

EDHEC-Risk Alternative Investment Days 2011

Bringing Academic Insights to Alternative Investment

5-6 April 2011, The Tower (Tower Hill) - London

The EDHEC-Risk International Herald Tribune CNBC Hedge Fund Roundtable of Global Thought Leaders

Why Institutional Investors Are Returning to Alternative Investments and Hedge Funds

EDHEC-Risk Conference

Dealing with Non-Normality in Portfolios that Include Alternatives

New Forms of Volatility Indices

Extreme Hedge Fund Risk Diversification with Volatility

Diversification at Reasonable Cost: Mitigating Downside Risk without Compromising Long-Term Growth Prospects

Factor Models for Hedge Funds: from Macro to Micro

Capturing the Risk Premium of Commodity Futures: The Role of Hedging Pressure

Private Equity and Investment Returns over the Last Thirty Years

Trade-Offs between Commodity Futures and Other Proxies for Commodity Investment

Optimal Portfolio Allocation with Hedge Funds

Commodities and Inflation Hedging



EDHEC-RISK
Institute

conference

Day 1 – Tuesday, 5 April

Asset Allocation and Diversification for Institutional Portfolios in the Alternative Universe

The EDHEC-Risk Alternative Investment Days are organised by an academic research centre for the benefit of professionals. The conference aims to present the applied research conducted by EDHEC-Risk Institute and to discuss the results with the institutional investor and fund manager communities.

The event is structured to appeal to institutional investors, alternative investment managers, and policy-makers.

The conference addresses the allocation to alternative investments by institutional investors and presents state-of-the-art approaches for optimal use of alternative investments and hedge funds in portfolio construction. Researchers will also examine various alternative asset classes including Private Equity and Commodities and bring new insights to risk diversification and inflation hedging.



Hedge Fund Roundtable of Global Thought Leaders

> Why institutional investors are returning to alternative investments and hedge funds

Diversification at Reasonable Cost: Mitigating Downside Risk without Compromising Long-term Growth Prospects

- > How to model time-varying correlations
- > How to minimise the cost of diversification in an ever-changing market environment
- > An application to the hedge fund world

Factor Models for Hedge Funds: From Macro to Micro

- > Traditional approaches, why they failed, fail, and will continue to fail
- > Dealing with non-linearity, lags and conditional variables
- > Analysing hedge fund portfolios versus single hedge funds

Dealing with Non-Normality in Portfolios that Include Alternatives

- > Evidence of non-normality in alternative investment vehicles
- > Use of improved estimates for higher-order comoments in the context of selecting alternatives
- > Use of improved estimates for higher-order comoments in the context of constructing portfolios with alternatives

Day 2- Wednesday, 6 April

Analysing Alternative Investment Performance and Selection of Alternatives

Private Equity and Investment Returns over the Last Thirty Years:

- > Return spectrum and analysis of influential factors on returns of more than 10,000 PE investments.
- > New Stylized Facts: strong short-term returns are the exception but account for most of the value generated by PE investment
- > Which type of private equity firm generates the highest returns

Trade-Offs between Commodity Futures and Other Proxies for Commodity Investment

- > Innovations in commodity futures trading and investment
- > Past history as a guide to possible future public policy on commodities
- > Currencies as proxies for commodity trading and investing

Optimal Portfolio Allocation with Hedge Funds

- > Detecting timing ability in hedge fund returns
- > Optimal portfolio structure with timing ability
- > Economic gains by including hedge funds in asset allocation strategies

Measuring and Managing Risk in Alternative Investments

Capturing the Risk Premium of Commodity Futures: The Role of Hedging Pressure

- > How to model the risk premium: Backwardation and contango
- > Does the risk premium rise with the volatility of commodity markets?
- > Can we use the risk premium for risk diversification and inflation hedging?

