

October 26, 2009

**EDHEC Alternative Indexes:
September 2009
(Estimates)**

Conv. Arb.	3.94%
CTA Global	1.69%
Dist. Sec.	4.38%
Emg. Mkts	5.24%
Eq. Mkt Neut.	0.83%
Event Driven	3.62%
Fix. Inc. Arb.	2.67%
Global Macro	2.39%
L/S Equity	2.99%
Merger Arb.	1.07%
Rel. Value	2.20%
Short Selling	-3.63%
FoF	1.78%

Events

[EDHEC Risk Management Seminar, Singapore](#)

[CFA Institute / EDHEC Advances in Asset Allocation Seminar, London](#)

[EDHEC Alternative Investment Days 2010](#)

[CFA Institute / EDHEC Advances in Asset Allocation Seminar, Singapore](#)

[CFA Institute / EDHEC Advances in Asset Allocation Seminar, New York](#)

Books

[Risk Management in Commodity Markets: From Shipping to Agriculturals and Energy](#)

EDITORIAL[New location and new model](#)

In the four years since the EDHEC Asset Management Days were first held in Geneva in 2005, the event, which has subsequently been renamed the EDHEC Institutional Days to reflect its mission of bringing research insights to institutional investors, has become the leading institutional asset management event in Europe. In 2010, the EDHEC Institutional Days will be taking place in Monaco on the 8th and 9th of December at the Grimaldi Forum. [More...](#)

INDUSTRY ANALYSIS[A colossus emerges - prospects and industry implications](#)

A new fund management behemoth was formed this year when Barclays Global Investors (BGI) was sold by its parent bank Barclays to BlackRock. Mergers of this sort have a patchy history. The issues of how this particular alliance will fare and the wider industry implications are examined. [More...](#)

[Sources of Sovereign Wealth in Azerbaijan: What Affects Inflows to the State Oil Fund?](#)

This is the second in a series of articles on the contribution structure of sovereign wealth funds (SWFs). This article looks at the Azerbaijan State Oil Fund and provides a detailed description of the factors affecting inflows to it. Since these inflows have an impact on the wealth of the fund, sound portfolio management must take into account the drivers behind them, rather than managing portfolio risk separately from contribution risk. [More...](#)

FEATURES[Reactions to an EDHEC Study on the Impact of Regulatory Constraints on the ALM of Pension Funds](#)

EDHEC surveyed pension funds, their advisers, their regulators, their fiduciary managers, and their asset managers for their reactions to an EDHEC study entitled "Impact of regulations on the ALM of European pension funds". The call for reaction elicited 142 non-blank responses and is the first international survey in which both regulatory constraints and the means of managing them - modern ALM techniques - are assessed jointly. 93.7% of respondents (95.3% of those from pension funds) report that they are somewhat or very familiar with accounting and/or prudential constraints for pension funds; the results of the call for reaction are very much aligned with

EDHEC's views that modern ALM techniques are instrumental in managing minimum funding constraints and that short-termism is counterproductive for pension funds. [More...](#)

INTERVIEW

[The crisis has underscored the importance of managing risk, regardless of its nature - an interview with Philippe Marchessaux](#)

In this month's interview, Philippe Marchessaux, CEO of BNP Paribas Investment Partners, discusses the initial conclusions of the research carried out as part of the BNP Paribas Investment Partners research chair on asset-liability management in institutional investment management, the future direction of this research and the consequences of the financial crisis for the international asset management industry. [More...](#)

RESEARCH NEWS

[Sovereign wealth fund investment patterns and performance](#)

B. Bortolotti, V. Fotak, W. Megginson and W. Miracky. Investments made by sovereign wealth funds have come in for considerable public scrutiny. Although initial regulatory attempts to control sovereign investments are already underway, empirical evidence on the investment patterns of sovereign funds is scarce. Bortolotti, Fotak, Megginson and Miracky provide the most comprehensive empirical analysis of sovereign fund transactions to date. [More...](#)

[A new family of equity style indices](#)

Niklas Wagner, Elisabeth Stocker. Wagner and Stocker underscore the importance of having suitable benchmarks in terms of investment styles for portfolio performance evaluation. In this article, they introduce a new family of six European style indices, covering traditional styles introduced by Fama and French (1992) and Carhart (1997), namely beta, size, valuation and momentum, as well as two additional styles, idiosyncratic risk and illiquidity. [More...](#)

EDHEC PUBLICATIONS

[A Welcome European Commission Consultation on the UCITS Depositary Function, a Hastily Considered Proposal](#)

The European Commission is seeking to harmonise the depositary fonction and to strengthen protection mechanisms. EDHEC believes that beforehand there should be an in-depth study of the practices of the parties in the value chain and the regulations to which they are subject and that, beyond a minimum protective threshold, complementary protection should be optional, which supposes clear disclosures of the degree of protection and of its cost. [More...](#)

[A Long-Term Perspective on Commodity Futures Returns](#)

This paper reviews 75 years of literature on the commodity futures

markets, examining various theories on what motivates participants in the futures markets, including hedgers, speculators, and now investors. It then discusses how term structure should be the primary driver of (historical) long-term commodity futures returns. [More...](#)

EDHEC-RISK NEWS

[Offering of PhD in Finance to be extended to Asia](#)

EDHEC-Risk Institute is extending its successful PhD in Finance programme to Asia where it will be offered from Singapore. Drawing its faculty from the world's best universities, the EDHEC-Risk Institute PhD in Finance is a three-year programme helping outstanding individuals develop the scientific background and skills required to conduct research that will yield original insights and lead to innovative approaches and offerings. [More...](#)

[CFA Institute and EDHEC-Risk Institute Extend Seminar Offering to Three Continents](#)

In an effort to better serve the investment management community, CFA Institute and EDHEC-Risk Institute have reinforced their executive education partnership to offer their Advances in Asset Allocation seminar in London, New York, and Singapore. The seminar is intended for investment management professionals who give advice on or participate in the design and implementation of asset allocation policies and portfolio models, and for sell-side practitioners who develop new asset management and ALM solutions for investors. [More...](#)

[Mr. Philippe Marchessaux, Head of BNP Paribas Investment Partners and CEO of BNP Paribas Asset Management, joins EDHEC-Risk's international advisory board](#)

EDHEC-Risk is pleased to announce the appointment of Mr. Philippe Marchessaux to its international advisory board. Mr. Marchessaux was appointed Head of BNP Paribas Investment Partners and CEO of BNP Paribas Asset Management in July 2009. [More...](#)

