research in a format that corresponds to the needs of the corporate world:  
*Industry surveys on ETFs, investment practices, hedge fund reporting, etc. Publications on ALM approach to PWM, alternative investments for institutional investors, benefits of dynamic allocation strategies in the presence of liability constraints, etc.*

# EDHEC-Risk Institute:

## *Enjoying extensive industry support*

- EDHEC-Risk Institute research programmes and research events have garnered considerable financial support from over fifty international financial institutions.
- The EDHEC-Risk Institute research chairs involve a close partnership with a sponsor and a commitment from the Institute over three years leading to international academic publications and documents aimed at asset owners, asset managers, and regulators.
- Ten research chairs have been endowed to date.

# EDHEC-Risk Institute:

## *Benefiting from major commitments*

1. *Regulation and Institutional Investment,*  
in partnership with **AXA Investment Managers**
2. *ALM and Institutional Investment Management,*  
in partnership with **BNP Paribas Investment Partners**
3. *Risk and Regulation in the European Fund Management Industry,*  
in partnership with **CACEIS**
4. *Structured Products and Derivative Instruments,*  
in partnership with the **French Banking Federation**
5. *Private Wealth Management and ALM,*  
in partnership with **ORTEC Finance**

# EDHEC-Risk Institute:

## *Benefiting from major commitments*

6. *Dynamic Allocation Models and New Forms of Target Funds,*  
in partnership with **UFG**
7. *ALM Techniques for Sovereign Wealth Fund Management,*  
in partnership with **Deutsche Bank**
8. *Core-Satellite and ETF Investment,*  
in partnership with **Amundi ETF**
9. *Advanced Modelling for Alternative Investments,*  
in partnership with **Newedge Prime Brokerage**
10. *The Case for Inflation-Linked Bonds: Issuers' and Investors' Perspectives,*  
in partnership with **Rothschild & Cie**

# EDHEC-Risk Institute:

## *Introducing innovations to the market*

- The EDHEC Risk Institute research programme on “Indices and Benchmarking” has spawned several industry applications:
  - Launched in 2003, the EDHEC-Risk Alternative Indices were the first composite hedge fund strategy indexes; they are widely used for performance analysis and benchmarking.
  - Launched in 2009, the EDHEC-Risk IEIF Commercial Property Indices give an up-to-date and representative picture of France’s commercial property market by tracking the performance of unlisted property funds.
  - Launched in 2010, the global FTSE EDHEC-Risk Efficient Index Series allows investors to capture the equity market premium with optimised return-to-risk efficiency.

# EDHEC-Risk Institute: *Implementing a multifaceted communications policy*

- Research output is promoted, regionally and globally, using a series of channels of communication:
  - Physical and electronic distribution of research to a high-quality audience of potential end-users.
  - Presentation at EDHEC-Risk Institute research events: 2,000 attendees at European events in 2008/2009.
  - Features in electronic newsletters sent out to over 400,000 professional worldwide.
  - Media relations focused on relationships with key general business media and leading trade publications and accompanied by mass-distribution to database of over 10,000 journalists.

# EDHEC-Risk Institute: *Measurable influence*

- In 2009, 22 *Financial Times* articles were devoted to or cited research expertise by EDHEC-Risk Institute.
- In the United Kingdom, this puts EDHEC-Risk Institute on par with London Business School and ahead of the London School of Economics and Political Science.
- In continental Europe, this puts EDHEC Business School in number one position and well ahead of runner-ups.



# EDHEC-Risk Institute:

## *Measurable influence*

European academic institutions ranked by number of FT articles devoted to or citing their research or expertise in finance in 2009

Rank	Business School	FT articles quoting the institution's expertise and research in finance in 2009
1	CASS Business School	25
2	EDHEC Risk Institute	22
2	London Business School	22
4	LSE	18
5	IESE (Spain)	5

# EDHEC-Risk Institute:

## *European roots, global reach*

- EDHEC-Risk Institute is now considered the premier European academic organisation in the field of risk and investment management.
- Through its active communications policy and outreach activities, it also has an influence in other regions of the world, notably in North America and the Asia Pacific, where it has held research events and executive education courses.
- In Europe, EDHEC-Risk Institute will continue to strengthen its positions, notably through the expansion of London-based EDHEC Risk Institute–Europe.
- Development outside of Europe will be focused on the Asia Pacific region, with the launch of EDHEC Risk Institute–Asia in Singapore.

