



Press Release

Nice, November 8th, 2007

EDHEC to Launch MiFID & Best Execution Research Chair

As part of the development of its Risk and Asset Management Research Centre, EDHEC Business School is pleased to announce the launch of its fifth research chair, on MiFID and Best Execution.

A first steering committee meeting was organised in Paris on September 18th in order to formally launch the newly formed EDHEC MiFID & Best Execution Research Chair supported jointly by CACEIS, NYSE Euronext and SunGard.

The commitment of the three sponsors is to support an academic research programme over a three-year period so that EDHEC Risk and Asset Management Research Centre can implement a long-term research strategy in this field. The themes of MiFID and Best Execution are thought to be among the most significant industry challenges for the near future, justifying the need for academic research to be carried out to support industry developments.

The MiFID directive is establishing a very open and competitive market for execution and other investment services by recognising new forms of execution venues, systematic internalisation and the end of the concentration obligation. Regulators have to ensure that new developments will not result in less efficient or transparent markets that could harm the end investor. Although the intentions of the Directive are clearly to protect the investor by introducing a number of significant new obligations for European investment firms (best execution and pre- and post-trade transparency for transactions carried out on- or off-exchange), there may be concerns about the results one can expect from the rule.

The objective of this first steering committee meeting was to establish a provisional working plan for the three-year period and agree upon the research orientations for the first academic year. It was agreed that the focus for the first academic year would be on documenting the state of the art in Transaction Cost Analysis. As a second step, the research team will focus their efforts on a better understanding of the various components of those transaction costs, covering explicit (such as fees, but also direct and indirect back office costs) and implicit costs, and document further the relative impact of frictions within order books. The Research Chair will focus at a later stage on the various market

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models and the emergence of new forms of negotiation and its impact on market fragmentation, while analysing the impact of this fragmentation on the overall execution cost structure.

"Régine Besnier-Docet, Global Head of Marketing and Communications with CACEIS, commented that "CACEIS' decision to sponsor EDHEC Risk and Asset Management Research Centre's programme focused on MiFID and best execution was motivated by our shared goal of gaining a comprehensive understanding of the new regulation's effect on the fund industry. We are confident that the project's conclusions will not only benefit the industry as a whole, but will also enable CACEIS to design a series of new products for our clients, which are fully adapted to current legislation."

According to Marianne Demarchi, Executive Director, Marketing and Business Development of European Cash Markets with NYSE Euronext, "advances in academic research in the areas of best execution and the MiFID directive will be of considerable value not only to our own clients but also to the financial industry overall. Having worked closely with the EDHEC Risk and Asset Management Research Centre in the past, NYSE Euronext feels confident that the research carried out will prove to be useful not only from an academic perspective but also from a business viewpoint."

On behalf of SunGard, Elias Nechachby, CFA, vice president of business development for SunGard's Asset Arena business, said that "as a global leader in software and processing solutions for financial services, it is vital for SunGard to identify at an early stage the major trends shaping the investment management arena and to stimulate and support research in these fields. The EDHEC Risk and Asset Management Research Centre - with a string of position papers, research papers and books published in the specific areas related to MiFID, TCA and Best Execution, a world class research program and a recognized brand within the European asset management industry - was a natural choice for SunGard for its first co-sponsored research chair in Europe."

The "MiFID and Best Execution" chair is managed by Jean-René Giraud, Director at the EDHEC Risk and Asset Management Research Centre and co-author with Catherine D'Hondt, Associate Professor with EDHEC Business School, of the reference textbook. "MiFID: Convergence towards a unified European capital markets industry" (2006, Riskbooks).



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About CACEIS

CACEIS is the premier investor services provider in France and a leading player in Europe with EUR 2,310 billion under custody and EUR980 billion under administration. CACEIS delivers high quality services covering depositary/trustee - custody, fund administration, transfer agency and corporate trust (as at June, 30, 2007).

About NYSE Euronext

NYSE Euronext operates the world's largest and most liquid exchange group and offers the most diverse array of financial products and services. NYSE Euronext, which brings together six cash equities exchanges in five countries and six derivatives exchanges in six countries, is a world leader for listings, trading in cash equities, equity and interest rate derivatives, bonds and the distribution of market data. Representing a combined \$30.3 trillion/€21.3 trillion total market capitalization of listed companies and average daily trading value of approximately \$139 billion/€103 billion (as of September 30, 2007), NYSE Euronext seeks to provide the highest standards of market quality and integrity, innovative products and services to investors, issuers, and all users of its markets.

About SunGard

With annual revenue exceeding \$4 billion, SunGard is a global leader in software and processing solutions for financial services, higher education and the public sector. SunGard also helps information-dependent enterprises of all types to ensure the continuity of their business. SunGard serves more than 25,000 customers in more than 50 countries, including the world's 50 largest financial services companies. Visit SunGard at www.sungard.com.

About EDHEC

EDHEC Business School, founded in 1906 and among the select few institutions to have garnered international recognition through the triple crown of EQUIS, AACSB and AMBA accreditations, offers management education designed to meet the needs of companies. Its large range of international graduate programmes draws students from the world over. With its three campuses in Lille, Nice, and Paris, its 4,700 students, more than 25% of whom are from abroad, and its 100 full-time faculty, EDHEC has been ranked among the top European business schools for several years.

For the last four years, as part of its strategy for international excellence, EDHEC Business School has espoused an innovative research policy that takes into account the needs of companies and the market. Research at EDHEC is organised into four centres built on the expertise of the faculty.

EDHEC Business School is recognised as a centre of excellence for asset management and alternative investment research and several of its professors are regarded as international experts in the fields of asset management, fixed income securities, alternative investments and risk management. The aim of the EDHEC Risk and Asset Management Research Centre is to produce research that meets the most stringent academic standards and to facilitate corporate use of this research. In partnership with large

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financial institutions, the research centre brings together 35 researchers and implements six industry-sponsored programmes focusing on asset allocation and risk management in the traditional and alternative investment universes. Adopted by managers and investors, the EDHEC Alternative Indexes are superior measures of performance of the various hedge fund styles.

The research centre maintains a website devoted to asset management research for the business community, www.edhec-risk.com, and has given rise to EDHEC Asset Management Education and EDHEC Investment Research. EDHEC Asset Management Education helps investment professionals to upgrade their skills with asset management training and preparatory courses for the CAIA examinations, the alternative investment industry's global educational standard. EDHEC Investment Research supports institutional investors and asset managers in implementing the results of the EDHEC Risk and Asset Management Research Centre's research. It proposes asset allocation services in the context of a "core-satellite" approach encompassing alternative investments.

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