

Swiss Finance Institute

Activity Report 2019

Expertise Guide 2020



Growing Knowledge Capital
for the Swiss Financial Marketplace

Swiss Finance Institute

Our Founding Members

The Swiss Finance Institute (SFI) gratefully acknowledges the precious support of its founding members—the Swiss banking industry, the Swiss Confederation, and leading Swiss universities. Without their support the Swiss Finance Institute would not be able to fulfill its important mandate.



Our Partner Universities:



About Swiss Finance Institute



Nurture Knowledge – Cultivate Talent – Create Expertise

Growing Knowledge Capital for the Swiss Financial Marketplace

Never before has the Swiss financial center undergone such rapid and fundamental change. Digital disruption and abrupt changes in regulation are challenging established business models. In order to remain competitive, the Swiss banking and finance industry must nurture innovation and its most valuable asset: the expertise of its labor force—its knowledge capital.

Mandated by the Swiss financial sector and the Swiss Confederation, the Swiss Finance Institute (SFI) makes an important contribution to each through its close integration of research and practice, its up-to-date continuing education courses for finance professionals, and the access it provides to a unique pool of outstanding Swiss-based academics. This unique combination is based on a systematic exchange of knowledge and expertise, nurtured by the fundamental research conducted at our six partner universities across three language regions in Switzerland.

As a result, the Swiss banking and finance industry profits from the expertise created by SFI, embodied both by the thousands of graduates from our continuing education activities and the Banking and Finance programs of our partner universities and by the thousands of readers of our publications and the numerous participants at our events and workshops.

Research and development leads to new technologies and innovations, and in turn promotes competitiveness, prosperity, and employment. SFI contributes important economic added value that will enable future generations to build upon others' achievements and guarantee that Switzerland's financial center will continue to thrive.

Find out more about the vast range of the activities we engaged in from January to December 2019 in this year's Activity Report.

A Word from the Board

At the end of 2018 the SFI Foundation Board decided on a major reorientation for the Institute. Since its creation in 2006 SFI, together with its partner universities, has successfully grown a world-class faculty in banking and finance. Under its new strategy, SFI builds on the internationally recognized strength of its faculty to organize industry-oriented activities for the Swiss banking and financial center. At the same time, SFI keeps supporting a faculty of the highest academic caliber at its partner universities.

In 2019 SFI has developed a portfolio of industry-oriented activities, based on the principle of knowledge exchange between academia and practice:

- SFI Master Classes attract experienced professionals and address frontier topics in a short, interactive and flexible format. They are co-led by an SFI professor and an industry expert, and they are free for employees of Swiss banks. Master Class topics in 2019 included Data & Technology in Finance, Application of Machine Learning and Artificial Intelligence to Banking, Factor-Based Allocation, among others. We have experienced strong participation and have received excellent feedback. Master Class participants greatly appreciate the exposure to the latest thinking in banking and finance, as well as the opportunity for peer exchange.
- SFI Knowledge Exchange Seminars bring together industry experts and SFI professors in an exclusive roundtable setting. Topics in 2019 included Value Reporting, ETF Liquidity, Cybercrime and Cybersecurity, Negative Interest Rates, among others.

- SFI industry conferences feature industry speakers of very high seniority as well as world-renowned academics. They are attended by hundreds of participants. The SFI Annual Meeting focused on Debt, Growth, and Resilience, and featured Mr. Sergio Ermotti of UBS, Nobel Laureate Prof. Bengt Holmström, Mr. Herbert Scheidt of Vontobel and the Swiss Bankers Association—as well as SFI Head of Research Prof. Jean-Charles Rochet.
- The Digital Pulse Check applied research special project has assessed the degree of digitization of Swiss banks relative to their European competitors.

At the same time as SFI vastly increased the scope of its industry-oriented activities, in 2019 the SFI faculty has continued its academic successes. SFI academic research remains at a stellar level and compares favorably with the most renowned international academic institutions. The network of co-authors of SFI professors encompasses the best-known universities in the world. This activity report also includes an expertise guide of the SFI faculty.

The teaching activities of SFI professors also bring significant value to the Swiss financial center. Each year Swiss banks hire hundreds of banking and finance graduates trained by SFI professors in the first-education programs of our partner universities. SFI PhD graduates enjoy top placements in academia, banks and in policy institutions.

We warmly thank our industry partners, our academic partners, our faculty and our staff for making these achievements possible.



Dr. Romeo Cerutti
Chairman of the Foundation Board

Prof. Dr. François Degeorge
Managing Director



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SFI Knowledge Exchange Activities

SFI Master Classes

SFI Master Classes are short learning units in which SFI professors discuss topics relevant to banking and finance. With this offering, SFI builds on its USP—that is, its faculty and its proximity to the industry—which enables the early identification and dissemination of key topics. Topics are selected by SFI in cooperation with its interest groups.

