EUROPEAN FINANCIAL MANAGEMENT

SYMPOSIUM

Alternative Investments

7-9 April 2011
Schulich School of Business, York University, Toronto

Sponsored by:

Social Sciences and Humanities Research Council of Canada
Industry Canada
Chartered Alternative Investments Association (CAIA)
and

EFMA Network
http://www.efmaefm.org

Keynote Speakers:
Stephen Brown, Stern School of Business, NYU
Andrew Metrick, Yale School of Management

Symposium Chairs:
Douglas Cumming
John Doukas

Symposium Program
Thursday, 7 April 2011

17:00 Registration University Club
17:30 – 19:00 Official Welcome and Dinner University Club
19:00 – 20:30 Panel Discussion University Club

“Alternative Investments after the Crisis, and New Regulatory Proposals for Hedge Funds, Private Equity and Venture Capital Funds”

Panellists: Ryan Barry, Managing Director, Diversified Global Asset Management (DGAM)
Keith Black, Chartered Alternative Investment Association
Stephen J. Brown, Stern School of Business, New York University
Anish Chopra, Managing Director TD Asset Management Inc.
Andrew Metrick, Yale University

Panel Moderator: Christopher Jones, Blake, Cassels & Graydon LLP

Location and Transport to University Club Event:

University Club, 380 University Avenue, Toronto, Ontario, CANADA M5G 1R6
Tel: 416-597-1336 ext. 228

A shuttle bus will take people from the Schulich Executive Learning Centre to the University club at 16:00 on Thursday, 7 April 2011, and return to the Schulich Executive Learning Center at 21:00.

Note on Accommodation:

A block of rooms has been reserved for out of town guests for the conference days 7 April – 9 April 2011. Please contact the hotel to confirm your arrival and departure date.

The hotel location and contact details:

Schulich Executive Learning Centre
Schulich School of Business
York University, 4700 Keele Street
Toronto, Ontario
M3J 1P3
Phone: (416) 650-8300
Fax: (416) 650-8333
Website: www.elc.schulich.yorku.ca
E-mail: reservations@schulich.yorku.ca

The Schulich Executive Learning Centre Hotel is connected to the building where all of the conference activities will take place on 8 April – 9 April, 2011.
**Friday, 8 April 2011**

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<th>Session A1</th>
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<td>8:00 – 9:30</td>
<td>Presentations – 2 parallel sessions</td>
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<td></td>
<td><strong>Venture Capital and Private Equity 1</strong></td>
<td>W136</td>
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<tr>
<td>Chair:</td>
<td>John Doukas, Old Dominion University</td>
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Access versus Selection: What Drives Limited Partners' Private Equity Returns?
*Authors: Mikko Kaaskelainen, Aalto University, Otso Manninen, Aalto University, and Markku Maula, Aalto University*
*Discussant: Pascal Francois, HEC Montreal*

Do Industry Growth Prospects Drive IPO Stock Performance?
*Authors: Ming Dong, York University, and Jean-Sébastien Michel, HEC Montreal*
*Discussant: Denis Schweizer, WHU - Otto Beisheim School of Management*

The Role of Agents in Private Finance
*Authors: Douglas Cumming, York University, Ari Pandes, University of Calgary, and Michael Robinson, University of Calgary*
*Discussant: Stefan Morkeotter, University of St. Gallen*

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<th>Time</th>
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<td>9:30 – 9:50</td>
<td><strong>ETFs and Real Estate</strong></td>
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<td>Chair:</td>
<td>Nils Tuchschmid, Geneva School of Business Administration</td>
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The Attractiveness of 66 Countries for Institutional Real Estate Investments: A Composite Index Approach
*Authors: Karsten Lieser, IESE Business School, and Alexander Groh, Emlyon Business School*
*Discussant: Lukasz Pomorski, University of Toronto*

The Long and Short of Leveraged ETFs: The Financial Crisis and Performance
*Authors: Pauline Shum, York University*
*Discussant: Marco Nicolosi, University of Perugia*

European Bond ETFs: Tracking Errors and Sovereign Debt Crisis
*Authors: Mikica Drenovak, University of Kragujevac, Ranko Jelic, University of Birmingham, and Branko Urošević, University of Belgrade*
*Discussant: Florian Bitsch, Technische Universität München*

**9:30 – 9:50**  **Coffee Break**  **Schulich Dining Room**
9:50 – 11:20  Presentations – 2 parallel sessions  Sessions B1, B2

