

# Mutual Funds, Hedge Funds and Factor Investing Conference

Lancaster University Management School, UK

3<sup>rd</sup> – 4<sup>th</sup> June 2019

## PROGRAMME

Presentations: 18 minutes followed by 10 minutes discussion.

Session chairs and presenters should meet 10 minutes before the start of their session in order to upload their presentations.

### Monday – 3<sup>rd</sup> June 2019

8:30-9:00 Registration/Coffee, LT2 & 3 Breakout Area

9:00-9:15 **Opening Remarks, Room LT3**  
*Mark Shackleton (Lancaster University Management School)*

Plenary  
Room : LT3

*Chair: Chelsea Yaqiong Yao (Lancaster University Management School)*

9:15-10:15 **Keynote Speech**  
**Susan Christoffersen (University of Toronto)**  
*The market impacts of passive investing*

10:15-10:30 Refreshment Break, LT2 & 3 Breakout Area

SESSION 1- **Mutual Funds and Market Efficiency**  
Room: LT3

*Chair: Spencer Martin (University of Melbourne)*

10:30-12:30 **Cheaper Is Not Better: On the Superior Performance of High-Fee Mutual Funds.**  
**Terry Zhang (University of British Columbia)**, Jinfei Sheng (University of California-Irvine), Mikhail Simutin (University of Toronto)  
**Discussant** - Nicholas Hirshey (London Business School)

*Flow-induced Trades and Asset Pricing Factors.*

**Yang Song (University of Washington)**, Shiyang Huang & Hong Xiang, (University of Hong Kong)  
**Discussant** - Paul Irvine, Texas (Christian University)

*What Do Mutual Fund Managers Private Portfolios Tell Us About Their Skills?*

**Makus Ibert (Federal Reserve System)**

**Discussant** - Yang Song (University of Washington)

*The International Active Fund Management Industry: Concentration Cross Effects.*

**David Feldman (UNSW Sydney)**, Konark Saxena (UNSW Sydney) & Jingrui Xu (Xiamen University)  
**Discussant** - Terry Zhang (University of British Columbia)

12:30-13:45 Lunch and Poster Session, Venue: LT2 & 3 Breakout Area

## Monday – 3<sup>rd</sup> June 2019 – continued

SESSION 2 - **Factor Investing**

Room: LT3

Chair: Anastasios Kagkasis (Lancaster University Management School)

13:45-15:45	<p><i>Arbitrage Portfolios.</i></p> <p><b>Soohun Kim (Scheller College of Business)</b>, Robert A. Korajczyk, (Northwestern University) &amp; Andreas Neuhierl (University of Notre Dame)</p> <p><b>Discussant</b> - Zhuo Chen (Tsinghua University)</p> <p><i>Characteristics-Based Factors.</i></p> <p><b>Zhuo Chen (Tsinghua University)</b>, Bibo Liu (Tsinghua University), Huijun Wang (University of Delaware), Zhengwei Wang &amp; Jianfeng Yu (Tsinghua University)</p> <p><b>Discussant</b> - Soohun Kim (Georgia Institute of Technology)</p> <p><i>An Integrated Approach to Currency Factor Timing.</i></p> <p><b>Ananthalakshmi Pallasena Ranganathan (Lancaster University Management School)</b>, Sandra Nolte (Lancaster University Management School), Harald Lohre (Invesco Quantitative Strategies) &amp; Houssem Braham (BlackRock)</p> <p><b>Discussant</b> - Philip Howard (Wake Forest University)</p> <p><i>Active factor completion strategies.</i></p> <p><b>Harald Lohre (Invesco Quantitative Strategies)</b>, Hubert Dichtl, Wolfgang Drobetz (University of Hamburg) &amp; Carsten Rother (Invesco Quantitative Strategies &amp; University of Hamburg)</p> <p><b>Discussant</b> - Zilong Niu (Tilburg University and CentER)</p>
-------------	--

15:45-16:00	Refreshment Break, LT2 & 3 Breakout Area
-------------	--

Plenary

Room: LT3

Chair: George Jiaguo Wang (Lancaster University Management School)

16:00-17:00	<p><b>Keynote Speech</b></p> <p><b>Russell Wermers (University of Maryland)</b></p> <p><i>Do ETFs Increase Liquidity?</i></p>
-------------	---

18:00-21:30	<p><b>Drinks Reception and Conference Dinner</b></p> <p><i>Lancaster House Hotel, Green Lane, Bailrigg, Lancaster LA1 4GJ</i></p>
-------------	---