SFI is the only Swiss education provider able to combine academic and practical expertise at such a high level. Master Classes are aimed at experienced professionals with at least 10 years of professional experience in the banking and finance sector. Access to Master Classes is free for employees of SFI stakeholders, but a formal application is required in order to ensure the quality of the offering. Corresponding admission criteria apply.

Facts and Figures 2019

SFI held its first Master Class in June 2019. During the year, a total of 14 Master Classes across eight different topics were conducted at locations in Zurich, Geneva, and Pfäffikon (SZ). The Master Classes were held in English, French, and German.

A Master Class lasts half a day, begins in the early afternoon, and is rounded off by a networking aperitif. Classes are conducted with up to 50 participants. In 2019, 455 individuals participated.

All Master Classes are acknowledged SAQ re-certification measures. Over 40 participants not only benefited from an exchange of knowledge and expertise but also collected SAQ re-certification credits.

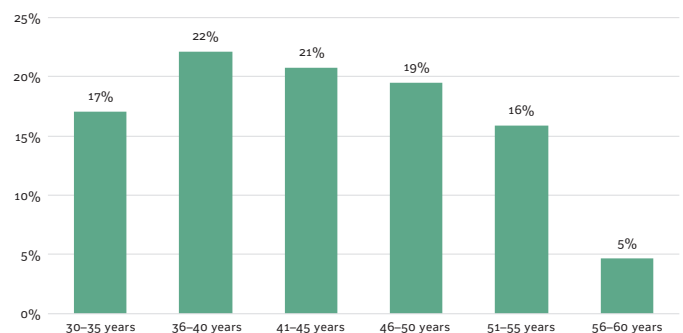
Partnerships

A partnership with finews.ch, the industry's leading Swiss portal for financial news, is based on the idea that knowledge imparted through SFI should be made available in a condensed form to the entire financial community. SFI also offers a special Master Classes series in close cooperation with the Office for Economy Canton Schwyz, focusing on the local financial industry which is an important sector in Canton Schwyz, and its companies have come to play a significant role in Zurich's financial center.

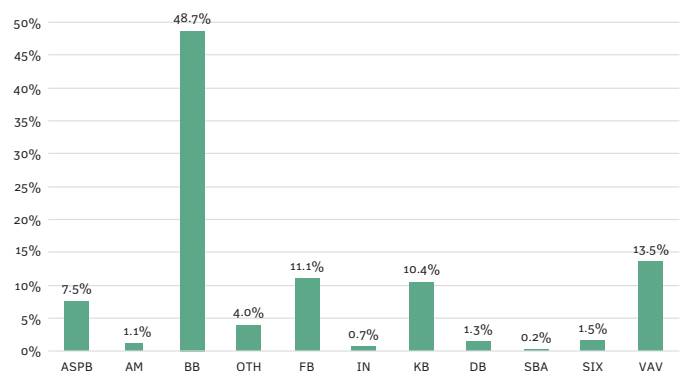
Feedback

The feedback collected from participants shows that there is a very high satisfaction rate (average of 85%) with regard to the quality of the Master Classes. The target group and seniority level aimed for has been reached. The Master Classes were attractive for all bank categories. Results are shown in the two graphs below.

Participant age groups (in %)



Associations and Companies



- ASPB Members of the Association of Swiss Private Banks
- BB UBS, CS
- FB Members of the Association of Foreign Banks in Switzerland
- KB Members of the Association of Swiss Cantonal Banks
- DB Other domestic banks
- VAV Members of the Association of Swiss Asset and Wealth Management Banks
- SBA Swiss Bankers Association
- IN Insurance
- SIX SIX Group
- AM Asset managers
- OTH Other

SFI Knowledge Exchange Seminars

SFI Knowledge Exchange seminars are invitation-only roundtables that bring together SFI professors and Swiss banking and finance practitioners.

The overall goal is to foster intellectual interaction and dialogue between academics and practitioners on topics of mutual interest. Specifically, the aim is to:

- make such interactions a real exchange as opposed to a one-way transfer of knowledge—practitioners learn not only from the professors' own research, but also from the professors' knowledge of others' research in the area in question;
- provide professors with timely feedback on their research ideas and results, and with input from practitioners;
- create an intimate environment conducive to informal exchange for both academics and practitioners, with the long-term goal of further increasing Switzerland's competitiveness in the fields of banking and finance;
- have academic–practitioner interaction occur early in the research process.

Format

In each area, Knowledge Exchange Seminars are guided by a team of professors and practitioners. The team refines an initial list of seminar topics in their area and identifies potential practitioner invitees. Each Knowledge Exchange Seminar consists of several presentations followed by a moderated discussion. Each presentation is planned to be approximately 10–15 minutes long. There is also an opportunity for participants to socialize, either before or after the seminar.

