

Frontiers of Factor Investing

Lancaster University, UK, April 23 – 24, 2018

PROGRAMME

Presentations: 25 minutes followed by 5 minutes general discussion

Session chairs and presenters should meet 10 minutes before the start of the session to set up their talks.

Monday – 23rd April 2018

8:30-8:50 Registration/Coffee

8:50-9:00 **Opening Remarks: Angus Laing, Dean of Lancaster University Management School**

SESSION 1 (Plenary)
Chair: Harald Lohre

9:00-10:00 **Keynote Speech**

Room: Conference Suite 2

Marie Brière, Amundi Asset Management & Paris Dauphine University

Title: What do we know about factor investing?

10:00-10:15 Refreshment Break

SESSION 2 (Parallel)

10:15-12:15 **Parallel Session 2A: Empirical Asset Pricing I: Factors**

Room: Conference Suite 2

Chair: Tatyana Marchuk

Söhnke Bartram, Warwick University

Global Market Inefficiencies (with Mark Grinblatt, UCLA Anderson School of Management)

Alex R. Horenstein, University of Miami

Betting Against Alpha

Tatyana Marchuk, BI Norwegian Business School

The Financial Intermediation Premium in the Cross Section of Stock Returns

Mamdouh Medhat, Cass Business School

Dissecting Announcement Returns (with Maik Schmeling, Cass Business School)

10:15-12:15 **Parallel Session 2B: Factor Investing: Time-varying risk premia and factor timing**

Room: Conference Suite 3

Chair: Carsten Rother

Hugues Langlois, HEC Paris

Time-varying Risk Premia in Large International Equity Markets (with Olivier Scaillet, University of Geneva and Ines Chaieb, University of Geneva)

Paulo Maio, Hanken School of Economics

Managing the risk of the “betting-against-beta” anomaly: does it pay to bet against beta? (with Pedro Barroso, University of New South Wales)

Andrea Tamoni, London School of Economics

Value Timing: Risk and Return Across Asset Classes (with Fahiz Baba Yara, Nova SBE and Martijn Boons, Nova SBE)

Carsten Rother, Invesco/University of Hamburg

Optimal Timing and Tilting of Equity Factors (with Hubert Dichtly, University of Hamburg, Wolfgang Drobetz, University of Hamburg, Harald Lohre, Invesco/EMP and Patrick Vosskampk, Allianz Global Investors)

10:15-12:15

Parallel Session 2C: Empirical Asset Pricing II: Institutional Investors

Room: Bailrigg

Chair: Caio Natividade

Matthijs Lof, Aalto University

Slow Trading and Stock Return Predictability (with Allaudeen Hameed, National University of Singapore and Matti Suominen, Aalto University)

Kalle Rinne, Luxembourg Institute of Science and Technology

Dash for Cash: Monthly Market Impact of Institutional Liquidity Needs (with Erkko Etula, Goldman Sachs, Matti Suominen, Aalto University and Lauri Vaittinen, Mandatum Life)

Matthijs Breugem, University of Turin

Institutional Investors and Information Acquisition: Implications for Asset Prices and Informational Efficiency (with Adrian Buss, INSEAD)

Caio Natividade, Deutsche Bank

Protect, Diversify or Track Your Core (with Vivek Anand, Jacopo Capra, Spyros Mesomeris, Andy Moniz, James Osiol, Aris Tentes and Paul Ward, Deutsche Bank)

12:15-13:15

Lunch and Poster Session I

Venue: Conference Suite 1

SESSION 3 (Plenary)

Chair: Sandra Nolte

13:15-14:15

Keynote Speech

Room: Conference Suite 2

Michael Fraikin, Invesco Quantitative Strategies

Title: Factor Investing. A practitioner's perspective

14:15-14:30

Refreshment Break

SESSION 4 (Parallel)

14:30-16:00

Parallel Session 4A: Econometric Methods I: Asset pricing models

Room: Conference Suite 2

Chair: Nora Laurinaityte

Robert Korajczyk, Northwestern University

Large Sample Estimators of the Stochastic Discount Factor (with Soohun Kim, Georgia Institute of Technology)

Georgios Skoulakis, University of British Columbia

Testing Ex-post Implications of Asset Pricing Models using Individual Stocks (with Soohun Kim, Georgia Institute of Technology)

