



EDHEC Risk and Asset Management Research Centre
Research for Business

Research for Business

Founded in 2001 within a century-old business school and sponsored by major industry players, the EDHEC Risk and Asset Management Research Centre is striving to become the premier European centre for applied financial research.



Noël Amenc, Ph.D. Director

To achieve this objective, the centre is concentrating the efforts of its international research team on issues which correspond to major industry needs. The centre's 15 academics and research engineers and 13 affiliated practitioners thus structure all of their work around asset allocation in order to address a genuine expectation from the market.

Having learnt in recent years about the risks of excessive reliance on asset selection models, investors and managers are showing unprecedented interest in asset allocation approaches as sources of performance. Concurrently, the emergence of alternative asset classes with risk profiles that are very different from those of traditional investments is creating new opportunities for asset allocation in both conceptual and operational terms.

To ensure that its activities meet the highest academic standards and truly benefit the industry, the EDHEC Risk and Asset Management Research Centre subjects its work to strict validation processes. The scientific quality and operational relevance of the centre's research programmes are guaranteed by the centre's dual management structure and the oversight exercised by the leading experts serving on its international advisory board.

The EDHEC Risk and Asset Management Research Centre plays a noted role in furthering applied financial research and systematically highlighting its practical uses. As part of its "research for business" philosophy, the centre maintains a dialogue with professionals which benefits the industry as a whole. At the same time, its proprietary R&D provides sponsors with an edge over competition and joint ventures allow selected partners to develop new business opportunities.

To further assist financial institutions and investors implement the latest research advances in order to meet the challenges of the changing asset management landscape, the centre has spawned two

consultancies and an executive education arm. Clients of these derivative activities include many of the leading organisations throughout Europe.

The following pages will provide you with a brief introduction to the activities carried out by the EDHEC Risk and Asset Management Research Centre. Our team is available to analyse with you the ways in which you could tap into the centre's expertise for the benefit of your organisation.

Noël Amenc, Ph.D.
Director

The Choice of Asset Allocation



Lionel Martellini, Ph.D. Scientific Director

Several years of down markets have emphasised the limitations of traditional asset management practices and accelerated the paradigm shift that is taking place within the industry.

In the brave new world of asset management, astute investors dynamically allocate their funds between a core of index-linked vehicles and actively managed satellites encompassing alternative investments.

While the core of the portfolio closely tracks a benchmark representative of the investor's

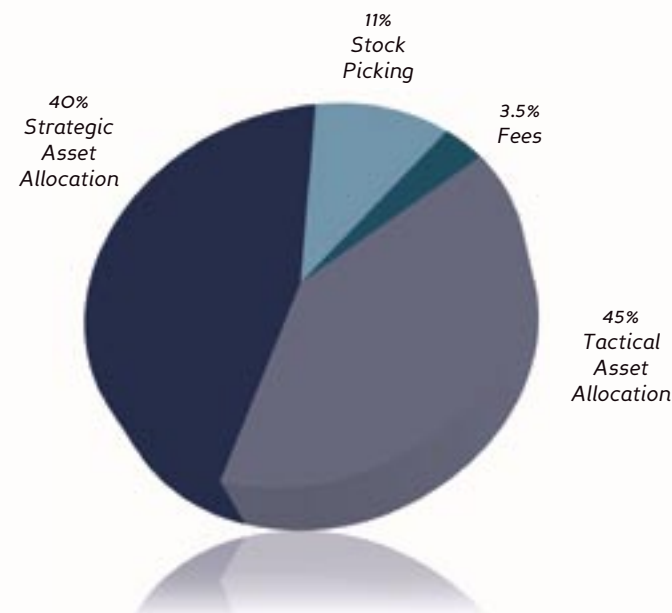
strategic asset allocation, satellite funds are given leeway to extract non-traditional betas and work as alpha-factories.

Formerly centre stage, stock picking survives at the periphery as an activity entrusted to an elite cadre of managers who consistently beat the market on a risk-adjusted basis. In this new environment, hard numbers rather than relationships dictate how investors allocate funds across multiple managers and thorough reports on risks and performance have accordingly become a must.