Facts and Figures 2019

In 2019, nine Knowledge Exchange Seminars were conducted on various topics, including value reporting to shareholders, ETFs and their liquidity aspects, the replacement of LIBOR as a benchmark rate, central bank policies and their effects on financial markets, the negative interest rate environment, and cybersecurity and cybercrime, as well as intergenerational perspectives on responsible investing. In total, 160 individuals participated.

Attendee Feedback

Seminar Structure

"Bringing academia together with practitioners is beneficial for both parties. The format—a forum with a limited number of participants—is probably the best platform to make this happen."

Chosen Topics and Respective Focus

"The exchange was appreciated, the opportunity to question one's own viewpoint was valuable, and the presentations were good and focused. Clear desire to continue the vessel."

Intensity and Quality of Exchanges

"The participants were a good mix of practitioners and academics with different approaches and opinions, so that the discussion allowed a certain diversity of opinion without losing focus on the actual topic."

SFI Practitioner Roundups – A Topical Overview

In 2019, SFI again attracted significant interest with its industry-oriented publications. These summarize the latest expertise from SFI professors, on a relevant theme and in a concise format, and also provide practical insights from experienced practitioners. Each issue is available in English, French, German, and Italian.

In early 2019, two Practitioner Roundups were published in the "traditional style", involving one SFI professor and one expert from the industry—the first on the topic of factor investing and the second on financial forecasting.

Later in the year, two newly created SFI Special Issue Practitioner Roundups were published. This new format includes contributions from several SFI professors and industry experts within one issue. The special issue "Can Finance Make the Planet Greener?" garnered significant attention from the financial market as well as from the media, as did the special issue on "Debt, Growth, and Resilience", which was published to coincide with the SFI Annual Meeting 2019. These four issues have already been downloaded more than 17'000 times.



SFI Events

Facts and Figures 2019

In 2019, a total of six high-quality, publicly available events attracted a combined audience of over 1'670 registered participants— which is almost 20 percent higher than last year and confirms the wisdom of SFI's strategy of focusing on events of the highest quality. Topical themes addressed in 2019 included the ongoing digitization of the banking industry, passive asset management, corporate governance, banks' response to higher capital requirements, and the relation between debt, growth, and resilience, as well as private debt markets.

Highlights

One of the many highlights was the very successful first SFI Public Discussion Event, with UBS CEO Sergio P. Ermotti, which took place in June. More than 300 participants followed the speech of Mr. Ermotti, who presented his and UBS's view of the decade following the great financial crisis and the future of the Swiss banking industry in the context of ongoing regulation. The event offered a valuable platform for active exchange between the audience and the speaker, both in the course of the presentation and at the subsequent aperitif.

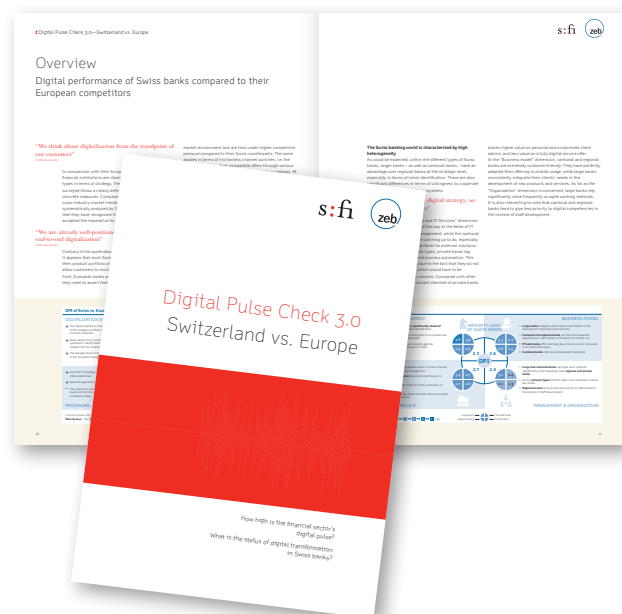
Another highlight was the very insightful SFI–Capco Institute Banking & Finance Forum with SFI Professors Laurent Frésard, Ruediger Fahlenbrach, and Steven Ongena, as well as an impressive number of highest seniority industry representatives having joined the panel discussions. Alongside Dr. Romeo Lacher, Vice-Chairman of the SFI Foundation Board, the participants discussed latest research findings and up-to-date questions from practice in the fields of IPOs and acquisition activities, corporate governance, and regulation. Over 200 participants engaged in this lively dialogue between academia and practice.

SFI Special Projects

Facts and Figures 2019

In the spirit of applied research and in close cooperation with its industry partners, SFI shares its expertise by conducting special projects such as elaborating practice-oriented studies and articles targeting practitioners, journalists, and politicians. Two particular highlights were the "Digital Pulse Check" published by SFI together with zeb Switzerland, which examined the degree of digitization of Swiss banks in a European comparison, and the survey carried out for the second time in cooperation with finews.ch and Communicators on career opportunities in the Swiss banking sector. These and various other activities generated great interest among bank employees and in particular in the Swiss media.

