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Ben Graham Centre
for Value Investing

Ben Graham Centre's 6th Symposium on Intelligent Investing

May 19, 2017
Ivey Spencer Leadership Centre
London, Ontario



IMPROVING LONG RUN INVESTMENT PERFORMANCE

www.bengrahaminvesting.ca



Mission of the Centre

To research, teach, apply and promote the style of investing developed by Benjamin Graham in the early 1930s, referred to as Value Investing

Mission of the Symposium

To encourage and support academic research and study in areas related to value investing

Symposium Organizer and Chair

George Athanassakos, Director, Ben Graham Centre for Value Investing, Ivey Business School

Scientific Committee

Walid Busaba (Chair), Saurin Patel, Felipe Restrepo, Ivey Business School & Vasiliki Athanasakou, London School of Economics





A Message from the Director

I would like to welcome everyone to the Ben Graham Centre's 6th Symposium on Intelligent Investing.

The Centre was formally founded in 2006 and is one of two similar centers in the world that focus on educating future business leaders and investors in the investment style made popular by Benjamin Graham in the early 1930's, referred to as Value Investing.

The Centre serves a critical role in coordinating applied research at the University and in linking the activities of faculty and students with practitioners, primarily in the financial services sector, but also in other industries and in undertaking activities which are mutually beneficial to the University, the Industry and investors in general. The Centre is also known as the repository of information on Value Investing, where Value Investors' thoughts, teachings, writings, investing styles and research are preserved. We accomplish this by having built a virtual library on value investing, thanks to the support of Burgundy Asset Management. This resource is unique and is one of the differentiating aspects of the Value Investing program offered at Ivey vis-à-vis other schools. Current, past and future students and investors worldwide are the beneficiaries of this rich information resource.

The Centre's specific mandate is three pronged: (a) the development of future business leaders, (b) the development of intellectual capital and (c) the spreading the word about value investing to the broader community that includes both academics and practitioners.

The Symposium today is part of The Centre's third mandate. Its mission is to encourage and support academic research and study in areas related to value investing.

I am delighted with the program and the caliber of presenters and discussants. The presenters will discuss their work on value investing and related topics.

I would like to thank the presenters Jun Liu, Hao Jiang, Lu Zhang, Adlai Fisher, Kai Du and Lauren Cohen, as well as the discussants Alexandre Baptista, Samuel Hartzmark, Georgios Skoulakis, Craig Dunbar, Vasiliki Athanasakou and Dana Kiku for their contribution to the success of the symposium and my colleagues Saurin Patel, Felipe Restrepo and Walid Busaba, as well as to Vasiliki Athanasakou for their invaluable assistance and consultations over the year that helped me make the symposium an outstanding success. Many thanks should also go to our sponsors Burgundy Asset Management, Sionna Investment Managers, Center for the Advancement of Value Investing Education and Ivey Business School for without their financial support this symposium would not have been possible. I hope everyone enjoys the Symposium, leaves with a better understanding of what the Ben Graham Centre for Value Investing is all about and comes back to the Symposium next year.

Best wishes to all.

George Athanassakos

Director, Ben Graham Centre for Value Investing
Ivey Business School



Panel of Presenters & Discussants

The Ben Graham Centre's 6th Symposium on Intelligent Investing offers a panel of speakers and discussants with a proven record of success researching areas related to the field of value investing.

Friday, May 19, 2017

Morning Agenda: On Market Anomalies

7:45am – 8:20am	Registration & Coffee
8:20am – 8:30am	Welcoming the Symposium Participants, Introductions and Opening Remarks George Athanassakos, Director, Ben Graham Centre for Value Investing, Ivey Business School
8:30am – 9:00am	Presenter: Jun Liu, University of California San Diego Topic: Correlation Ambiguity
9:00am – 9:30am	Discussant: Alexandre Baptista, George Washington University Q&A
9:30am – 10:00am	Presenter: Hao Jiang, Michigan State University Topic: Equity Duration: a Puzzle on High Dividend Stocks
10:00am – 10:30am	Discussant: Samuel Hartzmark, University of Chicago Q&A
10:30am – 11:00am	Coffee Break
11:00am – 11:30am	Presenter: Lu Zhang, Ohio State University Topic: Replication Anomalies
11:30am – 12:00pm	Discussant: Georgios Skoulakis, University of British Columbia Q&A



Afternoon Agenda: On Value Investing

12:00pm – 1:00pm	Lunch
1:00pm – 1:30pm	Presenter: Adlai Fisher, University of British Columbia Topic: Media Attention to Macroeconomic Fundamentals: What Drives Attention and What does it Mean for the Aggregate Stock Market?
1:30pm – 2:00pm	Discussant: Craig Dunbar, Western University Q&A
2:00pm – 2:30pm	Presenter: Kai Du, Pennsylvania State University Topic: On the Connection between the Market Pricing of Accruals Quality and the Accruals Anomaly
2:30pm – 3:00pm	Discussant: Vasiliki Athanasakou, London School of Economics Q&A
3:00pm – 3:15pm	Coffee Break
3:15pm – 3:45pm	Presenter: Lauren Cohen, Harvard University Topic: Lazy Prices
3:45pm – 4:15pm	Discussant: Dana Kiku, University of Illinois at Urbana-Champaign Q&A
4:15pm – 4:20pm	Closing Remarks



Presenters



Jun Liu

Dr. Liu is Professor of Finance and Accounting at the Rady School of Management, University of California San Diego. Liu's research focuses on theoretical and empirical asset pricing, and the development and use of econometric methods. Liu received his Ph.D. in finance from Stanford University. Prior to coming to Rady School, he served as an assistant professor at UCLA's Anderson School of Management from 1999 to 2005.