It is against this backdrop that the EDHEC Risk and Asset Management Research Centre has decided to structure all of its work around asset allocation, thereby putting the collective expertise of its permanent staff and research associates at the service of key needs of financial institutions and investors.

This strategic choice is applied to all of the centre's research programmes, whether they involve putting forward new methods of strategic allocation that span traditional and alternative investments; measuring the performance of funds while controlling for the tactical allocation dimension of the alphas; identifying biases in existing indices and designing superior instruments for benchmarked asset allocation; taking extreme risks into account in the allocation process; using derivatives to implement active portfolio strategies and replicate indices; or improving asset-liability management techniques.

Lionel Martellini, Ph.D.
Scientific Director



The case for asset allocation

Percent of variation between funds

Source: EDHEC (2002) and Ibbotson, Kaplan (2000)

Six Research Programmes

1/ Multi-style/multi-class allocation

Sponsors: Misys Asset Management Systems, SG Asset Management, and FIMAT. Research heads: **Francois-Serge Lhabitant, Ph.D.** and **Lionel Martellini, Ph.D.** Focus: Establishing the benefits and risks of integrating the alternative class in asset allocation. Designing integration methods.

2/ Performance and style analysis

Business partner: EuroPerformance (Fininfo group)
Research head: **Noel Amenc, Ph.D.**

Focus: Adapting portfolio performance and style analysis models to tactical allocation. Allowing portfolio alphas to be measured not only for stock picking but also for style timing.

3/ Indices and benchmarking

Sponsors: AF2I, Barclays Global Investors, BNP Paribas Asset Management, Euronext, Lyxor Asset Management, and UBS Global Asset Management. Research heads: **Lionel Martellini, Ph.D.** and **Mathieu Vaissié** Focus: Analysing the quality of existing indices and the criteria for choosing indices for institutional investors. Developing a proprietary style index construction methodology which addresses the lack of representativity of the style indices that are available on the market and yields superior indices for both the traditional and alternative universes.

4/ Asset allocation and extreme risks

Research heads: **Jean-Christophe Meyfredi, Ph.D.** and **Jean-René Giraud** Focus: Adapting tools for measuring extreme risks (VaR) and constructing portfolios (stochastic check) to the issue of long-term pension fund allocation. Developing better measures and models for the various types of extreme risks and taking these into account in portfolio allocation.

5/ Asset allocation and derivative instruments

Sponsors: Eurex and SGCIB. Research heads: **Philippe Malaise** and **Lionel Martellini, Ph.D.** Focus: Developing derivative-based techniques for active portfolio management. Analysing the benefits of and the methods for incorporating structured products into strategic allocation.

6/ ALM and asset management

Research heads: **Koray Simsek, Ph.D.** and **Philippe Touron**
Focus: Applying recent research in asset-liability management for pension plans and insurance companies. Improving asset management techniques and particularly strategic allocation tools to positively impact the performance of ALM programmes. Evaluating the benefits of including alternative investments in the allocation. Meeting the challenges of the IFRS standards and the Solvency II directive project.

From Research Advances to In

EDHEC Business School set up the Risk and Asset Management Research Centre to conduct world-class academic research and highlight its applications to the industry. In keeping with this mission, the centre systematically seeks to validate the academic quality of its research 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 develops business partnerships to launch innovative products.

High quality academic output with professional relevance
The results of the research work performed by the centre have been published by such foremost specialised academic publications as the Journal of Portfolio Management and the Financial Analysts Journal, featured in numerous articles published by professional magazines, and presented at major industry conferences. They have also received widespread coverage in the European business press.

Recognition of the academic quality and professional relevance of the centre's output is also evidenced by the integration of a number of articles into the required readings of professional designations, invitations to participate in curriculum design or authoring of programme material, and the choice by the Chartered Alternative Investment Analyst AssociationSM of EDHEC Business School as sole official course provider for Europe.

