

CONSORTIUM PROGRAM

2019 FMA Consortium on Factor Investing

Monday, 4 February 2019

Jesus College Cambridge | Cambridge, UK



Centre for
Endowment Asset
Management



Financial Econometrics, Asset Markets
& Macroeconomic Policy



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www.FMA.org/Investing-Consortium

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Keynote Speaker

Ludovic Phalippou

Professor of Financial Economics, Saïd Business School, University of Oxford

Ludovic is the author of the bestseller 'Private Equity Laid Bare', and he is a tenured faculty member of Saïd Business School, University of Oxford. He specializes in the areas of private equity that are of interest to investors in that asset class, such as fee tracking, interest alignment, and return benchmarking.

Best Paper Awards

Paper authors will be eligible for the Invesco Factor Investing Prize (£1000). Additionally, authors of the best paper prize will be invited to present their paper on special sessions at the 2019 FMA European Conference in Glasgow, Scotland (12 - 14 June 2019).

Thank you to our general sponsors and program partners



Financial Econometrics, Asset Markets
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Directions to the Consortium Venue

The Consortium will be hosted in **Webb Library at the West Court Building of the Jesus College Cambridge** located at 31 Jesus Ln, Cambridge CB5 8BJ, UK.

For travel directions to Jesus College please click [here](#). Please note that there is no onsite parking available, and parking in the city centre is very limited. Attendees are advised to take public transport where possible. Those for whom travel by car is the only option, and who only plan to spend the day in Cambridge, we advise that you use [Cambridge Park & Ride](#). Prices apply and are available [here](#). All Park & Ride buses stop at the city centre central bus station which is a 5 minute walk from Jesus College. Park & Ride users should be sure to check the time that the last bus leaves the city centre (times are shown on the page for each Park & Ride bus route). We are happy to share contact details of local taxi companies for anyone heading back to the Park and Ride sites after the last bus. For those planning to stay overnight in Cambridge some Park & Ride sites do allow parking overnight. Payment must be made online and further details can be found [here](#).

The Consortium will take place in the Webb Library at West Court. From Jesus Lane take the entrance into West Court, walk through the foyer and across the Courtyard to staircase 2. Follow the stairs up one floor and then take the door on your left at the end of the Hallway. If coming from First Court walk past the Lodge towards West Court, and enter via stair 2.

If you have specific accessibility requirements further information can be found [here](#).

Directions to the Dinner Venue (Presenters and Discussants Only)

The dinner for presenters and discussants will be hosted at the **West Court Dining Room** located at Jesus College Cambridge at 18:45. The Dining Room is on the first floor of the West Court building.

If you are coming from Jesus Lane take the entrance into West Court, take the stairs or lift to the first floor and walk into the Dining room straight in front of you.

If coming from First Court walk past the Lodge towards West Court and enter via stair 2 and then through the exit door into the Courtyard then into Stair 3 and up the stairs where the dining room is the first on your left.

Program

All presentations will take place in Webb Library at the West Court Building of the Jesus College Cambridge unless noted otherwise.

- 08:15 – 09:00 Welcome & Introductions
David Chambers, Reader in Finance, University of Cambridge and Academic Director, Centre for Endowment Asset Management (CEAM)
Mark Hutchinson, Professor and Chair of Finance, University College Cork
Mark Mulcahy, Senior Lecturer, University College Cork
Pedro Saffi, Reader in Financial Economics, University of Cambridge
- 09:00 – 09:45 Arbitrage Portfolios in Large Panels
Soohun Kim, Robert A. Korajczyk and Andreas Neuhierl*
Discussant: Rong Leng, Deutsche Bank
- 09:45 – 10:30 Bond Risk Premia with Machine Learning
Daniele Bianchi*, Matthias Büchner and Andrea Tamoni
Discussant: Ansgar Walther, Imperial College
- 10:30 – 11:00 Break with Coffee and Tea
- 11:00 – 11:45 Global Market Inefficiencies
Söhnke M. Bartram* and Mark Grinblatt
Discussant: Adam Reed, University of North Carolina
- 11:45 – 12:30 Real-time Portfolio Choice Implications of Asset Pricing Models
Francisco Barillas* and Jay Shanken
Discussant: Daniele Bianchi, University of Warwick
- 12:30 – 13:30 Lunch (Bawden Room)
- 13:30 – 14:30 Keynote Presentation
Ludovic Phalippou
Professor of Financial Economics, University of Oxford
- 14:30 – 14:45 Break with Coffee and Tea
- 14:45 – 15:30 Turning Alphas into Betas: Arbitrage and the Cross-section of Risk
Thummim Cho
Discussant: Anastasios Kagkadis, Lancaster University Management School
- 15:30 – 16:15 Understanding Alpha Decay
Julien Pénasse
Discussant: Cameron Peng, London School of Economics
- 16:15 – 16:30 Closing Remarks
- 18:45 Dinner for Presenters and Discussants (invite only) at the West Court Dining Room of Jesus College Cambridge

