

**Press Release London, Nice, Paris, Singapore, June 23, 2015**

**Investors in smart beta ETFs satisfied, but…**

In a survey of investment professionals conducted as part of the Amundi ETF & Indexing research chair at EDHEC-Risk Institute on “ETF and Passive Investment Strategies,” EDHEC-Risk Institute has solicited the specific views of European ETF investors on “smart beta” exchange-traded funds (ETFs). This questionnaire has given rise to a study entitled “*Investor Interest in and Requirements for Smart Beta ETFs*.”

There are three key findings:

* **Those who have invested in smart beta ETFs are pleased overall: about three-quarters (74%) of smart beta ETF users declare that they are satisfied with them**

In addition, when asked about their list of top priorities for future product development in the ETF space, smart beta ETFs dominate the list of top items mentioned by investors. In fact, among investors’ six biggest priorities, four concern indices relating to smart beta approaches, namely smart beta equity (37%), equity factor (31%), equity style (29%), and smart beta bond (25%).

* **A considerable share of investors still have concerns about these types of products**

In attempting to capture factor premia through investment in smart beta ETFs, the predominant conditions that investors put forward are: ease of implementation, low turnover and transaction costs (3.66 on a scale from 0 to 5); a rational risk premium (3.61); and documentation of the factor premium in empirical literature (3.45).

* **Lack of transparency is a major concern**

A greater share of respondents (88%) than for all other statements about smart beta indices agrees that smart beta indices require full transparency on methodology and risk analytics. Transparency is not only the best protection against the risks arising from conflicts of interests, but it is also instrumental to improving the informational efficiency of the indexing industry. This result comforts the position of EDHEC-Risk Institute, which is continually advocating for improvements in index transparency.

A copy of the EDHEC-Risk Institute study can be found here:

[EDHEC-Risk Publication Investor Interest in and Requirements for Smart Beta ETFs](http://docs.edhec-risk.com/mrk/000000/Press/Investor_Views_Smart_Beta_ETFs.pdf)



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**About EDHEC-Risk Institute**

Since 2001, EDHEC Business School has been pursuing an ambitious policy in terms of international research. This policy, known as “Research for Business”, aims to make EDHEC an academic institution of reference for the industry in a small number of areas in which the school has reached critical mass in terms of expertise and research results. Among these areas, asset and risk management have occupied privileged positions, leading to the creation in 2001 of a major research facility: EDHEC-Risk Institute. This institute now boasts a team of over 95 permanent professors, engineers and support staff, as well as 48 research associates from the financial industry and affiliate professors.

EDHEC-Risk Institute is located at campuses in Singapore, which was established at the invitation of the Monetary Authority of Singapore (MAS); the City of London in the United Kingdom; Nice and Paris in France; and New York in the United States. The philosophy of the institute is to validate its work by publication in prestigious academic journals, but also to make it available to professionals and to participate in industry debate through its Position Papers, published studies and conferences. Each year, EDHEC-Risk organises three conferences for professionals in order to present the results of its research, one in London (EDHEC-Risk Days Europe), one in Singapore (EDHEC-Risk Days Asia), and one in New York (EDHEC-Risk Days North America) attracting more than 2,500 professional delegates.

To ensure the distribution of its research to the industry, EDHEC-Risk also provides professionals with access to its website, [www.edhec-risk.com](http://www.edhec-risk.com), which is entirely devoted to international risk and asset management research. The website, which has more than 65,000 regular visitors, is aimed at professionals who wish to benefit from EDHEC-Risk’s analysis and expertise in the area of applied portfolio management research. Its monthly newsletter is distributed to more than 1.5 million readers.

EDHEC-Risk Institute also has highly significant executive education activities for professionals. In partnership with CFA Institute, it has developed advanced seminars based on its research which are available to CFA charterholders and have been taking place since 2008 in New York, Singapore and London. EDHEC-Risk Institute has an original PhD in Finance programme which, in addition to its highly selective residential track for young talents worldwide, has an executive track for high level professionals who already have master’s degrees from prestigious universities and significant industry experience. These professionals are looking to go beyond their usual activities in order to develop research on the concepts that are relevant to their occupation. Complementing the core faculty, this unique PhD in Finance programme has highly prestigious affiliate faculty from universities such as Princeton, Wharton, Oxford, Chicago and CalTech.

In 2012, EDHEC-Risk Institute signed two strategic partnership agreements with the Operations Research and Financial Engineering department of Princeton University to set up a joint research programme in the area of risk and investment management, and with Yale School of Management to set up joint certified executive training courses in North America and Europe in the area of investment management.

Building on its experience in the area of beta analysis and creation, EDHEC-Risk Institute has also created ERI Scientific Beta, which aims to be the leading provider of advanced beta for the investment industry. This initiative is based on all of the research conducted by EDHEC in the area of indices and benchmarks.

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**About Amundi**

Amundi is the European leader and in the Top 10 worldwide in the asset management industry1 with AUM of more than €950 billion worldwide2.

Located at the heart of the main investment regions in more than 30 countries, Amundi offers a comprehensive range of products covering all asset classes and major currencies.

Amundi has developed savings solutions to meet the needs of more than 100 million retail clients worldwide and designs innovative, high-performing products for institutional clients which are tailored specifically to their requirements and risk profile.

The Group contributes to funding the economy by orienting savings towards company development.

Amundi has become a leading European player in asset management, recognised for:

* Product performance and transparency;
* Quality of client relationships based on a long-term advisory approach;
* Efficiency in its organisation and teams’ promise to serving its clients;
* Commitment to sustainable development and socially responsible investment policies.

*1. Largest European asset manager based on total assets under Management (AUM)- Source IPE “Top 400 asset managers” published in June 2014 and based on AUM as at December 2013, all AUM having been re-calculated by Amundi to exclude (i) Wealth Management activities and (ii) asset managers having their parent/holding company outside Europe.*

*2. Amundi Group figures as of 31 March 2015.*

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**Amundi – ETF & Indexing**

With a long-standing experience combined with a strong pricing power, we offer first-class replication on more than 100 indices to internationally renowned institutions.

The Indexing expertise is built on the search for value-added sources within strict risk framework, and offers a wide range of open-ended funds as well as customised mandates, including SRI and smart beta approaches.

Amundi is also a major player in the ETF segment, thanks to its strategy of competitive prices, innovation and high-quality tracking.

Our experienced team of dedicated index fund managers, based in Europe and in Japan, benefits from Amundi dealing capabilities and research teams’ excellence.