

The IPE-EDHEC Institutional Asset Management Awards (IAMA) 2008



June 12 - CNIT Paris La Défense



THE IPE-EDHEC INSTITUTIONAL ASSET MANAGEMENT AWARDS (IAMAs)



EDHEC, France's premier business school, and leading European institutional investment publication **Investment & Pensions Europe (IPE)** are setting up the IPE-EDHEC Institutional Asset Management Awards in 2008. The awards will be presented to winning asset managers at a gala reception on June 12, 2008 in Paris on the occasion of the EDHEC Institutional Days, before an invited audience of investors, asset managers, investment banks, and other industry advisers and suppliers.



The aim of the IAMAs is to use state-of-the-art financial research to reward asset managers on an objective basis. For the first time Europe's institutional asset management industry will have an awards programme based on objective and transparent criteria.



The IAMAs are the result of a quantitative evaluation of the quality of the institutional asset management offerings from investment management firms in Europe. This evaluation will take account not only of the performance of active portfolio management (alpha), but also of the relevance of the long-term allocation choices (beta) and the quality of risk management.

Governance and Role of the Advisory Committee

To oversee the corroboration of the rules and methodology of the awards, EDHEC and IPE have formed an advisory committee consisting of 12 key representatives from Europe's institutional investment community.

On the basis of a methodology drawn up by EDHEC, the committee notably had the role of validating the relevance and usefulness of the calculations proposed for institutional investors. The committee has defined the rules for the prizes, in particular by validating the categories that are representative of the main asset management offerings and correspond to institutional investors' manager selection and/or allocation practices.

Members of the International Advisory Committee for the IPE-EDHEC Institutional Asset Management Awards (IAMAs) as of March 15, 2008:

- **Eric Breval**, *Director AVS Compensation Fund (Switzerland)*
- **Riccardo Gandini**, *Director of Investments, Inarcassa (Italy)*
- **Jean-Pierre Grimaud**, *Chief Investment Officer, Swiss Life (France) and President, French Association of Institutional Investors*
- **Theo Jeurissen**, *Director, Investments, PMT (Netherlands)*
- **Peter Moon**, *Chief Investment Officer, Universities Superannuation Scheme (United Kingdom)*
- **Paola Muratorio**, *President, Inarcassa (Italy)*
- **Risto Murto**, *Chief Investment Officer, Varma Mutual (Finland)*
- **Lars Rohde**, *Chief Executive Officer, ATP (Denmark)*
- **Günther Schiendl**, *Chief Investment Officer, VBV-Pensionskasse (Austria)*
- **Michael J. Somers**, *Chief Executive Officer, National Treasury Management Agency (Ireland)*
- **Tom Steenkamp**, *CIO of Allocation and Research and Member of the Board, ABP Investments (Netherlands)*
- **Erik Valtonen**, *Chief Investment Officer, AP3 (Sweden)*





Methodology

The idea behind the methodology for these awards is to use concepts for which there is a certain consensus among academics and practitioners. The goal is not necessarily to rely on the latest research but to apply a standard that is reasonably well understood and broadly accepted. In this way, IAMAs improve on the ratings and methodologies habitually used in fund and investment awards, while remaining mainstream enough to be widely understood and accepted.

With regard to the presentation of the awards, the IPE-EDHEC Institutional Asset Management Awards have a self-imposed constraint which is that the methodology should be repeatable by those who receive (or do not receive) awards, so anybody with a reasonable degree of financial knowledge should be able to reproduce it.

The IPE-EDHEC Institutional Asset Management Awards therefore use public data rather than statistical artifacts such as principal component analysis. Although the latter could be useful, the factors would not be readily observable. The IPE-EDHEC Institutional

Asset Management Awards, in short, wish to allow outsiders to check the results by reproducing them. In this context, and for the sake of robustness, the IPE-EDHEC Institutional Asset Management Awards favour economic analysis over statistical analysis.

The methodology for the IPE-EDHEC Institutional Asset Management Awards has been approved by the international advisory committee.

The IAMAs will reward the best active investment management offerings from European asset management firms. The funds will broadly come under two categories:

- Benchmarked investment management, through which the manager adds value by beating the benchmark (producing alpha). Equity and fixed-income funds will be included in this category.
- Investment that is not benchmarked or uses dynamic allocation, whereby the allocation represents the added value and which is not evaluated by the alpha but by an indicator that is appropriate for the management goal, namely return/VaR. Balanced and absolute return funds will be included in this category.

In order to ensure that the competing asset management companies are sufficiently representative to be included in pan-European awards, the following management rules have been implemented:

- the asset management firm must operate in at least three European countries;
- each of the funds ranked in the award category should have institutional assets under management of at least 150 million euros.

The philosophy of the awards is to rate all the asset management company's funds and to use the average grade per category to evaluate the company's overall ability to deliver alpha for each

category. Therefore, a company will receive an award because it had the best average grade for its funds in that particular category.

The presentation categories for the awards will be as follows:

- Europe Equities

- Euro Equities

- International Equities

- US Equities

- Asia Equities

- Asia excl. Japan Equities

- Emerging Market Equities

- Euro Bonds

- US Bonds

- GBP Bonds

- Emerging Market Bonds

- International Bonds

- High Yield Bonds

- Europe Balanced and Absolute Return

- International Balanced and Absolute Return

Ceremony

The 2008 awards ceremony will be held at the CNIT Conference Centre at La Défense in Paris on June 12 from 7:15pm to 8:45pm, and will be followed by a gala reception.

If your asset management firm operates in a minimum of three European countries and you have not received an official request for information on your funds from EuroPerformance, please contact: iama@fininfo.fr

For more information about the IPE-EDHEC Institutional Asset Management Awards 2008, or to attend the awards ceremony, please send an email to iama2008@edhec-risk.com



ABOUT IPE

Investment & Pensions Europe is the leading monthly magazine written for those responsible for running pension funds in Europe. Since its first issue was published in February 1997, IPE has built an influential position within the European institutional investor marketplace. It now has a monthly circulation of 10,505 copies, of which 75% is in continental Europe. In addition to the magazine, IPE publishes monthly supplements on a wide range of topics designed to keep readers abreast of specialist areas in greater detail.

For the past seven years, IPE has organised the IPE Awards for European Pension Funds, which are regarded as the largest gathering each year of pension fund investors in Europe.



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ABOUT EDHEC

EDHEC Business School, founded in 1906, is among the select few institutions to have garnered international recognition through the triple crown of EQUIS, AACSB and Association of MBAs accreditations. 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.



EDHEC's participation in the IAMAs on from its previous methodological work on the Alpha League Table, the reference rankings of asset management firms in Europe, which are drawn up in partnership with EuroPerformance and published by the *Financial Times* in the United Kingdom and *Les Echos* in France; and rankings of French fund of hedge funds and asset management companies in partnership with the financial newspapers *La Tribune* and *L'Agéfi*.



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IAMA

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