Industry Best Practices

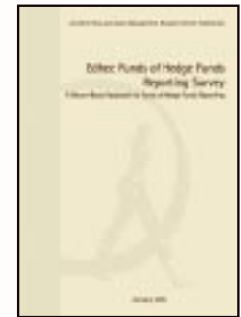
International academic journals in which EDHEC Business School teaching and research staff have published include: Accounting and Business Research, Applied Financial Economics, European Finance Review, European Financial Management, European Journal of Finance, Financial Analysts Journal, International Review of Economics and Finance, International Review of Financial Analysis, Journal of Alternative Investments, Journal of Asset Management, Journal of Banking and Finance, Journal of Business Finance and Accounting, Journal of Economic Dynamics and Control, Journal of Empirical Finance, Journal of Derivatives, Journal of Finance, Journal of Financial Transformation, Journal of Futures Markets, Journal of Indexes, Journal of Performance Measurement, Journal of Portfolio Management, Managerial Finance, Multinational Finance Journal, Pacific-Basin Finance Journal, Quantitative Finance, Quarterly Review of Economics and Finance, Review of Derivatives Research, and Review of Financial Economics.

Constant dialogue with the industry
To maximise exchanges between the academic and business worlds, the Risk and Asset Management Research Centre maintains a website devoted to asset management research for the industry: www.edhec-risk.com, circulates a monthly newsletter to well over 20,000 practitioners, conducts regular industry surveys and consultations, and organises annual conferences for the benefit of institutional investors and asset managers.

EDHEC Hedge Fund and Asset Management Days – annual forums with the profession
These two annual European conferences present the findings of the hedge fund and asset management research conducted within the EDHEC Risk and Asset Management Research Centre and provide a forum for discussing these results with the fund manager and investor communities. Supported by industrial partners, professional associations and the business press, they attract hundreds of professionals from all over Europe.

Industry surveys – confronting research advances with industry best practices
The EDHEC Risk and Asset Management Research Centre regularly conducts surveys on the state of the European asset management industry. These surveys look specifically at the application of recent research advances within investment management companies and at best practices in the industry. Survey results receive considerable attention from professionals and are extensively reported by the international financial media.

Recent Industry Surveys conducted by the EDHEC Risk and Asset Management Research Centre



- 1/EDHEC European Asset Management Practices Survey sponsored by Misys Asset Management Systems and Europerformance
- 2/EDHEC European Alternative Multimanagerment Practices Survey sponsored by Fimat
- 3/EDHEC Funds of Hedge Funds Reporting Survey

From Research Advances to Industry Best Practices

Singular joint-venture policy
While the EDHEC Risk and Asset Management Research Centre 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. Recent examples of business partnerships include the EuroPerformance-EDHEC Style Ratings and Lyxor's EDHEC Hedge Fund Diversifier Benchmarks.

EDHEC Alternative Indexes www.edhec-risk.com/indexes
The different hedge fund indexes available on the market are computed from different data, according to diverse fund selection criteria and index construction methods; they unsurprisingly tell very different stories. Challenged by this heterogeneity, investors cannot rely on competing hedge fund indexes to obtain a "true and fair" view of performance and are at a loss when selecting benchmarks.

To address this issue, EDHEC was the first to launch composite hedge fund strategy indexes as early as 2003. Using factor analysis techniques, the EDHEC Alternative Indexes 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 very large fraction of the information contained in the competing indexes while implicitly minimising their various biases. Consequently, the EDHEC Alternative Indexes tend to be very stable over time and thus are easily replicable.

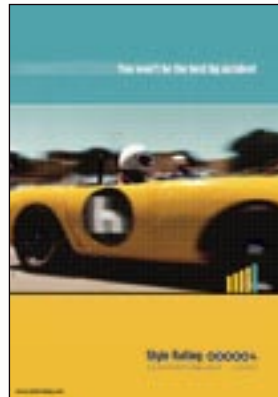
Strategies	02/2005	YTD	Annual Average Return since inception	Annual Standard Deviation since inception	Sharpe Ratio
Convertible Arbitrage	-0.58%	-1.54%	-7.52%	3.68%	0.96
CTA Global	0.05%	-4.34%	7.42%	10.25%	0.33
Distressed Securities	1.34%	1.72%	14.99%	4.18%	2.63
Emerging Markets	3.46%	4.94%	15.48%	8.00%	1.43
Equity Market Neutral	0.80%	1.62%	5.97%	1.45%	1.36
Event Driven	1.44%	1.48%	9.65%	4.56%	1.24
Fixed Income Arbitrage	0.85%	1.29%	7.29%	1.84%	1.79
Funds of Funds	1.36%	1.41%	5.77%	3.04%	0.58
Global Macro	1.71%	1.23%	7.75%	4.02%	0.93
Long/Short Equity	2.10%	1.93%	5.00%	6.04%	0.17
Merger Arbitrage	0.65%	0.65%	3.73%	2.89%	-0.09
Relative Value	0.81%	0.94%	7.02%	3.37%	0.90
Short Selling	1.18%	5.09%	2.84%	15.79%	-0.07

