9TH ANNUAL HEDGE FUND AND PRIVATE EQUITY RESEARCH CONFERENCE

PARIS, 19-20 JANUARY 2017

Conference venue

Université Paris-Dauphine
House of Finance – Room A709 – Building A
Place du Maréchal de Lattre de Tassigny, 75116 Paris

Organizing committee

Serge Darolles (Université Paris-Dauphine & CREST), René Garcia (Université de Montréal & TSE), Christian Gourieroux (University of Toronto & CREST)

Scientific committee

Vikas Agarwal (Georgia State University), Charles Cao (Penn State University), Serge Darolles (Université Paris-Dauphine & CREST), René Garcia (Université de Montréal & TSE), Christian Gourieroux (University of Toronto & CREST), Andrew Patton (Duke University), Ronnie Sadka (Boston College), Melvyn Teo (Singapore Management University).

Partners

This conference received the financial support of the «Financial Econometric» Thematic Semester granted by the LABEX Louis Bachelier and the chair ARDIAN/Fondation du Risque «Private Equity».

Welcome to the 9th Annual Hedge Fund and Private Equity Research Conference, which presents the latest research papers shaping the future of the asset management industry, from the most renowned academics.

With close to a hundred submissions from 50 universities in 17 countries, the 17 unpublished papers, which will be presented during the conference, were selected following a thorough screening process by a scientific committee of internationally respected academic professors.

Since its inception, this event has become a reference in the field of risk management and alternative investments research, now attracting the most reputable academics working on cutting-hedge topics. Over the last 8 years, the "Annual Hedge Fund Research Conference" has thus been a platform for international visibility. Indeed, out of a total of 123 research papers presented across the last 8 events, 60 of them have already been published in the most renowned academic publications.

Organizing Commitee

SERGE DAROLLES, UNIVERSITÉ PARIS-DAUPHINE & CREST

Serge Darolles is Professor of Finance at Université Paris-Dauphine where he teaches Financial Econometrics since 2012. Prior to joining Dauphine, he worked for Lyxor between 2000 and 2012, where he developed mathematical models for various investment strategies. He also held consultant roles at Caisse des Dépôts & Consignations, Banque Paribas and the French Atomic Energy Agency.
Mr. Darolles specializes in financial econometrics and has written numerous articles which have been published in academic journals. He holds a Ph.D. in Applied Mathematic from the University of Toulouse and a postgraduate degree from ENSAE, Paris.

RENÉ GARCIA, UNIVERSITÉ DE MONTRÉAL & TSE

René Garcia is a professor at Université de Montréal and an associate researcher at Toulouse School of Economics. Formerly, he was a Chair Professor of Finance at EDHEC Business School (France) from 2007 to 2015 and taught at Université de Montréal form 1991 to 2007. He held the Hydro-Québec Chair in Risk Management and was a Research Fellow of the Bank of Canada. He was also the scientific director of the Centre for Interuniversity Research and Analysis on Organizations (CIRANO). He is a co-founding editor of the Journal of Financial Econometrics, published by Oxford University Press and was Editor-in-Chief until June 2012. His recent research focuses on the evaluation of asset pricing models accounting for higher moments, long-run risk asset pricing models, the funding liquidity premium in bonds and equities, and the measurement of tail risk.

CHRISTIAN GOURIEROUX, UNIVERSITY OF TORONTO & CREST

Christian Gouriéroux is professor of Economics at the University of Toronto and director of the Finance-Insurance laboratory at CREST (Center for Research in Economics and Statistics in Paris). His current research interests are in Financial Econometrics, especially in credit risk, term structure of interest rates, longevity, hedge funds and regulation.
Christian has been a scientific adviser for credit scoring at BnpParibas during 20 years, and consultant for Basel II at DEXIA and CIBC (Canada). He has published widely, about 200 articles, in Economics, Econometrics and Finance academic journals.