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<th>Session B1</th>
<th>Venture Capital and Private Equity 2</th>
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<td>Chair:</td>
<td>Denis Schweizer, WHU - Otto Beisheim School of Management</td>
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Capitalizing on Weak Institutions: Private Equity and the Performance Effects of Local Resources in Emerging Economies
Authors: **Markus Taussig, Harvard Business School**
Discussant: **Douglas Cumming, York University**

Financial Development and Innovation: Cross-Country Evidence
Authors: **Po-Hsuan Hsu, University of Connecticut**, Xuan Tian, Indiana University, and Yan Xu, University of Rhode Island
Discussant: **Christian Rauch, Goethe University Frankfurt**

Do Private Equity Investors Help Distressed Companies to Become Healthy or do they Trigger Financial Distress?
Authors: **Mariela Borell, Centre for European Economic Research (ZEW), Mannheim**, and Tereza Tykvova, Centre for European Economic Research (ZEW), Mannheim
Discussant: **Robert Pinheiro, University of Colorado**

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<th>Session B2</th>
<th>Sovereign Wealth Funds and OPEC</th>
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<td>Pauline Shum, York University</td>
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Reevaluating the Roles of Large Public Surpluses and Sovereign Wealth Funds in Asia
Authors: Bernard Lee, Singapore Management University, and **Hefei Wang, University of Illinois and Chicago**
Discussant: **Tianna Yang, Manchester Business School**

Determinants of Sovereign Wealth Fund Investment in Private Equity
Author: **Sofia Johan, York University and Tilburg University**, April Knill, Florida State University, and Nathun Mauck, Florida State University
Discussant: **Denis Schweizer, WHU - Otto Beisheim School of Management**

Do OPEC Members Know Something the Market Doesn’t? “Fair Price” Pronouncements and the Market Price of Crude Oil
Authors: Michel A. Robe, American University, **Celso Brunetti, Johns Hopkins University**, Bahattin Büyükşahin, International Energy Agency, and Kirsten R. Soneson, USCFTC
Discussant: **Roberto Savona, University of Brescia**

11:30 – 12:30  Keynote Speaker – **Andrew Metrick**, Yale School of Management:
“Systemic Risk, Dodd-Frank, and the Regulation of Alternative Investment Managers”  Room: W136

12:30 – 13:30  Lunch  Schulich Dining Room
13:30 – 15:00  Presentations – 2 parallel sessions  Sessions C1, C2

**Session C1**  Venture Capital and Private Equity 3  Room: W136

**Chair:** Robert Pinheiro, University of Colorado

| Returns on Angel Investments: A Synthesis of Returns in Early Stage Equity Investment |
| Authors: Ramon DeGennaro, University of Tennessee, and Michael McDonald, University of Tennessee |
| Discussant: Ji-Woong Chung, Chinese University of Hong Kong |
| The Effects of New Ventures’ Resource Strategies on Angels’ Investing Outcomes: Big Gains and Big Losses in Angel Investments |
| Authors: Xueqi Wei, Fudan University and MIT Sloan School of Management, Zhenyu Wu, University of Saskatchewan, and Wenlong Yuan, University of Lethbridge |
| Discussant: Wenxuan Hou, Durham University |
| Patent Signalling, Entrepreneurial Performance, and Venture Capital Financing |
| Authors: Jerry Cao, Singapore Management University, and Po-Hsuan Hsu, University of Connecticut |
| Discussant: Nirjhar Nigam, University of Luxembourg/Strasbourg |

**Session C2**  Corporate  Room: W133

**Chair:** Marc Steffen, Technische Universität München

| Is Bigger Better? Size and Performance in Pension Plan Management |
| Authors: Alexander Dyck, University of Toronto, Lukasz Pomorski, University of Toronto |
| Discussant: Ming Dong, York University |
| New Dogs New Tricks: CEO Turnover, CEO-Related Factors, and Innovation Performance |
| Authors: Frederick Bereskin, University of Delaware, and Po-Husan Hsu, University of Connecticut |
| Discussant: Sofia Johan, York University and Tilburg University |
| Public Policy and Business Creation in the United States |
| Authors: Douglas Cumming, York University, and Dan Li, York University and The University of Hong Kong School of Business |
| Discussant: Ranko Jelic, University of Birmingham |

