



Press Release

London, Nice, Singapore, April 20, 2011

## **EDHEC-Risk Institute to design a series of Solvency II benchmarks in cooperation with Russell Investments**

EDHEC-Risk Institute has announced that it will conduct research in cooperation with Russell Investments in order to design new benchmarks for European insurance companies that are representative of a dynamic allocation strategy between bonds and equities. The aim of the initiative is to enable all small- or medium-sized European insurance companies which do not have a full internal risk mitigation model to be able to avail of an objective academic reference in order to manage the risk of their equity investments.

The benchmarks, based on dynamic core-satellite and life-cycle investing techniques, will allow investors to respect a maximum drawdown or maximum loss limit for specific horizons.

According to Professor Noël Amenc, Director of EDHEC-Risk Institute, "The Solvency II directive is severe for investment in equities. Our goal in this project supported by Russell Investments is to design a new form of asset allocation that will enable the risk of maximum loss of equity investments to be managed while avoiding an excessively pro-cyclical approach such as that advocated by portfolio insurance techniques. By integrating concepts proposed by research on the life cycle of assets, this allocation can serve as a reference for a partial internal model."

Pascal Duval, executive managing director EMEA of Russell Investments said: "Russell Investments has a history of strong relationships with academic institutions and we're excited to partner with EDHEC-Risk Institute, the leading risk and asset management research centre in Europe on this important initiative. Russell intends to play a leading role in providing solutions for the insurance industry in the face of the challenges represented by the Solvency II directive. We can think of no better way of doing this than by engaging in a mutually productive dialogue with EDHEC-Risk Institute.

Peter Gunning, Global Chief Investment Officer of Russell Investments, added: "Our aim is to assist our clients in better mitigating and managing risk as part of the investment process. We believe that this relationship with EDHEC-Risk Institute will allow us to offer a cutting-edge risk budgeting techniques for our clients in the insurance industry in Europe."

---ENDS---

---

EDHEC-Risk Institute

393 promenade des Anglais  
BP 3116 - 06202 Nice Cedex 3  
France

EDHEC Risk Institute—Europe

10 Fleet Place - Ludgate  
London EC4M 7RB  
United Kingdom

EDHEC Risk Institute—Asia

1 George Street  
#07-02  
Singapore 049145

**Contact:**

For further information, please contact

**Séverine Anjubault, EDHEC-Risk Institute:**

Tel.: +33 (0)4 93 18 78 63 – E-mail: [severine.anjubault@edhec-risk.com](mailto:severine.anjubault@edhec-risk.com)

or

**Jennifer Tice, Russell Investments:**

Tel: +44 (0) 20 7566 9709 – E-mail: [JTice@russell.com](mailto:JTice@russell.com)



## About EDHEC-Risk Institute

EDHEC-Risk Institute is part of EDHEC Business School, one of Europe's leading business schools and a member of the select group of academic institutions worldwide to have earned the triple crown of international accreditations (AACSB, EQUIS, Association of MBAs). Established in 2001, EDHEC-Risk Institute has become the premier European centre for financial research and its applications to the industry. In partnership with large financial institutions, its team of ninety professors, research engineers, research associates and support staff implements six research programmes and eleven research chairs focusing on asset allocation and risk management in the traditional and alternative investment universes. The results of the research programmes and chairs are disseminated through the three EDHEC-Risk Institute locations in London, Nice and Singapore.

EDHEC-Risk Institute validates the academic quality of its output 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 forms business partnerships to launch innovative products. Its executive education arm helps professionals to upgrade their skills with advanced risk and investment management seminars and degree courses, including the EDHEC-Risk Institute PhD in Finance.

## About Russell Investments

Russell Investments is an independent, global financial services firm that provides strategic advice, investment solutions, implementation services and global performance benchmarks that are customized to meet the unique needs of institutional investors, financial advisors and individuals.

Celebrating its 75th anniversary in 2011, Russell has pioneered innovations that have come to define many of the practices that are standard in the investment world today, and has four decades of experience researching and selecting money managers globally.

Russell has about \$161 billion in assets under management (as of 3/31/11) and works with 2,300 institutional clients, 530 independent distribution partners and millions of individual investors globally. As a consultant to some of the largest pools of capital in the world, Russell has \$2 trillion in assets under advisement (as of 12/31/2010) and traded \$1.5 trillion last year through its implementation services business. The Russell Global Indexes calculate over 50,000 benchmarks daily covering 63 countries and more than 10,000 securities.

Founded in 1936, Russell is headquartered in Seattle, Washington, USA and has offices in Amsterdam, Auckland, Chicago, London, Melbourne, Milan, New York, Paris, San Francisco, Seoul, Singapore, Sydney, Tokyo and Toronto. For more information about how Russell helps to improve financial security for people, visit [www.russell.com](http://www.russell.com).

EDHEC–Risk Institute

393 promenade des Anglais  
BP 3116 - 06202 Nice Cedex 3  
France

EDHEC Risk Institute—Europe

10 Fleet Place - Ludgate  
London EC4M 7RB  
United Kingdom

EDHEC Risk Institute—Asia

1 George Street  
#07-02  
Singapore 049145