*Presenting author

Guidelines for Participants

Presenters

Prior to the Consortium

1. If you have a revised version of your paper, submit it to Dawn Appleby (dawnappleby@usf.edu) no later than **Monday, 21 January**.
2. Send a copy of your presentation to Pedro Saffi (psaffi@jbs.cam.ac.uk) **prior to Monday, 28 January**. It will not be possible to upload a presentation on the day using a flash drive.

During the Consortium

1. Your presentation may not last more than 25 minutes. Please practice your presentation prior to the conference to ensure that it is not longer than the time allocated.
2. Focus your presentation on the details, purpose, and conclusions of the paper. Avoid too many details and derivations. There will be time for questions and further discussion of each paper among all consortium participants
3. Because all papers are now available for download on the FMA web site, it is not necessary to bring copies of your paper to the session.

Discussants

Prior to the Consortium

1. Make certain you have the current version of the paper you are to discuss.
2. We recently sent you a copy of the paper that you will discuss. Authors are asked to provide any revised versions by Monday, 21 January. If the author of the paper that you are discussing sends a revised version, we will provide it to you no later than 23 January.
3. Send a copy of your presentation to Pedro Saffi (psaffi@jbs.cam.ac.uk) **prior to Monday, 28 January**. It will not be possible to upload a presentation on the day using a flash drive.

During the Consortium

1. Make your presentation in a concise and professional manner in the time allotted (you have up to 15 minutes).
2. Please **DO NOT** summarize the paper as part of your comments.
3. Emphasize strengths & weaknesses to the audience; help to position the paper for the audience; focus on how weaknesses could be remedied.
4. Make 2 or 3 main critical comments at most; no editorial ones.

Participant and Attendee List

(as of 28 January 2019)

Anmar Al Wakil, Paris-Dauphine University & Natixis Dynamic Solutions
Vaska Atta-Darkua, Cambridge Judge Business School
Francisco Barillas, Emory University
Sohnke Bartram, University of Warwick
Filip Basic, Lancaster University
Bradley Bell, Invesco
Daniele Bianchi, University of Warwick
Sarah Carter, Judge Business School
David Chambers, University of Cambridge
Thummim Cho, London School of Economics
Elroy Dimson, Judge Business School, Cambridge
Michael Fraikin, Invesco
Mark Hutchinson, University College Cork
Charikleï Kaffe, Cambridge Judge Business School
Anastasios Kagkadis, Lancaster University Management School
Oguzhan Karakas, Cambridge Judge Business School
Joshua Kothe, Invesco
Rong Leng, Deutsche Bank
Marc Lipson, University of Virginia
Harald Lohre, Invesco
Cesario Mateus, University of Roehampton
Mark Mulcahy, University College Cork
Andreas Neuhierl, Mendoza College of Business
Ingmar Nolte, Lancaster University
Tizian Otto, University of Hamburg
Ananthalakshmi Pallasena Ranganathan, Lancaster University
Julien Penasse, University of Luxembourg
Cameron Peng, London School of Economics
Bernhard Pfaff, Invesco
Ludovic Phalippou, Oxford
Ellen Quigley, Centre for Endowment Asset Management
Raghavendra Rau, University of Cambridge
Adam Reed, UNC Chapel Hill
Russell Rhoads, Loyola University Chicago / TABB Group
Carsten Rother, Invesco
Geraldine Ryan, University College Cork
Pedro Saffi, University of Cambridge
Henning Stein, Invesco
Nikolas Vasilas, Lancaster University
Ansgar Walther, Imperial College
George Wang, Lancaster University Management School
Shuwen Yang, Alliance Manchester Business School
Yaqiong Yao, Lancaster University
Xinrui (Cindy) Zheng, Cambridge Judge Business School