The 13 EDHEC Alternative Indexes are published monthly on www.edhec-risk.com and freely available to managers and investors.

In 2005, Lyxor and the EDHEC Risk and Asset Management Research Centre have come together to offer 5 investable indices which preserve the representativity properties of the EDHEC Alternative Indexes. The EDHEC Investable HF Indices are not stand-alone funds but bricks allowing institutional investors to establish their own strategic allocation across all major alternative investment strategies (Equity Market Neutral, Equity Long/Short, CTA Global, Convertible Arbitrage, and Event Driven) and to implement tactical allocation decisions on a weekly basis.

EuroPerformance-EDHEC Style Ratings – rating.europerformance.fr
 Measuring the performance of investment funds is a key issue for both professional money managers and investors. As fund ratings increasingly exert a determining influence on the collection of capital, their users are becoming more and more demanding with regard to the relevance and methodological rigor of the performance evaluation system implemented. In point of fact, the classifications of the main rating services no longer meet market expectations.

France's leading fund rating agency EuroPerformance and the EDHEC Risk and Asset Management Research Centre entered into a business partnership with the aim of developing new tools for performance measurement and style analysis. The partnership led to the launch in 2004 of the EuroPerformance-EDHEC Style Ratings, a free rating service for funds distributed in Europe which addresses market demand by delivering a true picture of the alphas, accounting for potential extreme loss, and measuring performance persistence. For each of these dimensions, the rating relies on state-of-the-art conceptual and technical tools (Return-Based Style Analysis and multi-index models, semi-parametric VaR, Hurst exponent.)



EDHEC Investment Research

Supporting expertise for the design, implementation and management of multistyle/multiclass products



Noël Amenc, Ph.D. Director

Institutional investors and asset managers eager to develop superior risk-performance profiles by making full use of the asset allocation approaches and recommendations of the EDHEC Risk and Asset Management Research Centre have expressed a need for support through consulting services.

To satisfy these expectations, EDHEC Business School has set up a dedicated entity assisting professionals in the implementation of the centre's research results and offering asset allocation services in the context of a core-satellite approach encompassing alternative investments. EDHEC Investment Research (EIR) provides high level advisory services as well as technology licensing and transfers for the design, implementation, and management of multistyle/multiclass investments.

Three capacities one provider
Since 2005, EDHEC Investment Research has been acting in the following capacities for asset management companies and institutional investors:

1. Product Designer: EIR taps into its market knowledge and deep familiarity with client expectations to custom-design innovative multistyle/multiclass products which meet the needs of investors.

2. Investment Advisor: EIR uses its technical expertise to optimise the strategic allocation and portfolio construction phases within multistyle/multiclass approaches.

3. Global Product Manager: EIR combines its conceptual know-how and practical capabilities to assist professionals in the design and subsequent implementation of multistyle/multiclass funds.

EDHEC Investment Research's winning formula is to blend state-of-the-art asset allocation expertise with intimate knowledge of investor's expectations.