Commodities and Inflation Hedging

- > Asset classes, expected and unexpected inflation
- > Long-term versus short-term inflation hedging
- > Investors' inflation expectations and optimal commodity portfolios

New Forms of Volatility Indices

- > Total systematic and idiosyncratic volatility
- > Benefits and limits of existing volatility indices
- > A new form of volatility index: the CViX approach

Extreme Hedge Fund Risk Diversification with Volatility

- > How to measure extreme risk in the hedge fund universe
- > The importance of the volatility factor in the risk and extreme risk of the main hedge fund strategies
- > How to assess the quality of extreme risk diversification with volatility for hedge fund portfolios



8:00
8:45
9:15
10:45
11:15
12:15
13:45
14:45
16:00
16:30
18:00

8:00		Registration, Morning Coffee and Tea	
8:45		EDHEC-Risk Alternative Investment Days Opening Address	
9:15		<p>EDHEC-Risk International Herald Tribune-CNBC Hedge Fund Roundtable Why institutional investors are returning to alternative investments and hedge funds</p> <p>THE EDHEC-RISK INTERNATIONAL HERALD TRIBUNE-CNBC</p> <p>HEDGE FUND ROUNDTABLE</p> <p>  </p>	
10:45		Morning break	
11:15		<p>MORNING WORKSHOP Organised by <i>Lyxor Asset Management</i></p> <p>Institutional Investors and Alternative Investments: a Match Made in Heaven?</p>	
12:15		Lunch break	
13:45		<p>AFTERNOON WORKSHOP Organised by <i>Societe Generale Securities Services</i></p> <p>Operational Challenges Faced by Hedge Funds and Fund Administrators to Price Complex Derivatives</p>	
14:45		<p>AFTERNOON SESSIONS Diversification at Reasonable Cost: Mitigating Downside Risk without Compromising Long-Term Growth Prospects</p>	<p>AFTERNOON SESSIONS Factor Models for Hedge Funds: From Macro to Micro</p>
16:00		Afternoon Coffee and Tea	
16:30		<p>PLENARY SESSION Dealing with Non-Normality in Portfolios that Include Alternatives</p>	
18:00			

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8:00		Registration, Morning Coffee and Tea	
8:30		<p>PLENARY SESSION New Forms of Volatility Indices</p>	
10:00		Morning Coffee Break	
10:30		<p>MORNING WORKSHOP Organised by <i>State Street Global Advisors</i> Building Hedge Fund Portfolios Capable of Generating Absolute Returns within Stressful Market Environments</p>	<p>INFORMATION SESSION The EDHEC-Risk Institute PhD in Finance</p>
11:30		<p>STREAM SESSIONS Extreme Hedge Fund Risk Diversification with Volatility</p>	<p>STREAM SESSIONS Capturing the Risk Premium of Commodity Futures: The Role of Hedging Pressure</p>
12:45		Lunch	
14:15		<p>STREAM SESSIONS Private Equity and Investment Returns over the Last 30 Years</p>	<p>STREAM SESSIONS Tradeoffs between Commodity Futures and Other Proxies for Commodity Investment</p>
15:30		Afternoon Coffee Break	
16:00		<p>STREAM SESSIONS Optimal Portfolio Allocation with Hedge Funds</p>	<p>STREAM SESSIONS Commodities and Inflation Hedging</p>
17:30		End of Conference	

Proudly in London

EDHEC-Risk Institute is proud to announce the official opening of its new premises in London on April 6, 2011.

Since 2003, EDHEC-Risk Institute has hosted more than 5,000 professionals from the City at its financial research seminars and conferences.

Today, EDHEC is the business school that, from Tokyo to New York, through Singapore, London, Paris, Zurich, Frankfurt, Milan, and twenty other international capitals, trains the financial and economic elite.



EDHEC-RISK
Institute

10 Fleet Place - Ludgate
London EC4M 7RB - United Kingdom

www.edhec-risk.com

EDHEC-Risk Institute is part of EDHEC Business School, accredited by



8:00–8:45 Registrations, Morning Coffee and Tea

8:45–9:15 Opening Address

Speakers:

Noël Amenc, *Director, EDHEC-Risk Institute, and Professor of Finance, EDHEC Business School*

Theo Jeurissen, *Chief Investment Officer, Pensioenfond Metaal en Techniek (PMT), and Chairman of the International Advisory Board, EDHEC-Risk Institute*

PLENARY SESSION

9:15–10:45 EDHEC-Risk International Herald Tribune-CNBC Hedge Fund Roundtable
Why institutional investors are returning to alternative investments and hedge funds

THE EDHEC-RISK INTERNATIONAL HERALD TRIBUNE-CNBC

HEDGE FUND ROUNDTABLE



Roundtable panellists:

Paul Brine, *Managing Director, Head of Distribution for Multi-Manager Alpha Hedge Funds, Credit Suisse Asset Management*

Mark Fawcett, *Chief Investment Officer, NEST Corporation*

Simon Fox, *Principal, Mercer*

Kathryn Graham, *Director, BT Pension Scheme Management Limited*

Roger Gray, *Chief Investment Officer, Universities Superannuation Scheme (USS)*

Carrie Lo, *Investment Officer, California State Teachers Retirement System (CalSTRS)*

Simon Ruddick, *Managing Director, Albourne Partners Limited*

Moderated by:

Margie Lindsay, *Editor, Hedge Funds Review*

10:45–11:15 Morning Break

MORNING WORKSHOP

11:15–12:15 Institutional Investors and Alternative Investments: a Match Made in Heaven?