Program Committee

Co-Chairs

- David Chambers, Reader in Finance, University of Cambridge and Academic Director, Centre for Endowment Asset Management (CEAM)
- Mark Hutchinson, Professor and Chair of Finance, University College Cork
- Harald Lohre, Invesco
- Mark Mulcahy, Senior Lecturer, University College Cork
- Ingmar Nolte, Lancaster University
- Pedro Saffi, Reader in Financial Economics, University of Cambridge

Committee Members

- Nick Baltas, Goldman Sachs & Visiting Academic at Imperial College Business School
- Sohnke M Bartram, University of Warwick
- Filip Bekjarovski, Tilburg University
- Jesse Blocher, Vanderbilt University
- Jonathan Brogaard, University of Utah
- Ching-Chang CC Wang, Southern Taiwan University of Science and Technology
- Yong Chen, Texas A&M University
- Si Cheng, Chinese University of Hong Kong
- Darwin Choi, Chinese University of Hong Kong
- Liya Chu, East China University of Science and Technology
- James Clunie, Jupiter Asset Management
- Mathijs Cosemans, Erasmus University Rotterdam
- Gregory Eaton, Oklahoma State University
- Chanaka Edirisinghe, Rensselaer Polytechnic Institute
- Guanhao Feng, City University of Hong Kong
- Ben Christopher Gabor, Swansea University
- Nataliya Gerasimova, NHH Norwegian School of Economics
- Amit Goyal, University of Lausanne
- Moqi Groen-Xu, London School of Economics
- Yazhou He, University of Oxford
- Huichou Huang, Jupiter Asset Management, City University of Hong Kong
- Russell Jame, University of Kentucky
- Petri Jylha, Aalto University
- Oguzhan Karakas, Cambridge Judge Business School
- Thomas Keusch, INSEAD
- Marie Lambert, University of Liege, HEC Liege
- Adam Y.C. Lei, Midwestern State University
- Tao Li, University of Florida
- Matthijs Lof, Aalto University
- Dong Lou, London School of Economics
- Christian Lundblad, University of North Carolina, Chapel Hill
- Andrew Arch Lynch, University of Mississippi
- Guido Max Mantovani, Ca' Foscari University of Venice & International University of Monaco
- M. Imtiaz Mazumder, St Ambrose University
- Grzegorz Michalski, Wroclaw University of Economics
- Amit Mittal, Indian Institute of Management Lucknow
- John O'Brien, University College Cork
- Seongkyu (Gilbert) Park, Hong Kong Polytechnic University
- David Rakowski, University of Texas Arlington
- Oliver James Randall, Emory University
- Adam V Reed, UNC Chapel Hill
- Julia Elizabeth Reynolds, Universita della Svizzera Italiana
- Russell Allyn Rhoads, Oklahoma State University; Loyola-Chicago; TABB Group
- Geraldine Anne Ryan, University College Cork
- Daniel Schmidt, HEC Paris
- Jan Schnitzler, VU University Amsterdam
- Thomas Sheedy, Invesco
- Denitsa Stefanova, University of Luxembourg
- Jason Sturgess, Queen Mary University of London
- Hui-Ju Tsai, Washington College
- Sunil Wahal, Arizona State University
- Ying Y Wang, SUNY at Albany
- Gulnara Zaynutdinova, West Virginia University
- Yeqin Zeng, Durham University Business School

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Financial Management Association International (FMA)

Established in 1970, the Financial Management Association International (FMA) is a global leader in developing and disseminating knowledge about financial decision making. FMA's mission is to broaden the common interests between academicians and practitioners, provide opportunities for professional interaction between and among academicians, practitioners and students, promote the development and understanding of basic and applied research and of sound financial practices, and to enhance the quality of education in finance.

