



Press Release

London, New York, Nice, Singapore, March 17, 2011

EDHEC-Risk Institute announces the launch of EDHEC-Risk Indices & Benchmarks

EDHEC-Risk Institute has announced the creation of a spin-off, EDHEC-Risk Indices & Benchmarks, which aims to be one of the leading beta designers for the investment industry. EDHEC-Risk Indices & Benchmarks will be based in London, New York, Nice and Singapore and has recruited two experienced executives to spearhead business development in Europe and North America. Profiles of these new recruits, Eric Shirbini and Vijay Vaidyanathan, can be found overleaf.

Professor Noël Amenc, Director of EDHEC-Risk Institute and Chairman of EDHEC-Risk Indices & Benchmarks said, “EDHEC-Risk Indices & Benchmarks hopes to be perceived as a concept and implementation provider for smart beta. We believe that the index and benchmarking research that EDHEC-Risk Institute has conducted since it was founded in 2001 has led to a series of products that provide more efficient and more academic-based solutions to investors’ needs than the indices and benchmarks currently available on the market. EDHEC-Risk Indices & Benchmarks is the channel through which these solutions will be made available to the investment community.”

The creation of EDHEC-Risk Indices & Benchmarks is part of an evolution in the asset management industry whereby passive investment is becoming increasingly important. In such a context, the selection of the right benchmarks will totally condition the risk-adjusted return of investors’ core allocation. For EDHEC-Risk Indices & Benchmarks, being an informed passive investor thus assumes being attentive to the choice of benchmark. That is the context in which EDHEC-Risk Indices & Benchmarks has been set up. The subsidiary of EDHEC Business School is positioning itself as an intellectual property provider in the area of beta design for all passive investment players, whether index providers or managers.

The new structure will host the range of existing index and benchmark products currently offered by EDHEC-Risk Institute, including:

- The FTSE EDHEC-Risk Efficient Index series. These indices, launched at the beginning of 2010, are offered for a full global range, including All World, All World ex US, All World ex UK, Developed, Emerging, USA, UK, Eurobloc, Developed Europe, Developed Europe ex UK, Japan, Developed Asia Pacific ex Japan, Asia Pacific, Asia Pacific ex Japan, and Japan. Developed on the basis that the goal for a rational investor is to hold a portfolio that achieves the highest risk-adjusted performance, the index series aims to capture equity market returns with improved risk/reward efficiency compared to cap-weighted indices.
- The EDHEC-Risk Alternative Indexes. EDHEC-Risk launched its composite hedge fund strategy indices in 2003. Using factor analysis techniques, these indices are built as the best one dimensional summaries of the information conveyed by competing indexes for a given style. The EDHEC composites are thus able to capture a large fraction of the information contained in the competing indexes while implicitly minimising their various biases.

- The EDHEC IEIF Commercial Property (France) Index, launched in 2008, uses unlisted property funds under the French SCPI scheme as the index underlying, given a certain liquidity threshold. The index has attractive diversification properties and is representative of the commercial property market. It is also fully transparent and investable and has little exposure to financial market risk. These characteristics make the index an interesting underlying for index-based products that could satisfy the demands of institutional investors.



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EDHEC-Risk Indices & Benchmarks Business Development Team

Eric Shirbini

Eric Shirbini is Business Development Director Europe with EDHEC-Risk Indices & Benchmarks. He was previously Director of Quantitative Research at Nomura where he was responsible for both quantitative research work and marketing the quantitative research product to European investors. Prior to this position Eric had worked successively as a Quantitative Analyst for UK Portfolio Trading with UBS, and as Global Head of the Equity Research Database and Senior Quantitative Analyst with Exane BNP Paribas. Eric has a first class honours degree and a PhD from University College London, and an MBA in Finance from City University Business School.

Vijay Vaidyanathan

Vijay Vaidyanathan is President of EDHEC Risk Indices & Benchmarks–North America. He holds postgraduate degrees in Computer Science from the State University of New York at Albany and Engineering from BITS Pilani, India, as well as an MSc in Finance (Risk and Asset Management) from EDHEC Business School. Vijay was formerly CEO of Return Metrics Inc., a boutique investment management and technology consulting firm located in Silicon Valley, California, specialising in the use of innovative quantitative techniques to develop econometric models for a wide range of financial markets. Prior to this, Vijay held several high-level positions in technology firms, including CEO of Yaga Inc., Chief Strategy Officer with NBC Internet, and Chief Technology Officer with Xoom.Com.

About EDHEC-Risk Indices & Benchmarks

Founded in 1906, EDHEC is one of the foremost European business schools. Accredited by the three main international academic organisations, EQUIS, AACSB, and Association of MBAs, EDHEC has for a number of years been pursuing a strategy for international excellence that led it to set up EDHEC-Risk Institute in 2001. With 90 professors, research engineers, and research associates, this centre has the largest asset management research team in Europe.

While EDHEC-Risk Institute makes important public contributions to the advancement of applied financial research and the improvement of industry practices, it also employs its expertise to conduct proprietary research for clients and develop new products with business partners. The insights drawn from EDHEC-Risk's "Indices & Benchmarking", "ALM and Asset Management" and "Derivatives and Asset Management" research programmes over the past several years have led to a series of products that provide more efficient or more academic-based solutions to investors' needs than the indices and benchmarks currently available on the market. In order to clearly identify this type of activity and distinguish it from the fundamental research activities, EDHEC-Risk Institute created a spin-off in 2011, EDHEC-Risk Indices & Benchmarks, which aims to be one of the leading beta designers for the investment industry.

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