# EDHEC-Risk Institute:

## *The choice of Asia Pacific*

- The choice of Asia Pacific is grounded on its importance as a key growth area for the global investment industry, which EDHEC-Risk Institute serves.
- Furthermore, EDHEC-Risk Institute has recorded solid demand from the region for its offerings evidenced by growing readership, high-level contacts with key players, and increased executive education sales.
- Last but not least, most EDHEC-Risk Institute sponsors consider Asia Pacific as a priority in their international strategies and many have signalled interest for extending cooperation to the region.

# EDHEC-Risk Institute:

## *The choice of Singapore*

- Since 2004, the Monetary Authority of Singapore has been sponsoring graduate and executive finance courses offered by EDHEC Business School and EDHEC-Risk Institute through its scholarship programmes.
- In 2008, the Singapore Economic Development Board approached EDHEC-Risk Institute to explore how it could contribute to developing Singapore as a hub for finance expertise in the Asia Pacific region.
- Given the place of Singapore as a financial and educational hub and evidence of significant support by local authorities, EDHEC-Risk Institute has decided to make Singapore its home base in the Asia Pacific region.

# EDHEC Risk Institute–Asia:

## *Research for business*

- Fully operational from September 2010, EDHEC Risk Institute–Asia will serve as a platform for generating and disseminating academic insights into investment management issues of global importance and particular relevance for investors and institutions in the Asia-Pacific region.
- With the support of the financial industry, EDHEC Risk Institute–Asia aims to become a leading academic institution fostering innovation and high professional standards in the Asia-Pacific investment industry and globally.

# EDHEC Risk Institute–Asia:

## *Research for business*

- EDHEC Risk Institute–Asia will take the same approach and engage in the same activities as its European parent.
- Its activities will target both institutional money and private wealth.
- Private wealth management represents an important part of the investment management industry in the Asia – Pacific region; EDHEC Risk Institute–Asia will cater specifically to:
  - Family offices,
  - Private bankers.
- Institutional investors are growing players in Asia – Pacific and face a variety of risk and investment challenges. EDHEC Risk Institute–Asia will target:
  - sovereign wealth funds,
  - Insurance companies,
  - Pension funds.

# EDHEC Risk Institute–Asia:

## *Research agenda*

- EDHEC Risk Institute–Asia will conduct original research work in the context of EDHEC Risk Institute’s existing programmes and newly established thematic programmes.
- EDHEC Risk Institute–Asia will extend and adapt to the Asia – Pacific context its existing research programmes. In particular, it will:
  - Indices and Benchmarking: (i) assess the quality of Asian equity and bond indices; (ii) promote passive investment in Asia.
  - Asset Allocation and Alternative Diversification: look at the benefits of alternative investments in private wealth and institutional investment management with specific emphasis given to real assets.

# EDHEC Risk Institute–Asia:

## *Research agenda*

- Asset Allocation and Derivative Instruments: look at the uses of structured products for Asian high-net-worth clients and institutional investors.
- ALM and Asset Management: adapt ALM techniques to private wealth management in the Asian context; review the impact of the main regulatory constraints of pension funds and insurance companies on their investment management.
- Operational Risks and Performance: look at the modelling, measurement, and management of liquidity risk with special consideration for the Asian cash (equity/bond) and derivatives markets.

# EDHEC Risk Institute–Asia:

## *Research agenda*

- EDHEC Risk Institute–Asia will also conduct two thematic research programmes. The themes of these programmes have specific regional relevance and global importance:
  - Management of sovereign funds and state pension funds  
*centres around the Deutsche Bank-EDHEC Risk Institute Research Chair on ALM Techniques for Sovereign Wealth Fund Management*
  - New inflation hedging solutions.
- EDHEC-Risk Institute Research Chair sponsors will enjoy first option on research extensions in the Asia Pacific region.

