

EUROPEAN FINANCIAL MANAGEMENT



Symposium Asset Management

April 12–14th, 2012
Hamburg, Germany

Keynote Speakers:

Elroy Dimson, London Business School
Wayne Ferson, University of Southern California
Laura Starks, University of Texas at Austin

Symposium Chairs:

Wolfgang Drobetz, University of Hamburg
Wolfgang Bessler, Justus-Liebig-University Giessen
John Doukas, Old Dominion University



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Location

Old Stock Exchange / Hamburger Börse
Hamburg Chamber of Commerce / Handelskammer
Adolphsplatz 1
20457 Hamburg
Germany



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Verein zur Förderung der wissenschaftlichen Aus- und Fortbildung im Bereich der Bank- und Finanzwirtschaft e.V.
University of Hamburg, Faculty of Business, Economics and Social Sciences

Keynote Speakers:



Elroy Dimson is Leverhulme Emeritus Fellow at London Business School, Visiting Professor at Cambridge Judge Business School, and Chairman of the Strategy Council for the Norwegian Government Pension Fund. He previously served London Business School as Professor of Finance, Faculty Governor, Chair of the Finance and of the Accounting areas, Dean of MBA Programmes, and Director of the Initiative on Foundation and Endowment Asset Management. He has been an Associate Editor of *Journal of Finance*, *Review of Finance* and other journals, and is co-author of *Triumph of the Optimists*, the *Global Investment Returns Yearbook 2012* and the *Global Investment Returns Sourcebook 2012* with P. Marsh and M. Staunton, and of *Endowment Asset Management* with Shanta Acharya.

Elroy was President of the European Finance Association. He has been awarded Honorary Fellowship of the UK Society of Investment Professionals, Honorary Fellowship of the Institute of Actuaries, and the CFA Institute's 2012 James Vertin Award. Elroy's research blends the themes of long-term financial market performance and endowment asset management. His most recent publications in *Journal of Finance* and *Journal of Financial Economics* focused on IPO pricing and returns over the last 100 years. A co-designer of the FTSE 100 index, Elroy is a member of the advisory boards of the FTSE Group, CFA Institute, and Russell Investments. As well as his role with the Norwegian Government Pension Fund, he serves on the investment committees of Guy's and St Thomas' Charity, the University of London endowment, and UnLtd (Foundation for Social Entrepreneurs).



Wayne Ferson is the Ivadelle and Theodore Johnson Professor of Banking and Finance, Marshall School of Business at the University of Southern California. Previously, he held the Collins Chair in Finance at Boston College and was the Pigott PACCAR Professor at the University of Washington. He also was a Visiting Professor at Stanford University, Arizona State University, the University of Miami, and the University of South Carolina, Assistant Professor at the Wharton School, and Assistant and Associate Professor at the University of Chicago. His research is related to investment performance evaluation, mutual funds, asset pricing, and empirical methods. He has received several awards for his research including the Graham and Dodd Scrolls Best Paper Award from the *Financial Analysts Journal* and the Berstein Fabozzi/Jacobs Levy Best Paper Award from the *Journal of Portfolio Management*. In addition, he was several times a Smith-Breeden Prize Nominee.

Wayne is the founding Editor of the *Review of Asset Pricing Studies*, and he served as an Editor of the *Review of Financial Studies* and the *Journal of Empirical Finance* as well as an Associate Editor for various other leading academic journals. He was President of the Society of Financial Studies and the Western Finance Association as well as a Director of the American Finance Association. He has been doing extensive consulting in the asset management industry, including a long-term appointment with Frank Russell Company.



Laura Starks is the Associate Dean for Research, the Charles E. and Sarah M. Seay Regents Chair of Finance, and the Director of the AIM Investment Center at the McCombs School of Business at the University of Texas at Austin. Her recent research focuses on corporate governance, including executive compensation and the role of institutional investors in corporate governance. She also conducts research on mutual funds and the effects of institutional investors in financial markets. She has received a number of awards for her research including the Smith Breeden Distinguished Paper Award from the *Journal of Finance*, the Western Finance Association Best Paper in Corporate Finance Award, the 2003 and 2004 FMA European Meeting Best Paper Award, the 2004 Fama-DFA Second Prize from the *Journal of Financial Economics* and the 2010 China International Conference in Finance TCW Best Paper Award. She was named a Fellow of the FMA in 2002.