- Digital Pulse Check 3.0
- Survey on Job Prospects in Finance 2019



14th Annual Meeting of SFI— Debt, Growth, and Resilience

Growth is one of the main objectives of economic policy around the world and is characterized by a strong economy, which in turn is fed by a prosperous financial sector. The most recent financial crisis, however, has dampened confidence in a crisis-resistant financial industry. At our Annual Meeting at the Kunsthaus Zurich in November, top-class speakers from the industry and academia discussed the framework conditions for healthy economic growth.

For once, the Kunsthaus Zurich's role as a home for fine arts took a back seat. On 13 November 2019, it hosted a platform for knowledge exchange among practitioners and academics from the financial industry. In the presence of over 300 participants, renowned academics and finance practitioners shared their views on debt, growth, and resilience, at our Annual Meeting.

The conference kicked off with a speech by Sergio P. Ermotti, Group Chief Executive Officer, UBS Group AG. He addressed the numerous factors influencing the business and thus ultimately the growth potential of Swiss banks. While the current negative interest rate environment and regulatory hurdles are exerting rather a negative impact, he pointed out that technological development as well as human knowledge can be viewed as drivers of future growth in the banking world.

Next, Nobel Laureate Prof. Bengt Holmström from the Massachusetts Institute of Technology (MIT) identified the global shortage of safe assets as a key factor in central banks' continued negative interest rate policies and attributed this situation, among other causes, to a systemic asymmetry of information among the investor community.



SFI Professor Jean-Charles Rochet from the University of Geneva in his presentation mentioned the fact that global debt is at an all-time high, which itself raises new questions. Based on new research insights from SFI faculty, he proposed answers to those questions. SFI researchers have, for example, examined the impact of corporate debt on innovation and growth and the impact of Basel III on GDP growth in general and on bank resilience in particular, and addressed the maximum sustainable debt-to-GDP ratio for a country and whether the US dollar is going to continue its domination of debt markets.

The Chairman of the Swiss Bankers Association, Herbert J. Scheidt, highlighted the importance of the banking sector, which he considers to be highly competitive. Switzerland's banks are an important pillar of the country's economy—not only due to their role as employers, taxpayers, and an economic driving force. He also stressed the need to talk about the perils of soaring public debt. Countries must find ways out of the debt trap. At the same time, central banks must preserve their independence.

In his closing remarks, our Chairman, Dr. Romeo Cerutti from Credit Suisse Group AG, emphasized the important role of SFI as a connector between academia and practice and reaffirmed the added value that results from this close integration. On behalf of the Institute, he warmly thanked Prof. René Stulz (Ohio State University) for his distinguished contribution as Chair of our Scientific Council 2006–2019 and had the pleasure of announcing the winners of the 2019 SFI Outstanding Paper Award.



Prof. Dr. Jean-Charles Rochet, University of Geneva



Herbert J. Scheidt, Swiss Bankers Association



Prof. Dr. René Stulz, Dr. Romeo Cerutti, Prof. Dr. François Degeorge, Prof. Dr. Jean-Charles Rochet (f.l.t.r.)

SFI Partner University Faculty Achievements 2019

The Swiss Finance Institute (SFI) strives for excellence in research in order to build academic expertise with staying power. SFI is the only national center uniting, under one roof, world-class researchers in six partner universities from across Switzerland:

École Polytechnique Fédérale de Lausanne (EPFL), Eidgenössische Technische Hochschule Zürich (ETHZ), the University of Geneva (UNIGE), the University of Lausanne (UNIL), Università della Svizzera italiana (USI), and the University of Zurich (UZH).

Fundamental research by SFI professors plants the seeds for new financial ideas and provides fertile ground for innovation. Since 2006, SFI professors have published more than 140 articles on banking and finance in top-level academic journals.

Academic excellence is guaranteed by the SFI Scientific Council, an independent committee composed of internationally renowned professors of Banking and Finance from around the world. The Council places extra weight on publications appearing in journals that historically have been the first to promote those ideas that have changed financial practice: the *American Economic Review*, *Econometrica*, *The Journal of Finance*, the *Journal of Financial Economics*, the

Journal of Political Economy, the *Quarterly Journal of Economics*, the *Review of Economic Studies*, the *Review of Finance*, and *The Review of Financial Studies*.