15:00 – 15:20  Coffee Break  Schulich Dining Room
### Session D1: Hedge Funds 1

**Chair:** Joseph P. Ogden, SUNY Buffalo  
**Room:** W136  

**How do Hedge Funds Manage Portfolio Risk?**  
*Authors:* Joseph Gerakos, University of Chicago, **Gavin Cassar, University of Pennsylvania**  
*Discussant:* Douglas Cumming, York University

**Hedge Fund Redemption Restrictions, Financial Crisis, and Fund Performance**  
*Authors:* Phelim Boyle, Wilfred Laurier University, **Si Li, Wilfred Laurier University**, Xyunhua Zhu, Wilfred Laurier University  
*Discussant:* Roberto Savona, University of Brescia

**When do Hedge Fund Managers Misreport Returns?**  
*Authors:* Petri Jylha, Aalto University  
*Discussant:* Joseph P. Ogden, SUNY Buffalo

**Hedge Fund Systemic Risk Signals**  
*Authors:* Roberto Savona, University of Brescia  
*Discussant:* Marie Lambert, Maastricht University

### Session D2: Art  

**Chair:** Wenxuan Hou, Durham University  
**Room:** W133

**Investing in Art: The Informational Content of Italian Painting Pre-Sale Estimates**  
*Authors:* Giacomo Nocera, Bocconi University, Brunella Bruno, Bocconi University  
*Discussant:* Feng Zhan, York University

**Raise your Glass: Wine Investment and the Financial Crisis**  
*Authors:* Jean-Philippe Weisskopf, University of Fribourg, Philippe Masset, Ecole Hoteliere de Lausanne  
*Discussant:* Pauline Shum, York University

**Art as an Investment: The Top 500 Artists**  
*Authors:* Roman Kraeussl, VU University Amsterdam, **Jonathan Lee, VU University Amsterdam**  
*Discussant:* Giacomo Nocera, Bocconi University

**Efficiency Tests in the Art Market Using Cointegration and the Error Correction Model**  
*Authors:* Troy Ballesteros, University of London  
*Discussant:* Jean-Philippe Weisskopf, University of Fribourg

### Keynote Speaker – Stephen Brown, NYU

Stern School of Business, and Christopher Schwartz, University of California at Irvine, “The Impact of Mandatory Hedge Fund Portfolio Disclosure”

### 19:00  
**Dinner and Jazz Band**  
Location: Schulich Dining Room
### Saturday, 9 April 2011

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<td><strong>Session E1</strong></td>
<td>Ming Dong, York University</td>
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<td><strong>Venture Capital and Private Equity</strong></td>
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<td><strong>Private Equity – Blessing or Curse? The Case of IPOs</strong></td>
<td>Christian Rauch, Goethe University Frankfurt, Timo Litty, Goethe University Frankfurt, Mark Wahrenburg, Goethe University Frankfurt, Andreas Hackethal, University of Frankfurt</td>
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<td><strong>Discussant:</strong> Po-Hsuan Hsu, University of Connecticut</td>
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<td><strong>Venture Capital and Underpricing: Capacity Constraints and Early Sales</strong></td>
<td>Robert Pinheiro, University of Colorado</td>
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<td><strong>Discussant:</strong> Markus Taussig, Harvard Business School</td>
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<td><strong>Are Private Equity Investors Governance Champions or Simply Stock Picking Specialists?</strong></td>
<td>Marc Steffen, Technische Universität München, Matthias Kroker, Technische Universität München, Michael Wolff, University of Mainz</td>
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<td><strong>Discussant:</strong> Michael Robinson, University of Calgary</td>
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<td>10:00 – 10:20</td>
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<td><strong>Session E2</strong></td>
<td>Gavin Cassar, University of Pennsylvania</td>
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<td><strong>Hedge Funds 2</strong></td>
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<td><strong>Who Benefits from Funds of Hedge Funds?</strong></td>
<td>Joseph P. Ogden, SUNY Buffalo, Yang Cao, SUNY Buffalo, and Cristian I. Tiu, SUNY Buffalo</td>
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<td><strong>Discussant:</strong> Gavin Cassar, University of Pennsylvania</td>
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<td><strong>Do Hedge Funds Supply or Demand Liquidity</strong></td>
<td>Petri Jylha, Alto University, Kalle Rinne, Alto University, and Matti Suominen, Aalto University</td>
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<td><strong>Discussant:</strong> Si Li, Wilfred Laurier University</td>
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<td><strong>Directional and Non-Directional Risk Exposures in Hedge Fund Returns</strong></td>
<td>Marie Lambert, Maastricht University, Georges Hubner, HEC Management School of the University of Liège, and Maastricht University, and Nicolas Papageorgiou, HEC Montreal</td>
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<td><strong>Discussant:</strong> Petri Jylha, Aalto University</td>
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<td><strong>Compensation Options, Managerial Incentives, and Risk Taking in Hedge Funds</strong></td>
<td>Ying Li, University of Washington Bothell, Steven Holland, University of Washington Bothell, Hossein Kazemi, University of Massachusetts, Amherst</td>
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<td><strong>Discussant:</strong> Kalle Rinne, Aalto University</td>
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A Portfolio Approach to Venture Capital Financing  
Authors: **Pascal Francois**, HEC Montreal, Georges Hubner, HEC Management School, University of Liege  
Discussant: **Mariela Borell**, Centre for European Economic Research (ZEW), Mannheim