Laura is a co-Editor of the *Review of Financial Studies* and has served as Associate Editor of a number of finance journals. She has also served on the Board of Directors of the three national academic finance organizations: the American Finance Association, the Western Finance Association, and the Financial Management Association, where she also served as president. She is an independent director for CREF Retirement Accounts and TIAA-CREF Mutual Funds and has served on the Investment Advisory Committee for the Employees Retirement System of the State of Texas since 1990, including four years as Chairman of the Committee. She serves on the Governing Council of the Independent Directors Council where she is Chairman of the Governance Committee.


HANDELSKAMMER HAMBURG



Program Day 1: Opening Session

Thursday, April 12th, 2012

16:00, Registration, Albert-Schäfer-Saal

16:45 – 17:15		Official Welcome Fritz Horst Melsheimer Chairman, Finanzplatz Hamburg e.V. and President of the Hamburg Chamber of Commerce Wolfgang Drobetz, University of Hamburg	Albert-Schäfer-Saal
17:15 – 18:15		Keynote Speech “Investment Strategies for Large, Long-Horizon Investors” Elroy Dimson, London Business School	Albert-Schäfer-Saal
18:30 – 20:00		Panel Discussion “Current Trends in Asset Management” Moderator: Wolfgang Bessler, Justus-Liebig-University Giessen Heinz Hockmann, Chairman of the Board, Silk Invest London Lawrence Kryzanowski, Concordia University Montréal Andreas Sauer, Partner, CEO & CIO, Quoniam Asset Management GmbH Laura Starks, University of Texas at Austin	Albert-Schäfer-Saal
20:00, Dinner Reception, Albert-Schäfer-Saal			

Program Day 2: Presentations – 2 Parallel Sessions

Friday, April 13th, 2012

8:00 – 9:30, Room: Elbe-Zimmer

Session A1: Hedge Funds
Chair: Jerry Parwada (University of New South Wales)
Higher-Moment Risk Exposures in Hedge Funds Georges Hübner (University of Liège) <u>Marie Lambert (University of Maastricht)</u> Nicolas Papageorgiou (HEC Montréal) Discussant: Nic Schaub (University of Mannheim)
The Valuation of Hedge Funds' Equity Positions Gjergji Cici (The College of William & Mary) Alexander Kempf (University of Cologne) <u>Alexander Puetz (University of Cologne)</u> Discussant: Jerry Parwada (University of New South Wales)
Flows, Price Pressure, and Hedge Fund Returns <u>Katja Ahoniemi (Aalto University)</u> Petri Jylhä (Aalto University) Discussant: Markus Schmid (University of Mannheim)
9:30 – 10:00, Coffee Break, Old Stock Exchange Gallery

8:00 – 9:30, Room: Merkur-Zimmer

Session A2: Performance Measurement I
Chair: Alexander Kempf (University of Cologne)
Individual Investor Activity and Performance Magnus Dahlquist (Stockholm School of Economics) <u>Paul Söderlind (University of St. Gallen)</u> Jose Vicente-Martinez (University of Oxford) Discussant: Gerry Abdesaken (Bocconi University)
Evaluating Mutual Fund's Alpha via Alternative Frameworks: Some New Evidence and Insights Sharon Garyn-Tal (Israel Institute of Technology) <u>Beni Lauterbach (Bar-Ilan University)</u> Discussant: Roger Otten (University of Maastricht)
Can Large Pension Funds Beat the Market? Asset Allocation, Market Timing, Security Selection, and the Limits of Liquidity Aleksandar Andonov (University of Maastricht) <u>Rob Bauer (University of Maastricht)</u> Martijn Cremers (Yale School of Management) Discussant: Lawrence Kryzanowski (Concordia University)
9:30 – 10:00, Coffee Break, Old Stock Exchange Gallery

Program Day 2: Presentations – 2 Parallel Sessions

Friday, April 13th, 2012

10:00 – 11:30, Room: Elbe-Zimmer

Session B1: Mutual Funds I

Chair: Markus Schmid (University of Mannheim)

What Style-Timing Skills Do Mutual Fund “Stars” Possess?

