



Credit Suisse's Dan Eggers recognised by Farsight Award 2008 for best long-term investment research report

At a Gresham College lecture in London's Docklands on Tuesday, 23 September 2008, Sir Roderick Floud presented the Farsight Award to Credit Suisse utilities analyst Dan Eggers for his ground-breaking research reports "The Inconvenient Math" (November 2007) and "More Inconvenient Math" (June 2008). Over 300 people in financial services attended the event featuring Bill Emmott's, former Editor of The Economist, talk "Asia's Rivals: The Implications For The World Economy Of Developments In China, India And Japan".

<http://www.gresham.ac.uk/event.asp?PageId=45&EventId=777>

London – 23 September 2008: The Farsight Award is a project between the Universities Superannuation Scheme, Gresham College and the Enhanced Analytics Initiative, with support from Z/Yen Group Limited. The objective of the Farsight Award is to honour the best individual piece of analysis by an investment research institution that integrates traditional financial analysis with longer-term issues such as climate change, scarcity, corporate governance and human capital. The award is a 'Man Booker' Prize for the 'best read' in long-term research.

Credit Suisse's two "Inconvenient Math" reports explore the implications of costed carbon and highlight asymmetric market pricing. The two reports were authored by research analysts Samantha Dennison, Justin Speer and Kevin Cole, led by Dan Eggers. Dan Eggers said, "We are delighted to receive this award as it recognises Credit Suisse's increasing emphasis on the value of long-term, differentiated investment research".

The winner receives a trophy, a lecture opportunity, positioning in The London Accord – www.london-accord.co.uk – and a meeting with a top Chief Investment Officer and their team. Previous winners include Credit Agricole Cheuvreux and Citigroup.

In the midst of today's credit crunch crises, financial markets have received criticism for *not* focusing on longer term issues such as human capital, climate change, or corporate governance. The Enhanced Analytics Initiative (www.enhanced-analytics.com) refutes some of that criticism. Four years ago, the 29 investment firms and pension funds who are members of the Enhanced Analytics Initiative pledged 5% of their brokerage commissions to rewarding long-term research that covers extra-financial issues. The Enhanced Analytics Initiative represents over €3 trillion in assets committed to promoting extra-financial and longer-term research.

David Russell, Co-Head of Responsible Investment at USS said: "To make the best investment decisions, fund managers need the best analysis. USS believes that by highlighting excellence in individual reports, such as Credit Suisse's, the Farsight Award supports the aims of the EAI in generating better, integrated long term extra financial research."

The Farsight Award judges evaluated nine exemplary research reports submitted by the Enhanced Analytics Initiative from investment research firms such as Bernstein, Citigroup, Goldman Sachs, JP Morgan, Oddo, Société Générale and UBS, among others. The research covered issues such as environmental and social governance, automobile safety, utilities and CO₂. The criteria for the Farsight Award are originality, quality, readability & clarity, sophistication & depth, and financial usefulness. The Farsight Award judges are:

- ◆ Alice Chapple, Director of Sustainable Financial Markets at Forum for the Future;



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- ◆ Melissa Brown, Executive Director of the Association for Sustainable and Responsible Investment in Asia;
- ◆ Professor Gwen Griffith-Dickson, Director, The Lokahi Foundation;
- ◆ Simon Mills, Principal Policy Officer for Sustainable Development, City of London Corporation;
- ◆ Jan-Peter Onstwedder, Project Director of the London Accord and former Global Head of Risk Management of BP plc;
- ◆ Professor Avinash Persaud, Chairman of Intelligence Capital Limited;
- ◆ Pierre Stiennon, Senior Investment Analyst - Responsible Investment, AXA Investment Managers;
- ◆ Professor Michael Mainelli, Executive Chairman of Z/Yen Group Limited, who also chaired the panel of judges.

The judges were particularly pleased with Credit Suisse's report as they felt it challenged some of the basic numerical assumptions investors might make. Alice Chapple commented that, "We are looking for counter-intuitive, consensus-challenging thinking. Credit Suisse added a lot of value by sharing innovative insights, not just producing a market survey." Jan-Peter Onstwedder noted that, "Climate change and CO₂ issues for utilities now seem to be mainstream investment research topics. We hope that next year's contestants recognise this and find novel topics that generate robust investment debates."