## Tuesday - 4<sup>th</sup> June 2019

SESSION 3 - **Informed Trading**

Room: LT3

Chair: *Vikas Raman (Lancaster University Management School)*

09:00-10:30	<p><i>Trading on Overshooting.</i> <b>Min Kim (University of Texas at Austin)</b> <b>Discussant</b> - Aleksandra Rzeźnik (WU Vienna University of Economics and Business)</p> <p><i>Fast and slow arbitrage: Smart money, dumb money and mispricing in the frequency domain.</i> <b>Namho Kang (Bentley University)</b>, Xi Dong (Baruch College, CUNY) &amp; Joel Peress (INSEAD) <b>Discussant</b> - Min Kim (University of Texas at Austin)</p> <p><i>Informed Trading and Co-Illiquidity.</i> <b>Aleksandra Rzeźnik (WU Vienna University of Economics and Business)</b>, Soren Hvidkjaer (Copenhagen Business School), Massimo Massa (INSEAD) <b>Discussant</b> - Xi Dong (Baruch College, CUNY)</p>
-------------	---

10:30-10:45 Refreshment Break, LT2 & 3 Breakout Area

SESSION 4 - **ETF**

Room: LT3

Chair: *Shaun Davies (University of Colorado at Boulder)*

10:45-12:15	<p><i>Do ETFs Increase the Commonality in Liquidity of Underlying Stocks?</i> <b>Paul Hanouna (Villanova University)</b>, Vikas Agarwal (Georgia State University), Rabih Moussawi (Villanova University) &amp; Christof W. Stahe (Investment Company Institute) <b>Discussant</b> - Shaun Davies, (University of Colorado at Boulder)</p> <p><i>Short Selling Equity Exchange Traded Funds and its Effect on Stock Market Liquidity.</i> <b>Egle Karmaziene (University of Groningen)</b>, Valeri Sokolovski (HEC Montréal) <b>Discussant</b> - Paul Hanouna, (Villanova University)</p> <p><i>Investor Demand for Leverage: Evidence from Closed-End Funds and the Launch of Levered Exchange-Traded Funds.</i> <b>Shaun Davies</b>, Robert Dam &amp; Katie Moon (University of Colorado at Boulder) <b>Discussant</b> - Egle Karmaziene, (University of Groningen)</p>
-------------	---

12:15-13:30 *Lunch and Poster Session, Venue: LT2 & 3 Breakout Area*

Plenary

Room: LT3

Chair: *Mark Shackleton (Lancaster University Management School)*

13:30-14:30	<p><b>Keynote Speech</b> <b>Elroy Dimson (University of Cambridge)</b> <i>120 years of evidence on investing for the long term</i></p>
-------------	--

14:30-14:45 Refreshment Break, LT2 & 3 Breakout Area

## Tuesday – 4<sup>th</sup> June 2019 – continued

SESSION 5 - **Responsible Investments**

Room: LT3

Chair: Chelsea Yaqiong Yao (Lancaster University Management School)

14:45-16:45

*Corporate Ethical Behaviours and Firm Equity Value and Ownership: evidence from the GPFG's ethical exclusions.*

**Vaska Atta-Darkua (University of Cambridge)**

**Discussant** - Yuxiang Jiang (Southwestern University of Finance and Economics)

*In the Eyes of the beholder: Shareholder Connection and ESG Rating Inflation.*

**Jiali Yan (Lancaster University Management School)**, Mark Shackleton (Lancaster University

Management School), Dragon Yongjun Tang (The University of Hong Kong) & Chelsea Yaqiong Yao (Lancaster University Management School)

**Discussant** - Lucia Spotorno (Bocconi University)

*Mutual Fund Voting on Environmental and Social Proposals.*

**Yazhou Ellen He**, Bige Kahraman (Oxford University), Michelle Lowry (Drexel University)

**Discussant** - Vaska Atta-Darkua (University of Cambridge)

*Socially Responsible Investments: Costs and Benefits for University Endowment Funds.*

**Yuxiang Jiang (Southwestern University of Finance and Economics)**, George Aragon (Arizona State University), Juha Joenväärä (University of Oulu) & Cristian Ioan Tiu (University at Buffalo)

**Discussant** - Yazhou Ellen He (Oxford University)

16:45

**End of Conference**

**POSTER SESSION**

**Monday, 3<sup>rd</sup> June 2019 - 12:30-13:45 hrs**

**Venue: LT2 & 3 Breakout Area**

*Mutual Funds and Derivatives: Evidence from Linked Fund-Trade Data*

**Daniel Bias (Technical University of Munich)**, Claudia Guaglianob, Martin Haferkornb, (European Securities and Markets Authority), Michael Haimanna & Christoph Kaserer (Technical University of Munich)