Contact Details:
Noël Amenc
noel.amenc@edhec-risk.com
Tel: +33 (0) 493-187-825
Fax: +33 (0) 493-187-844

The EDHEC Investment Research Design Process

Market expectations	Analysis of existing offers	Proposals	Conditions of implementation	Synthesis
<ul style="list-style-type: none"> • Segmentation of expectations • Perception of existing offers • Unattended or poorly addressed issues 	<ul style="list-style-type: none"> • Evaluation of discriminating characters • Fit with clientele's expectations • Perception and performance • Profitability 	<ul style="list-style-type: none"> • Evaluation of the potential for differentiation • Fit with clientele's expectations • Clarity of value proposal • Complementarity or substitutability vis-à-vis existing offers 	<ul style="list-style-type: none"> • Methods and techniques of financial management • Industrialisation or modularisation of proposals • Organisational impact study • Profitability study • Marketing and communications plan 	<ul style="list-style-type: none"> • Technical, marketing, and economic feasibility of proposals • Implementation plans

The EDHEC Investment Research Design Process Product design assignments are conducted according to a distinctive project management method which integrates the results of the market research and design studies carried out by EIR consultants with client input. This method guarantees complete traceability of the output and conclusions of the consulting assignment.

Leading edge scientific expertise
EDHEC Investment Research's conceptual expertise and technological know-how allows for the implementation of the most recent advances of research in:

- Dynamic asset allocation in a core-satellite approach
- Minimum volatility and extreme risk allocation
- Implicit/explicit factor analysis of the risks of the various asset classes
- Stochastic volatility modelling
- Blending of the investor's and manager's views in the allocation process - Bayesian optimisation approach
- Stochastic Programming for Asset-Liability Management

Proven track record
EDHEC Investment Research has taken part in the design of a wide array of financial products targeted at both retail and institutional investors; recent missions include:

- Design of equity and fixed income funds with positive tracking error insurance (structured alpha)
- Design of funds of hedge funds which optimise alternative diversification properties (alternative optimal betas)
- Design of investable hedge fund indices (alternative betas)
- Design of derivatives products improving equity returns in low volatility and low visibility environments (portable betas)
- Feasibility study for the implementation of equity-linked structured products targeted at the allocation needs of institutional investors (structured betas)
- Design of liability-driven products
- Design of a multistyle/multiclass fund of fund spanning hedge funds (portable alpha and portable betas)

EDHEC-Risk Advisory

Helping sell-side and buy-side institutions to meet risk management challenges



Jean-René Giraud,
Chief Executive Officer

Supported by an international network of industry and academic professionals and enjoying privileged access to research advances engineered at EDHEC, the firm delivers a blend of operational and industry expertise mixed with the appropriate level of academic and research input that cannot be found within traditional consultancies.

Service Offerings

EDHEC-Risk Advisory service offerings cover all types of risk (market, credit, operational, compliance) and range from regulation, strategy and governance to operations, processes, and systems implementation. Through its extensive network of buy-side contacts, the firm also possesses a unique capability for conducting independent market analysis and surveys.

Established in 2003, EDHEC-Risk Advisory has developed a series of high level service offerings helping buy-side firms and their service providers to address the multifaceted nature of risk management to meet pressing regulatory, operational, and technological challenges.

Present in Paris, London and Sophia-Antipolis, EDHEC-Risk Advisory is run by a team of professional management consultants with over 60 years of collective markets and investment experience.

EDHEC-Risk Advisory Service Offerings

	Regulatory	Organisation & Governance	Operations, Control, Process	Information Systems
Traditional Investments	<ul style="list-style-type: none"> • Assistance in implementation of Basle II and CAD III • Impact of UCITS III • Sarbanes-Oxley 	<ul style="list-style-type: none"> • Review of risk management organisation and governance • Change management • Product and positioning strategy 	<ul style="list-style-type: none"> • Review of risk management controls and processes • Change management • Managing best execution 	<ul style="list-style-type: none"> • Functional Requirements Analysis • Package selection • Assistance in package implementation • System implementation and integration • Special purpose developments
Alternative Investments	<ul style="list-style-type: none"> • Assistance in elaboration of regulatory documentation • New Hedge Fund regulations 	<ul style="list-style-type: none"> • Review of risk management organisation and governance • Change management 	<ul style="list-style-type: none"> • Assistance in implementation of operational due diligence • Outsourced due diligence 	
	<ul style="list-style-type: none"> • Proprietary market studies • European industry surveys 			

High Profile projects

Projects carried out by EDHEC-Risk Advisory consultants encompass a broad range of activities covering a wide array of high-profile themes and relating to all levels of client-organisations:

Strategic Positioning

- Strategic study on the use of Exchange Traded Derivatives in the context of active fixed income portfolio management.
- Development of a Prime Brokerage blueprint, market and competitive analysis.
- Strategic positioning of software and data services targeting the hedge fund industry.
- Definition of the entire service offering of a UK brokerage firm with regards to Direct Market Access and Algorithmic Trading capabilities.

