

Institutional Investors: Control, Liquidity, and Systemic Risks

Friday and Saturday, April 19-20, 2013

General Information

The roles that institutional investors play in financial markets are constantly evolving. Increasingly they exert greater influence on corporate decisions and control, and have a larger impact on market liquidity and systemic risk. To shed new light on these important issues, this conference brings together a group of academics who have conducted significant research related to these topics as well as the underlying incentives of these agents. The conference program covers theoretical, empirical, and behavioral approaches to better understand the issues, and integrate perspectives from both the corporate finance and asset pricing areas. In addition to facilitating discussions among academics, the conference will also encourage a dialogue between leading researchers and practitioners by holding a panel discussion that involves participants from both sides.

Organizers

Vikas Agarwal (Georgia State University) and Wei Jiang (Columbia University) are the organizers of this workshop.

Contact Vikas Agarwal at vagarwal@gsu.edu or Wei Jiang at wj2006@columbia.edu about the program of the workshop, and Mark Schneider at cear@gsu.edu with questions about participation and logistics.

Sponsors and Funding

The conference is funded by the Center for the Economic Analysis of Risk (CEAR, cear.gsu.edu) and the Department of Finance (robinson.gsu.edu/finance), both located in the J. Mack Robinson College of Business at Georgia State University. We are also grateful to The Southeastern Hedge Fund Association, Inc (thesehfa.org) for their sponsorship of the conference.

Dates & Times

Friday, 4/19 – 12:00pm to 6:15 pm; reception to follow. Lunch and refreshments will be provided by CEAR.
Saturday, 4/20 – 8:00am to 3:30pm. Continental Breakfast, lunch, and refreshments will be provided by CEAR

Contact Mark Schneider at cear@gsu.edu for special dietary needs.

Location

The workshop will be held in **Aderhold Learning Center Room 5**, which is located downstairs after you enter from the street level. Here is a map link to Georgia State's [Campus Map](#), it is located in Building 16 on the map. The building is located at the crossroads of Broad Street NW and Luckie Street in Downtown Atlanta. Please use the street level entrance on Luckie Street; it is just opposite the Starbucks located in the Equitable Building at 100 Peachtree St NE, Atlanta, GA 30303.

Directions

MARTA Subway:

Aderhold Learning Center is located 4 blocks north of the Five Points Marta Rail Station in Downtown Atlanta, and 3.5 blocks south of the Peachtree Center Rail Station; both stations are located on either the Red or Gold lines, one-way Rail Ride cost \$2.50. Tickets can be easily purchased from vending machines at all MARTA stations. This is by far the easiest method, and is on a direct line to Atlanta International Airport. Here is a map of the [MARTA rail system](#).

Driving:

From Interstate 75/85 (the connector) **going NORTH** take exit 248B for Edgewood Ave toward Auburn Ave / J W Dobbs Ave. Turn left at Edgewood Ave SE and proceed 0.7 miles. Turn right at Marietta St. NW. The second intersection is Forsyth Street NW, turn right here. The third street you come to is Luckie Street; Aderhold Learning Center will be on your right hand side.

From Interstate 75/85 (the connector) **going SOUTH** take exit 248D for J W Dobbs Ave toward Jesse Hill Dr. Slight left at Jesse Hill Jr. Dr. NE. Turn right at Edgewood Ave SE and proceed 0.6 miles. Turn right at Marietta St. NW. The second intersection is Forsyth Street NW, turn right here. The third street you come to is Luckie Street; Aderhold Learning Center will be on your right hand side.

Parking

There is covered, pay for parking at Lanier Public Parking lot located at 150 Carnegie Way; Atlanta, GA 30303. The lot is about 2.5 blocks away from Aderhold Learning Center. Google Maps walking instructions from the parking lot to Aderhold Learning Center here - <http://g.co/maps/uzx56>

Lodging

CEAR recommends lodging at The Ellis Hotel, which is walking distance to Aderhold Learning Center. Their information: 176 Peachtree Street Northwest, Atlanta, GA 30303. (404) 523-5155 ellishotel.com.

Program

Friday, April 19, 2013

12:00 - 12:45 p.m. - Lunch

12:45 - 1:00 p.m. - Welcome and administrative announcements

Session 1 - 1:00 - 3:00 p.m.

Session Chair: Di Li, Georgia State University

"Informed Trading and High Compensation in Finance"

Vincent Glode, University of Pennsylvania

Richard Lowery, University of Texas Austin

Discussant: Uday Rajan, University of Michigan

"Incentives and Endogenous Risk Taking: A Structural View on Hedge Fund Alphas"

Andrea Buraschi, University of Chicago and Imperial College London

Robert Kosowski, Imperial College London

Worrawat Sritrakul, Imperial College London

Discussant: Mark M. Westerfield, University of Washington

Session 2 - 3:20 - 5:20 p.m.

Session Chair: Jingling Guan, Georgia State University

"A Matter of Style: The Causes and Consequences of Style Drift in Institutional Portfolios"

Russ Wermers, University of Maryland

Discussant: Nicolas P.B. Bollen, Vanderbilt University

"Do Market Participants Care About Portfolio Disclosure? Evidence from Hedge Funds' 13Fs"

Stephen Brown, New York University

Christopher Schwarz, University of California Irvine

Discussant: Clemens Sialm, University of Texas Austin

Session 3 - 5:40 - 6:15 p.m.

Moderator: Vikas Agarwal, Georgia State University

Panel Discussion

Panelists: Michael W. Masters (Masters Capital Management) and George E. Case, III (Ned) (GMT Capital Management)

Welcome Reception - 6:45 - 9:45pm

6:45 - Beverage service and heavy hors d'oeuvres

7:20 - Welcome from the Dean of GSU's Robinson College of Business - Fenwick Huss

7:30 - Keynote from the Securities and Exchange Commission (SEC) Commissioner - Luis Aguilar

7:50 onward - Beverage service and heavy hors d'oeuvres

Saturday, April 20, 2013

8:00 - 9:00am - Continental Breakfast

Session 4 - 9:00 - 11:00 a.m.

Session Chair: Baozhong Yang, Georgia State University

"No News is News: Do Markets Underreact to Nothing?"

Stefano Giglio, University of Chicago

Kelly Shue, University of Chicago

Discussant: Diego Garcia, University of North Carolina Chapel Hill

"The Cost of Capital for Alternative Investments"

Jakub W. Jurek, Princeton University

Erik Stafford, Harvard Business School

Discussant: Jules van Binsbergen, Stanford University

Session 5 - 11:20 a.m. - 12:20 p.m.

Session Chair: Zhen Shi, Georgia State University

"The Impact of Creditor Control on Corporate Bond Pricing and Liquidity"

Peter Feldhütter, London Business School

Edith Hotchkiss, Boston College

Oğuzhan Karakaş, Boston College

Discussant: Raghu Sundaram, New York University

Session 6 - 1:30 - 3:30 p.m.

Session Chair: Mark Chen, Georgia State University

"Hedge Fund Activists: Do They Take Cues from Institutional Exit"

Nickolay Gantchev, University of North Carolina Chapel Hill

Chotibhak Jotikasthira, University of North Carolina Chapel Hill

Discussant: Richard Mathews, University of Maryland

"A Macroeconomic Framework for Quantifying Systemic Risk"

Zhiguo He, University of Chicago

Arvind Krishnamurthy, Northwestern University

Discussant: Lixin Huang, Georgia State University