Press Release **Nice, London, Paris, Singapore, December 15, 2011**

EDHEC-Risk Institute announces "Solvency II Benchmarks" to assist European insurers with their allocation to equities

At separate seminars in Paris and London on December 13 and 14, 2011, entitled "Solvency II Benchmarks: How to Implement an Optimal Equity Allocation within Solvency II," EDHEC-Risk Institute presented the results of research carried out with the support of Russell Investments that has led to the development of risk management strategies that allow European insurance companies to keep a reasonable capital requirement while providing attractive products to policyholders.

Putting in place these dynamic risk management strategies implies implementing partial internal models which capture insurance companies' specific characteristics and in particular the benefits of these allocation strategies. Those benefits are several: responsiveness to changes in market environment, better exposure to the returns of the equity markets, and respect of Solvency II constraints.

The benchmarks' framework is public, totally transparent, well documented and grounded in a rules-based approach with solid, objective academic foundations. These features turn the benchmarks into an independent external reference that can be used as the bare bones for the development of partial internal models by insurance companies.

Commenting on these new benchmarks, Professor Noël Amenc, Director of EDHEC-Risk Institute, said, "Since the EDHEC-Risk Solvency II Benchmarks in cooperation with Russell Investments are based on dynamic allocation of sources of risk (equity and cash) and a rules-based approach, they constitute an easily-replicable independent external reference, which facilitates the implementation of a partial internal model to assess equity risk, and its internal and external control. Moreover, the capital freed up from the optimisation of equity risk can be reallocated to cover other risks, such as sovereign debt."

Pascal Duval, CEO, EMEA, Russell Investments, added "Research has always been part of the DNA of Russell Investments, so we are delighted to support this unique research-based solution to a decisive concern for European insurance companies, in a time of low-growth cycle: how to invest in equities with limited capital consumption within the Solvency II framework. It ties in very well with our dynamic asset allocation solutions developed for institutional investors".

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This research was supported by Russell Investments as part of the "Solvency II" research chair at EDHEC-Risk Institute.

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About EDHEC-Risk Institute

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 financial research and its applications to the industry. In partnership with large financial institutions, its team of 66 permanent professors, engineers and support staff implements six research programmes and eleven 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.

www.edhec-risk.com

About Russell Investments

Russell Investments is an independent, global financial services firm that provides strategic advice, investment solutions, implementation services and global performance benchmarks that are customized to meet the unique needs of institutional investors, financial advisors and individuals.

Celebrating its 75th anniversary in 2011, Russell has pioneered innovations that have come to define many of the practices that are standard in the investment world today, and has four decades of experience researching and selecting money managers globally.

Russell has $137 billion in assets under management (as of 30/09/11) and works with 2,300 institutional clients, 530 independent distribution partners and millions of individual investors globally. As a consultant to some of the largest pools of capital in the world, Russell has $2 trillion in assets under advisement (as of 30/06/2011) and traded $1.5 trillion last year through its implementation services business. The Russell Global Indexes calculate over 50,000 benchmarks daily covering 63 countries and more than 10,000 securities.

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