In fulfilling its mission, FMA organizes meetings and conferences in North America, Europe, Asia/Pacific, and Latin America. It also publishes a peer reviewed journal, *Financial Management* as well as the Survey & Synthesis book series.

Centre for Endowment Asset Management (CEAM)

Based within Cambridge Judge Business School, the Centre for Endowment Asset Management is a research and education centre dedicated to further scholarship and understanding of long-horizon investing. Many institutions, including endowments, foundations, charities, families and sovereign funds, have a long-term focus, and they confront a unique set of investment challenges.

The Centre's primary objective is to participate in research, teaching and knowledge sharing that extends knowledge and understanding of how to address these issues.

Centre for Financial Econometrics, Asset Markets and Macroeconomic Policy

Based in Lancaster University Management School, the Centre for Financial Econometrics, Asset Markets and Macroeconomic Policy is a collaboration of leading academics across Finance, Econometrics and Economics focused on mutual research projects. The Centre aims to promote high-quality and high-impact research, foster international collaboration and inspire the next generation of young researchers in the field. Centre hosts several distinguished international visitors and is home to a vibrant doctoral student community. Its research activities span several topics, exploring themes such as measuring and forecasting volatility, pricing bubbles, fiscal policies, investments, banking failure risk and stability.

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Invesco is an independent investment management firm dedicated to delivering an investment experience that helps people get more out of life.

They have:

- Specialized investment teams managing investments across a comprehensive range of asset classes, investment styles and geographies.
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2019 Wine Country Finance Conference
29 - 30 March 2019 | Sonoma Valley, CA
www.FMA.org/2019-Wine-Country-Conference

2019 Applied Finance Conference
17 May 2019 | New York, NY
www.FMA.org/AFC2019

2019 Global Conference in Latin America*
22 - 24 May 2019 | Bogotá, Colombia
www.FMA.org/Bogota

**Conference includes a Doctoral Student Consortium for advanced doctoral students.*

2019 European Conference*
12 - 14 June 2019 | Glasgow, Scotland
DSC Applications: Friday, 15 February 2019
www.FMA.org/Glasgow

2019 Asia/Pacific Conference*
10 - 12 July 2019 | Ho Chi Minh City, Vietnam
DSC Applications: Friday, 22 February 2019
www.FMA.org/Vietnam

2019 Annual Meeting
23 - 26 October 2019 | New Orleans, LA
DSC Applications: Friday, 3 May 2019
www.FMA.org/New-Orleans

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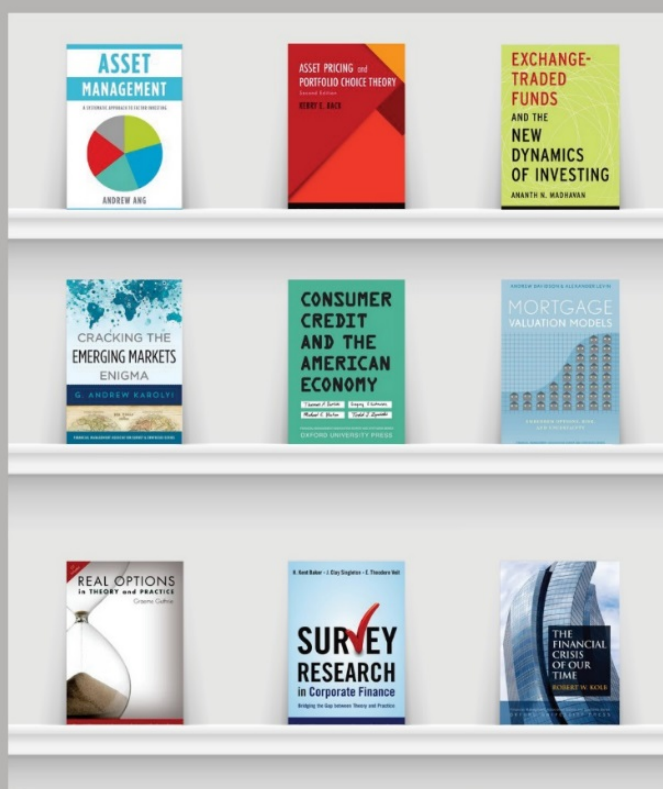
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