Operations & Organisation

- Development of an Operational and Technology blueprint for providing administrative services to hedge funds, development of the implementation roadmap.
- Selection of an independent organisation for controlling execution costs.
- Development of an Operational and Technology blueprint for servicing hedge funds.
- Development of a framework for assessing brokerage services and allocating execution flows.

Systems

- Design and specifications of a system for controlling execution costs post-trade and allowing for automated pre-trade routing decisions.
- Support for implementing an advanced Value-at-Risk system for pre-trade risk analysis and ex-ante tracking error analysis.
- Design of an operational dashboard for wholesale services.
- Development of a set of requirements related to the implementation of a state-of-the-art risk management infrastructure for a fund of hedge funds.
- Design and implementation of a central Transaction Database aimed at consolidating trades intra-day and providing an instant snapshot of exposures for risk management purposes.

Proprietary market studies

- European survey on Best Execution.
- European survey on buy-side attitude towards algorithmic trading.
- European study of investors' needs with regards to cash and collateral management.

The confidence of major players

Since inception, EDHEC-Risk Advisory has successfully completed over twelve key projects for major European institutions and earned the reputation of a leading specialist firm delivering high-profile expertise in a professional manner.

Our client list includes the following institutions:

- ABN-AMRO (UK)
- Euronext (FR)
- Fonds de Réserve pour les Retraites (FR)
- Misys (FR)
- Petercam Capital (UK)
- Reuters (UK)
- The New Millennium Group (UK)

Contact:
Jean-René Giraud
advisory@edhec-risk.com
Tel: +33 (0) 493-187-819
Fax: +33 (0) 493-187-841

EDHEC Alternative Investment Education

Training professionals to the highest industry standards

The alternative investment industry needs trusted standards that demonstrate mastery of the fundamental concepts and tools for managing assets across the whole spectrum of alternatives, as well as forums allowing practitioners to keep up with the hectic pace of financial innovation.



Frédéric Ducoulombier, Director

In keeping with its credo of developing professional skills through research-based excellence, EDHEC Business School set up a dedicated executive education arm to complement the vanguard work of its Risk and Asset Management Research Centre.

The mission of EDHEC Alternative Investment Education is to help practitioners upgrade their skills to meet the challenges and opportunities of the rapidly expanding alternative investment universe.

As the exclusive official provider of Chartered Alternative Investment AnalystSM exam preparatory courses for Europe, EDHEC AI Education assists professionals in earning the industry's global educational standard.

As organiser of the L'HABITANT Hedge Fund Seminars and custom programmes, EDHEC AI Education brings research advances and state of the art practices into the practitioner's portfolio of skills.

The CAIASM Designation: the global mark of distinction in the alternative investment industry
Explosive growth in the funds flowing into alternative investments, institutional investors' increased appetite for the various alternative vehicles and calls for greater regulation of hedge funds have heightened the need for professional standards. Concurrently, stronger competition makes it imperative that alternative investment specialists have a way to differentiate themselves.

Guaranteeing a high level of competence to customers and demonstrating commitment to the profession, the Chartered Alternative Investment AnalystSM designation is the only global professional standard for the industry. The CAIA charter provides an independent certification of an individual's mastery of the concepts, tools and practices essential for understanding, selecting and managing investments in the alternative space. Candidates for the CAIA designation have come from 40 countries and 400 institutions worldwide and included investment advisors, consultants and analysts, fund managers and administrators, accountants, lawyers, as well as compliance and back office personnel.

As the Chartered Alternative Investment Analyst Association's exclusive official provider of CAIA exam preparatory courses for Europe, EDHEC AI Education offers solutions allowing practitioners to take the CAIA tests with the best chance of success.

Designed and delivered by experienced academics and professionals with proven alternative investment expertise and taking place in Europe's major financial capitals, the EDHEC AI Education intensive review seminars guide practitioners through the challenging CAIA curriculum and maximise their preparation for the exam.