Organised by *Lyxor Asset Management*

This presentation will examine how the world of Alternative Investments responds to the asset/liability dilemma for institutional clients. It will seek to answer important questions and issues currently surrounding Hedge Funds within the challenging investment landscape:

- > What are the most appealing HF strategies?
 - > How should investors integrate HF in their overall allocation?
 - > How much should investors invest in HF strategies?
- What are the benefits of customized solutions?

Speaker:

Nathanaël Benzaken, *Head of Managed Account Development, Lyxor Asset Management*

12:15–13:45 Lunch Break

AFTERNOON WORKSHOP

13:45–14:45 Operational Challenges Faced by Hedge Funds and Fund Administrators to Price Complex Derivatives

Organised by *Societe Generale Securities Services*

- > Independent valuation: a step by step process
- > Impact of the recent financial crisis on valuations
- > Case study

Speaker:

Laurent Thuillier, *Deputy Head, SGSS Asset Servicing*

AFTERNOON SESSIONS

14:45–16:00 Diversification at Reasonable Cost: Mitigating Downside Risk without Compromising Long-Term Growth Prospects

- > How to model time-varying correlations
- > How to minimise the cost of diversification in an ever-changing market environment?
- > An application to the hedge fund world

Speakers:

Mathieu Vaissié, *Senior Portfolio Manager, Lyxor Asset Management*, and *Research Associate, EDHEC-Risk Institute*
Serge Darolles, *Quantitative Research, Lyxor Asset Management*

14:45–16:00 Factor Models for Hedge Funds: From Macro to Micro

- > Traditional approaches, why they failed, fail, and will continue to fail
- > Dealing with non-linearity, lags and conditional variables
- > Analysing hedge fund portfolios versus single hedge funds

Speaker:

François-Serge Lhabitant, *CIO, Kedge Capital Fund Management*, and *Affiliate Professor of Finance, EDHEC Business School*

16:00–16:30 Afternoon Coffee and Tea

PLENARY SESSION

16:30–18:00 Dealing with Non-Normality in Portfolios that Include Alternatives

- > Evidence of non-normality in alternative investment vehicles
- > Use of improved estimates for higher-order comoments in the context of selecting alternatives
- > Use of improved estimates for higher-order comoments in the context of constructing portfolios with alternatives

Speaker:

Lionel Martellini, *Professor of Finance, EDHEC Business School*, and *Scientific Director, EDHEC-Risk Institute*

18:00 End of Day 1



8:00–8:30 Registrations and Morning Coffee and Tea

PLENARY SESSION

8:30–10:00 New Forms of Volatility Indices

- > Total systematic and idiosyncratic volatility
- > Benefits and limits of existing volatility indices
- > A new form of volatility index: the CViX approach

Speaker:

Lionel Martellini, *Professor of Finance, EDHEC Business School, and Scientific Director, EDHEC-Risk Institute*

10:00–10:30 Morning Coffee Break

MORNING WORKSHOP

10:30–11:30 Building Hedge Fund Portfolios Capable of Generating Absolute Returns within Stressful Market Environments

Organised by *State Street Global Advisors*

- > Diversification of asset classes or hedge fund strategy styles does not minimise losses or protect from tail risks in severe bear markets
- > How to construct a portfolio of active trading strategies to weather market storms
- > Optimal allocation across alternative investments to achieve both absolute return and minimize tail risk

Speaker:

Paul Lucek, *Director of Research and Senior Portfolio Manager, SSARIS Advisors*

INFORMATION SESSION

10:30–11:30 The EDHEC-Risk Institute PhD in Finance

- > The foremost academic and professional qualification
- > A rigorous and stimulating curriculum
- > A faculty of leading experts in finance and economics
- > The executive track: a platform for professional development and industry innovation

