

# Symposium 2008

**Risk and Asset Management**

**17-19 April 2008**

**EDHEC Business School, Nice, France**

Program

# EUROPEAN FINANCIAL MANAGEMENT



## SYMPOSIUM

### Risk and Asset Management

April 17-19, 2008

EDHEC BUSINESS SCHOOL, Nice, France

**Keynote Speaker: Robert Arnott, Research Affiliates, LLC**

**Symposium Chair: Lionel Martellini  
EDHEC Business School**

### Symposium Program

(Each paper is scheduled for a total of 45 mns, including 30 mns for the presentation, 10 mns for the discussant, and 5 mns for questions)

#### Thursday 17<sup>th</sup> April 2008

5:00 – 6:30pm	<b>Registration</b>	
6:30 – 7:30pm	<b>Official Welcome from EDHEC Lionel Martellini, EDHEC Business School John Doukas, European Financial Management Association</b>	<b>Amphi 0002</b>
7:30 – 9:00pm	<b>Inaugural Buffet Reception</b>	<b>Amphi 0001</b>

#### Friday 18<sup>th</sup> April 2008

09:30 – 11:00am **Presentations (3 parallel sessions)** Sessions A1 – A2 – A3

<b>SESSION A1:</b>		<b>09:30 – 11:00, Room 2002</b>
<b>Session Chair:</b>	<b>Hossein Kazemi, University of Massachusetts</b>	

Integrating Multiple Commodities in a Model of Stochastic Price Dynamics

*Presenter: Raphael Paschke, University of Mannheim*

*Discussant: Constantin Mellios, University Paris 1*

Optimal Dynamic Strategies in Commodity Futures Markets with a Stochastic Convenience Yield

**Presenter:** *Constantin Mellios, University Paris 1*

**Discussant:** *Vincent Milhau, EDHEC Risk and Asset Management Research Centre*

<b>SESSION A2:</b>		<b>09:30 – 11:00, Room 2003</b>
<b>Session Chair:</b>	<b>Niall O’Sullivan, University College Cork</b>	

Fund Managers' Institutional Background and the Birth of Investment Management Companies

**Presenter:** *Robert Faff, Monash University*

**Discussant:** *Felix Goltz, EDHEC Risk and Asset Management Research Centre*

The Impact of Manager Changes on Fund Performance

**Presenter:** *Natasa Todorovic, Cass Business School*

**Discussant:** *Niall O’Sullivan, University College Cork*

<b>SESSION A3:</b>		<b>09:30 – 11:00, Room 2005</b>
<b>Session Chair:</b>	<b>René Garcia, University Paris 1</b>	

Risk Management with Value-at-Risk and Stress Testing: An Alternative to Conditional Value-at-Risk?

**Presenter:** *Gordon J. Alexander, University of Minnesota*

**Discussant:** *René Garcia, EDHEC Business School*

The Role of No-arbitrage on Forecasting: Lessons from a Parametric Term Structure Model

**Presenter:** *Caio Almeida, EPGE-Getulio Vargas Foundation*

**Discussant:** *Volker Ziemann, EDHEC Risk and Asset Management Research Centre*

11:00 – 11:30am **Coffee Break**

**Amphi 0001**

11:30am – 1:00pm **Presentations (3 parallel sessions)**

Sessions B1 – B2 – B3

<b>SESSION B1:</b>		<b>11:30 – 01:00, Room 2002</b>
<b>Session Chair:</b>	<b>Joëlle Miffre, EDHEC Business School</b>	

A New Approach for Estimating the Equity Premium based on Credit Valuations

**Presenter:** *Tobias Berg, Technical University Munich*

**Discussant:** *Marie Briere, Credit Agricole Asset Management*

The value premium and time-varying idiosyncratic risk

**Presenter:** *Joëlle Miffre, EDHEC Business School*

**Discussant:** *Natasa Todorovic, Cass Business School*

<b>SESSION B2:</b>		<b>11:30 – 01:00, Room 2003</b>
<b>Session Chair:</b>	<b>Devraj Basu, EDHEC Risk and Asset Management Research Centre</b>	

Portfolio Performance Measurement: A No Arbitrage Bounds Approach

**Presenter:** *Stéphane Chrétien, Laval University*

**Discussant:** *Devraj Basu, Risk and Asset Management Research Centre*

Mutual Fund Performance: Skill or Luck?

*Presenter: Niall O'Sullivan, University College Cork*

*Discussant: Nicolas Papageorgiu, HEC Montreal*

<b>SESSION B3:</b>		<b>11:30 – 01:00, Room 2005</b>
<b>Session Chair:</b>	<b>Thorsten Lehnert, Maastricht University</b>	

Change in Regime and Optimal Domestic-Global Portfolio Diversification

*Presenter: Ming-Yuan Li, National Cheng Kung University*

*Discussant: René Garcia, EDHEC Business School*

Dependence Structure and Extreme Comovements in International Equity and Bond Markets with Portfolio Diversification Effects

*Presenter: René Garcia, EDHEC Business School*

*Discussant: Laurent Bodson, HEC Management School - University of Liege*

01:15 – 2:30pm      **Lunch**

2:30 – 4:00pm      **Presentations (3 parallel sessions)**      Sessions C1 – C2 – C3

<b>SESSION C1:</b>		<b>2:30 – 4:00, Room 2002</b>
<b>Session Chair:</b>	<b>Robert Faff, Monash University</b>	

New Paradigms in Stock Market Indexing

*Presenter: Derek Jun, Princeton University*

*Discussant: Robert Faff, Monash University*

The Performance of Fundamentally Weighted Indices

*Presenter: Félix Goltz, EDHEC Risk and Asset Management Research Centre*

*Discussant: Robert Faff, Monash University*

<b>SESSION C2:</b>		<b>2:30 – 4:00, Room 2003</b>
<b>Session Chair:</b>	<b>Caio Almeida, EPGE-Getulio Vargas Foundation</b>	

Determining and Forecasting High-Frequency Value at Risk by Using Levy Processes

*Presenter: Wei Sun, University of Karlsruhe*

*Discussant: Volker Ziemann, EDHEC Risk and Asset Management Research Centre*

Estimating Asset Correlations From Stock Prices or Default Rates--Which Method is Superior?