Scientific Commitee

Vikas Agarwal
Georgia State University

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Ronnie Sadka
Boston College

Melvyn Teo
Singapore Management University

PROGRAM

DAY ONE

8.30 – 9.00
REGISTRATION

9.00 – 9.10
WELCOME ADDRESS

9.10 – 10.40
INDUSTRY

10.40 – 11.10
MORNING BREAK

11.10 – 12.40
CLIENTELE

12.40 – 14.00
LUNCH BREAK

14.00 – 15.30
SHORT SELLING

15.30 – 16.00
AFTERNOON BREAK

16.00 – 17.30
AFFILIATIONS AND FAMILIES

DAY TWO

9.00 – 10.30
PRIVATE EQUITY

10.30 – 11.00
MORNING BREAK

11.00 – 12.30
ASSET PRICES

12.30 – 14.00
LUNCH BREAK

14.00 – 15.30
HOLDINGS

15.30 – 16.00
AFTERNOON BREAK

16.00 – 17.30
INFORMATION

DAY ONE

- 8.30 – 9.00 **Registration**
- 9.00 – 9.10 **Welcome Address**

  Elyès Jouini, Vice-President, Université Paris-Dauphine & Director, House of Finance

- 9.10 – 10.40 **Industry**

  Chair: S. Darolles (Université Paris-Dauphine)

Dollars vs. Sense: Investor Demand, Managerial Skill, and Hedge Fund Startups

C. Cao (Penn State University)
G. Farnsworth (Texas Christian University)
H. Zhang (Tsinghua University)

Speaker: G. Farnsworth (Texas Christian University)
Discussant: A. Becam (Banque de France)

What motivates the creation of new hedge funds? New funds can either primarily cater to investor demand or offer new managerial skills. We hypothesize that skill-driven inceptions deliver better performance. New hedge funds are defined as investor demand-driven when their inception follows high strategy-level returns and inflows or when they essentially clone existing funds in the same family. In contrast, new hedge funds launched under low-demand conditions or that are not clones of existing funds are more likely to be skill-driven. Empirically, we find that skill-driven inceptions outperform demand-driven inceptions by 4-5% per year in terms of risk-adjusted return. Our findings suggest that hedge fund startups initiated by managers create more valuable investment opportunities for investors than startups initiated in response to investor demand and that the two types of inceptions can be distinguished ex ante.

Do Hedge Fund Investors Benefit when Asset Management Firms go Public?

L. Sun (Singapore Management University)
M. Teo (Singapore Management University)

Speaker: M. Teo (Singapore Management University)
Discussant: S. Ain Tommar (Université Paris-Dauphine)

Hedge funds managed by listed firms significantly underperform funds managed by unlisted firms. We argue that since the new shareholders of a listed management company typically do not invest alongside the limited partners of the funds managed, the process of going public breaks the incentive alignment between ownership, control, and investment capital, thereby engendering agency problems. In line with the agency explanation, the underperformance is more severe for funds that have low manager total deltas, low governance scores, and no manager personal capital, or that are managed by firms whose stock prices are more sensitive to earnings news. Post IPO, listed firms aggressively raise capital by launching multiple new funds. Consequently, despite the underperformance, listed firms harvest greater fee revenues than do comparable unlisted firms. Investors continue to subscribe to hedge funds managed by listed firms as they appear to offer lower operational risk.

- 10.40 – 11.10 **Morning break**
- 11.10 – 12.40 **Clientele**

Chair: B. Villeneuve (Université Paris-Dauphine)

Are Hedge Fund Managers' Charitable Donations Truly Altruistic?

V. Agarwal (Georgia State University)
Y. Lu (University of Central Florida)
S. Ray (University of Florida)

Speaker: V. Agarwal (Georgia State University)
Discussant: R. Tedongap (ESSEC Business School)

We study whether hedge fund managers use charitable donations to further their business interests. Examining a large sample of hedge fund managers' charitable donations matched with fund performance data, we find that donations are driven by lower fund risk prior to the donations. Post-donation, donors' funds experience higher inflows compared to matched, non-donating peers. These higher inflows are concentrated among funds where managers donate to focal charities that are popular among hedge funds suggesting that donations help stimulate investors' interest and attract capital. Moreover, we find better post-donation performance for funds when managers donate to the same focal charities as other well-performing co-donors. Such donations are also associated with a shift in donor funds' strategies towards co-donors' strategies, indicating that donations also help in acquisition of business-related information through charity-based networks. Together, these findings suggest that charitable giving may be motivated by professional gains in the form of acquiring capital and information, rather than pure altruism.