Nora Laurinaityte, Goethe University

Elephants and the Cross-Section of Expected Returns (with Christoph Meinerding, Deutsche Bundesbank, Christian Schlag, Goethe University Frankfurt and Julian Thimme, Goethe University Frankfurt)

14:30-16:00

Parallel Session 4B: Empirical Asset Pricing III: Low risk anomalies

Room: Conference Suite 3

Chair: Christian Wagner

Ivo Kuiper, Kempen Capital Management

Does interest rate exposure explain the low-volatility anomaly (with Joost Driessen, Tilburg University and Robbert Beilo, Tilburg University)

Onno Kleen, Heidelberg University

Volatility Forecasting for Low-Volatility Investing (with Christian Conrad, Heidelberg University and Fabian Krüger, Heidelberg University)

Christian Wagner, Copenhagen Business School

Low Risk Anomalies? (with Paul Schneider, University of Lugano and Josef Zechner, WU Vienna)

14:30-16:00 **Parallel Session 4C: Commodity Investing**

Room: Bailrigg

Chair: Ser-Huang Poon

Joelle Miffre, Audencia Business School

Harvesting Commodity Styles: An Integrated Framework (with Adrian Fernandez-Perez, Auckland University of Technology and Ana-Maria Fuertes, Cass Business School)

Regina Hammerschmid, University of Zurich

Commodity Return Predictability

Ser-Huang Poon, University of Manchester

Ultra Short Tenor Yield Curves For High-Frequency Trading and Blockchain Settlement (with Anton Golub, Lykke Corp and Lidan Grossmass, University of Düsseldorf)

16:15-16:30 Refreshment Break

SESSION 5 (Parallel)

16:30-18:00 **Parallel Session 5A: Empirical Asset Pricing IV**

Room: Conference Suite 2

Chair: Ricardo Barahona

Lorenzo Schönleber, Frankfurt SFM

Expected Stock Returns and the Correlation Risk Premium (with Grigory Vilkov, Frankfurt SFM and Adrian Buss, INSEAD)

Walter Distaso, Imperial College

Jump risk and pricing implications (with Nancy Zambon, University of Padua and Massimiliano Caporin, University of Padua)

Ricardo Barahona, Tilburg University

Can unpredictable risk exposure be priced? (with Joost Driessen, Tilburg University and Rik Frehen, Tilburg University)

16:30-18:00 **Parallel Session 5B: Econometric Methods II: Portfolio optimisation**

Room: Conference Suite 3

Chair: Ekaterina Kazak

Mengmeng Ao, Xiamen University

Solving the Markowitz Optimization Problem for Large Portfolios (with Yingying Li, HKUST and Xinghua Zheng, HKUST)

Chulwoo Han, Durham University

Turnover Minimization: A Versatile Shrinkage Portfolio Estimator

Ekaterina Kazak, University of Konstanz

Portfolio Pretesting with Machine Learning (with Winfried Pohlmeier, University of Konstanz)

16:30-18:00 **Parallel Session 5C: Empirical Asset Pricing V**

Room: Bailrigg

Chair: Alex Weissensteiner

Olga Kolokolova, University of Manchester

Is it Efficient to Buy the Index? A Worldwide Tour with Stochastic Dominance (with Olivier Le Courtois, Emlyon Business School and Xia Xu, Emlyon Business School)

Richard Payne, Cass Business School

The Skewness of the Stock Market at Long Horizons (with Anthony Neuberger, Cass Business School)

Alex Weissensteiner, Free University of Bozen-Bolzano

Long-term asset allocation under time-varying investment opportunities: Optimal portfolios with parameter and model uncertainty (with Thomas Dangl, TU Wien)

Monday – 23rd April 2018
Conference Dinner – Lancaster House Hotel
(on campus, opposite the Management School)

19:15 Drinks Reception

19:30 **Conference Dinner**
 Best Paper Award: Invesco IQS Factor Investing Prize

Lancaster House Hotel
Green Lane
Ellel, Lancaster
Lancashire
LA1 4GJ

Tuesday – 24th April 2018

8:30-8:50 Refreshments

SESSION 6 (Plenary)

Chair: Alberto Martin-Utrera

9:00-10:00 **Keynote Speech**

Room: Conference Suite 2

Raman Uppal, EDHEC Business School

Title: A Portfolio Perspective on the Multitude of Firm Characteristics

10:00-10:15 Refreshment Break

SESSION 7 (Parallel)