# EDHEC Risk Institute–Asia:

## *Executive education offering*

- Drawing upon its research expertise and its senior faculty and associates, EDHEC-Risk Institute will offer the whole range of its executive education programmes in Asia:
  - CFA Institute-EDHEC-Risk Institute Seminars – three-day courses imparting research advances to senior investment officers.
  - EDHEC-Risk Institute Executive MSc in Risk & Investment Management – seventeen-month part-time programme designed to help experienced investment professionals embrace and lead industry changes.
  - EDHEC-Risk Institute PhD in Finance – three-year doctoral programme allowing high-level practitioners in full-time jobs to acquire the background and skills to become independent researchers.

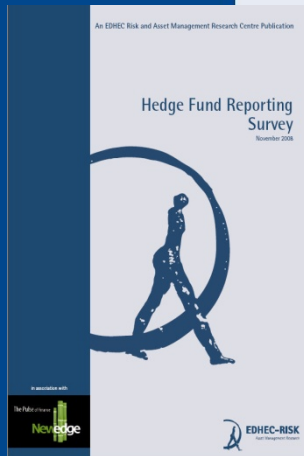
# EDHEC Risk Institute–Asia:

## *Communications and marketing*

- The research output of EDHEC Risk Institute–Asia will be promoted, in the region and globally, using a series of communication and marketing channels:
  - Physical and electronic distribution of research to a high-quality audience of potential users
  - Presentation at research events and conferences
  - Direct marketing through features in electronic newsletters
  - Press/media relations
- EDHEC Risk Institute–Asia will enjoy dedicated marketing resources and full-support from the Europe-based teams in charge of publishing, marketing, events, and databases.

# Communications and Marketing: *Publications*

- While the scientific quality of the research output is attested by publications in peer-reviewed journals, the Institute also prepares research publications to promote results and applications towards a wide industry audience.
- EDHEC-Risk Institute publications are presented in such a way as to render the research conclusions as accessible as possible to finance professionals, by including clearly delineated introductions, conclusions and an executive summary.
- They are distributed widely, both in-print and electronically (to 100,000 professionals in the region currently and 200,000 by year-end), are posted on the Institute's website, and are presented at research events.



# Communications and Marketing: *Annual symposium and conference*

- EDHEC Risk Institute–Asia will also hold an annual research roundtable targeted at senior officers of sovereign investment vehicles and government funds
- From 2012 onwards, it will organise a major academic conference in the Asia Pacific region to present its applied research to the industry and discuss its results with the institutional investor and investment/wealth manager communities. As in Europe, the objective will be to establish the most worthwhile conference in the region.
- These events will allow the Institute's sponsors to market their services to senior representatives of institutional investors, investment managers, and private banks.

# Communications and Marketing:

## *Research presentations*

- Research results and research publications are presented to industry professionals at complimentary events organised by EDHEC-Risk Institute and its research sponsors in the world's financial capitals – these may be public or reserved to a research sponsor's clients.
- EDHEC-Risk Institute has already organised or scheduled events in Hong Kong, Melbourne, Seoul, Shanghai, Singapore, Sydney, and Tokyo - cumulative audience is expected to break the 1,000 mark in 2010.
- With the launch of EDHEC Risk Institute–Asia, these outreach activities will increase in the Asia Pacific region.

# Communications and Marketing: *Website and newsletters*

- [www.edhec-risk.com](http://www.edhec-risk.com) endeavours to be the most useful site for practitioners who are keen to take advantage of research results to improve their investment and risk management processes. It has over 35,000 registered members.
- The electronic newsletter containing news from all the main sections of the website is sent out once a month to more than 400,000 readers worldwide.
- The EDHEC Risk Institute–Asia newsletter will be launched from May 2010, with an initial readership of more than 100,000 and a year-end target of 200,000 readers.