Heterogeneous Taxes and Limited Risk Sharing: Evidence from Municipal Bonds

T. Babina (Columbia University)
C. Jotikasthira (University of North Carolina, Chapel Hill)
C. Lundblad (University of North Carolina, Chapel Hill)
T. Ramadorai (Imperial College London)

Speaker: C. Lundblad (University of North Carolina, Chapel Hill)
Discussant: O. Toutain (Banque de France)

Heterogeneity in the taxation of asset returns can create ownership clienteles. Using a simple model, we demonstrate that an important consequence of tax-policy-induced ownership segmentation is to limit risk-sharing, creating regions of the aggregate demand curve for the asset that are «downward-sloping.» As a result, the constraints of the ownership clientele impact the asset price response to variations in asset supply and demand, and make the asset's price more sensitive to movements in idiosyncratic risk. We test these predictions on U.S. municipal bonds, where cross-state variation in state tax privilege policies results in different levels of home-state-biased ownership of local municipal bonds. In states with high tax-induced ownership segmentation, we find greater susceptibility of municipal bond yields to demand and supply variation, heightened sensitivity of muni yields to local political uncertainty, and greater difficulties in raising capital for public projects.

DAY ONE

- 12.40 – 14.00 **Lunch break**

- 14.00 – 15.30 **Short Selling**

  Chair: G. Le Fol (Université Paris-Dauphine)

Flying Under the Radar: The Effects of Short-Sale Disclosure Rules on Investor Behavior and Stock Prices

S. Jank (Deutsche Bundesbank)
C. Roling (Deutsche Bundesbank)
E. Smajlbegovic (Erasmus University Rotterdam)

Speaker: E. Smajlbegovic (Erasmus University Rotterdam)
Discussant: S. Benoit (Université Paris Dauphine)

This paper analyzes how newly introduced transparency requirements for short positions affect investors' behavior and security prices. Employing a unique data set, which contains both public positions above and confidential positions below the regulatory disclosure threshold, we offer several novel insights. Positions accumulate just below the threshold, indicating that a sizable fraction of short sellers avoid disclosing their positions publicly. The decision to cross the disclosure threshold appears to be persistent, with investors sticking to their secretive behavior. Short positions held by these secretive investors are associated with stronger negative returns compared to their peers, suggesting that secretive investors possess superior information. Furthermore, we document that negative information is incorporated more slowly into stock prices when a secretive investor is just below the disclosure threshold. Overall, these findings suggest that short sellers' evasive behavior in response to the transparency regulation imposes a negative externality on stock market efficiency.

Are Shorts Just Negative Longs? Evidence from Detailed Hedge Fund Portfolio Data

B. Von Beschwitz (Federal Reserve Board)
S. Lunghi (Inalytics)

Speaker: B. Von Beschwitz (Federal Reserve Board)
Discussant: M. Lambert (University of Liège)

Using detailed data on the trades and portfolio holdings of long-short equity hedge funds, we examine the differences between trades related to long and short positions. We find that long buys and short sells are informed, but that long sells and short buys are uninformed. In fact, it is possible to generate significant alphas by taking the opposite trades to long sells and short buys implying that hedge funds close their positions too early and "leave money on the table". Furthermore, while hedge funds trade on momentum when establishing both long and short positions, follow-up orders exhibit momentum for shorts and are contrarian for longs. We argue this comes from hedge funds' desires to keep their position sizes stable.

15.30 – 16.00 **Afternoon break**

16.00 – 17.30 **Affiliations and Families**

Chair: S. Buti (Université Paris-Dauphine)

Does Conflict of Interest Matter? Evidence from the Hedge Fund Industry

X. Yan (University of Missouri)
L. Zheng (Renmin University of China)

Speaker: L. Zheng (Renmin University of China)
Discussant: C.-A. Lehalle (CFM)

Using a sample of hedge funds with financial industry affiliations, this paper examines the impact of potential conflicts of interest on hedge fund performance. We find that affiliated hedge funds significantly underperform unaffiliated hedge funds. Affiliated funds also exhibit a higher probability of failure and are more likely to commit fraud. The greater the number of financial industry affiliations, the stronger the above results are. The underperformance of affiliated funds is in part due to their strategy to grow assets at the expense of performance. Investors are aware of this agency cost and they respond rationally by investing less money in affiliated funds. Overall, our evidence is consistent with conflicts of interest exerting a negative impact on hedge fund performance.