Participants in EDHEC AI Education's London-Geneva-Paris review courses include employees from the following organisations:

Aforge Capital Management
Alteram
Anglo Irish Bank
Axa Multimanager
Banque Safdié SA
Barclays Capital
Citco Fund Services
Credit Suisse
Dawnay, Day Olympia Ltd.
Ferrier Lullin & Cie SA
LGT Capital Partners Ltd.
Merrill Lynch Investment Managers
Mirabaud et Cie
Natexis Asset Square
National Bank of Dubai
Pioneer Alternative Investments Ltd.
PSolve Alternative Investments
Schulte Roth & Zabel International LLP
Thames River Capital Ltd.
Tremont Capital Management Ltd.

Contact:
Frédéric Ducoulombier
Aleducation@edhec.edu
Tel: +33 (0) 493-187-819
Fax: +33 (0) 493-187-841

LHABITANT Hedge Fund Seminar: The State of the Art in Fund of Hedge Funds Management

Institutional money is fuelling the explosive growth of the hedge fund industry and creating historic opportunities for the fund of hedge fund business. This shift in the source of capital is also driving the coming of age of the industry and imposing new responsibilities and challenges upon hedge funds and multimanager.

Successful players will be those who are able to provide increasingly skilled and demanding clients with a cogent explanation of their investment and risk management processes, and to back their claims of value creation with quantitative analyses of relative performance and underlying risk factors.

Designed and delivered by one of the most respected practitioners and academics in the field, the LHABITANT Hedge Fund Seminar offers insight into state of the art practices for implementing hedge fund programmes, controlling risk, and measuring and reporting performance and risks

Presented in a highly accessible manner, this intensive seminar equips participants with a workable knowledge of the techniques that should be part of the toolkit of anyone investing in hedge funds or advising private and institutional clients on the inclusion of hedge funds in their portfolios.

Building upon Professor Lhabitant's recent work and incorporating the latest results of alternative investment research conducted within the EDHEC Risk and Asset Management Research Centre, this seminar surveys hedge fund databases, indices, and benchmarks; introduces advanced analysis of hedge fund performance and risks; presents novel ways of classifying funds, and discusses risk management, asset allocation and hedge fund portfolio diversification.

Showing how to incorporate the latest results of alternative investment research into management processes and allowing participants to keep abreast of the best industry practices, the LHABITANT Hedge Fund Seminar appeals to fund of hedge funds managers and administrators; investment advisers and consultants; and institutional investors.

Upholding High Standards of Corporate Governance



Jean-François Lepetit
Chairman of the Advisory Board
Director of BNP Paribas
Former Chairman of the Commission
des Opérations Boursières

The EDHEC Risk and Asset Management Research Centre has adopted a strict corporate governance structure and rigorous processes which guarantee both the scientific quality and the operational relevance of its activities. The centre's dual management and its international advisory board enforce stringent validation and evaluation processes to ensure that all efforts remain focused on issues which are central to the development of the profession.

The EDHEC Risk and Asset Management Research Centre is headed by a director and a scientific director. The scientific director is the academic authority responsible for the quality of the centre's research. A renowned scholar, Professor Lionel Martellini manages the research team and supervises all programmes and projects. The director of the centre is in charge of business policy and overall management. With considerable experience in asset management as both an academic and a practitioner, Professor Noël Amenc decides upon strategic partnerships and reviews research proposals from a business viewpoint. Directors screen proposals and oversee work in progress to ensure that all research carried out within the centre contributes to programmes which have been endorsed by the advisory board.

In line with best practices of corporate governance, the EDHEC Risk and Asset Management Research Centre has set up an advisory board which brings together distinguished scholars, representatives of regulatory bodies as well as senior executives from business partners and other leading institutions. These international experts validate the relevance and goals of the research programme proposals presented by the centre's management and evaluate research outcomes with respect to their potential impact on industry practices. The board also advises on the objectives and contents of projects deriving from the expertise of the research centre thereby ensuring that graduate and executive programmes remain at the forefront of developments in the marketplace.