Andrew Adams (Heriot-Watt University)

Li-Wen Chen (National Chung Cheng University)

Richard Taffler (Warwick Business School)

Discussant: Tristan Roger (University of Grenoble)

Explaining Differences in Mutual Fund Performance Persistence

Joop Huij (Rotterdam School of Management)

Simon Lansdorp (Robeco Quantitative Strategies)

Discussant: Marco Wilkens (University of Augsburg)

Capacity Effects and Winner Fund Performance: The Relevance and Interactions of Fund and Family Characteristics

Wolfgang Bessler (Justus-Liebig-University Giessen)

Lawrence Kryzanowski (Concordia University)

Philipp Kurmann (Justus-Liebig-University Giessen)

Peter Lückoff (Boston Consulting Group)

Discussant: Stephen Sapp (University of Western Ontario)

10:00 – 11:30, Room: Merkur-Zimmer

Session B2: Asset Pricing I

Chair: Paul Söderlind (University of St. Gallen)

Extreme Dependence Structures and the Cross-Section of Expected Stock Returns

Stefan Ruenzi (University of Mannheim)

Florian Weigert (University of Mannheim)

Discussant: Thomas Kim (University of California, Riverside)

Time-Varying Asset Valuations and Macroeconomic Uncertainty: The Role of Inflation, Monetary Policy and Macroeconomic Conditions

Tatjana-Xenia Puhon (University of Zürich)

Discussant: Paul Söderlind (University of St. Gallen)

Analysts’ Optimism in Earnings Forecasts and Biases in Estimates of Implied Cost of Equity Capital and Long-Run Growth Rate

David Ashton (Bristol University)

Alan Gregory (Exeter University)

Pengguo Wang (Exeter University)

Discussant: Andreas Walter (Justus-Liebig-University Giessen)

11:30 – 12:30, Room: Merkur-Zimmer



Keynote Speech

“Ruminations on Performance Measurement”

Wayne Ferson, University of Southern California

12.30 – 13.30, Lunch, Old Stock Exchange Gallery

Program Day 2: Presentations – 2 Parallel Sessions

Friday, April 13th, 2012

13:30 – 15:00, Room: Elbe-Zimmer

Session C1: Trading Strategies I
Chair: Wolfgang Aussenegg (Vienna University of Technology)
<p>Trading Behavior of Style and Multi-Style Investors Douglas Blackburn (Fordham University) William Goetzmann (Yale University) <u>Andrey Ukhov (Cornell University)</u> Discussant: Simon Lansdorp (Robeco Quantitative Strategies)</p> <p>Northern Exposure: How Canadian Small Stock Investments Can Benefit Investors Stephen Foerster (University of Western Ontario) Lionel Fogler (Kingwest & Company) <u>Stephen Sapp (University of Western Ontario)</u> Discussant: Harald Lohre (Deka Investment GmbH)</p> <p>Losing Sight of the Trees for the Forest? Pairs Trading and Attention Shifts <u>Heiko Jacobs (University of Mannheim)</u> Martin Weber (University of Mannheim) Discussant: Astrid Salzmann (RWTH Aachen University)</p>
15:00 – 15:30, Coffee Break, Old Stock Exchange Gallery

13:30 – 15:00, Room: Merkur-Zimmer

Session C2: Portfolio Choice I
Chair: Ruslan Goyenko (McGill University)
<p>Approximations for Large Scale Dynamic Optimal Portfolios Policies and Applications Tony Berrada (University of Geneva) Julien Hugonnier (École Polytechnique Fédérale de Lausanne) <u>Kagba Kousse (University of Geneva)</u> Discussant: Ruslan Goyenko (McGill University)</p> <p>Portfolio Optimization Using Forward-Looking-Information <u>Alexander Kempf (University of Cologne)</u> Olaf Korn (Georg-August University of Göttingen) Sven Saßning (Georg-August University of Göttingen) Discussant: Joop Huji (Rotterdam School of Management)</p> <p>A Jackknife-Type Estimator for Portfolio Revision Roland Füss (European Business School) <u>Felix Miebs (European Business School)</u> Fabian Trübenbach (European Business School) Discussant: Kagba Kousse (University of Geneva)</p>
15:00 – 15:30, Coffee Break, Old Stock Exchange Gallery