Are Stars Really Shining? Cross Trading and Performance Shifting in Mutual Fund Families

A. Eisele (University of Lugano)
T. Nefedova (Université Paris- Dauphine)
G. Parise (Bank for International Settlements)

Speaker: T. Nefedova (Université Paris- Dauphine)
Discussant: F. Weigert (University of St Gallen)

We employ transaction data to examine trades among funds affiliated to the same institution. We show that such cross-trades exhibit an average mispricing of 0.18% compared to open market trades. This deviation is greater during times of high financial uncertainty, when the exchanged stocks are illiquid and highly volatile, and when the asset manager has weak governance and large internal markets. We use an exogenous increase in regulatory scrutiny to establish causality. Our results are consistent with theoretical models of internal capital markets in which the headquarters actively favors its “stars” at the expense of its least valuable units.

DAY TWO

9.00 – 10.30 Private Equity

Chair: J. Glachant (Université Paris I)

Speed Acquisition

S. Huang (University of Hong Kong)
B. Yueshen (INSEAD)

Speaker: B. Yueshen (INSEAD)

Speed has become a signature of modern financial markets. This paper theoretically studies investors' endogenous speed acquisition, alongside their investment in information. Two novel insights arise from the model: First, endogenous speed heterogeneity across investors temporally fragments the market and can hurt price efficiency. Second, speed and information complement each other. The model delivers a new mechanism that cautions the dysfunction of information aggregation in the financial market: Advancement in information technology incentivizes investors to acquire more speed, thus temporally fragmenting the market and worsening price discovery

Secondary Buyouts and the Strategies of PE Investors

J. Martin (University of Amsterdam)
H. Stefanus (SPF Beheer)

Speaker: J. Martin (University of Amsterdam)

The sale of portfolio companies between private equity firms, Secondary Buyouts (SBOs), has increased dramatically over the last decade. Using a unique hand-collected dataset, this paper sheds further light on the determinants of the performance of this type of investment. We investigate in particular the impact of General Partners (GP) strategies, target firm size and investment style. We distinguish between deals in which the portfolio company is move to larger GPs in terms of target enterprise to deals in which then smaller GP takes over the portfolio company. We show that in particular these latter deals subsequently underperform. Using a sample or realized SBOs in Europe between 2002 and 2012, we find that the underperformance stems from a too high acquisition price and the inability to create additional operational value.

Estimating Skill in Private Equity Performance using Market Data

M. McCourt (ESSEC Business School)

Speaker: M. McCourt (ESSEC Business School)

Are private equity (PE) firms that earn persistently higher returns truly skilled, or are they just lucky? I approach the question using a novel dataset: publicly traded listed private equity entities (LPEs) representing Buyout, Venture, Mezzanine, and Funds-of-Funds. LPE enables measures of skill that have been developed in the mutual funds literature to be applied to private equity. I find evidence of both short-term and long-term persistence for Buyout LPEs, and that skill remains after controlling for luck. Mezzanine LPEs also exhibit skill, however the evidence for Venture and Funds-of-Funds is mixed. Furthermore, investors are able to identify skilled LPEs. The approach overcomes concerns about the integrity of both the data and the empirical methods that have been commonly used in studies of PE persistence.

10.30 – 11.00 **Morning break**

11.00 – 12.30 **Asset Prices**

Chair: M. Brière (Amundi & Université Paris-Dauphine)

Funding Risk, Market Liquidity, Market Volatility and the Cross-Section of Asset Returns

J.-S. Fontaine (Bank of Canada)
R. Garcia (Université de Montreal)
S. Gungor (Bank of Canada)

Speaker: R. Garcia (Université de Montreal)
Discussant: A. Slavutskaya (EPFL)

We find strong evidence of a funding risk premium in the cross-section of asset returns. Our estimate for the price of funding risk is robust across Treasury bonds, corporate bonds, equities, and hedge funds. Funding shocks pose a risk to investors because they exacerbate the illiquidity and volatility of securities, increase the dispersions of asset illiquidity and volatility, and decrease contemporaneous returns. Our price-of-risk estimates are also robust to using mimicking portfolio returns, alternative portfolio sorts, traditional test assets, monthly returns or quarterly returns. Funding shocks are not subsumed by common proxies for market-wide illiquidity or dealers' balance-sheet risk.

