

Webmaster recommends Asset allocation, ICT, microcredit – the many faces of finance

EDHEC RESEARCH ON DYNAMIC ASSET ALLOCATION STRATEGIES

www.edhec-risk.com/about_us/ under Press releases

EDHEC has recently released the results of its study entitled 'Measuring the benefits of dynamic asset allocation strategies in the presence of liability constraints', which was conducted by Lionel Martellini, Scientific Director, and Vincent Milhau, Research Engineer with the EDHEC Risk and Asset Management Research Centre. This research suggests that it is not so much the presence of funding ratio constraints that is in itself costly for pension funds as their reluctance to implement risk-management strategies that are optimal given such short-term constraints.

According to EDHEC, dynamic risk management strategies can turn irreversible contributions into reversible contributions and short-term constraints into long-term constraints, hence the severe opportunity cost for pension funds that do not follow them.

NEW EDHEC REPORT ON THE EFFECTS OF EUROPEAN COMMISSION DIRECTIVE

www.edhec-risk.com/about_us/ under Press releases

In the wake of a report by the economics consultancy Oxera for the European Commission on the positive impact of MiFID (Markets in Financial Instruments Directive), a new position paper from the EDHEC Risk and Asset Management Research Centre, entitled 'MiFID: one year on', looks at the changes that have been effected in the European capital markets more than a year after the implementation of the directive.

The EDHEC report concludes that these changes are hard to quantify, but that initial fears of the rise of so-called dark pools of liquidity have proven well founded, and the best execution obligation remains ambiguous.

The author of the report, Jean-René Giraud, warned that the formation of dark pools of liquidity and the failure of the systematic internaliser status must be regarded as the result of possible flaws in the regulation, as these pools may not contribute to the price-discovery mechanism, and will ultimately fail to benefit the investor community.

WHITE PAPER ON ICT AS SERVICE IMPROVEMENT DRIVER

www.telstraenterprise.com/Pages/Home.aspx under Research & Insights then Whitepapers

Telstra's 'ICT as a driver to improve service to Generation Y for financial services' report, released in July 2009, explores the communications technologies favoured by the Gen Y market, which now makes up 21% of the population and approximately one-quarter of the financial service sector's customer base. The report points out that banks should be growing this lucrative part of the market by adopting technologies such as instant messaging, mobile services and collaboration tools such as video conferencing to meet Gen Y's desire for choice, convenience and control and to improve their customer services to this segment.

Co-authored by Telstra's Rocky Scopelliti and a team of researchers including Hugh Mackay, the White Paper reveals that for Generation Y, the role of technology in the workplace is vitally important, and that:

- they expect technology tools to enhance customer service;
- an employer's desirability is influenced by the technology provided;
- they prefer to leverage their technology investment (e.g. mobile devices, laptops); and
- Gen Y's prize work/life flexibility is enabled through mobile devices and applications.

WHITE PAPERS ON DIGITAL MARKETING

<http://whitepapers.searchenginewatch.com/>

A wealth of experience is available for those wishing to drive their business through new technology at the White Paper Resource Library, which provides in-depth information on such topics as search engine marketing, social networking, and lead generation. These papers cover all types of communications tools available for digital marketing and explain many of the buzz words. There are also practical articles on the analytical and online tools available to optimise and understand the use of new technologies.

RESPONSIBLE LENDING IN ACTION

www.moncreditresponsable.com

The French-language website of Cetelem, a division of BNP Paribas Personal Finance, is a good example of a website focused on responsible lending and financial literacy. There are sections on the language of credit, on managing a budget, what to do in financial difficulties, and an interactive section for questions and answers. Feedback is also sought on the site. A live Chat site regularly discusses specific topics at prearranged times. Cetelem operates the Celetem Foundation to extend microcredit services to those who need special small business assistance, both within France and in developing countries. (For non-French speakers, the site can be loaded into Google Translate at <http://translate.google.com.au> to obtain a translation in a range of languages.)

CREDIT UNIONS IN ACTION

<http://cufa.com.au/service/information.php>

Credit Union Foundation Australia (CUFA) is the development agency for the Australian Credit Union Movement, and has both a domestic and international development focus in its activities. CUFA's Village Entrepreneur Initiative is an innovative program aimed at funding and supporting individuals seeking a better life through micro-business development.

The program offers credit union members and the community at large the opportunity to contribute to its efforts to build capacity in emerging credit union movements, create sustainability, improve lives and relieve or remove poverty.

Interested members of communities are selected, mentored and supported by CUFA to become Village Entrepreneurs, at which stage they are partnered with a Community Investor, and guided towards financial independence. The Village Entrepreneur Initiative started in Cambodia, and is also active in Sri Lanka, Solomon Islands and Timor Leste.

INDIGENOUS CUSTOMER ASSISTANCE LINE PILOT PROGRAM

www.commbank.com.au/About-us/news/media-releases/2009

The Commonwealth Bank announced on 10 June 2009 that it had launched its Indigenous Customer Assistance Line pilot program for remote Indigenous Australians. The service is manned by Indigenous staff trained to respond to remote communities' specific needs, and has been made available in Wujal Wujal, Torres Strait Islands, Pormpuraaw and Yarrabah communities in Far North Queensland.

Following the pilot program, CBA will assess the service and associated demand, and work with its Indigenous partners and communities to determine the most appropriate next steps.

NEW NAB SAVINGS PROGRAM TO SUPPORT LOW-INCOME AUSTRALIANS

www.nab.com.au under About us then Community

In May 2009, National Australia Bank (NAB) and Good Shepherd Youth & Family Service launched a matched savings program called the AddsUp Savings Plan. An extension of NAB's microfinance program, AddsUp is the next step for people who are living on low incomes and keen to develop financial skills around saving.

Under AddsUp, people who have already accessed and repaid either a no interest loan (NILS®) or low interest loan (StepUP) available through NAB and Good Shepherd, can begin to contribute to a matched savings plan.

The AddsUP Savings Plan was launched as part of the Echuca Indigenous Community No Interest Loans Scheme (NILS®) and will be made available to over 30 community groups over the next 12 months.

SOURCES ON THE ORIGINS OF THE CREDIT CRISIS

There are now many treatments of the origins of the credit crisis online; see for instance:

www.imf.org/external/pubs/ft/gfsr/2009/01/pdf/text.pdf

www.bis.org/publ/qtrpdf/r_qt0906.pdf

www.spiegel.de/international/business/0,1518,druck-635051,00.html

www.newyorker.com/reporting/2009/07/27/090727fa_fact_gladwell?printable=true

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