*Presenter: Klaus Duellmann, Deutsche Bundesbank*

*Discussant: Caio Almeida, EPGE-Getulio Vargas Foundation*

<b>SESSION C3:</b>		<b>2:30 – 4:00, Room 2005</b>
<b>Session Chair:</b>	<b>Daniel Haguet</b>	

Can Sentiment be predicted to have Cross-Sectional Effects?

*Presenter: Thorsten Lehnert, Maastricht University*

*Discussant: Joëlle Miffre, EDHEC Business School*

Disposition bias and overconfidence in institutional trades

*Presenter: Dries Heyman, Ghent University*

*Discussant: Sam Chung, Long Island University*

4:00 – 4:30pm	<b>Coffee Break</b>	<b>Amphi 0001</b>
4:30 – 6:00pm	<b>Keynote presentation – Robert Arnott, Research Affiliates, LLC</b>	<b>Amphi 0002</b>
8:15pm	<b>GALA DINNER</b>	

<b>Saturday 19<sup>th</sup> April 2008</b>
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08:30 – 10:00am    **Presentations (3 parallel sessions)**    Sessions D1 – D2 – D3

<b>SESSION D1:</b>		<b>08:30 – 10:00, Room 2002</b>
<b>Session Chair:</b>	<b>Devraj Basu, EDHEC Risk and Asset Management Research Centre</b>	

Does Noise Create the Size and Value Effects?

*Presenter: Jason Hsu, Research Affiliates, LLC*

*Discussant: Stéphane Chrétien, Laval University*

Total Volatility and the Cross Section of Expected Stock Returns

*Presenter: Devraj Basu, EDHEC Risk and Asset Management Research Centre*

*Discussant: Ming-Yuan Li, National Cheng Kung University*

<b>SESSION D2:</b>		<b>08:30 – 10:00, Room 2003</b>
<b>Session Chair:</b>	<b>Nicolas Papageorgiu, HEC Montreal</b>	

Compensation Option, Managerial Incentive, and Risk-Shifting in Hedge Funds

*Presenter: Hossein Kazemi, University of Massachusetts*

*Discussant: Nicolas Papageorgiu, HEC Montreal*

Does Idiosyncratic Risk Matter in Hedge Fund? Institutional Investor's View

*Presenter: Sam Chung, Long Island University*

*Discussant: Felix Goltz, EDHEC Risk and Asset Management Research Centre*

<b>SESSION D3:</b>		<b>08:30 – 10:00, Room 2005</b>
<b>Session Chair:</b>	<b>Natasa Todorovic, Cass Business School</b>	

Do Leveraged Credit Derivatives Modify Credit Asset Allocation ?

*Presenter: Marie Briere, Crédit Agricole Asset Management*

*Discussant: Klaus Duellmann, Deutsche Bundesbank*

Do Inflation-Linked Bonds Still Diversify?

*Presenter: Marie Briere, Crédit Agricole Asset Management*

*Discussant: Natasa Todorovic, Cass Business School*

10:00 – 10:30am **Coffee Break**

**Amphi 0001**

10:30 – 12:00am **Presentations (3 parallel sessions)**

Sessions D1 – D2 – D3

<b>SESSION E1:</b>		<b>10:30 – 12:00, Room 2002</b>
<b>Session Chair:</b>	<b>Gordon J. Alexander, University of Minnesota</b>	

Portfolio Construction with Downside Risk

**Presenter: Harald Lohre, Union Investment Institutional GmbH**

**Discussant: Gordon J. Alexander, University of Minnesota**

TEV Sensitivity to Views in Black-Litterman Model

**Presenter: Maria Debora Braga, University Valle d'Aosta**

**Discussant: Volker Ziemann, EDHEC Risk and Asset Management Research Centre**

<b>SESSION E2:</b>		<b>10:30 – 12:00, Room 2003</b>
<b>Session Chair:</b>	<b>Hossein Kazemi, University of Massachusetts</b>	

Dynamic Hedge Fund Style Analysis with Errors in Variables

**Presenter: Laurent Bodson, HEC Management School - University of Liege**

**Discussant: Hossein Kazemi, University of Massachusetts**

Replicating the statistical properties of hedge fund returns

**Nicolas Papageorgiu, HEC Montreal**

**Discussant: Lionel Martellini, EDHEC Business School**

<b>SESSION E3:</b>		<b>10:30 – 12:00, Room 2005</b>
<b>Session Chair:</b>	<b>Joëlle Miffre, EDHEC Business School</b>	

Predictability and 'Good Deals' in Currency Markets

**Presenter: Valerio Potì, Dublin City University**

**Discussant: Ming-Yuan Li, National Cheng Kung University**

Commodities and Equities: A "Market of One?"

**Presenter: Bahattin Buyuksahin, U.S. CFTC University**

**Discussant: Joëlle Miffre, EDHEC Business School**

From 12:00

**Lunch**

**Thanks**

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