Data Abundance and Asset Price Informativeness

J. Dugast (Banque de France)
T. Foucault (HEC Paris)

Speaker: T. Foucault (HEC Paris)
Discussant: M. Zoïcan (Université Paris-Dauphine)

Investors can acquire either raw or processed information about the payoff of risky assets. Information processing filters out the noise in raw information but it takes time. Hence, investors buying processed information trade with a lag relative to investors buying raw information. As the cost of raw information declines, more investors trade on it, which reduces the value of processed information, unless raw information is very unreliable. Thus, a decline in the cost of raw information can reduce the demand for processed information and, for this reason, the informativeness of asset prices in the long run.

DAY TWO

- 12.30 – 14.00 **Lunch break**

- 14.00 – 15.30 **Holdings**
  Chair: F. Riva (Université Paris-Dauphine)

Information Content of Hedge Fund Equity Option Holdings

J. Joenväärä (University of Oulu)
M. Kauppila (University of Oulu)
P. Toloken (University of Oulu)

Speaker: J. Joenväärä (University of Oulu)
Discussant: E. Arisoy (Université Paris-Dauphine)

Using a representative sample of 13F reports providing information on option characteristics and prices, we document three new findings. First, hedge funds prefer to hold high–embedded leverage, out-of-the-money options with relatively short maturities but without illiquidity or lottery-like skewness—an ideal combination for informed trading. Second, various portfolios mimicking hedge funds' option holdings earn positive risk- and characteristic-adjusted returns, especially for option portfolios that mimic hedge funds' directional trades. Third, we show that hedge funds' stock-specific aggregate delta predicts the return on underlying stocks. Overall, these findings are consistent with hedge funds' exploiting directional stock-level information via option markets.

Do Shorttermist Hedge Funds Shape Up Mergers?

N. Gao (University of Manchester)
O. Kolokolova (University of Manchester)
A. Mattes (University of Konstanz)

Speaker: O. Kolokolova (University of Manchester)
Discussant: E. Jurczenko (EHL)

Using the information on M&A deals from January 1995 to June 2009, the paper shows that holdings of target firms by hedge funds do not destroy shareholder value or lead to higher completion probabilities as is often feared in press. Hedge fund holdings, however, do shorten the duration of negotiations in successful deals, and impact the means of payment leading to higher proportion of cash offered. At the same time, hedge funds are more likely to accept overvalued bidder stock than other investors. The impact is especially pronounced for holdings of funds with short-term investment horizon, larger portfolio size and those following Event Driven styles.

15.30 – 16.00 **Afternoon break**

16.00 – 17.30 **Information**

Chair: : R. Garcia (Université de Montreal & TSE)

Bringing Order to Chaos: Capturing Relevant Information with Hedge Fund Factor Models

Y. Li (University of Arkansas)
A. Malakhov (University of Arkansas)

Speaker: A. Malakhov (University of Arkansas)
Discussant: G. Mero (University of Cergy-Pontoise)

We propose using ETF returns as proxies for tradable risk factors in hedge fund performance evaluation, identifying contemporaneously relevant risk factors from the entire universe of ETFs. Our model provides more informative estimates of alpha and beta coefficients for predicting hedge fund out-of-sample performance compared with other widely used hedge fund factor models. Portfolios of top alpha hedge funds selected by our model generate statistically significant out-of-sample performance that is substantially higher compared with portfolios selected by other models. In addition, our beta-weighted clone portfolios exhibit substantially higher out-of-sample correlations with underlying hedge funds than clone portfolios formed using alternative models.

The Benefits of Friendship in Hedge Fund Activism

Y. He (Warwick Business School)
T. Li (University of Warwick)

Speaker: Y. He (Warwick Business School)
Discussant: D. Schmidt (HEC Paris)

This paper uses a social network framework to study information dissemination during activist campaigns. Actively managed funds whose managers are socially connected to the lead activist are more likely to increase their ownership in the target firm around the activist disclosure, and the likelihood is higher when the activist has a better track record. Connected institutions also earn significantly higher returns relative to non-connected funds. Connected funds as a whole substantially increase their holdings in the target, and their presence contributes to the activist's campaign success. Additional tests are performed to rule out alternative explanations such as fund manager ability or similarity in portfolio choices. This study contributes to the understanding of alliance building in hedge fund activism.