*The impact of return shocks on mutual funds' flows: an example based on French bond mutual funds*

**Laura-Dona Capota**, Raphaëlle Bellando & Sébastien Galanti (**University of Orléans**)

*Funding Liquidity and Arbitrage Efficacy*

**Jingzhi Chen** & Yongcheol Shin (**University of York**)

*How Do Bond Investors Measure Performance? Evidence from Mutual Flows*

**Thuy Duong Dang**, Fabian Hollstein & Marcel Prokopczuk (**Leibniz University Hannover**)

*Price, Cultural Dimensions, and the Cross-Section of Expected Stock Returns*

**Ulrich Hammerich (University of Bremen)**

*Managing the Risk of Momentum*

**Steffen Windmüller** & Matthias Hanauer (**Technical University of Munich**)

*How Well Do Traders Condition on the Uniqueness of Their Signals?*

**Nicholas Hirschev (London Business School)** & Chishen Wei (Singapore Management School)

*Crowded Trades and Tail Risk*

**Philip Howard (Wake Forest University)**, Gregory Brown & Christian Lundblad (University of North Carolina)

*The Beta Anomaly and Mutual Fund Performance*

**Paul Irvine** & Jue Ren (**Texas Christian University**) & Jeong Ho Kim (Emory University)

*The Dynamic Impact of Anonymity on Unsophisticated Liquidity under Changing Information Asymmetry*

**Yijie Li (Aalto University School of Business)**

*Mutual Fund Selection for Realistically Short Samples*

**Ole Linnemann Nielsen**, Charlotte Christiansen & Niels S. Grønborg (**Aarhus University**)

*Underreaction to Macroeconomic News Announcements and the Downward-Sloping Security Market Line*

**Zilong Niu (Tilburg University and CentER)**

*Local Economic Conditions and Local Equity Preferences: Evidence from Mutual Funds during the US Housing Boom and Bust*

**Aleksandra Rzeźnik (WU Vienna University of Economics and Business)**, Ben Sand (York University) & Chandler Lutz (Copenhagen Business School)

*Fragile Factor Premia*

**Yang Song (University of Washington)**, Shiyang Huang & Hong Xiang (The University of Hong Kong)

*Willingness to Take Risk and Fund Flow Dynamics*

**Zhongyan Zhu (Monash University)** & Woon Sau Leung (The University of Edinburgh)

**POSTER SESSION**

**Tuesday, 4<sup>th</sup> June 2019 - 12:15-13:30 hrs**

**LT2 & 3 Breakout Area**

Gamma Trading Skills in Hedge Funds

**Boris Fays, Georges Hubner & Marie Lambert (University of Liege)**

*Does gender diversity impact performance and corporate social responsibility investment decisions in mutual funds?*

**Lidan Grossmass (Düsseldorf Institute of Competition Economics), Ming-Tsung Lin (De Montfort University) & Ser Huang Poon (University of Manchester)**

*What do hedge funds say?*

**Juha Joenväärä, Jari Karppinen (University of Oulu) & Cristian Tiu (University at Buffalo)**

*Peer Effects in Investment Manager Selection: Evidence from University Endowments*

**Charikleia Kaffe (University of Cambridge)**

*Revealed Heuristics: Evidence from Investment Consultants' Search Behavior*

**Soohun Kim, Sudheer Chava & Daniel Weagley (Georgia Institute of Technology)**

*Hedge Fund Performance Persistence: Do the country of domicile and the investment strategy matter?*

**William Klubinski & Thanos Verousis (University of Essex)**

*Does Intensified Letter-Communication of Hedge Funds Affect Abnormal Returns?*

**Jonas Tobias Schmitz & Andreas Oehler (University of Bamberg)**

*Does organization design affect delegated investment performance?*

**Lucia Spotorno (Bocconi University) & Giacomo Nocera (Audencia Business School)**

*Signaling or Marketing? The Role of Discount Control Mechanisms in Closed-End Funds*

**Denitsa Stefanova, Roman Kräussl (Université du Luxembourg) & Joshua Pollet (University of Illinois)**

*Investor Sentiment and the Pricing of Macro Risks for Hedge Funds*

**Xiaoquan Zhu & Zhuo Chen (Tsinghua University) & Andrea Lu (University of Melbourne)**