SFI had a record eighteen articles by its researchers published in these journals in 2019:

Andreou, E., Gagliardini, P., Ghysels, E., & Rubin, M. (2019). Inference in group factor models with an application to mixed-frequency data. *Econometrica*, 87(4), 1267–1305. <https://doi.org/10.3982/ECTA14690>

Barbon, A., Di Maggio, M. D., Franzoni, F., & Landier, A. (2019). Brokers and order flow leakage: Evidence from fire sales. *The Journal of Finance*, 74(6), 2707–2749. <https://doi.org/10.1111/jofi.12840>

Bouchaud, J.-P., Krüger, P., Landier, A., & Thesmar, D. (2019). Sticky expectations and the profitability anomaly. *The Journal of Finance*, 74(2), 639–674. <https://doi.org/10.1111/jofi.12734>

Dessaint, O., Foucault, T., Frésard, L., & Matray, A. (2019). Noisy stock prices and corporate investment. *The Review of Financial Studies*, 32(7), 2625–2672. <https://doi.org/10.1093/rfs/hhy115>

The SFI faculty has a top-notch network of research collaborations worldwide

Selected affiliations of co-authors of SFI faculty (2010–present)



Di Maggio, M., Franzoni, F., Kermani, A., & Sommovilla, C. (2019). The relevance of broker networks for information diffusion in the stock market. *Journal of Financial Economics*, 134(2), 419–446. <https://doi.org/10.1016/j.jfineco.2019.04.002>

Eisdorfer, A., Goyal, A., & Zhdanov, A. (2019). Equity misvaluation and default options. *The Journal of Finance*, 74(2), 845–898. <https://doi.org/10.1111/jofi.12748>

Foucault, T., & Frésard, L. (2019). Corporate strategy, conformism, and the stock market. *The Review of Financial Studies*, 32(3), 905–950. <https://doi.org/10.1093/rfs/hhy077>

Franzoni, F., & Giannetti, M. (2019). Costs and benefits of financial conglomerate affiliation: Evidence from hedge funds. *Journal of Financial Economics*, 134(2), 355–380. <https://doi.org/10.1016/j.jfineco.2019.04.008>

Gropp, R., Mosk, T., Ongena, S., & Wix, C. (2019). Banks response to higher capital requirements: Evidence from a quasi-natural experiment. *The Review of Financial Studies*, 32(1), 266–299. <https://doi.org/10.1093/rfs/hhy052>

Jacob, M., Michaely, R., & Müller, M. A. (2019). Consumption taxes and corporate investment. *The Review of Financial Studies*, 32(8), 3144–3182. <https://doi.org/10.1093/rfs/hhy132>

Jondeau, E., Zhang, Q., & Zhu, X. (2019). Average skewness matters. *Journal of Financial Economics*, 134(1), 29–47. <https://doi.org/10.1016/j.jfineco.2019.03.003>

Li, D., & Schürhoff, N. (2019). Dealer networks. *The Journal of Finance*, 74(1), 91–144. <https://doi.org/10.1111/jofi.12728>

Lyandres, E., Marchica, M.-T., Michaely, R., & Mura, R. (2019). Owners' portfolio diversification and firm investment. *The Review of Financial Studies*, 32(12), 4855–4904. <https://doi.org/10.1093/rfs/hhz050>

Malamud, S., & Zucchi, F. (2019). Liquidity, innovation, and endogenous growth. *Journal of Financial Economics*, 132(2), 519–541. <https://doi.org/10.1016/j.jfineco.2018.11.002>

Morellec, E., & Zhdanov, A. (2019). Product market competition and option prices. *The Review of Financial Studies*, 32(11), 4343–4386. <https://doi.org/10.1093/rfs/hhz027>

Nikolov, B., Schmid, L., & Steri, R. (2019). Dynamic corporate liquidity. *Journal of Financial Economics*, 132(1), 76–102. <https://doi.org/10.1016/j.jfineco.2017.06.018>

Schneider, P. (2019). An anatomy of the market return. *Journal of Financial Economics*, 132(2), 325–350. <https://doi.org/10.1016/j.jfineco.2018.10.015>

Schneider, P., & Trojani, F. (2019). (Almost) model-free recovery. *The Journal of Finance*, 74(1), 323–370. <https://doi.org/10.1111/jofi.12737>

Other Publications

Research Paper Series

A total of 80 papers were published in the 2019 SFI Research Paper Series, hosted on the Social Science Research Network (SSRN).

SFI Research Days

Over 65 academics and PhD students from across Switzerland came together at the 2019 SFI Research Days to present and discuss their current research. The SFI Research Days, held at the Study Center Gerzensee, are structured into academic research sessions, a keynote speech, and doctoral workshops and sessions. This year, the keynote speech was given by Prof. Dacheng Xiu (University of Chicago) and was entitled "Empirical Asset Pricing via Machine Learning". The winners of the SFI Doctoral Award for the Best Paper and the Best Discussant are also nominated during the SFI Research Days.

Awards, Grants, and Honors for SFI Faculty in 2019

Hansjörg Albrecher

Best Teacher Award in the Master of Actuarial Science, HEC Lausanne, Switzerland.