The Chairman of the Judges, Professor Michael Mainelli, said, "We hope that the Farsight Award helps investment research institutions realise the hunger for longer-term perspectives and helps leading institutions gain recognition for their efforts."

While this year's contestants were excellent, the judges would encourage investment researchers to take an even wider view of long-term research and extend more in areas of broader social concern such as scarcity and societal stress, e.g. obesity or corruption, than just carbon.

Notes to Editors:

About Gresham College – www.gresham.ac.uk

Gresham College was founded by Sir Thomas Gresham in 1597 and is an independently funded educational institution supported by the Mercers' Company and the City of London. Based in Barnard's Inn, Holborn, in the centre of London it provides free lectures for the past 400 years by its eight professors of astronomy, commerce, divinity, geometry, law, music, physic and rhetoric, and initiated the Royal Society. The lectures were established by Sir Thomas, a leading London merchant who founded the Royal Exchange, and are designed to engage Londoners in research and intellectual debate on matters which concern the city. Professors have included Robert Hooke, Sir Christopher Wren, Professor Colin Pillinger (Beagle-2 expedition to land a craft on Mars), renowned mathematician Sir Roger Penrose and Templeton Prize winner Professor John Barrow.

About the Enhanced Analytics Initiative – www.enhanced-analytics.com

The Enhanced Analytics Initiative (EAI) is an international collaboration between asset owners and asset managers aimed at encouraging better investment research, in particular research that takes account of the impact of extra-financial issues on long-term investment. The Initiative currently represents total assets under management of around €3 trillion. EAI incentivises Research Providers to compile better and more detailed analysis of extra financial issues within mainstream



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research. Its impact depends on offering credible market incentives to interested and appropriate research agencies to encourage them to adapt their research process and to become more innovative.

About USS – Universities Superannuation Scheme – www.usshq.co.uk

USS is the second largest pension fund in the United Kingdom and the principal pension scheme for UK universities, acting for 378 universities and academic institutions. It has more than £30 billion in assets, and approximately 250,000 members. USS has a commitment to long-term and active share ownership. To exercise this commitment, the fund has created a Responsible Investment (RI) team that works with its internal and external fund managers, and other market participants, on a range of extra financial issues such as corporate governance and corporate responsibility. USS has initiated and participates in a number of collaborative investor projects covering issues as diverse as climate change and the Pharma business model, to US corporate governance and executive remuneration.

About Credit Suisse – www.credit-suisse.com

As one of the world's leading banks, Credit Suisse provides its clients with investment banking, private banking and asset management services worldwide. Credit Suisse offers advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as retail clients in Switzerland. Credit Suisse is active in over 50 countries and employs approximately 45,000 people. Credit Suisse's parent company, Credit Suisse Group, is a leading global financial services company headquartered in Zurich. Credit Suisse Group's registered shares (CSGN) are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York.

About Z/Yen Group Limited – www.zyen.com

Z/Yen is the City of London's leading commercial think-tank, founded to promote societal advance through better finance and technology. Z/Yen 'asks, solves and acts' on strategy, finance, systems, marketing and intelligence projects in a wide variety of fields, such as developing an award-winning risk/reward prediction engine, helping a global charity win a good governance award or benchmarking transaction costs across global investment banks. Z/Yen produces a wide variety of research, including the Global Financial Centres Index for the City of London Corporation, and created and led the London Accord with Gresham College and the City of London Corporation, the world's largest research project into the investment strategies for climate change – www.londonaccord.co.uk.

About extra-financial issues

Academic analysis indicates that a substantive part of a company's value is related to its extra-financial performance or intangibles. Extra-financial issues are best described as fundamentals that have the potential to impact companies' financial performance or reputation in a material way, yet are generally not part of traditional analysis. Extra-financial issues typically include, but are not limited to, climate change, corporate governance, employment standards, human resources, executive remuneration, environmental and social areas and reputation risk. They may be specific to a company, an industry or cut across several industry-groups.

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