

December 20, 2007

### EDHEC Alternative Indexes: November 2007 (Estimates)

Conv. Arb.	-1.77%
CTA Global	0.45%
Dist. Sec.	-1.57%
Emg. Mkts	-2.41%
Eq. Mkt Neut.	0.21%
Event Driven	-2.08%
Fix. Inc. Arb.	-0.30%
Global Macro	-0.77%
L/S Equity	-2.15%
Merger Arb.	-1.47%
Rel. Value	-0.84%
Short Selling	6.97%
FoF	-1.49%

### Events

[CAIA Level I and Level II Review Seminars](#)

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

[CFA Institute/EDHEC First Annual Advances in Asset Allocation Seminar](#)

[Lhabitant Hedge Fund Seminar](#)

[European Financial](#)

[Management 2008](#)

[Symposium on "Risk](#)

[and Asset](#)

[Management"](#)

### Books

[Intelligent](#)

[Commodity](#)

[Investing: New](#)

## EDITORIAL

[Continuing education](#) EDHEC Business School believes that academic research has a vital role to play in promoting industrial innovation and constantly raising professional standards. With a century old tradition of serving the needs of the community, it has defined a 'research for business' orientation and has spelled out its educational credo as 'professional development through research based excellence.' [More...](#)

## INDUSTRY ANALYSIS

[Innovation in the index world](#) Although there are many problems with value-weighted stock market indices, these indices are clearly the most firmly established in the financial industry. Recently, in the equity universe, there has been an increasing variety of indices, with new weighting methodologies, and an extension of indexing to asset classes such as hedge funds and real estate. [More...](#)

## FEATURES

[EDHEC European Real Estate Investment and Risk Management Survey](#) The EDHEC Risk and Asset Management Research Centre has released a new survey that is drawn from its research programme in asset allocation and alternative diversification. Real estate, probably the most traditional of alternative classes, is enjoying renewed favour as institutional investors search for diversification benefits and competitive yields. [More...](#)

## INTERVIEW

[Interview with Jeffrey J. Diermeier](#) In this month's interview, to coincide with the launch of the inaugural Advances in Asset Allocation seminar which is being organised jointly by EDHEC and CFA Institute and will be held in London next March, we speak to Jeffrey Diermeier, President and Chief Executive Officer of CFA Institute. [More...](#)

## RESEARCH NEWS

[Why do hedge funds stop reporting performance?](#) A. Grecu, B. G. Malkiel, and A. Saha. Why do hedge funds stop



reporting performance? According to Grecu, Malkiel, and Saha, there are two possible explanations. First, funds stop reporting when they underperform their peers. Second, they stop when they do not need to attract additional capital. Through performance comparisons, hazard rate computations, and the identification of factors increasing the risk of reporting failure, the authors attempt to determine the more likely of the two possible explanations. [More...](#)

[Using binary variables to obtain small optimal portfolios](#) *F. Charpin, D. Lacaze*. The authors note that for the purposes of both active and passive management, it may be useful to hold only a limited number of the benchmark assets. This may avoid holding very small and illiquid positions in portfolios, and limits administration and transaction costs. This subject has already been considered by Jansen and van Dijk, who proposed to use a diversity measure to deal with constraints on the number of stocks in a portfolio. [More...](#)

## EDHEC PUBLICATIONS

[Trading Strategies in the Current Commodity Market Environment](#) *Hilary Till*. This brief article suggests three approaches for how to benefit from structural opportunities in the commodity markets, drawing from the recently published book, "Intelligent Commodity Investing." The author notes how over long time horizons, the term structure of a commodity futures curve becomes the dominant driver of return for individual futures contracts. [More...](#)

[Low-Cost Momentum Strategies](#) *Xiafei Li, Chris Brooks and Joëlle Miffre*. The article analyses the impact of trading costs on the profitability of momentum strategies in the UK and concludes that losers are more expensive to trade than winners. The observed asymmetry in the costs of trading winners and losers crucially relates to the high cost of selling loser stocks with small size and low trading volume. [More...](#)

## EDHEC-RISK NEWS

[Launch of IPE EDHEC Institutional Asset Management Awards in 2008](#) Leading European investment publication *Investment & Pensions Europe* has joined with EDHEC to introduce the IPE EDHEC Institutional Asset Management Awards in 2008. This is the first time that Europe's institutional asset management industry will have an Awards programme based on objective and transparent criteria. Up to 15 Awards will be presented to winning asset managers in June 2008 at the time of the EDHEC Institutional Days, before an invited audience of investors,

advisers and suppliers, at a gala dinner in Paris. [More...](#)

[EDHEC-Risk recruiting research engineers and research assistants](#) As part of its international development programme and in order to strengthen its research potential, the EDHEC group is offering several vacancies for finance researchers and professors in both teaching and non-teaching roles. [More...](#)



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