Philippe Bacchetta

Keynote speaker, International Conference of TRC, Turkey.

Pierre Collin-Dufresne

European Central Bank grant, European Market Infrastructure Regulation Bridge Programme for Data Science.

François Degeorge

Keynote speaker, Danish Finance Institute Annual Conference, Denmark.

Damir Filipović

David Sprott Distinguished Lecture, University of Waterloo, Canada.

Laurent Frésard

Credit Suisse award for Best Teacher, Università della Svizzera italiana, Switzerland.

Michel Habib

Maurice Allais Prize in Economic Science, France.

Martin Hoesli

David C. Lincoln Fellowship Award, Lincoln Institute of Land Policy, USA.

Philipp Krüger

Co-chair, European Finance Association Doctoral Workshop, Portugal.

Roni Michaely

Keynote speaker, Multinational Finance Society Association Meeting, Israel.

Erwan Morellec

Best Teacher award, EPFL College of Management, Switzerland.

Steven Ongena

Best Policy Relevant Paper Award at the 2nd Annual Conference of the European Commission's Joint Research Center Community of Practice in Financial Research, Belgium.

Jean-Charles Rochet

Maurice Allais Prize in Economic Science, France.

Olivier Scaillet

International Francqui Professor Chair for Human Sciences, Belgium.

Didier Sornette

Chair Professor, Southern University of Science and Technology, China.

Fabio Trojani

Best Paper award, Northern Finance Association Meeting, Canada.

Outstanding Paper Award

The Outstanding Paper Award winners for 2019 are Prof. Robin Greenwood (Harvard Business School) and Prof. Annette Vissing-Jorgensen (University of California, Berkeley) for their paper entitled "The Impact of Pensions and Insurance on Global Yield Curves". The Outstanding Paper Award is given annually in recognition of an unpublished research paper that makes an outstanding contribution to the field of finance.

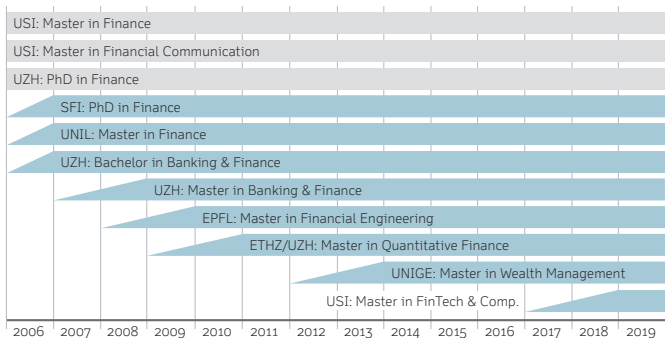


OPA 2018 winner Prof. Dacheng Xiu, University of Chicago with Prof. Dr. Jean-Charles Rochet (left)

Swiss Finance Institute First Education Activities

The Swiss Finance Institute has analyzed its impact on university first education and graduates specialized in banking and finance in Switzerland as well as consequences for the Swiss financial industry, and in particular for Swiss banks.

Since the launch of SFI, all our partner universities have benefitted from our support and the increasing availability of highly qualified professors, our SFI Faculty members. The engagement of these dedicated individuals has led to a steadily growing number of new banking and finance programs at all our partner universities:



Employer branch	% of SFI graduates	
Banking	35%	Financial industry: 59%
Asset / Fund / Investment Mgt.	15%	
Fintech & other financial services	6%	
Insurance	3%	
Consulting, audit & other services	15%	
Foreign authorities	2%	Academia: 12%
Swiss authorities	1%	
Other industries	11%	
Further studies	7%	
Academia	5%	

SFI's first education activities not only attract talent to Switzerland (with only one quarter of banking and finance graduates being of Swiss origin), we also see them stay in Switzerland and pursue their professional career in the Swiss financial industry (more than three-quarters do so). SFI graduates join all types of Swiss banks: The two big Swiss banks have hired more than 40% of SFI graduates, and Swiss private banks approximately another 30%. Foreign banks in Switzerland have recruited around 15% of SFI graduates entering the industry. The remaining approximately 15% have joined cantonal, Raiffeisen, regional, or other Swiss banks.

SFI PhD Program in Finance

The Swiss Finance Institute PhD Program in Finance promotes the pursuit of academic excellence, providing an intellectual environment and a curriculum comparable with other top PhD programs in Europe and North America. The PhD program operates in collaboration with SFI's partner universities: École Polytechnique Fédérale de Lausanne (EPFL), the University of Geneva (UNIGE), the University of Lausanne (UNIL), Università della Svizzera italiana (USI), and the University of Zurich (UZH). SFI students benefit from regular contact with outstanding local and international academics. The program seeks to offer the best training possible to both future academics and future practitioners.