10:15-12:15 **Parallel Session 7A: Empirical Asset Pricing VI: Fixed income investing**

Room: Conference Suite 2

Chair: Demir Bektic

Martin Martens, Robeco

Carry Investing on the Yield Curve (with Paul Beekhuizen, Robeco, Johan Duyvesteyn, Robeco and Casper Zomerdijk, Robeco)

Stig Vinther Møller, Aarhus University

Global connectedness across bond markets (with Jesper Rangvid, Copenhagen Business School)

Mary Pieterse-Bloem, ABN AMRO Bank/Erasmus School of Economics

Dynamic Portfolio Strategies in the European Corporate Bond Market (with Willem F C Verschoor, Vrije University, Zhaowen Qian, Erasmus School of Economics and Remco Zwinkels, University of Amsterdam)

Demir Bektic, Darmstadt University of Technology

Extending Fama-French Factors to Corporate Bond Markets (with Josef-Stefan Wenzler, Deka Investment, Michael Wegener, Deka Investment, Dirk Schiereck, Darmstadt University of Technology and Timo Spielmann, Deka Investment)

10:15-12:15 **Parallel Session 7B: Option markets and asset prices**

Room: Conference Suite 3

Chair: Ohad Kadan

Kevin Aretz, University of Manchester

The Early Exercise Risk Premium (with Ian Garrett, University of Manchester and Adnan Gazi, University of Manchester)

Konstantinos Gkionis, University of Manchester

Risk-Neutral Skewness and Stock Outperformance (with Alexandros Kostakis, University of Manchester, George Skiadopoulos, Queen Mary University of London and Przemyslaw S Stilger, University of Manchester)

Roméo Tédongap, ESSEC Business School

Variance Premium, Downside Risk, and Expected Stock Returns (with Bruno Feunou, Bank of Canada, Ricardo Lopez Aliouchkin, Syracuse University and Lai Xu, Syracuse University)

Ohad Kadan, Washington University in St. Louis

A Forward-Looking Factor Model for Volatility: Estimation and Implications for Predicting Disasters (with Fang Liu, Cornell University and Xiaoxiao Tang, Washington University in St. Louis)

10:15-12:15 **Parallel Session 7C: Empirical Asset Pricing VII: Factor zoo and dividends**

Room: Bailrigg

Chair: Jac Kragt

Alexandre Rubesam, IESEG School of Management

Searching the Factor Zoo (with Soosung Hwang, Sungkyunkwan University)

Chuanping Sun, Queen Mary University of London

Regularising the factor zoo using OWL

Tomas Fiala, University of Lugano

Term and Stochasticity Risk Premia (with Paul Schneider, University of Lugano)

Jac Kragt, Tilburg University

The Valuation of Future Dividends in Cross-Sectional Models of Stock Returns

12:15-13:15 *Lunch and Poster Session II*
Venue: Conference Suite 1

SESSION 8 (Plenary)

Chair: Anastasios Kagkasis

13:15-14:15 **Keynote Speech**
Room: Conference Suite 2
Daniel Giamouridis, Bank of America Merrill Lynch
Title: Returns, Risk, and Liquidity in a Bundled Investing World

14:15-14:30 Refreshment Break

SESSION 9 (Parallel)

14:30-16:00 **Parallel Session 9A: Empirical Asset Pricing VIII: Disappearing anomalies**

Room: Conference Suite 2

Chair: Sebastian Müller

Filip Bekjarovski, Amundi/Tilburg University/Toulouse University

How do short selling costs and restrictions affect the profitability of stock anomalies

Julien Penasse, University of Luxembourg

Understanding Alpha Decay

Sebastian Müller, German Graduate School of Management and Law Heilbronn

Anomalies across the globe: Once public, no longer existent? (with Heiko Jacobs, University of Mannheim)

14:30-16:00 **Parallel Session 9B: Risk Management**

Room: Conference Suite 3

Chair: Lars Kaiser

David Happersberger, Lancaster University

Estimating Portfolio Risk for Tail Risk Protection Strategies (with Harald Lohre, Invesco/EMP and Ingmar Nolte, Lancaster University)

