



Press Release

Boston, London, Nice, Paris, Singapore, Tokyo, November 28, 2018

Scientific Beta named “Indexing Firm of the Year 2019” at the annual Risk Awards

Award crowns the business impact of an academic venture

Scientific Beta is pleased to announce that it has won the prestigious Risk Award for “Indexing Firm of the Year 2019” at the annual awards ceremony held at the Brewery in London on November 27. The Risk Awards are the longest-running and most prestigious awards for firms and individuals involved in the global derivatives markets and in risk management.

Accepting the prize, Scientific Beta CEO, Professor Noël Amenc, said, “It is particularly pleasing for Scientific Beta to be recognised for its work in the area of risk management for smart beta indices, because this is something that we have always prioritised in the development of our indices. Our view is that investors have a fiduciary responsibility to manage risk and our role and duty is to provide them with appropriate risk diversification and non-factor risk-control mechanisms such as our market-beta-adjustment and sector-neutral options. We think that the search for smart beta outperformance should not sacrifice the sound risk management of such strategies and it is probably this sound risk management that allows an index or a factor or alternative weighting strategy to be qualified as ‘smart’.”

Scientific Beta launched six years ago with the missions of maximising the impact of EDHEC Business School’s academic research in the indexing space. The organisation started with 12 people; now it has 50 and is hiring more. Scientific Beta’s assets under replication were USD 34bn at the end of June and are projected to exceed USD 40bn by the end of the year.

This business impact of an academic venture has no equivalent. EDHEC Business School, whose finance courses are regularly ranked among the best in the world in the international rankings, has been able to mobilise researchers to go beyond education and allow fast adoption of the results of its research in the area of smart beta and factor investing.

**Contact:**

For more information, please contact: **Carolyn Essid**

Tel.: +33 493 187 824 – E-mail: carolyn.essid@scientificbeta.com

To visit our web site: www.scientificbeta.com

About the Risk Awards

The Risk Awards are the longest-running and most prestigious awards for firms and individuals involved in the global derivatives markets and in risk management.

The judging process takes three months, from the submission of pitch documents, through dozens of off-the-record meetings, and concludes with a due diligence phase in which clients are canvassed (also off the record) for their views on shortlisted firms.

All decisions are made by Risk's editorial team – and each decision is explained in detail in Risk magazine, and on Risk.net. Unlike the rest of the content, the awards articles are not paywalled and are free to read.

About ERI Scientific Beta

ERI 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 very top academic institutions in the field of fundamental and applied research for the investment industry, ERI 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 ERI 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, ERI 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 ERI 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, ERI Scientific Beta is present in Boston, London, Nice, Singapore and Tokyo. As of June 30, 2018, the Scientific Beta indices corresponded to USD 34bn in assets under replication. ERI 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. ERI Scientific Beta signed the United Nations-supported Principles for Responsible Investment (PRI) on September 27, 2016.