

## STEPHEN R. FOERSTER

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Professor of Finance

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### EDUCATIONAL BACKGROUND

1997 CFA designation – Chartered Financial Analysts Program (CFA Institute)

1987 Ph.D. in Managerial Science and Applied Economics; Finance (University of Pennsylvania)

1986 M.A. in Managerial Science and Applied Economics; Finance (University of Pennsylvania)

1981 B.A. Honors Business Administration (Western University)

### ACADEMIC EXPERIENCE

- Ivey Business School, Western University, Instructor (1981-1982), Lecturer (1982-1983), Assistant Professor of Finance (1987-1994), Associate Professor of Finance (1994-2002), Professor of Finance (2002-present)
- Director, MBA Program, Ivey Business School, Western University (2004-2007)
- The Wharton School, University of Pennsylvania, Lecturer (1984-1986)

### SELECTED HONORS & AWARDS

- Dean Stephenson Excellence in EMBA Teaching Award, Spring 2010, Fall 2010, Spring 2011, Agricultural Bank of China Class 2011, Fall 2016
- 2015 CFA Society Toronto & Hillside Canadian Investment Research Award, “Retail Financial Advice: Does One Size Fit All?” (S. Foerster, J. Linnainmaa, B. Melzer, A. Previtero)
- Ivey Teaching Innovation Award, MBA Program, 2007
- Alternative Investment Management Association of Canada 2006 Research Award, “What Drives Equity Market Neutral Hedge Fund Returns?”
- Northern Finance Association 2005 Best Paper in Valuation Award, “Dividends and Stock Valuation: A Study From the Nineteenth to the Twenty-First Century” (S. Foerster, S Sapp)
- Journal of Financial Economics “All Star Paper” Award "Finite Sample Properties of Generalized Methods of Moments in Tests of Conditional Asset Pricing Models" (W. Ferson and S. Foerster), The Journal of Financial Economics 36, August (1994)
- Northern Finance Association 2002 Best Paper in Financial Markets Award, “Second Time Lucky? Underwriting Switching and the Performance of Withdrawn IPOs that Return to the Market” (C. Dunbar and S. Foerster)
- 2000 William F. Sharpe Award for Scholarship in Financial Research, Best Paper in The Journal of Financial and Quantitative Analysis, "The Long-Run Performance of Global Equity Offerings" (S. Foerster and A. Karolyi)

## TEACHING EXPERIENCE

### Degree Program Courses Taught

- HBA/MBA Investment Management
- HBA/MBA Portfolio Management
- HBA/MBA Corporate Finance (Managing Financial Resources)
- PhD Seminar in Capital Markets and Portfolio Analysis
- PhD Seminar in Corporate Finance
- PhD/Masters in Financial Economics Seminar in Empirical Asset Pricing

### Textbooks, Casebooks, Cases and Technical Notes

- Financial Management: Concepts and Applications (S. Foerster), Pearson, 2015.
- Financial Management: A Primer (S. Foerster), W. W. Norton, 2003. [also translated into Italian and Chinese]
- Cases in Financial Management (S. Foerster, C. Dunbar, J. Hatch, D. Shaw, L. Wynant), 2003, Fourth Edition, Pearson Education.
- Finance and Money Market Cases (S. Foerster, editor), 1998, China Machine Press.
- Canadian Cases in Financial Management (D. Shaw, S. Foerster, J. Hatch, L. Wynant, and P. Bishop), 1996, Third Edition, Prentice-Hall.
- 98 case studies and technical notes written or supervised (Ivey Publications).

