



Press Release

London, Nice, Paris, Singapore, March 16, 2016

EDHEC-Risk's annual European ETF Survey sheds new light on drivers of investor demand for ETFs and evaluation challenges for investors

EDHEC-Risk Institute has announced the results of the EDHEC European ETF Survey 2015, a comprehensive survey of 180 European ETF investors, conducted as part of the Amundi ETF, Indexing & Smart Beta research chair at EDHEC-Risk Institute on "ETF and Passive Investment Strategies". EDHEC-Risk Institute has conducted a regular ETF survey since 2006, thus providing a detailed account of the perceptions and practices of European investors in ETFs and trends over the past decade.

Key findings of the 2015 survey included the following:

INCREASING APPETITE FOR ETF USAGE

- ETFs make up an increasing proportion of portfolio holdings across asset classes
- Satisfaction has remained at high levels especially for traditional asset classes **with a significant increase in satisfaction with equity ETFs, which now enjoy a satisfaction rate of 98%, compared to 91% in 2014.** The satisfaction rates for ETFs based on the most liquid asset classes are far more consistent compared to those based on illiquid asset classes
- **Investors recognise the high quality of ETFs when compared to competing indexing vehicles**
- Investors have increased their use of ETFs to invest in smart beta, with the proportion reaching 68% of respondents in 2015 compared to 49% in 2014. ETFs based on smart beta indices represent the top concern of respondents when it comes to future developments, with 38% of them hoping for further developments in this area

DRIVERS FOR ETF DEMAND

- **Cost considerations appear to be the main driver behind increasing ETF allocations.** This increase is also motivated by performance, transparency and liquidity
- **75% of respondents think that smart beta indices provide significant potential to outperform cap-weighted indices in the long term** and more than 81% think that they avoid cap-weighted indices that are concentrated in very few stocks or sectors

EVALUATION CHALLENGES

- A vast majority of **respondents (94%) agree that smart beta indices require full transparency on methodology and risk analytics.** Transparency is not only the best protection against the risks arising from conflicts of interests, but it is also instrumental in improving the informational efficiency of the indexing industry
- **There is an important gap between investors' information requirements for smart beta and accessibility of information from providers**

Commenting on the results of the survey, Valérie Baudson, CEO of Amundi ETF, Indexing & Smart Beta, said, “As the No.1 European Asset Manager and a leading ETF provider, we have been developing a broad range of cost-efficient, transparent and innovative ETFs. The EDHEC Survey findings, highlighting investors' high satisfaction rate and their expectations around Smart Beta solutions, incite us to keep on enriching our offer and guiding investors further when implementing smart beta strategies in their asset allocation.”

Professor Lionel Martellini, Director of EDHEC-Risk Institute, added, “This survey confirms the relevance of ETFs in institutional investors' asset allocation. Smart beta indices appear to be a key growth area for the ETF industry looking forward, with an ever increasing focus on improved transparency and informational efficiency.”

A copy of the EDHEC-Risk Institute survey can be found here:

[EDHEC-Risk European ETF Survey 2015](#)



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About EDHEC-Risk Institute

Since 2001, EDHEC Business School has been pursuing an ambitious policy in terms of practically relevant academic research. This policy, known as “Research for Business”, aims to make EDHEC an academic institution of reference for the industry in a small number of areas in which the school has reached critical mass in terms of expertise and research results. Among these areas, asset and risk management have occupied privileged positions, leading to the creation in 2001 of EDHEC-Risk Institute, which has developed an ambitious portfolio of research and educational initiatives in the domain of investment solutions for institutional and individual investors.

This institute now boasts a team of close to 50 permanent professors, engineers and support staff, as well as 37 research associates from the financial industry and affiliate professors. EDHEC-Risk Institute is located at campuses in Singapore, which was established at the invitation of the Monetary Authority of Singapore (MAS); the City of London in the United Kingdom; Nice and Paris in France. The philosophy of the institute is to validate its work by publication in prestigious academic journals,

but also to make it available to professionals and to participate in industry debate through its position papers, published studies and global conferences.

To ensure the distribution of its research to the industry, EDHEC-Risk also provides professionals with access to its website, www.edhec-risk.com, which is entirely devoted to international risk and asset management research. The website, which has more than 70,000 regular visitors, is aimed at professionals who wish to benefit from EDHEC-Risk's analysis and expertise in the area of applied portfolio management research. Its quarterly newsletter is distributed to more than 1.5 million readers.

EDHEC-Risk Institute also has highly significant executive education activities for professionals. In partnership with CFA Institute, it has developed advanced seminars based on its research which are available to CFA charterholders and have been taking place since 2008 in New York, Singapore and London.

In 2012, EDHEC-Risk Institute signed two strategic partnership agreements, with the Operations Research and Financial Engineering department of Princeton University to set up a joint research programme in the area of asset-liability management for institutions and individuals, and with Yale School of Management to set up joint certified executive training courses in North America and Europe in the area of risk and investment management.

As part of its policy of transferring know-how to the industry, EDHEC-Risk Institute has set up ERI Scientific Beta. ERI Scientific Beta is an original initiative which aims to favour the adoption of the latest advances in smart beta design and implementation by the whole investment industry. Its academic origin provides the foundation for its strategy: offer, in the best economic conditions possible, the smart beta solutions that are most proven scientifically with full transparency of both the methods and the associated risks.

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About Amundi

Amundi is the No.1 European Asset Manager and in the Top 10 worldwide¹ with AUM of close to €1,000 billion worldwide.²

Located at the heart of the main investment regions in more than 30 countries, Amundi offers a comprehensive range of products covering all asset classes and major currencies.

Amundi has developed savings solutions to meet the needs of more than 100 million retail clients worldwide and designs innovative, high-performing products for institutional clients which are tailored specifically to their requirements and risk profile.

The Group contributes to funding the economy by orienting savings towards company development.

Amundi has become a leading European player in asset management, recognised for:

- Product performance and transparency;
- Quality of client relationships based on a long-term advisory approach;
- Efficiency in its organisation and teams' promise to serving its clients;
- Commitment to sustainable development and socially responsible investment policies.

1. No.1 European asset manager based on global assets under management (AUM) and the main headquarters being based in Europe – Source IPE “ Top 400 asset managers ” published in June 2015 and based on AUM as at December 2014.

2. Amundi figures as of 31 December 2015.

Amundi Asset Management, Société Anonyme with a registered capital of €596 262 615 - Portfolio Manager regulated by AMF under number GP 04000036 - Registered office: 90, boulevard Pasteur, 75015 Paris, France - 437 574 452 RCS Paris

About Amundi ETF, Indexing & Smart Beta

With a long-standing experience combined with a strong pricing power, we offer first-class replication on more than 100 indices to internationally renowned institutions.

The Indexing expertise is built on the search for value-added sources within strict risk framework. It comprises a wide range of open-ended funds as well as having the capacity to implement customised mandates, including SRI and smart beta approaches.

In the ETF segment, Amundi has also successfully become a major player thanks to its strategy of competitive prices, innovation and high-quality tracking.

Amundi ETF, Indexing & Smart Beta experienced team of dedicated index fund managers is based in Europe and Asia, with a recognized track record, and benefiting from Amundi bargaining power and research teams' excellence.