

October 18, 2007

EDHEC Alternative Indexes: September 2007 (Estimates)

Conv. Arb.	1.69%
CTA Global	4.85%
Dist. Sec.	1.19%
Emg. Mkts	4.31%
Eq. Mkt Neut.	1.32%
Event Driven	1.36%
Fix. Inc. Arb.	1.78%
Global Macro	3.43%
L/S Equity	2.75%
Merger Arb.	1.51%
Rel. Value	1.53%
Short Selling	-2.41%
FoF	2.00%

Events

[MiFID and Best](#)

[Execution Seminar,](#)

[London](#)

[EDHEC Alternative](#)

[Investment Days](#)

[2007](#)

[European Financial](#)

[Management 2008](#)

[Symposium on "Risk](#)

[and Asset](#)

[Management"](#)

[Till & Lhabitant State-of-the-Art Commodities Investing Seminar](#)

Books

[MiFID: Convergence](#)

[towards a unified](#)

EDITORIAL

[ALM and Institutional Investment Management](#) In the face of the need for a better understanding of optimal asset allocation decisions in the presence of liability constraints, from both the standpoint of the sponsor company and the standpoint of the pensioners, EDHEC has recently signed an ambitious partnership with BNP Paribas Asset Management dedicated to the production of advanced academic research on the topics of asset-liability management and institutional investment management. [More...](#)

INDUSTRY ANALYSIS

[Hedge fund clones: key issues in distinguishing between them](#) While the ability to replicate hedge funds is still being widely debated, the last few months have seen one hedge fund clone launch after another. Partners Group, which is considered the pioneer in this area, launched its Alternative Beta Strategies at the end of 2004. Partners were followed by Rydex Investments and AlphaSwiss in 2005, and Merrill Lynch and Goldman Sachs in 2006. In September 2007, more than 20 hedge fund replicators were on the market. [More...](#)

[130/30 funds: What is behind the commercial offensive?](#) High-conviction funds, beta-one funds, short extension funds, limited-shorting funds, long-enhanced funds, active extension funds, hedge-fund lite: there is a wide range of terms for what is most frequently called 130/30. This paper examines some crucial points related to these funds: their theoretical foundation, the optimal level of shorting, the distinction between the quantitative and fundamental approaches, whether these funds are natural extensions of long-only funds, and finally the risk of neglecting their risk. [More...](#)

[EDHEC comments on the European Insurance and Reinsurance Federation's position paper on the Solvency II directive](#) The proposed Solvency II level 1 directive has been supported by most of the industry. This directive paves the way for the implementation of the Solvency II regulation, which can be considered a huge step forward for the insurance industry. The European Insurance and Reinsurance Federation, CEA, recently issued a position paper, which, while strongly supporting the European directive, has underlined some potential weaknesses or risks within the new supervision scheme, in particular the threat of the SCR's being treated as a "hard target", as a sort of minimum capital requirement, in other words. [More...](#)

European capital

markets industry

FEATURES

[Alpha League Table UK](#) For the fourth edition of the season, the Alpha League Table focuses on the United Kingdom. This ranking of asset management firms confirms the leadership of the biggest names in the City of London. Aberdeen is at the top of the rankings, confirming its excellent results from last year. [More...](#)

INTERVIEW

[Interview with Gilles Glicenstein](#) In this month's interview, we discuss EDHEC's research chair in ALM and institutional investment, the links between research and business and BNP Paribas Investment Partners' strategy with Gilles Glicenstein, Chairman of BNP Paribas Asset Management and Head of BNP Paribas Investment Partners. [More...](#)

RESEARCH NEWS

[The Sharpe Ratio and Long-Run Investment Decisions](#) *Ronald Best, Charles W. Hodges, James A. Yoder.* Sharpe ratios based on realised returns provide a ranking of the past performance of portfolios, but many investors use these ratios when making investment choices. This use assumes that the portfolio return distribution is stable over time - that is, that the historical returns can predict future performance. [More...](#)

[Worth the Weight?](#) *Steven Schoenfeld, Robert Ginis.* In this article the authors describe the various alternatives to cap-weighting systems recently developed for index construction, underlining that they in fact consist of active management strategies and do not lead to indices that may serve as benchmarks or represent an asset class. [More...](#)

EDHEC PUBLICATIONS

[Rating the Ratings: A Critical Analysis of Fund Rating Systems](#) *Noël Amenc, Véronique Le Sourd.* Fund ratings are a widely used tool for fund promoters and fund subscribers. They serve to evaluate fund performance on a risk and return basis in an easily understandable way, and allow the performance of different funds to be compared. In this context, the quality and the robustness of the ratings is a critical subject for both investment management firms and investors. [More...](#)

EDHEC-RISK NEWS

[Sponsorship opportunities available for EDHEC Institutional Days 2008](#) In 2008, EDHEC will be merging two of its most important conferences into a single event. The EDHEC Asset Management Days, which had been taking place in Geneva up until now, have been integrated into a new edition of the EDHEC Institutional Days, which will now be held every year in Paris in June. [More...](#)

[Florencio Lopez de Silanes invited to present his work on legal origins at Harvard](#) Florencio Lopez de Silanes, Professor of Finance at EDHEC Business School, was invited to conduct seminars at Harvard Law School and Harvard Economics Department on 24 & 25 September to present his latest work on legal origins, which focuses on the impact of law on financial and other markets across 100 countries. [More...](#)

[EFM Association and EDHEC Business School jointly organising symposium on Risk and Asset Management in Nice \(17-19 April, 2008\)](#) On 17-19 April, 2008 in Nice, France, EDHEC Business School and the EFM Association are jointly organising the European Financial Management 2008 Symposium on Risk and Asset Management. The keynote speaker at the event will be Richard Roll, UCLA. The call for papers is open and all papers accepted for the symposium will be eligible for publication in a special issue of European Financial Management. [More...](#)

[EDHEC holding seminar in London on MiFID and Best Execution \(18-19 December, 2007\)](#) EDHEC is organising a two-day seminar on 18-19 December 2007 on the topic of MiFID and Best Execution. The aim of the seminar is to offer a practical understanding of the directive's impact on business and on the wider asset management industry, and to provide a roadmap for compliance with new operational requirements, together with the conceptual and practical tools to set up the processes to achieve and demonstrate best execution. The seminar is designed and delivered by academic and industry specialists, Catherine D'Hondt and Jean-René Giraud. [More...](#)

[CAIA Level I & Level II Review Seminars, January 2008](#) As the Exclusive CAIA Association[®] Course Provider for Europe, EDHEC Business School provides candidates with a range of flexible preparatory solutions allowing them to take the CAIASM examinations with the best chance of success. Our courses have helped professionals from more than a hundred and fifty organisations pass the CAIASM exams and 90% of the participants in our seminars succeed at the first sitting. Enrolment is now open for the review courses in London and Paris in January 2008. [More...](#)



MiFID and Best Execution

18 & 19 December 2007 - London