Speaker:

René Garcia, *Professor of Finance, EDHEC Business School, and Academic Director, PhD in Finance, EDHEC-Risk Institute*

STREAM SESSIONS

11:30–12:45 Extreme Hedge Fund Risk Diversification with Volatility

- > How to measure extreme risk in the hedge fund universe
- > The importance of the volatility factor in the risk and extreme risk of the main hedge fund strategies
- > How to assess the quality of extreme risk diversification with volatility for hedge fund portfolios

Speaker:

Stoyan Stoyanov, *Professor of Finance, EDHEC Business School, and Head of Research, EDHEC Risk Institute–Asia*

11:30–12:45 Capturing the Risk Premium of Commodity Futures: The Role of Hedging Pressure

- > How to model the risk premium: Backwardation and contango
- > Does the risk premium rise with the volatility of commodity markets?
- > Can we use the risk premium for risk diversification and inflation hedging?

Speaker:

Joëlle Miffre, *Professor of Finance, EDHEC Business School*

12:45–14:15 Lunch

14:15–15:30 Private Equity and Investment Returns over the Last 30 Years

- > Return spectrum and analysis of influential factors on returns (investment size, business cycle, exit route) of more than 10,000 PE investments
- > New stylized facts: strong short-term returns are the exception but account for most of the value generated by PE investment
- > Which type of private equity firm generates the highest returns?

Speaker:

Florencio Lopez de Silanes, *Professor of Finance, EDHEC Business School, and Director of Mutual Fund Governance Research Programme, EDHEC-Risk Institute*

14:15–15:30 Tradeoffs between Commodity Futures and Other Proxies for Commodity Investment

- > Innovations in commodity futures trading and investment
- > Past history as a guide to possible future public policy on commodities
- > Currencies as proxies for commodity trading and investing

Speaker:

Hilary Till, *Principal, Premia Capital Management LLC, and Research Associate, EDHEC-Risk Institute*

15:30–16:00 Afternoon Coffee Break

16:00–17:30 Optimal Portfolio Allocation with Hedge Funds

- > Detecting timing ability in hedge fund returns
- > Optimal portfolio structure with timing ability
- > Economic gains by including hedge funds in asset allocation strategies

Speaker:

René Garcia, *Professor of Finance, EDHEC Business School, and Academic Director, PhD in Finance, EDHEC-Risk Institute*

16:00–17:30 Commodities and Inflation Hedging

- > Asset classes, expected and unexpected inflation
- > Long-term versus short-term inflation hedging
- > Investors' inflation expectations and optimal commodity portfolios

Speaker:

Bernd Scherer, *Professor of Finance, EDHEC Business School, and Member, EDHEC-Risk Institute*

17:30 End of Conference



Global Event Partners

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Lyxor Asset Management, a wholly-owned subsidiary of Société Générale Group, is a specialised provider of advanced investment solutions. We focus on offering innovative sources of performance with a maximum of safety, liquidity and transparency, adapted to our clients' risk/return profile. The competitive advantage of Lyxor derives from a unique business model set at the convergence of leading edge capital markets techniques and asset management framework. With over EUR 96.1 billion* in assets under management, Lyxor has established itself as a worldwide niche player in three major growing investment specialties: index tracking (ETFs), structured & quantitative management and alternative investments. Lyxor has continuously pioneered new types of ETFs, broadened the structured products market, launched innovative quantitative funds and enhanced its unique managed account platform. This expertise provided Lyxor with an in-depth knowledge and fundamental insights into asset allocation strategy and research. Employing more than 650 professionals, Lyxor is present in every strategic investment location in the world, including all major European countries, the US, Canada, Latin America, China, Japan, Korea, Singapore, Australia and the UAE. Lyxor's leading position at the forefront of innovative asset management reflects a company constantly moving forward in order to provide the best investment solutions of the future.

*AuMs as of December 31st, 2010



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Societe Generale Securities Services offers comprehensive securities solutions to asset managers, institutional investors, financial intermediaries and corporations worldwide. SGSS' financial solidity and global network make us one of the largest financial services groups in the eurozone. With a proven expertise, SGSS provides a wide range of services adapted to the latest regulatory and market trends: clearing services, custody and trustee services, retail custody services, liquidity management, fund administration and asset servicing, fund distribution services as well as global issuer services. With €3,365 billion of assets under custody and €448 billion of assets under administration at end- September 2010, SGSS is the 6th largest custodian worldwide and 2nd in Europe. Our teams are committed to the ongoing pursuit of excellence and increasingly personalised service within a technologically innovative environment.