SPEAKERS

Grant Farnsworth
Texas Christian University

Grant Farnsworth is an Assistant Professor of Finance at TCU's Neeley School of Business in Fort Worth Texas. Grant's primary research interests include the structure and behavior of alternative investment funds. He has a particular interest in hedge and venture capital funds. Prior to receiving his Ph.D. in finance at the Smeal College of Business at Penn State University, he worked as head quant for Chicago Alternative Investment Partners.

Melvyn Teo
Singapore Management University

Melvyn Teo is Lee Kong Chian Professor of Finance and Associate Dean for Research at the Lee Kong Chian School of Business, Singapore Management University. Melvyn's research on hedge funds has been published in top academic journals such as the Journal of Financial Economics and Review of Financial Studies, and featured on CNN and the Wall Street Journal. Melvyn has also received research awards from the European Finance Association, Inquire UK, AIMA, and INSEAD. At SMU, where he teaches finance and hedge funds in the undergraduate, MBA, and Ph.D. programs, he was conferred the Lee Foundation Fellowship and the Lee Kuan Yew Fellowship for Research Excellence. Outside of SMU, Melvyn consults for hedge funds and other buy-side firms. Melvyn holds a B.A. in Economics and Mathematics from Cornell University and a Ph.D. in Economics from Harvard University.

Vikas Agarwal
Georgia State University

Vikas Agarwal is H. Talmage Dobbs, Jr. Chair and Professor of Finance at Georgia State University's J. Mack Robinson College of Business. Vikas received his Ph.D. in finance from the London Business School. He is a Research Fellow at the Centre for Financial Research, University of Cologne, Germany. He also holds a Research Associate position at EDHEC Risk and Asset Management Center, France. He currently serves as a Director on the board of the Southeastern Hedge Fund Association and on the academic advisory council of Decatur Capital Management. His broad areas of research interest include investments and asset pricing. He has done extensive research on various issues related to institutional investors such as hedge funds and mutual funds.

Christian Lundblad
University of North Carolina, Chapel Hill

Christian Lundblad is the Edward M. O'Herron Distinguished Scholar and Professor of Finance and the Associate Dean of the Ph.D. Program at the University of North Carolina's Kenan-Flagler Business School. He is also the Director of Research at the Kenan Institute of Private Enterprise and the Director of the Center for Excellence in Investment Management.

His research spans asset pricing and international finance, with a specialization in emerging market development. His research has been published in top academic journals such as the Journal of Finance, the Review of Financial Studies, and the Journal of Financial Economics. He was an Associate Editor for the Journal of Finance, and is currently at the Journal of Banking and Finance and Financial Management.

He served as a financial economist at the Federal Reserve Board in Washington, D.C., where he advised the Board of Governors on international financial market developments. He is also the recipient of the MBA for Executives and OneMBA Teaching Excellence awards. He received a PhD in financial economics and a master's degree in economics from Duke University. He earned his BA in economics and English literature with highest honors from Washington University in St. Louis.

Esad Smajlbegovic
Erasmus University Rotterdam

Esad Smajlbegovic is an Assistant Professor of Finance at the Erasmus School of Economics, Erasmus University Rotterdam. He is also an associate member of the Erasmus Research Institute of Management (ERIM). Esad holds a Ph.D. from the University of Mannheim. His research interests mainly lie in the fields of empirical asset pricing and behavioral finance, with an emphasis on market segmentation and short selling. Esad has presented his work at leading conferences including the meetings of the American Finance Association, Western Finance Association, and European Finance Association.

Bastian Von Beschwitz
Federal Reserve Board

Bastian is an economist at the Federal Reserve Board in Washington DC. He is in the Global Monetary and Sovereign Market Section in the International Finance Division. He does empirical research in financial markets and investments. More specifically, his research focuses on short selling, hedge funds and media / news analytics. His policy work focuses on exchange rates. He holds a PhD in Finance from INSEAD, Fontainebleau (France), a Master in Accounting and Finance from London School of Economics and a Bachelor in Business from WHU – Otto Beisheim School of Management.

