

The EDHEC Business School Association and its Foundation announce the signature of an agreement for the sale of a 93% interest in Scientific Beta to Singapore Exchange Ltd.

Press release

Paris, 24 January 2020 – The EDHEC Business School Association and its Foundation are proud to announce today the signature of an agreement providing for the sale of a 93% interest in Scientific Beta to Singapore Exchange Ltd (SGX), the Singapore stock exchange. The sale vindicates EDHEC’s research-funding model and provides a lasting guarantee of the School’s financial independence. It also represents a formidable shot in the arm for EDHEC’s ambitions just prior to the unveiling of the new strategic plan for the 2020-2025 period.

The transaction values Scientific Beta at €200m and is expected to be completed by the end of January.

Recognised since 1958 as a public interest not-for-profit association under France’s Law of 1901, EDHEC has been pursuing a disruptive strategy under the “Research for Business” banner for the last 15 years. It is geared to producing academic research of consistent excellence and utility that has a marked impact on businesses and thereby ensures the School’s enduring development. With this aim in mind, EDHEC and its Foundation set up an ambitious strategy aimed at capitalising on its research, by involving its professors and researchers in the project. This strategy produces its first major result today with the sale of Scientific Beta to Singapore Exchange. The School’s research-funding model guarantees the production of research that is useful to both students and society.

Founded in 2012 and led by Professor Noël Amenc, Scientific Beta has leveraged EDHEC-Risk Institute’s expertise in quantitative equity management strategies (smart beta) and developed its activities within the framework of EDHEC-Risk Institute Asia with the support of the Monetary Authority of Singapore (MAS). Underpinned by high-level research, Scientific Beta designs, produces and commercialises alternative indices of listed equities (smart beta) and tools for analysing performance and financial, social and environmental risks on these indices. As of 30 September 2019, there were US\$54.7bn in assets worldwide replicating Scientific Beta’s indices, of which 30% integrated ESG dimensions, thus underlining their sustainability. Scientific Beta has helped affirm EDHEC’s reputation in the fields of market finance and useful finance, and maintained an exceptional annual growth rate in excess of 80%. It serves a client base of leading global financial institutions.

This sale vindicates EDHEC’s original research-funding model initiated under the stewardship of Olivier Oger, Dean of EDHEC until 2017. It paves the way for ambitious new developments, such as the incorporation of climate change issues into managerial practices and new business initiatives linked with the School’s research. By way of illustration and again with the support of MAS, EDHEC is working in Singapore to develop the first global database for valuing and assessing financial, social and environmental risks associated with infrastructure investments.

EDHEC also intends to launch a fintech specialised in analysing financial, social and environmental risks linked to long-term investments.

EDHEC is today reaping the rewards of the consistency and excellence of its financial research strategy and receiving a formidable shot in the arm for its ambitions. For Professor Emmanuel Métais, Dean of EDHEC, *“this transaction strengthens EDHEC’s independence and lastingly underwrites our ever-increasing demands for excellence, selectivity and impact. It bolsters our ability to invest in new strategic projects and is consistent with the ambition due to be enshrined in our 2020-2025 plan and with our mission as a leading international business school”*.

“The ultimate beneficiaries of this transaction will be our students, via the investments we will be able to make in our School and the bursary programmes we will continue to develop”, underlines Stéphane Lagut, Foundation Chairman. *“None of this would have been possible without EDHEC’s proprietary model: close collaboration between the School’s governance bodies, Foundation and alumni network, and our excellence in financial research”*, concludes Bruno de Pampelonne, Chairman of the EDHEC Board of Governors.

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About EDHEC BUSINESS SCHOOL

Founded in 1906, EDHEC is one of Europe’s top 15 business schools.¹ Based in Lille, Nice, Paris, London and Singapore and counting more than 90 nationalities on its campuses, EDHEC is a fully international school directly connected to the business world. With more than 40,000 graduates in 120 countries, it trains committed managers capable of dealing with the challenges of a fast-evolving world.

Harnessing its core values of excellence, innovation and entrepreneurial spirit, EDHEC has developed a strategic model founded on research that is of true practical use to society, businesses and students and which is particularly evident in the work of the EDHEC-Risk Institute and Scientific Beta.

The School functions as a true laboratory of ideas and plays a pioneering role in the field of digital education via EDHEC Online, the first fully online degree-level training platform.

These components combine to make EDHEC a centre of knowledge, experience and diversity, geared to prepare new generations of managers to excel in a world facing transformational change.

EDHEC in figures: 8,600 students in academic education, 23 degree programmes from Bachelor’s to PhD level, 184 professors and researchers, 11 specialist research centres.

For more information, please see www.edhec.edu

¹ FT EBS 2019 ranking