

French insurance sector pension fund announces investment in Scientific Beta low carbon multi-factor indices

Launch of Scientific Beta SACRA US and Eurozone Low Carbon Multi-Factor Indices

Scientific Beta, the smart beta index provider, and SACRA, a pension fund for the French insurance sector, have announced the launch of two low carbon multi-factor indices for the US and Eurozone regions.

This move comes as part of SACRA's reorganisation of the management of its equity portfolio. The US equity portfolio, and part of the Eurozone equity allocation, are now invested to track the two multi-factor indices from Scientific Beta. In addition to seeking higher long-term financial returns by efficiently harvesting academically grounded risk premia, these indices comply with SACRA's own responsible investment policy and apply a low carbon filter enabling a significant reduction in the strategies' carbon intensities.

In an original set-up, the rest of SACRA's Eurozone equity portfolio remains managed by traditional stock-picking asset managers, but these will be benchmarked against the Scientific Beta SACRA indices, both in terms of financial performance and carbon intensity reduction. This means the expectations placed on SACRA's other asset managers are much more demanding, both in terms of financial value added and climate change mitigation, than when standard cap-weighted benchmarks are used.

Commenting on this launch, Professor Noël Amenc, CEO of Scientific Beta, said, "We are delighted to be providing SACRA with these low carbon multi-factor indices. Reconciling low carbon and multi-factor investing is the fruit of an R&D process that our researchers in both Singapore and Nice have been conducting for many years and it is one of the top priorities for Scientific Beta, because the fight against climate change is one of our main corporate missions."

Stève Baumann, Chairman of the Board of SACRA, added, "Our aim with these indices is to benefit from risk premia that are grounded in academia while reducing carbon intensity as part of our responsible investment policy. It was also important for us to be able to benchmark our asset managers against the Scientific Beta SACRA low carbon multi-factor indices, so we are very pleased to be doing so."



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.