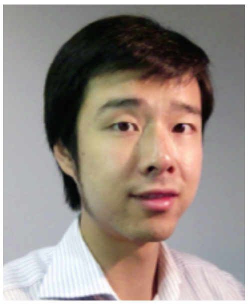
Dr. Lingling Zheng is an Assistant Professor of Finance at School of Business, Renmin University of China. She received her Ph.D. in Finance from Imperial College London and a Bachelor degree in Economics from Renmin University of China. Her research interests include empirical asset pricing, hedge funds, mutual funds and stock market anomalies.

Lingling Zheng
Renmin University of China

Tamara Nefedova is an Assistant Professor of Finance at Université Paris-Dauphine. She holds a PhD in Finance from the Swiss Finance Institute. Tamara's work was presented at major finance conferences like AFA and EFA. Her research was picked up by Reuters and Bloomberg News.

Her research interests are empirical corporate finance and capital markets. She mainly focuses on controversial trading practices and conflicts of interests in mutual fund industry and brokerage business.

Tamara Nefedova
Université Paris- Dauphine



Bart Yueshen
INSEAD

Bart Zhou Yueshen is an assistant professor (finance area) at INSEAD. His research focuses on financial securities trading, with specific interests on how real-world frictions and market structure affect resource allocation and information. Bart holds a PhD in Finance (VU University Amsterdam, Tinbergen Institute, and Duisenberg School of Finance; 2014), an M.Phil. in finance (Universiteit van Amsterdam, Tinbergen Institute, and Duisenberg School of Finance; 2011), and a B.E&F (The University of Hong Kong; 2009).

Jens Martin
University of Amsterdam

Jens Martin is an Assistant Professor and the Director of the Master in Finance program at the University of Amsterdam. He received his Ph.D. from the Swiss Finance Institute / University of Lugano. He was a visiting fellow at the Graduate School of Arts and Sciences, Harvard University, a research associate at the Kennedy School, Harvard University, a visiting faculty at the Stanford Institute for Economic Policy Research (SIEPR), and is a research fellow at the Tinbergen Institute. He currently conducts research in the area of Private Equity, Corporate Governance as well as initial public offerings (IPOs). His work has been published, for example, in the Journal of Financial Economics. He advises Limited Partners as well as the Finance Ministry on PE related questions.

Maurice McCourt
ESSEC Business School

Maurice McCourt is a PhD candidate in Finance at ESSEC Business School, Paris. He has a number of completed papers, and a strong research pipeline, in the areas of private equity, mutual funds, fund manager skill, and corporate governance. Prior to his PhD he completed an advanced Masters program in Finance, an MBA, and a research Masters in computer science. He has significant tech-sector experience, and has worked in Ireland, France, Germany, and the United States.

René Garcia
Université de Montreal & TSE

René Garcia is a professor at Université de Montréal and an associate researcher at Toulouse School of Economics. Formerly, he was a Chair Professor of Finance at EDHEC Business School (France) from 2007 to 2015 and taught at Université de Montréal form 1991 to 2007. He held the Hydro-Québec Chair in Risk Management and was a Research Fellow of the Bank of Canada. He was also the scientific director of the Centre for Interuniversity Research and Analysis on Organizations (CIRANO). He is a co-founding editor of the Journal of Financial Econometrics, published by Oxford University Press and was Editor-in-Chief until June 2012. His recent research focuses on the evaluation of asset pricing models accounting for higher moments, long-run risk asset pricing models, the funding liquidity premium in bonds and equities, and the measurement of tail risk. His work has appeared in numerous publications, including the Journal of Finance, The Review of Financial Studies, Econometrica and the Journal of Econometrics.