## RESEARCH & PUBLICATIONS

### Refereed Journal Articles

- “Are Cash Flows Better Stock Return Predictors Than Profits?” (S. Foerster, J. Tsagarelis, G Wang), Financial Analysts Journal, forthcoming.
- “Retail Financial Advice: Does One Size Fit All?” (S. Foerster, J. Linnainmaa, B. Melzer, A. Previtero), Journal of Finance, forthcoming.
- “The Effect of Voluntary Disclosure on Firm Risk and Firm Value: Evidence from Management Earnings Forecasts” (S. Foerster, S. Sapp, Y. Shi), Advances in Quantitative Analysis of Finance and Accounting, 12 (2014), 179-213.
- “Northern Exposure: How Canadian Micro-Cap Stock Investments Can Benefit Investors” (S. Foerster, L. Fogler, S. Sapp), Journal of Investment Consulting, 15 (2014), 36-50.
- “Double Then Nothing: Why Stock Investments Relying on Simple Heuristics May Disappoint” (S. Foerster), Review of Behavioral Finance, 3, (2011), 115-140.
- “Back to Fundamentals: The Role of Expected Cash Flows in Equity Valuation” (S. Foerster and S. Sapp), North American Journal of Economics and Finance, 22 (2011), 320-343.
- “Trading Volume and Stock Investments” (J. Brown, D. Crocker and S. Foerster), Financial Analysts Journal, 65 (2009), 67-84.
- “Second Time Lucky? Withdrawn IPOs that Return to the Market” (C. Dunbar and S. Foerster) The Journal of Financial Economics, 87 (2008), 610-635.
- “The Changing Role of Dividends: A Firm-level Study from the Nineteenth to the Twenty-first Century” (S. Foerster and S. Sapp), Canadian Journal of Economics, 39:4 (2006), 1316-1344.
- “The Dividend Discount Model in the Long-Run: A Clinical Study” (S. Foerster and S. Sapp), Journal of Applied Finance, Fall/Winter (2005), 55-75.
- “Valuation of Financial Versus Non-Financial Firms: A Global Perspective” (S. Foerster and S. Sapp), Journal of International Financial Markets, Institutions & Money, 15 (Jan. 2005), 1-20.

- Does Corporate Governance Matter to Canadian Investors?" (S. Foerster and B. Huen) Canadian Investment Review, Fall (2004), 19-25.
- "How Do Interest Rate Changes Affect Equities?" (S. Foerster and S. Sapp), Canadian Investment Review, 16:1, Spring (2003), 26-34.
- "Socially Responsible Investing: Better for Your Soul or the Bottom Line?" (P. Asmundson and S. Foerster), Canadian Investment Review, Winter (2001), 26-34.
- "The Long-Run Performance of Global Equity Offerings" (S. Foerster and A. Karolyi), The Journal of Financial and Quantitative Analysis, 35:4 (2000), 499-528.
- "The Effect of Market Segmentation and Investor Recognition on Asset Prices: Evidence from Foreign Stock Listings in the US" (S. Foerster and A. Karolyi), The Journal of Finance, 54, (1999), 981-1013; reprinted in International Capital Markets, eds R. Stulz and A. Karolyi, Blackwell Publishing.
- "Multimarket Trading and Liquidity: A Transaction Data Analysis of Canada-U.S. Interlisting" (S. Foerster and A. Karolyi), Journal of International Financial Markets, Institutions & Money, 8, (1998), 393-412.
- "The Transmission of U.S. Election Cycles to International Stock Returns" (S. Foerster and J. Schmitz), Journal of International Business Studies, 28:1, (1997), 1-25.
- "History Lessons (Does Dividend History Matter?)" (S. Foerster and S. Larocque), Canadian Investment Review, Summer (1995), 21-25.
- "Back to the Future (Price Momentum and TSE Stocks)" (S. Foerster, A. Prihar and J. Schmitz), Canadian Investment Review, Winter (1994/95), 9-13.
- "Finite Sample Properties of Generalized Methods of Moments in Tests of Conditional Asset Pricing Models" (W. Ferson and S. Foerster), The Journal of Financial Economics 36, August (1994), 29-55.
- "Stock Market Performance and Elections: Made-In-Canada Effects?" (S. Foerster), Canadian Investment Review, Summer (1994), 39-42.
- "General Tests of Latent Variable Models and Mean Variance Spanning" (W. Ferson, S. Foerster and D. Keim), The Journal of Finance 48, March (1993), 131-156.
- "International Listings of Stocks: The Case of Canada and the U.S." (S. Foerster and A. Karolyi), Journal of International Business Studies 24:4, (1993), 763-784.
- "Dual Class Shares: Are There Return Differences?" (S. Foerster and D. Porter), Journal of Business Finance & Accounting 20:6, November (1993), 893-903.
- "The Key to Effective Tactical Asset Allocation" (S. Foerster and A. Turnbull), Canadian Investment Review, Spring (1993), 13-19.
- "The Disappearing Size Effect: Evidence from Dual Class Shares" (S. Foerster and D. Porter), Quarterly Journal of Business and Economics 31, Autumn (1992), 80-91.
- "Are Investors Rewarded for Foreign Exposure of Canadian Corporations?" (S. Foerster, R. Reinders and M. Thorfinnson), Canadian Investment Review, Spring (1992), 75-80. Also appeared in International Society of Financial Analysts Digest, 1992, Vol. 4, Number 3, 47-49.

### **Selected Non-Refereed Articles**

- "What Drives Hedge Fund Returns?" (S. Foerster), Canadian Investment Review 19:2, Summer (2006), 16-21.
- "Implementation and Impact: Positioning Hedge Fund Management for the Future" (S. Foerster, P. Sabourin and P. Schmitt), Canadian Investment Review 16:3, Fall (2003), 53-54.
- "Is Alpha the Answer? The 2<sup>nd</sup> Annual Alternative Investment Conference, Interactive Session

Overview" (S. Foerster) Canadian Investment Review 16:1, Spring (2003), 38.

