

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



Schulich
School of Business
York University

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

8:00 – 9:30

Presentations – 2 parallel sessions

Sessions A1, A2

Session A1	Venture Capital and Private Equity 1	Room:
Chair:	John Doukas, Old Dominion University	W136

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

Session A2	ETFs and Real Estate	Room:
Chair:	Nils Tuchschnid, Geneva School of Business Administration	W133

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

Session B1	Venture Capital and Private Equity 2	Room:
Chair:	Denis Schweizer, WHU - Otto Beisheim School of Management	W136

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**

Session B2	Sovereign Wealth Funds and OPEC	Room:
Chair:	Pauline Shum, York University	W133

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 Büyüksahin, International Energy Agency, and Kirsten R. Sonesson, 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:
Chair:	Robert Pinheiro, University of Colorado	W136

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 Investmentys

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:
Chair:	Marc Steffen, Technische Universität München	W133

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

15:20 – 17:20

Presentations – 2 parallel sessions

Sessions D1, D2

Session D1	Hedge Funds 1	Room:
Chair:	Joseph P. Ogden, SUNY Buffalo	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	Room:
Chair:	Wenxuan Hou, Durham University	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 Kraeusl, 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

17:30 – 18:30

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”

Room: W136

19:00

Dinner and Jazz Band

Location: Schulich Dining Room

Saturday, 9 April 2011

8:30 – 10:00

Presentations – 2 parallel sessions

Sessions E1, E2

Session E1	Venture Capital and Private Equity 4	Room:
Chair:	Ming Dong, York University	W136

Private Equity – Blessing or Curse? The Case of IPOs

Authors: **Christian Rauch, Goethe University Frankfurt**, Timo Litty, Goethe University Frankfurt, Mark Wahrenburg, Goethe University Frankfurt, Andreas Hackethal, University of Frankfurt

Discussant: *Po-Hsuan Hsu, University of Connecticut*

Venture Capital and Underpricing: Capacity Constraints and Early Sales

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

Discussant: *Markus Taussig, Harvard Business School*

Are Private Equity Investors Governance Champions or Simply Stock Picking Specialists?

Authors: **Marc Steffen, Technische Universität München**, Matthias Kroker, Technische Universität München, Michael Wolff, University of Mainz

Discussant: *Michael Robinson, University of Calgary*

Session E2	Hedge Funds 2	Room:
Chair:	Gavin Cassar, University of Pennsylvania	W133

Who Benefits from Funds of Hedge Funds?

Authors: **Joseph P. Ogden, SUNY Buffalo**, Yang Cao, SUNY Buffalo, and Cristian I. Tiu, SUNY Buffalo

Discussant: *Gavin Cassar, University of Pennsylvania*

Do Hedge Funds Supply or Demand Liquidity

Authors: Petri Jylha, Aalto University, **Kalle Rinne, Aalto University**, and Matti Suominen, Aalto University

Discussant: *Si Li, Wilfred Laurier University*

Directional and Non-Directional Risk Exposures in Hedge Fund Returns

Authors: **Marie Lambert, Maastricht University**, Georges Hubner, HEC Management School of the University of Liège, and Maastricht University, and Nicolas Papageorgiou, HEC Montreal

Discussant: *Petri Jylha, Aalto University*

Compensation Options, Managerial Incentives, and Risk Taking in Hedge Funds

Authors: **Ying Li, University of Washington Bothell**, Steven Holland, University of Washington Bothell, Hossein Kazemi, University of Massachusetts, Amherst

Discussant: *Kalle Rinne, Aalto University*

10:00 – 10:20

Coffee Break

Schulich Dining Room

10:20 – 11:50

Presentations – 2 parallel sessions

Sessions F1, F2

Session F1	Venture Capital and Private Equity 5	Room:
Chair:	Zhenyu Wu, University of Saskatchewan	W136

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**

Session F2	Financial Markets	Room:
Chair:	Petri Jylha, Aalto University	W133

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**

11:50 – 13:00

Lunch

Schulich Dining Room

13:00 – 15:00

Presentations – 2 parallel sessions

Sessions G1, G2

Session G1	Venture Capital and Private Equity 6, Regulation, and Banks	Room:
Chair:	Markus Taussig, Harvard Business School	W136

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	Fund Management	Room:
Chair:	Hefei Wang, University of Illinois and Chicago	W133

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 Tuchschnid, 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*

END OF CONFERENCE