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State Street Global Advisors (SSgA) is a global leader in asset management, entrusted with more than \$2 trillion* in assets. Sophisticated investors worldwide rely on SSgA for our disciplined, precise investment process and powerful global investment platform that provide access to every major asset class, capitalization range and style. SSARIS Advisors (Wilton, CT) is majority owned by SSgA and has \$1.7 billion assets under management. The firm offers hedge fund and hedge fund of funds alternative investment programs for institutional clients globally. SSARIS, and its predecessor company, have been managing divergent futures and balanced multi-strategy programs for over 25 years. Pioneering the investment philosophy of combining convergent and divergent return streams, SSARIS seeks to provide absolute return with substantial tail risk protection in each of its product offerings. The managed futures programs include a diversified systematic global macro strategy, short term momentum, active commodities and a balanced multi-strategy program.

*As of 12/31/2010

Media Partners





EDHEC-Risk Institute is part of EDHEC Business School, one of Europe's leading business schools and a member of the select group of academic institutions worldwide to have earned the triple crown of international accreditations (AACSB, EQUIS, Association of MBAs). Established in 2001, EDHEC-Risk Institute has become the premier European centre for applied financial research.

In partnership with large financial institutions, its team of 90 permanent professors, engineers and support staff implements six research programmes and ten research chairs focusing on asset allocation and risk management in the traditional and alternative investment universes. The results of the research programmes and chairs are disseminated through the three EDHEC-Risk Institute locations in London, Nice and Singapore.

EDHEC-Risk Institute validates the academic quality of its output through publications in leading scholarly journals, implements a multifaceted communications policy to inform investors and asset managers on state-of-the-art concepts and techniques, and forms business partnerships to launch innovative products. Its executive education arm helps professionals to upgrade their skills with advanced risk and investment management seminars and degree courses, including the EDHEC-Risk Institute PhD in Finance.



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Industry surveys: comparing research advances with industry best practices

EDHEC-Risk Institute regularly conducts surveys on the state of the European asset management industry. These look specifically at the application of recent research advances within investment management companies and at best practices in the industry. Survey results receive considerable attention from professionals and are extensively reported on by the international financial media.

Recent industry surveys conducted by EDHEC-Risk Institute



Executive Education Activities

EDHEC-Risk Institute provides a range of executive courses in investment management and joint seminars with CFA Institute. EDHEC-Risk Institute is registered with CFA Institute as an Approved Provider of the Continuing Education programme.

EDHEC-Risk Institute offers a PhD in Finance designed for professionals who aspire to higher intellectual levels and aim to redefine the investment banking and asset management industries. Drawing its faculty from the world's best universities and enjoying the support of the research centre with the greatest impact on the European financial industry, the EDHEC-Risk Institute PhD in Finance creates an extraordinary platform for professional development and industry innovation.

EDHEC-Risk Institute Research for Business

The EDHEC-Risk Institute website puts EDHEC-Risk's analyses and expertise in the field of asset management and ALM at the disposal of professionals. The site examines the latest academic research from a business perspective, and provides a critical look at the most recent industry news.

EDHEC-Risk Alternative Investment Days 2011

5-6 April—London, The Tower Hotel
St. Katharine's Way, London E1W 1LD

	Delegate Fee	VAT at UK Rate	Delegate Fee VAT Included
Special rate until March 15 th , 2011	€600	€120	€720
Standard rate	€1,000	€200	€1,200
Investor rate: pension schemes, charities, endowments, foundations, insurance companies (third party asset management excluded), single family offices and financial executives from non-financial companies to register, these representatives should contact: eaide2011@edhec-risk.com or +33 493 187 837.	FREE		

The registration fee includes buffet lunch, refreshments and full conference documentation. Delegates may be refused admission if payment is not received prior to the conference.

CANCELLATION POLICY

Given the moderate conference fee, we do not accept cancellations; invoiced sums will remain payable in full. If a registered delegate is unable to attend, a substitute delegate from the same organisation is welcome at no extra charge. Conference documentation designed by EDHEC Business School will be made available online to all delegates. EDHEC Business School reserves the right to alter the programme without notice.

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www.regonline.co.uk/eaide2011

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