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Ben Graham Centre
for Value Investing

Ben Graham Centre's 3rd Symposium
on Intelligent Investing
May 29 & 30, 2014

Ivey Business School
Western University, London, Ontario





Mission of the Center

- 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 Center for Value Investing, Ivey Business School

Scientific Committee

Walid Busaba, Amos Nadler, Saurin Patel and Alessandro Previtero, Ivey Business School





The Ben Graham Centre's 3rd Symposium on Intelligent Investing

Thursday, May 29, 2014

Reception: 6:00pm – 8:00pm, Leenders Lounge (room 2110), 2nd Floor, New Ivey Building

Friday, May 30, 2014

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 Center for Value Investing, Ivey Business School
8:30am – 9:00am	Presenter: Kent Daniel – Topic: Momentum Crashes
9:00am – 9:30am	Discussant: Christopher Lamoureux Q&A
9:30am – 10:00am	Presenter: Juhani Linnainmaa – Topic: Deflating Profitability
10:00am – 10:30am	Discussant: Mikhail Simutin Q&A
10:30am – 11:00am	Coffee Break
11:00am – 11:30am	Presenter: Jeff Pontiff – Topic: "Does Academic Research Destroy Stock Return Predictability?"
11:30am – 12:00pm	Discussant: Noah Stoffman Q&A



The Ben Graham Centre's 3rd Symposium on Intelligent Investing

Afternoon Agenda: On Value Investing

12:00pm – 1:00pm	Lunch
1:00pm – 1:30pm	Presenter: Robert Navy-Marx – Topic: Quality Dimension of Value Investing
1:30pm – 2:00pm	Discussant: Joseph Gerakos Q&A
2:00pm – 2:30pm	Presenter: Andrea Frazzini – Topic: Buffett's Alpha
2:30pm – 3:00pm	Discussant: Laurent Barras Q&A
3:00pm – 3:15pm	Coffee Break
3:15pm – 3:45pm	Presenter: Stephan Siegel – Topic: Value versus Growth Investing: Why do Different Investors Have Different Styles?"
3:45pm – 4:15pm	Discussant: Alessandro Previtero Q&A
4:15pm – 4:20pm	Closing Remarks



Panel of Presenters & Discussants

The Ben Graham Centre's 3rd Symposium on Intelligent Investing offers a panel of speakers with a proven record of success researching areas related to the field of value investing. Featured presenters & discussants participating at the symposium, in the order they will speak, are:

Morning Session: On Market Anomalies

Kent Daniel, Columbia University

- **Discussant: Christopher Lamoureux, University of Arizona**

Juhani Linnainmaa, University of Chicago

- **Discussant: Mikhail Simutin, University of Toronto**

Jeff Pontiff, Boston College

- **Discussant: Noah Stoffman, Indiana University**

Afternoon Session: On Value Investing

Robert Novy-Marx, University of Rochester

- **Discussant: Joseph Gerakos, University of Chicago**

Andrea Frazzini, AQR Capital Management

- **Discussant: Laurent Barras, McGill University**

Stephan Siegel, University of Washington

- **Discussant: Alessandro Previtero, Western University**



Presenters



Kent Daniel

Kent Daniel is currently a professor of Finance and Economics at the Graduate School of Business at Columbia University. From 1996 to 2006, Kent was at the Kellogg School of Management at Northwestern University, where he was the John and Helen Kellogg Distinguished Professor of Finance. Kent holds a B.S. with honors from the California Institute of Technology in 1981 and an M.B.A. from UCLA in 1987. He received his Ph.D. in Finance from UCLA in 1992.



Juhani Linnainmaa

Juhani Linnainmaa is an associate professor of Finance at the University of Chicago's Booth School of Business. He studies investor behavior, asset pricing models and portfolio choice, and mutual fund performance. Juhani earned his master's degree and bachelor's degree in finance from Helsinki School of Economics in 2001. He received a PhD in management from the Anderson School at the University of California Los Angeles in 2006. Juhani joined the Chicago Booth faculty in 2006. Juhani became interested in behavioral finance when he was an undergraduate student Helsinki.



Jeff Pontiff

Jeff Pontiff is a professor and James F. Cleary Chair in Finance at Boston College. He has held positions at University of Washington, UCLA, Emory, Harvard Business School, ESCP-Europe, and the Institute for Financial Research (Stockholm). He is currently an editor at the Review of Asset Pricing Studies, an associate editor at Management Science, Journal of Financial and Quantitative Analysis, the Journal of Wine Economics, and a past associate editor at the Review of Financial Studies. He is the president and co-founder of the Financial Research Association, and a past director for the Western Finance Association.



Robert Novy-Marx

Robert Novy-Marx is an associate professor at the Simon Graduate School, University of Rochester. He earned the American Real Estate and Urban Economics Association Dissertation Award in 2005 and the Western Finance Association's Trefftz Award in 2004 for "An Equilibrium Model of Investment Under Uncertainty." His "Hot and Cold Markets" won the 2010 Mill's Prize for the best paper in real estate economics. Novy-Marx is also a former professional triathlete, a member of the National Bureau of Economic Research and taught at the Booth School of Business before coming to the Simon School.



