



Press Release

Boston, London, Nice, Paris, Singapore, Tokyo, September 2, 2019

EDHEC and Scientific Beta launch “Advanced Factor & ESG Investing” Research Chair

New chair to provide high-quality research for decision-makers in the professional arena

EDHEC Business School and Scientific Beta have announced the launch of the “Advanced Factor & ESG Investing” research chair. The objectives of the chair are to contribute with strong academic research to, and to be able to participate in, the development of knowledge on factor investing and ESG, which are two subjects of strategic importance for the investment industry.

This chair will be co-directed by two senior EDHEC Business School professors, Professors Raman Uppal and Abraham Lioui, and two Scientific Beta directors, Dr Felix Goltz and Frederic Ducoulombier, who are respectively in charge of research and ESG within Scientific Beta. The chair is intended to host not only researchers from the two organisations, but also from other academic institutions.

The budget shared between EDHEC and Scientific Beta is €3 million for the next three years.

Over the next three years, the Scientific Beta chair will address the following questions from a research perspective:

- Instability and factor crowding
- Questioning the ESG factor
- Factor premia regimes and the link between macro and micro factors
- Machine learning in factor investing
- How deep learning can improve the quality of ESG information
- Digital age, intangible investing and factor definitions
- New beta measurement methodology

The research chair will lead to:

- The production of research that will be published in tier-1 academic journals, and which as such will be a reference through both its scientific rigour and the non-vested nature of its results.
- The presentation of results in a format that is accessible to professionals in the form of the practical application of the research article, with the practical application itself being the subject of a webinar, and
- Participation in scientific conferences to present the research results. From 2020, an annual research chair conference will be held alternately in Europe and the US. This conference will be an opportunity to present the results and the ongoing research to professionals.

Commenting on the launch of the research chair, Professor Noël Amenc, CEO of Scientific Beta, said, “EDHEC, through EDHEC Risk Institute and Scientific Beta, has long been at the forefront of academic research in the area of passive investment and risk management. With the “Advanced Factor & ESG Investing” research chair, our aim is to continue to help the investment industry to benefit from the results of the highest level of research into factor and ESG investing. Independent from the research conducted by its own R&D teams, this scientific research also ensures that Scientific Beta has a long-term view of subjects that can influence its future offerings and participates in the necessary cognitive diversity of the factor and ESG investing approaches offered to our clients.”



Contact:

For more information, please contact: **Séverine Cibelly**

Tel.: +33 493 187 863 – E-mail: severine.cibelly@scientificbeta.com

To visit our web site: www.scientificbeta.com

About Scientific Beta

Scientific Beta aims to be the first provider of a smart beta indices platform to help investors understand and invest in advanced beta equity strategies. Established by EDHEC-Risk Institute, one of the top academic institutions in the field of fundamental and applied research for the investment industry, Scientific Beta shares the same concern for scientific rigour and veracity, which it applies to all the services that it offers investors and asset managers. The Scientific Beta offering covers three major services:

- **Scientific Beta Indices**

Scientific Beta Indices are smart beta indices that aim to be the reference for the investment and analysis of alternative beta strategies. Scientific Beta Indices reflect the state-of-the-art in the construction of different alternative beta strategies and allow for a flexible choice among a wide range of options at each stage of their construction process. This choice enables users of the platform to construct their own benchmark, thus controlling the risks of investing in this new type of beta (Smart Beta 2.0). Within the framework of Smart Beta 2.0 offerings, Scientific Beta provides access to smart factor indices, which give exposure to risk factors that are well rewarded over the long term while at the same time diversifying away unrewarded specific risks. By combining these smart factor indices, one can design very high performance passive investment solutions.

- **Scientific Beta Analytics**

Scientific Beta Analytics are detailed analytics and exhaustive information on its smart beta indices to allow investors to evaluate the advanced beta strategies in terms of risk and performance. The analytics capabilities include risk and performance assessments, factor and sector attribution, and relative risk assessment. Scientific Beta Analytics also allow the liquidity, turnover and diversification quality of the indices offered to be analysed. In the same way, analytics provide an evaluation of the probability of out-of-sample outperformance of the various strategies present on the platform.

- **Scientific Beta Fully-Customised Benchmarks and Smart Beta Solutions** is a service proposed by Scientific Beta, and its partners, in the context of an advisory relationship for the construction and implementation of benchmarks specially designed to meet the specific objectives and constraints of investors and asset managers. This service notably offers the possibility of determining specific combinations of factors, considering optimal combinations of smart beta strategies, defining a stock universe specific to the investor, and taking account of specific risk constraints during the benchmark construction process.

With a concern to provide worldwide client servicing, Scientific Beta is present in Boston, London, Nice, Singapore and Tokyo. As of December 31, 2018, the Scientific Beta indices corresponded to USD 43bn in assets under replication. Scientific Beta has a dedicated team of 52 people who cover not only client support from Nice, Singapore and Boston, but also the development, production and promotion of its index offering. Scientific Beta signed the United Nations-supported Principles for Responsible Investment (PRI) on September 27, 2016. On November 27, 2018, Scientific Beta was presented with the Risk Award for Indexing Firm of the Year 2019 by the prestigious professional publication Risk Magazine.



About EDHEC Business School

Founded in 1906, EDHEC is now one of Europe's top 15 business schools¹. Based in Lille, Nice, Paris, London and Singapore, and counting over 90 nationalities on its campuses, EDHEC is a fully international school directly connected to the business world. With over 40,000 graduates in 120 countries, it trains committed managers capable of dealing with the challenges of a fast-evolving world.

Harnessing its core values of excellence, innovation and entrepreneurial spirit, EDHEC has developed a strategic model founded on research of true practical use to society, businesses and students, and which is particularly evident in the work of EDHEC-Risk Institute, EDHEC Infra and Scientific Beta.

The School functions as a genuine laboratory of ideas and plays a pioneering role in the field of digital education via EDHEC Online, the first fully online degree-level training platform.

These various components make EDHEC a centre of knowledge, experience and diversity, geared to preparing new generations of managers to excel in a world subject to transformational change.

EDHEC in figures: 8,600 students in academic education, 19 degree programmes ranging from bachelor to PhD level, 184 professors and researchers, 11 specialist research centres.

For more information: www.edhec.edu

¹ FT EBS 2018 ranking