- "Global Equity Offerings" (S. Foerster and A. Karolyi), Canadian Investment Review, Summer (2000), 50.
- "Capital Rewards: The Lure of U.S. Exchanges" (S. Foerster, A. Karolyi, and D. Weiner), Ivey Business Journal, May/June (1999), 63-66.
- "Using Derivatives to Manage Risk" (D. Chiu and S. Foerster), Business Quarterly, Spring (1997), 57-64.

### **Selected Non-Refereed Book Chapters**

- "What Happens Next?" (S. Foerster), 2003, The Perfect Storm: DC Plan Management in a Turbulent Time, Sunlife and Benefits Canada.
- "Canadian Security Market Anomalies" (G. Athanassokos and S. Foerster), 2000, Security Market Imperfections in Worldwide Equity Markets, eds. W.T. Ziemba and D.B. Keim, Cambridge University Press, 297-336.
- "Direct Evidence of Non-Trading of NYSE and AMEX Stocks" (S. Foerster and D. Keim), 2000, Security Market Imperfections in Worldwide Equity Markets, eds. W.T. Ziemba and D.B. Keim, Cambridge University Press, 144-166.
- "Public Pension Fund Institutional Activism: The CalPERS Model in Canada?" (S. Foerster), 1995, Corporate Decision-Making in Canada, eds. R. Daniels and R. Morck, University of Calgary Press, 379-400.
- "The Daily and Monthly Return Behaviour of Canadian Stocks" (S. Foerster), 1993, Canadian Capital Markets, eds. M. Robinson and B. Smith, Toronto Stock Exchange/ University of Western Ontario, 1-28.

### **Selected Print Media Articles**

- "How to Win Members and Influence Behaviour" (S. Foerster and A. Previtero), *Benefits Canada*, December (2013).
- "Housing Bubbles: Messy and Unpredictable" (S. Foerster), *The Globe and Mail*, July 9, 2012.
- "'Go for the Gold' May Mean Going for the Loss" (S. Foerster), *The Globe and Mail*, Dec 1, 2009.
- "How to Cope in a Sideways Stock Market" (S. Foerster), *The Globe & Mail*, Oct. 20, 2009, p B17
- "Ten Flawed Assumptions at the Heart of the Financial Crisis (S. Foerster), *Globe Investor Magazine Online*, November 13, 2008.
- "The Financial Crisis and Stock Markets" (S. Foerster), *Globe and Mail Online*, October 22, 2008.
- "Investor psychology: What You Need to Know Before You Buy or Sell" (S. Foerster), *Globe Investor Magazine Online*, October 16, 2008.
- "Volatility Index Can Help Give Investors the All-Clear" (S. Foerster), *Globe Investor Magazine Online* and *Globe and Mail*, September 30, 2008, p. B19.
- "Personal Lessons from the ABCP Crisis" (S. Foerster), *National Post*, Dec. 18, 2007, p. FP17.
- "Pension Fund Idols?" (S. Foerster), *National Post*, June 8, 2007, p. FP15.

### **MEDIA INTERVIEWS**

- Print media interviews: *Wall Street Journal*, *Business Week*, *The Globe & Mail*, *The Toronto Star*, *National Post*, *The Edmonton Journal*, *The Hamilton Spectator*, *Philadelphia Enquirer*, *The Windsor Star* and *Canadian Business*.
- Television interviews: CTV Newsnet, BNN, CBC Newsworld, CBC Lang and O'Leary Exchange.
- Radio interviews: National Public Radio, CBC Radio News, CBC Radio – The Current, Radio

Canada International.

**PROFESSIONAL ACTIVITIES**

- Financial Analysts Journal – Editorial Board Member, 2012-present
- Western University – Joint Pension Board Member, 2008-present
- Pacific-Basin Finance Journal – Editorial Board Member, 2003-present
- Tremont Capital Opportunity Trust – Advisory Board Member, 2003-2007
- Northwest Mutual Funds Inc. – Advisory Board Member, 2001-2003
- Financial Economics Network (FEN) Educator: Courses, Cases and Teaching Abstracts Journal – Advisory Board Member, 1998-present
- Foundation Western (Western University alumni endowment fund) Investment Committee member, 1995-2000; Chair and Director, 2000-2007
- Canadian MoneySaver – Contributing Editor, 1994-1996
- Canadian Investment Review – Advisory Board Member (and reviewer), 1990-present