Andrea Frazzini

Andrea Frazzini joined the Global Stock Selection group in July 2008. Prior to joining AQR, Andrea was a Professor of Finance at University of Chicago Graduate School of Business and a Research Associate at the NBER. He also served as a consultant for DKR Capital Partners and JP Morgan Securities, and is on the Board of Directors of CRSP. Andrea earned a BS in Economics from the University of Rome III, a MS in Economics from the London School of Economics and a Ph.D. in Economics from Yale University.



Stephan Siegel

Stephan Siegel is associate professor at the University of Washington, Foster School of Business in Seattle. He teaches a course in International Financial Management at the undergraduate and MBA level as well as an MBA course on Asian Capital Markets. Stephan earned his **B.Sc. at the** University of Bayreuth, Germany, in 1995, and his Master of Philosophy and Ph.D. from Columbia University's Graduate School of Business in 2002 and 2006 respectively.



Discussants



Chris Lamoureux

Chris Lamoureux joined the faculty of the University of Arizona in 1994. In 1998 he became the head of the finance department – a position that he held for 13 years. As head of the finance department, Chris started the Master's in Finance program. He stepped down from administrative work in 2011, and is now the Diamond Professor of Finance at the University of Arizona's Eller College of Management. Chris's research interests span the gamut of financial economics: from forecasting volatility using options and historical stock returns, to estimating models of the term structure of interest rates, to modeling managerial issuance choice.



Mikhail (Mike) Simutin

Mikhail Simutin is an Assistant Professor at the Rotman School of Management. His research interests include empirical asset pricing, mutual funds, and risk and performance measurement. His work has appeared in Journal of Financial Economics and Financial Management.



Noah Stoffman

Noah Stoffman is an assistant professor of finance at Indiana University's Kelley School of Business. His research focuses on the investment decisions of individual investors and mutual funds, and on the effect of technological innovation on asset prices. Professor Stoffman earned a PhD from the University of Michigan and a B.Com from the University of Toronto. Prior to graduate school he worked at an energy trading firm and consulting to the financial services industry in NYC and at an investment bank in Toronto.



Joseph Gerakos

Joseph Gerakos studies the structure of markets for financial services. His current research focuses on competition in the audit market and performance of the asset management industry. Gerakos earned a Ph.D. in applied economics from the University of Pennsylvania, an M.B.A. in finance and accounting from the Wharton School of the University of Pennsylvania, and an A.B. in Russian language and literature from Dartmouth College.



Laurent Barras

Laurent Barras conducts empirical research on performance measurement and asset pricing. Some of his recent research focuses on mutual fund performance and on return predictability in the hedge fund industry. His research has appeared in leading academic journals, such as the *Journal of Finance*, and has been cited in several international newspapers such as the *New York Times* or *Forbes*. Laurent received a PhD degree in Finance from the Swiss Finance Institute at the University of Geneva (Switzerland) in 2007. Prior to joining McGill's Faculty of Management in July 2009, Laurent was a visiting researcher at Imperial College, London (UK).



Alessandro Previtero

Alessandro Previtero is a Finance Assistant Professor at the Ivey Business School at the Western University. He joined Ivey in 2010 after being a Postdoctoral Fellow at the UCLA Anderson School. Previously, Alessandro earned a PhD from the University of Lecce and worked as Lecturer and Research Fellow at Bocconi University. His research is in the field of behavioral finance. His research projects include: household investment and saving decisions; pre and post retirement financial decisions; and the value of financial advice.



A Message from the Director

I would like to welcome everyone to the Ben Graham Centre's Symposium on Intelligent Investing. This is the third Symposium of this nature that the center has organized and we hope to make this an annual event from now on.

The Centre was formally founded in 2006. It 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 Center 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 center's third mandate.

I am delighted with the Symposium's program and the caliber of presenters and discussants. The presenters will discuss their work on value investing and related topics, such as market anomalies and value vs. growth investing.

In the Morning Session, Kent Daniel from Columbia University will present Momentum Crashes; Juhani Linnainmaa from the University of Chicago will follow with Deflating Profitability and Jeff Pontiff from Boston College will finish the session on Market Anomalies with his presentation on Whether Academic Research Destroys Return Predictability. In the Afternoon Session, Robert Novy-Marx from University of Rochester, Andrea Frazzini from AQR Capital Management and Stephan Siegel from University of Washington will delve on Value Investing issues, such as The Quality Dimension of Value Investing, Buffett's Alpha and Value vs. Growth Investing (Why do Different Investors Have Different Styles), respectively.

I would like to thank all presenters and discussants for their contribution to the success of the symposium and my colleagues Ale, Amos, Saurin and Walid 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, Center for the Advancement of Value Investing Education and Ivey Business School for without their financial support this symposium will not have been possible. I hope everyone enjoys the Symposium, leaves with a better understanding of what the Ben Graham Center 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



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