**EDHEC-RISK Newsletter**  
Asset Management Research

February 04, 2009

EDHEC Alternative Indexes	Change (%)
Gene. Adv.	1.77%
ITA Global	1.47%
Int. Sec.	-1.97%
Int. Mkt.	-0.83%
Int. Mkt. Bond	0.03%
Fixed Income	-0.13%
Eu. Sec. Adv.	-0.25%
Global Mkt.	1.55%
US Equity	0.81%
Emerg. Adv.	1.62%
Net Value	0.31%
Short Selling	-2.46%
Fut.	-1.55%

**EDITORIAL**  
Bringing academic insights to institutional investors  
In 2008, EDHEC merged two of its largest conferences into a single event. The EDHEC Asset Management Days, which had been taking place in Geneva, were made part of the 2008 edition of the EDHEC Institutional Days (ID). This merger made it possible to capitalise on the success of both events and attract more than 1,200 visitors, making the Paris ID the leading institutional asset management event in Europe. In 2009, EDHEC Institutional Days will build on the success of the previous edition by offering a programme of great added value. Here...

**INDUSTRY ANALYSIS**  
A new rotation technique - will it survive?  
A new technique of floating companies and raising equity capital has blossomed in the US in recent years, accounting for a substantial share of new issues launched in 2007. The vehicle is a fascinating hybrid between IPOs and private equity, with which it has much in common. There is however some controversy surrounding how beneficial it is for investors. Key questions are whether this technique will withstand expected problems in 2009 and how this might affect the longer term. Here...

**Are there really any risk-free rates?**  
Regulators have historically hesitated between recommending derating the risk-free rate from the government yield curve or from the swap yield curve. The swap curve is becoming the norm for insurance companies and pension funds; for instance, it is mandatory in the Netherlands. In the Netherlands however, as the long swap yields briefly fell below the long-dated average euro yield curve at the end of 2008, some pension funds were tempted to switch back to the euro yield curve to discount liabilities and assess future investment opportunities. Here...

**FEATURES**  
International investors doubt the effectiveness of the accounting standard amendments in attenuating the financial crisis  
The current credit crisis, triggered by losses on American subprime

# Communications and Marketing: *Press*

- EDHEC-Risk Institute has been quoted in more than 2,000 articles in the professional press.
- The Institute's output is promoted via distribution of press-releases to a database of over 10,000 journalists and specific press actions with global and regional financial media, including business dailies and trade publications.
- The Institute makes monthly contributions to *Funds Europe* and *Hedge Funds Review*, and quarterly *Investment Management Review*.
- It also has partnered with *CNBC Europe*, the *International Herald Tribune*, the *Wall Street Journal*, and *Investment & Pensions Europe / Asia* (IPE / IPA).

# Communications and Marketing: *Press*

- The research output of EDHEC Risk Institute–Asia will be promoted globally and regionally.
- Press relations in the Asia Pacific region will focus on major business dailies, whether international (*Financial Times*, *Wall Street Journal Asia*) or national (*Australian Financial Review*, *Business Times*, *Maeil Business Newspaper*, *Nihon Keizai Shimbun*, and *South China Morning Post*), and key trade magazines such as *AsianInvestor*, *AsiaMoney*, *Investment & Pensions Asia*, and *FinanceAsia*.
- Press relations in the Asia Pacific region are supported by a database of some 3,000 journalists.

# Resources and Governance:

## *Resources*

- EDHEC Risk Institute–Asia is initially established as a ten-person operation led by a dual business/research management.
- Frédéric Ducoulombier, Director of Executive Education, EDHEC-Risk Institute will head the Asian operations.
- Stoyan Stoyanov, Head of Research and Professor of Finance, EDHEC Risk Institute, will supervise the six-person local research team.
- EDHEC Risk Institute–Asia will receive the backing of the Institute's Europe-based support services in publishing, database management, marketing and press relations.

# Resources and Governance:

## *Governance*

- The dual management of EDHEC Risk Institute–Asia will run the operations in the Asia Pacific region and report to European headquarters.
- A senior consultative committee will be established to validate the relevance and goals of the research proposals presented by the centre's management and evaluate research outcomes with respect to their potential impact on industry practices. This committee will bring together distinguished scholars, representatives of regulatory bodies and senior executives from sponsoring entities and partners.

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