Hao Jiang

Dr. Jiang is an Assistant Professor of Finance at Michigan State University. His research focuses on Financial Institutions, Investments, and Asset Pricing. He has published in top finance journals such as the *Journal of Financial Economics* and *Review of Financial Studies*, top management as well as practitioner oriented journals. His paper "Information Content when Mutual Funds Deviate from Benchmarks" won the 2012 Standard & Poors Dow Jones SPIVA Award First Prize. His research has been frequently presented at premier academic conferences organized by the American Financial Association, Western Finance Association and NBER.



Lu Zhang

Dr. Zhang is the Fisher College of Business Distinguished Chair in Finance and Professor of Finance at The Ohio State University as well as Research Associate at National Bureau of Economic Research (Asset Pricing program) and Associate Editor for *Journal of Financial Economics* and *Journal of Financial and Quantitative Analysis*. He is a cofounder (and President in 2013) of Macro Finance Society, a newly established academic society devoted to advancing and disseminating high-quality research at the intersection of financial economics and macroeconomics. Dr. Zhang's research focuses on asset pricing, in connection with macroeconomics, corporate finance, labor economics, and capital markets research in accounting. His work elaborates a

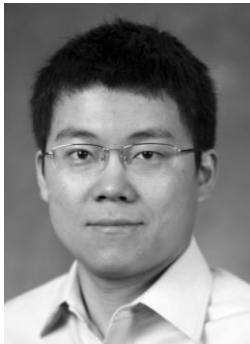
unified conceptual framework based on the neoclassical q -theory of investment for cross-sectional asset pricing. His recent work shows how labor market frictions can give rise endogenously to rare disasters.



Adlai Fisher

Dr. Fisher is the A. E. Hall Professor of Finance at the Sauder School of Business, University of British Columbia. He holds a B.A. degree from Macalester College and M.A., M.Phil., and Ph.D. degrees in Economics from Yale University. His interests span theoretical and empirical topics in asset pricing, investments, corporate finance, and econometrics. Topics include the relation between macroeconomic news and stock returns, cross-sectional and time-series properties of stock and bond returns and their economic foundations, the relation between industry competition and required returns, performance evaluation of investment strategies, frictions in financial markets and their impact on arbitrage trading strategies, and parsimonious models of

the tails, persistence, and volatility of financial returns. His research has received awards including the Smith Breeden Prize at the *Journal of Finance* and faculty awards for research excellence at Sauder. Professor Fisher has served as an Associate Editor at the *Journal of Finance* and the *Review of Finance*, and as Council Chair of the Society of Financial Studies. He is an accomplished teacher and advisor at the undergraduate, MBA, PhD, and executive levels in topics including corporate finance, mergers and acquisitions, and advanced empirical methods in investments.



Kai Du

Dr. Du is an assistant professor of accounting at the Smeal College of Business, Pennsylvania State University. He conducts theoretical and empirical research in financial accounting, disclosure, and information retrieval. His recent research focuses on dynamic models that explain the relationships between accounting information and stock returns, theories and estimation of accounting information systems, individual use of financial information, linguistic uncertainty of financial disclosures, and bank accounting. His research has been published in *The Accounting Review* and featured in *The New York Times*. He holds a B.A. in finance from Peking University, M.A. in economics from Georgetown University, and M.A., M.Phil., and Ph.D. in

accounting from Yale University. He worked at Accenture and the International Monetary Fund, and was a Deloitte Foundation Doctoral Fellow, a Harry and Heesun You Fellow at Yale SOM, and an FASB Faculty Fellow.



Lauren Cohen

Dr. Cohen is the L.E. Simmons Professor in the Finance Unit at Harvard Business School and a Research Associate at the National Bureau of Economic Research. He is a past Editor of *Management Science*, and has also served on the editorial boards of the *Review of Financial Studies* and the *Review of Asset Pricing Studies*. He teaches in the MBA Program, Executive Education Program, Doctoral Program, and Special Custom Programs at the Harvard Business School. His award-winning research has been published in the top journals in Finance and Economics. It is also frequently described in various media outlets including *The Wall Street Journal*, *The New York Times*, *The Washington Post*, *The Economist*, and *Forbes*. It has been recognized by numerous National Science Foundation (NSF) Awards, including a National Science Foundation Early Career Development Award for his research agenda on Relationships in Finance. Dr. Cohen received a PhD in finance and an MBA from the University of Chicago in 2005. He earned dual undergraduate degrees from the University of Pennsylvania - a BSE from the Wharton School and a BA in economics from the College of Arts & Sciences in 2001. He also served on the advisory board of Cake Financial (acquired by E*Trade) and Quadriserv, Inc. (acquired by EquiLend Holdings - an industry consortium comprised of Goldman Sachs, Morgan Stanley, Credit Suisse, Bank of America, UBS, JPMorgan, Northern Trust, Blackrock and State Street).