Lars Kaiser, Universität Liechtenstein

ESG Integration: Value, Growth and Momentum

16:15-16:30 Refreshment Break

16:30-18:00 **Parallel Session 10A: Fund Investing**

Room: Conference Suite 2

Chair: Anmar Al Wakil

Christos Argyropoulos, Lancaster University

Unveiling the Risk Profile of Fund of Funds (with Ekaterini Panopoulou, University of Kent and Spyridon Vrontos, University of Essex)

Roger Rueegg, University of Zurich

Fifty Shades of Active and Index Alpha (with Markus Leippold, University of Zurich)

Anmar Al Wakil, University Paris-Dauphine

Do Hedge Funds Hedge? New Evidence from Tail Risk Premia Embedded in Options (with Serge Darolles, University Paris-Dauphine)

16:30-18:00 **Parallel Session 10B: Empirical Asset Pricing IX: FX strategies**

Room: Conference Suite 3

Chair: Nelson Camanho

Giovanni Calice, Loughborough University

The Term Structure of Sovereign CDS and the Cross-Section Exchange Rate Predictability (with Ming Zeng, Singapore Management University)

Huichou Huang, City University of Hong Kong

Global Positioning Risk and Systematic Macro Strategies (with Lukas Menkhoff, Humboldt University of Berlin and DIW)

Nelson Camanho, UCP - Católica Lisbon School of Business and Economics

Global Portfolio Rebalancing and Exchange Rates (with Harald Hau, University of Geneva and Helene Rey, London Business School)

POSTER SESSION I**Monday – 23rd April 2018****Venue: Conference Suite 1****Filip Bekjarovski, Amundi/Tilburg University/University of Toulouse***Personal asset pricing and the premium investment framework***Daniel Borup, Aarhus University***Volatility persistence in the Realized Exponential GARCH model* (with Johna S Jakobsen, Aarhus University)**Hannes Du Plessis, University of Cape Town***Risk-Based Portfolio Sensitivity to Estimation Error* (with Paul van Rensburg, University of Cape Town)**Caio Natividade, Deutsche Bank***Volatility Risk Premium: New Dimensions* (with Silvia Stanescu, Vivek Anand, Paul Ward, Simon Carter, Pam Finelli and Spyros Mesomeris, Deutsche Bank)**Anne Opschoor, Vrije University***On the Factor Structure in Observation-driven Closed-form Copula Models* (with Istvan Barra, King London)**Georgios Skoulakis, University of British Columbia***Oil and Equity Index Return Predictability: The Importance of Dissecting Oil Price Changes* (with Haibo Jiang, Tulane University and Jinming Xue, University of Maryland)**Vinay Utham, Durham University***Investors' Activism and the Gains from Takeover Deals* (with Jie Guo, Durham University, Krishna Paudyal, Strathclyde Business School and Xiaofei Xing, University of Birmingham)**Lukas Zimmermann, University of Mannheim***Do Contented Customers Make Shareholders Wealthy? - Implications of Intangibles for Security Pricing* (with Erik Theissen, University of Mannheim)

POSTER SESSION II**Tuesday – 24th April 2018****Venue: Conference Suite 1****Yi Cao, Nottingham University**

A neural network enhanced volatility component model (with Jia Zhai, University of Surrey and Xiaoquan Liu, University of Salford)

Sebastian Fischer, University of St. Gallen

Do mutual fund managers have risk factor timing skills? (with Manuel Ammann, University of St. Gallen and Florian Weigert, University of St. Gallen)

Sebastian Müller, German Graduate School of Management and Law Heilbronn

'...and nothing else matters? On the dimensionality and predictability of international stock returns (with Heiko Jacobs, University of Mannheim)

Bacem Rezgui, EDHEC Risk Institute

Low Volatility Factor - Analysis of the Anomaly In Different Interest Rate Environment (with Lionel Martellini, EDHEC-Risk Institute)

Lorenzo Schönleber, Frankfurt School of Finance and Management

Option-Implied Correlations, Factor Models, and Market Risk (with Grigory Vilkov, Frankfurt School of Finance and Management and Adrian Buss INSEAD)

Lili Yan, University of Essex

The Forecast Performance of the Range-based Multivariate Volatility Models? (with Neil Kellard, University of Essex and Lyudmyla Hvozdyk, University of Essex)

Shuwen Yang, University of Manchester

Consumption Betas and the Cross-Section of Option Returns (with Kevin Aretz, University of Manchester and Hening Liu, University of Manchester)