Rigorous validation and evaluation processes throughout the life-cycle of research programmes

Phase	Opportunity Study	Incubation	Development
Nature of work carried out	Academic review – state of the art. Assessment of industry expectations.	"Founding" research and modelling. Initiation of a business partnership.	Development of applied research. Test of the results in a business context.
Validation	Validation by the advisory board.	Validation of the research by an international academic publication. Validation of the business plan by the management.	Validation of the work and evaluation of the results by the advisory board.

Members of the EDHEC Risk and Asset Management Research Centre Advisory Board

Chairman: Mr Jean-Francois Lepetit, Associate Professor, EDHEC Business School, former Chairman of the French Securities and Exchange Commission.

Mr Noël Amenc, Professor of Finance, Director of the EDHEC Risk and Asset Management Research Centre.

Mr Marc Anson, Chief Investment Officer, CalPERS.

Mrs Monique Bourven, Member of the French Economic and Social Council, former Chief Executive Officer State Street (France), past Chairwoman of the French Financial Markets Council.

Mr Sid Browne, Head of Quantitative Analysis, Goldman Sachs Asset Management.

Mr William de Vijlder, Managing Director and Global Chief Investment Officer, Fortis Investments.

Mr Fabrice Demarigny, Secretary General, Committee of European Securities Regulators.

Mr Alain Dubois, Chairman, Lyxor Asset Management.

Mr Alain Dromer, Chief Executive Officer, HSBC Asset Management.

Mr Patrick Fenal, Chief Executive Officer, Unigestion.

Mr Rudolf Ferscha, Chief Executive Officer, Eurex.

Mr Pierre Fleuriot, Chairman, ABN AMRO (France), Senior Executive Vice President and Head of Country Coverage for Europe, Middle East & Africa.

Mr Jean-René Giraud, Chief Executive Officer, EDHEC-Risk Advisory.

Mr Gilles Glicenstein, Chief Executive Officer, BNP Paribas Asset Management.

Mr Alain Hindié, Advisor to the President, Detroyat et associés, member of the Manager Selection Committee, Fonds de Réserve pour les Retraites.

Mr Philippe Keime, Managing Director, Morgan Stanley.

Mr Jean-Louis Laurens, Deputy Chief Executive Officer & Global Head of Sales and Marketing, AXA Investment Managers.

Mr François-Serge Lhabitant, Associate Professor, EDHEC Business School, Head of Research, Kedge Capital.

Mr Wolfgang Mansfeld, President, The European Fund and Asset Management Association, Managing Director, Union-Fonds-Holding AG.

Mr Lionel Martellini, Professor of Finance, Scientific Director of the EDHEC Risk and Asset Management Research Centre.

Mr Barry Marshall, Chief Operating Officer, Investment Division, Gartmore.

Mr Goerg Moeller, Chief Executive Officer, Robeco.

Mr Bruno de Pampelonne, Managing Director, Merrill Lynch (France).

Mr Laurence O'Connell, Chief Operating Officer, MAN Investments.

Mr Leo Schruett, Member of Board & Head of Group Investment Research, Julius Baer.

Mr Lindsay Tomlinson, Chief Executive Officer Europe, Barclays Global Investors.

Mr Dan Waters, Director of Retail Policy and Asset Management Sector Leader, Financial Services Authority.

> EDHEC Business School has been offering management training and development programmes for a century and is amongst the 1% of institutions worldwide to have earned the triple crown of international accreditations (AACSB, EQUIS, AMBA). With 100 permanent professors and close to 4,500 students spread over two campuses in Lille and Nice, EDHEC Business School is the largest school of management in France. The institution boasts the country's widest selection of English-taught graduate degree courses and offers a leading Masters in Management programme, the THESEUS MBA, and six specialized MSc courses including an MSc in Finance and the new MSc in Risk and Asset Management. EDHEC Business School's alumni are active in 75 countries worldwide.

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EDHEC Risk and Asset Management Research Centre
393-400 promenade des Anglais BP3116 - 06202 Nice Cedex 3 - FRANCE
Tel: +33 (0) 493-187-824 Fax: +33 (0) 493-187-841
research@edhec-risk.com
www.edhec-risk.com