Thierry Foucault
HEC Paris

Thierry Foucault is Professor of Finance at HEC, Paris where he holds a chair from the HEC Foundation and a research fellow of the Centre for Economic Policy (CEPR). He holds a Ph.D in Finance from HEC, Paris and has taught in various international institutions (e.g., Universitat Pompeu Fabra, Carnegie Mellon University, Ecole Polytechnique Fédérale de Lausanne, Studienzentrum Gerzensee, Saïd Business School in Oxford, the Tinbergen Institute etc.). His research focuses on the determinants of financial markets liquidity, the industrial organization and regulation of these markets, and their effect on the real economy. It is published in top-tier academic journals such as the Journal of Finance, Review of Financial Studies, and the Journal of Financial Economics. He has received research awards from the Louis Bachelier Institute, the HEC Foundation, and the Analysis Group. He serves or served on the scientific committees of the Autorité des Marchés Financiers (AMF), the Norwegian Finance Initiative (NFI), the Research Foundation of the Banque de France, the Group of Economic Advisors of the Committee of Economic and Markets Analysis of the European Securities and Markets Authority (ESMA) and was a member the executive committee of the European Finance Association (EFA). He is currently an Editor of the Review of Asset Pricing Studies (RAPS), and an Associate Editor of the Journal of Economic Theory (JET), the Journal of Finance, and the Review of Financial Studies. He was co-editor of the Review of Finance from 2009 to 2013. He co-authored, with Marco Pagano and Ailsa Röell, "Market Liquidity: Theory, Evidence, and Policy", a textbook on price formation in securities marketspublished by Oxford University Press in 2013.

Juha Joenväärä
University of Oulu

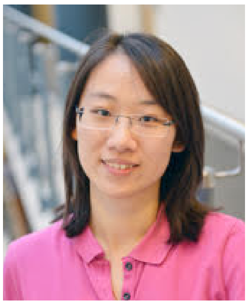
Juha Joenväärä is Assistant Professor at the University of Oulu. He conducts research on asset management firms' role in the financial system. Juha received his Master's degree in Finance with highest honors from University of Oulu. He earned his Ph.D. from the Finnish Graduate School of Finance. His Ph.D. dissertation "Essays on Hedge Fund Performance and Risk" has received the best dissertation award from the OP-Pohjola Research Foundation. Juha is a visiting researcher at Imperial College Business School. Currently, Juha works with a 3-year project: "Institutional Investors, Derivatives and Financial Regulation" funded by the Academy of Finland.

Olga Kolokolova
University of Manchester

Olga Kolokolova is a lecturer (assistant professor) in finance at the Alliance Manchester Business School. Her research interests lie primarily in the area of empirical hedge fund analysis, credit risk, and the impact of regulations on financial markets. She published in Journal of Financial and Quantitative Analysis, Review of Finance, and Journal of Banking and Finance, among others. She teachers various courses, including Credit Risk Management, Financial Engineering, and Hedge Funds. Olga graduated from the Russian Plekhanov Academy of Economics with the MSc degree in Mathematical Methods in Economics, and thereafter obtained her "Candidate of science" degree (Russian Ph.D equivalent) for her research on credit risk management. She obtained her Ph.D degree in Quantitative Methods in Economics and Finance from the University of Konstanz (Germany). Her dissertation was graded 'summa cum laude' and primarily focused on the analysis of hedge funds. She was a visiting researcher at the Imperial College Business School (London) before joining the Alliance Manchester Business School in October 2010. She has held visiting positions at the University of Konstanz (Germany), and the University of Malta.

Alexey Malakhov
University of Arkansas

Alexey Malakhov is Edward W. Reed Associate Professor of Finance at the University of Arkansas. He received his PhD in Managerial Economics and Strategy from the Kellogg School of Management at Northwestern University. He also holds a PhD in Applied Mathematics from the University of North Carolina at Charlotte and an undergraduate degree in Mathematics from Lomonosov Moscow State University.
Professor Malakhov's current research focuses on performance evaluation of hedge funds and other active investment vehicles. His research papers have been published in the Journal of Finance, Economic Theory, and the Review of Economic Design. He has presented at multiple conferences, including American Finance Association, Western Finance Association, and Financial Management Association, and his work has been mentioned in The New York Times, Investment News, and On Wall Street.



Yazhou HE
Warwick Business School

My name is Yazhou He (Ellen) and I am a fourth year PhD student in Finance, Warwick Business School. My research interest covers a number of areas in finance and accounting, especially hedge fund activism, institutional investors, corporate governance and social networks. My personal website is www.warwick.ac.uk/yazhouhe.

Notes

HOUSE OF FINANCE
Université Paris-Dauphine

Contact

contact.housefinance@dauphine.fr

www.housefinance.dauphine.fr

Place du Maréchal de Lattre de Tassigny
75 775 Paris Cedex 1

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