Discussants



Alexandre Baptista

Dr. Baptista is an Associate Professor of Finance in the School of Business at The George Washington University. He received his *Licenciatura* in Business Administration from ISCTE in Portugal (1995) and his Ph.D. in Finance from the University of Minnesota (2001). His current research interests are in the areas of risk management, bank regulation, and portfolio theory. He received best paper awards at the Financial Management Association Meeting, Southern Finance Association Meeting (twice), and Australasian Finance and Banking Conference. Additionally, he received the Dean's Research Scholar award (three times). His teaching interests are in the areas of investments, risk management, and derivatives. He received teaching awards at the University

of Arizona and University of Minnesota.



Samuel Hartzmark

Dr. Hartzmark studies asset pricing and behavioral finance. His research has appeared in the *Review of Financial Studies*, the *Journal of Financial Economics*, the *Quarterly Journal of Finance*, and the *Review of Asset Pricing Studies*. He has received a number of awards including the 2016 AQR Insight Award, the Hillcrest Behavioral Finance Award, the UBS Global Asset Management Award, the Michael J. Barclay young scholar award and he was a finalist for the 2014 AQR Insight award. Hartzmark holds a PhD from Marshall School of Business at the University of Southern California, a MBA from University of Chicago Booth School of Business and a BA in mathematics/economics (summa cum laude) with a double major in religion

from Emory University. While at Emory, Hartzmark interned as an analyst on the macro-policy team at the Federal Reserve Bank of Atlanta. After completing his MBA at Booth, Hartzmark worked in economic consulting at Chicago Partners/Navigant Economics as a senior consultant and then as an associate director.



Georgios Skoulakis

Dr. Skoulakis is an Assistant Professor of Finance at the Sauder School of Business, University of British Columbia in Canada. He received his Ph.D. in Finance from Northwestern University. Prior to his studies in Finance, he graduated with a B.Sc. in Mathematics from the University of Athens, Greece and a Ph.D. in Statistics from the University of North Carolina, Chapel Hill. His research interests cover topics in asset pricing, portfolio choice, financial econometrics, and computational methods in economics. He has presented his research at the American Finance Association, the Western Finance Association, and the European Finance Association meetings, as well as other conferences and universities in North America and Europe. His research work

has been published in leading finance, economics, and probability theory journals, such as the *Journal of Financial Economics*, the *Review of Financial Studies* and the *Annals of Applied Probability*.



Craig Dunbar

Dr. Dunbar joined the faculty of the Ivey Business School in July 1997. He received his Bachelor of Applied Science (Honours) in Civil Engineering from the University of Toronto in 1984. He received a Master of Science in Technology and Policy from the Massachusetts Institute of Technology in 1986 and worked in consulting in Toronto for two years. He then studied for his Ph.D. degree in Finance and Applied Statistics at the Simon School of Business of the University of Rochester from 1988 to 1992. His research focuses on investment banking, corporate finance and financial contract choice. His current research examines banking syndicates, the choice to cancel security offerings and the role of security analysts in financial markets.

His work has been published in the *Journal of Financial Economics*, the *Journal of Financial Intermediation*, the *Journal of Financial and Quantitative Analysis*, the *Journal of Business*, the *Journal of Corporate Finance* and the *Financial Analyst Journal*.



Vasiliki Athanasakou

Dr. Athanasakou is a tenured assistant professor in the Accounting Department of London School of Economics. In her research Professor Athanasakou explores earnings quality, earnings management, voluntary disclosure and corporate governance. Her current focus is on the role of voluntary disclosure and earnings quality in mitigating information asymmetry and shaping up business fundamentals and organizational performance. Professor Athanasakou holds a Ph.D. and an MSc in Accounting and Finance from the Alliance Manchester Business School (AMBS, University of Manchester, UK) and is also an ACCA (Association of Certified Chartered Accountants) affiliate. She has acted as an associate research fellow at the

Centre for the Analysis of Investment Risk (AMBS) and as a senior auditor at Deloitte and Touche.



Dana Kiku

Dr. Kiku is an Assistant Professor of Finance at the University of Illinois at Urbana-Champaign. She received her PhD from Duke University. Her research focuses on understanding the implications of long-run risks for the macroeconomy and asset prices and the impact of agency frictions on firm dynamics. She has published articles in leading academic journals including the *Journal of Finance*, the *Journal of Financial Economics*, and the *Journal of Monetary Economics*.





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