Program Day 2: Presentations – 2 Parallel Sessions

Friday, April 13th, 2012

15:30 – 17:00, Room: Elbe-Zimmer

Session D1: International Investments

Chair: Thomas Kim (University of California, Riverside)

Multi-Asset Portfolio Optimization and Out-of-Sample Performance: An Evaluation of Black-Litterman, Mean Variance and Naïve Diversification Approaches

Wolfgang Bessler (Justus-Liebig-University Giessen)

Heiko Opfer (Deka Investment GmbH)

Dominik Wolff (Justus-Liebig-University Giessen)

Discussant: Arne Klein (University of Münster)

Do Voluntary Investor Protection Mechanisms Spread to High or Low Quality Legal Regimes?

Douglas Cumming (University of York)

Gael Imad'Eddine (Université Lille Nord de France)

Armin Schwienbacher (Université Lille Nord de France)

Discussant: Moritz Felde (RWTH Aachen University)

The Determinants of International Commercial Real Estate Investments

Alexander Groh (EMLYON Business School)

Karsten Lieser (IESE Business School)

Discussant: Daniil Wagner (Justus-Liebig-University Giessen)

15:30 – 17:00, Room: Merkur-Zimmer

Session D2: Bonds and Balanced Strategies

Chair: Andrey Ukhov (Cornell University)

Common Factors in the Performance of European Corporate Bonds: Evidence before and after Financial Crisis

Wolfgang Aussenegg (Vienna University of Technology)

Lukas Götz (UNIQUA Finanz-Service GmbH)

Ranko Jelic (University of Birmingham)

Discussant: Philipp Kurmann (Justus-Liebig-University Giessen)

Bond Fund Disappearance: What's Return Got to Do with It?

Martin Rohleder (University of Augsburg)

Hendrik Scholz (University of Erlangen-Nürnberg)

Marco Wilkens (University of Augsburg)

Discussant: Teodor Dyakov (Rotterdam School of Management)

Testing Rebalancing Strategies for Stock-Bond Portfolios: Where Is the Value Added of Reblancing?

Hubert Dichtl (alpha portfolio advisors GmbH)

Wolfgang Drobetz (University of Hamburg)

Martin Wambach (University of Hamburg)

Discussant: Rob Bauer (University of Maastricht)

17:15 – 18:15, Room: Albert-Schäfer-Saal



Keynote Speech

"Investment Company Flows: Causes and Consequences"

Laura Starks, University of Texas at Austin

20:00, Gala Dinner, Hotel Hafen Hamburg

Program Day 3: Presentations – 2 Parallel Sessions

Saturday, April 14th, 2012

9:00 – 10:30, Room: Elbe-Zimmer

Session E1: Hedge Funds and Style Analysis

Chair: Lawrence Kryzanowski (Concordia University)

Hedge Fund Liquidity and Performance: Evidence from the Financial Crisis

Tobias Maier (University of Mannheim)

Nic Schaub (University of Mannheim)

Markus Schmid (University of Mannheim)

Discussant: Marie Lambert (University of Maastricht)

Where Do Hedge Fund Managers Come from? Past Employment Experience and Managerial Performance

Nicolas Papageorgiou (HEC Montréal)

Jerry Parwada (University of New South Wales)

Kian Tan (University of New South Wales)

Discussant: Katja Ahoniemi (Aalto University)

Complementary or Contradictory? Combining Returns Based and Characteristics Based Investment Style Analysis

Andrew Mason (University of Surrey)

Frank McGroarty (University of Southampton)

Stephen Thomas (Cass Business School)

Discussant: Pengguo Wang (Exeter University)

9:00 – 10:30, Room: Merkur-Zimmer

Session E2: Performance Measurement II

Chair: Rob Bauer (University of Maastricht)

On the Precision of Public Information and Mutual Fund Performance

Gerry Abdesaken (Bocconi University)

Discussant: Wolfgang Aussenegg (Vienna University of Technology)

The Performance of Small Cap Mutual Funds: Evidence from the UK

Roger Otten (University of Maastricht)

Martin Reijnders (University of Maastricht)