Strategic Asset Allocation and the Role of Alternative Investments  
Authors: Douglas Cumming, York University, **Denis Schweizer**, WHU - Otto Beisheim School of Management, Lars Helge Hass, WHU - Otto Beisheim School of Management  
Discussant: **Michael McDonald**, University of Tennessee

Asset Sales to Private Equity Funds – Shareholder Value Maximization on the Sell-Side?  
Author: **Stefan Morkeotter**, University of St. Gallen, David Oesch, University of St. Gallen  
Discussant: **Jonathan Lee**, VU University Amsterdam

Why Closed-End Funds Make Open Market Repurchases?  
Authors: Susanne Espenlaub, Manchester Business School, Arif Khurshed, Manchester Business School, and **Tianna Yang**, Manchester Business School  
Discussant: **Frederick Bereskin**, University of Delaware

What Drives Contagion in Financial Markets? Liquidity Effects versus Information Spillover  
Authors: **Lars Helge Hass**, WHU - Otto Beisheim School of Management, Christian Koziol, University of Hohenheim, Denis Schweizer, WHU - Otto Beisheim School of Management  
Discussant: **Wenxuan Hou**, Durham University

The Effect of Market Structure on Counterparty Risk  
Author: **Dale Rosenthal**, University of Illinois at Chicago  
Discussant: **Dan Li**, York University and The University of Hong Kong School of Business
### Session G1

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Performance Persistence in Private Equity Funds  
**Author:** Ji-Woong Chung, Chinese University of Hong Kong  
**Discussant:** Otso Manninen, Aalto University

The Choice between Informal and Formal Restructuring: The Case of French Banks Facing Distressed SMEs  
Regis Blazy, University of Strasbourg, Joceyln Martel, ESSEC Business School, Nirjhar Nigam, University of Luxembourg/Strasbourg  
**Discussant:** Po-Hsuan Hsu, University of Connecticut

The Valuation of Considerations by Conflicting Shareholders in the Split Share Structure Reform  
**Authors:** Wenxuan Hou, Durham University  
**Discussant:** Zhenyu Wu, University of Saskatchewan

Private Equity Benchmarks and Portfolio Optimization  
**Authors:** Douglas Cumming, York University, Schweizer, WHU - Otto Beisheim School of Management, Lars Helge Hass, WHU - Otto Beisheim School of Management  
**Discussant:** Celso Brunetti, Johns Hopkins University

### Session G2

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<td>Hefei Wang, University of Illinois and Chicago</td>
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Risk, Return and Cash Flow Characteristics of Infrastructure Fund Investments  
**Authors:** Florian Bitsch, Technische Universität München, Axel Buchner, Technische Universität München, Christoph Kaserer, Technische Universität München,  
**Discussant:** Hefei Wang, University of Illinois and Chicago

The Cost of Sustainability on Optimal Portfolio Choices  
**Author:** Stefano Herzel, University of Rome, Tor Vergata, Marco Nicolosi, University of Perugia, Catalin Starica, University of Neuchatel,  
**Discussant:** Alexander Groh, EMLyon Business School

Will Alternative UCITS Ever Be Loved Enough to Replace Hedge Funds?  
**Authors:** Erik Wallerstein, Geneva School of Business Administration, Nils Tuchschmid, Geneva School of Business Administration, and Louis Zanolin, NARA Capital S.A.  
**Discussant:** Dale Rosenthal, University of Illinois at Chicago

Investor Horizons and Corporate Policies  
**Author:** Francois Derrien, HEC Paris, Ambrus Kecskes, Virginia Tech, and David Thesmar, HEC Paris  
**Discussant:** Ari Pandes, University of Calgary

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**END OF CONFERENCE**