In January 2019, there were 102 active students enrolled: EPFL, 19; UNIGE, 12; UNIL, 19; USI, 20; and UZH, 32. The 2019/2020 academic year had an intake of 12 students, mostly from Europe, but also from farther afield. The first year of the program is dedicated to foundation courses. In subsequent years, students often work as teaching or research assistants in local institutions while writing their theses, following advanced courses, and pursuing their research interests. SFI provides support that enables program participants to travel to international conferences and helps them prepare for the job market.

PhD Awards & Support: **Swiss Finance Institute Doctoral Award for the Best Paper**

The annual SFI Doctoral Award for the Best Paper recognizes a PhD student for an outstanding research paper presented at the SFI Research Days. The winning paper is nominated by a committee formed of external experts and SFI faculty participating in the SFI Research Days. In 2019, the award was won by Gazi Kabas, SFI@UZH, for his paper entitled "Unemployment Insurance Benefits: The Role of Banks".



Left to right: Best Paper Award winner Gazi Kabas, Prof. Dr. Steven Ongena, Best Discussant Award winner Yushi Peng, and Best Discussant Award winner Marlon Azinovic

Swiss Finance Institute Doctoral Award for the Best Discussant

The annual SFI Doctoral Award for the Best Discussant recognizes Swiss doctoral students in Finance for an outstanding discussion of a paper presented at the SFI Research Days. Recipients are nominated by the chairpersons of the respective workshop sessions. In 2019, the award was won by Marlon Azinovic, SFI@UZH, Alexander Bechtel, UNISG, and Yushi Peng, SFI@UZH.



Best Paper Award 2019 winner Gazi Kabas with Prof. Dr. Steven Ongena (left)

PhD Study Abroad

SFI PhD students visit other institutions in the advanced stages of their education in order to gain exposure to top scholars and other internationally renowned institutions, providing them with a well-balanced foundation upon which they can base their move into the job market.

- Maxime Auberson, SFI@UNIGE, visited Questrom School of Business, Boston University (USA) from September 2019 to December 2019 (faculty sponsor: Prof. Jérôme Detemple).
- Andrea Barbon, SFI@USI, visited Harvard Business School, Harvard University (USA) from September 2018 to May 2019 (faculty sponsor: Prof. Marco Di Maggio).
- Maxime Couvert, SFI@EPFL, visited Columbia Business School, Columbia University (USA) from September 2019 to January 2020 (faculty sponsor: Prof. Wei Jiang).
- Efe Cötelioglu, SFI@USI, is visiting McDonough School of Business, Georgetown University (USA) from September 2019 to May 2020 (faculty sponsor: Prof. Alberto G. Rossi).
- Kornelia Fabisik, SFI@EPFL, visited London School of Economics (UK) from May 2019 to July 2019 (faculty sponsor: Prof. Dirk Jenter).
- Virginia Gianinazzi, SFI@USI, visited NYU Stern School of Business, New York University (USA) from September 2018 to August 2019 (faculty sponsor: Prof. Marti G. Subrahmanyam).
- Erik Hapnes, SFI@EPFL, visited the University of California, Berkeley (USA) from March 2019 to April 2019 (faculty sponsor: Prof. Brett Green).
- Jakub Hajda, SFI@UNIL, visited Ross School of Business, University of Michigan (USA) from January 2019 to March 2019 (faculty sponsor: Prof. Toni Whited).
- Luca Mazzone, SFI@UZH, has been visiting the University of Pennsylvania (USA) since August 2018 (faculty sponsor: Prof. Dirk Krueger).
- Tina Oreski, SFI@USI, is visiting Boston College (USA) from September 2019 to August 2020 (faculty sponsor: Prof. Francesco D'Acunto).
- Paula Mirela Sandulescu, SFI@USI, visited Questrom School of Business, Boston University (USA) from September 2018 to August 2019 (faculty sponsor: Prof. Andrea Vedolin).
- Hongzhe Shan, SFI@UNIGE, visited London Business School (UK) from September 2018 to January 2019 (faculty sponsor: Prof. Vikrant Vig).

"The SFI PhD Program was a life-changing experience. Interacting with SFI professors and PhD students during the SFI Research Days has been insightful and rewarding. Moreover, SFI gave me the opportunity to attend the world's top conferences and connect with the world's best researchers in financial economics. I feel privileged and proud to be part of such an extraordinary community."