Discussant: Martin Wambach (University of Hamburg)

A Generalization of the Calendar Time Portfolio Approach and the Performance of Private Investors

Daniel Höchle (University of Basel)

Markus Schmid (University of Mannheim)

Heinz Zimmermann (University of Basel)

Discussant: Beni Lauterbach (Bar-Ilan University)

10:30 – 11:00, Coffee Break, Old Stock Exchange Gallery

Program Day 3: Presentations – 2 Parallel Sessions

Saturday, April 14th, 2012

11:00 – 12:30, Room: Elbe-Zimmer

Session F1: Mutual Funds II

Chair: Stephen Sapp (University of Western Ontario)

US Mutual Fund M&As

Ines Gargouri (Concordia University)

Lawrence Kryzanowski (Concordia University)

Discussant: Andrey Ukhov (Cornell University)

Front-Running of Mutual Fund Fire-Sales

Teodor Dyakov (Rotterdam School of Management)

Marno Verbeek (Rotterdam School of Management)

Discussant: Andrew Mason (University of Surrey)

Sex Matters: Gender and Prejudice in the Mutual Fund Industry

Alexandra Niessen-Ruenzi (University of Mannheim)

Stefan Ruenzi (University of Mannheim)

Discussant: Gael Imad'Eddine (Université Lille Nord de France)

11:00 – 12:30, Room: Merkur-Zimmer

Session F2: Asset Pricing II

Chair: Beni Lauterbach (Bar-Ilan University)

Are Order Imbalances Related to Information?

Thomas Kim (University of California, Riverside)

Hans Stoll (Vanderbilt University)

Discussant: Alexander Kempf (University of Cologne)

Treasury Liquidity and Funding Liquidity:

Evidence from Stock and Mutual Fund Returns

Ruslan Goyenko (McGill University)

Discussant: Tatjana Puhan (University of Zurich)

Short-Sale Constraints and the Likelihood of Crashes and Bubbles

Martin Bohl (University of Münster)

Arne Klein (University of Münster)

Discussant: Felix Miebs (European Business School)

12:30 – 13:30, Lunch, Old Stock Exchange Gallery

Program Day 3: Presentations – 2 Parallel Sessions

Saturday, April 14th, 2012

13:30 – 15:00, Room: Elbe-Zimmer

Session G1: Trading Strategies II
Chair: Stefan Ruenzi (University of Mannheim)
The SEC's Publication of an Online Tool of Detecting Firms Doing Business in Countries Designated as State Sponsors of Terrorism Wolfgang Breuer (RWTH Aachen University) Moritz Felde (RWTH Aachen University) Discussant: Alexander Puetz (University of Cologne)
Short-Term Residual Reversal David Blitz (Robeco Quantitative Strategies) Joop Huij (Rotterdam School of Management) <u>Simon Lansdorp (Robeco Quantitative Strategies)</u> Marno Verbeek (Rotterdam School of Management) Discussant: Florian Weigert (University of Mannheim)
Diversifying Risk Parity <u>Harald Lohre (Deka Investment GmbH)</u> Heiko Opfer (Deka Investment GmbH) Gabor Orszag (Deka Investment GmbH) Discussant: Andrew Adams (Heriot-Watt University)

13:30 – 15:00, Room: Merkur-Zimmer

Session G2: Portfolio Choice II
Chair: Marco Wilkens (University of Augsburg)
What Drives Herding Behavior of Individual Investors? Maxime Merli (University of Strasbourg) <u>Tristan Roger (University of Grenoble)</u> Discussant: Alexander Groh (EMLYON Business School)
Geographic Investment Focus and Its Impact on Herd Behavior: Evidence from the German Equity Fund Market <u>Alexander Franck (Justus-Liebig-University Giessen)</u> Andreas Walter (Justus-Liebig-University Giessen) Discussant: Heiko Jacobs (University of Mannheim)
Risk Aversion vs. Individualism: What Drives Risk Taking in Household Finance? Wolfgang Breuer (RWTH Aachen University) Michael Riesener (RWTH Aachen University) <u>Astrid Salzmann (RWTH Aachen University)</u> Discussant: Alexandra Niessen-Ruenzi (University of Mannheim)



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