Andrea Barbon, SFI PhD Graduate '20 and Assistant Professor of Finance, University of St. Gallen, Switzerland

SFI PhD Graduate Placements

Academia



America

1. Boston College
2. Boston University
3. Columbia University
4. DePaul University
5. Duke University
6. Emory University
7. HEC Montréal
8. Johns Hopkins Carey Business School
9. McGill University
10. Simon Fraser University
11. University of California, Los Angeles
12. University of Houston
13. University of Maryland
14. University of Texas at Dallas

Europe/Africa

- | | |
|---|---|
| 15. African School of Economics | 28. London School of Economics |
| 16. Amsterdam School of Economics | 29. Norwegian School of Economics |
| 17. BI Norwegian Business School | 30. Università Cattolica del Sacro Cuore |
| 18. Burdur Mehmet Akif Ersoy University | 31. Università della Svizzera Italiana |
| 19. Collegio Carlo Alberto | 32. Università degli Studi di Napoli Federico II |
| 20. Copenhagen Business School | 33. Université Paris-Dauphine |
| 21. EDHEC Business School | 34. University of Amsterdam |
| 22. ESADE Business School | 35. University of Bern |
| 23. ESSEC Business School | 36. University of Cape Town |
| 24. Goethe University Frankfurt | 37. University of Lausanne |
| 25. HEC Paris | 38. University of St. Gallen |
| 26. Humboldt-Universität zu Berlin | 39. University of Vienna |
| 27. Lancaster University | 40. Vrije Universiteit Amsterdam |
| | 41. ZHAW Zürcher Hochschule für Angewandte Wissenschaften |

SFI has one of the world's largest and most competitive PhD programs in Finance. SFI PhD graduates go on to work in top industry organizations or take up posts at outstanding academic institutions.



Asia

- 42. HKUST Business School
- 43. International College of Economics and Finance, Moscow
- 44. Shandong University
- 45. Shanghai Jiao Tong University
- 46. Shanghai University of Finance and Economics

Oceania

- 47. University of Melbourne
- 48. University of New South Wales

SFI PhD Graduates 2019

The following students graduated from the SFI PhD Program during 2019:

- Ina Bialova, SFI@UNIL, Senior Consultant, Finyon Consulting AG, Switzerland.
- Julien Blatt, SFI@EPFL, Risk Modeling and Analytics Specialist, UBS, Switzerland.
- Eugenio Carnemolla, SFI@UNIL, Quantitative Analyst, Vontobel Asset Management, Switzerland.
- Sylvain Carre, SFI@EPFL, Assistant Professor, International College of Economics and Finance, Russia.
- Kathrin DeGreiff, SFI@UZH, Credit Suisse, Switzerland.
- Fulvia Fringuellotti, SFI@UZH, Financial Economist, Federal Reserve Bank of New York, USA.
- Runjie Geng, SFI@UZH, is on the 2020 job market.
- Regina Hammerschmid, SFI@UZH, Quant Risk Specialist, UBS, Switzerland.
- Gabriela Hrasco, SFI@UNIGE, Associate, McKinsey & Company, Switzerland.
- Daria Kalyaeva, SFI@UNIL, Investment Analyst, Swiss Re, Switzerland.
- Damien Klossner, SFI@EPFL, Swiss National Bank, Switzerland.
- Adriano Tosi, SFI@UZH, Quantitative Researcher, Morgan Stanley, UK.
- Sander Willems, SFI@EPFL, Quantitative Analyst, NatWest Markets, UK.
- Wojciech Zurowski, SFI@USI, Model Expert for Interest Rate Risk, Credit Suisse, Switzerland.

Industry Placements

PhD Graduates—Industry Placements:

SFI PhD students have been placed in a broad range of institutions including Accenture, Amazon, Bank of Canada, Banque Centrale du Luxembourg, Credit Suisse, Deloitte, Deutsche Bank, Ernst and Young, the European Commission, the Federal Reserve Bank of New York, Goldman Sachs, McKinsey & Company, Morgan Stanley, PricewaterhouseCoopers, Royal Bank of Scotland, the Swiss National Bank, Swissquote, Swiss Re, UBS, the US Securities and Exchange Commission, and Zürcher Kantonalbank.

SFI Commercial Continuing Education

Facts and Figures 2019

The focus of the SFI Continuing Education offering is to provide insight into key knowledge and trends in the financial industry, on both a strategic and an operational level. The concepts underlying these trends are presented by academics and practitioners selected for their extensive industry involvement and their understanding of the implications of these concepts for the finance industry. Senior executives are invited to give presentations on their institutions' experience of these developments.

A systematic and regular update of the topics and of the course structure ensures that the needs of the market are constantly met. Finally, the carefully selected participants are of the highest caliber, ensuring a critical peer discussion of the ideas presented and offering the benefits of outstanding networking and interaction platforms.

In 2019 SFI Continuing Education offered 15 courses and over 30 training courses related to certification.

- 3 degree offerings
- 1 executive offering
- 3 spotlight courses
- 2 in-house training courses
- 6 SAQ re-certification training measures
- 33 training courses related to SAQ certification

More than 200 participants took part in one or more of the Institute's courses in 2019.

2019 Highlights

Swiss Degree

The number of course participants completing one of these programs (CAS in Real Estate Finance, DAS in Banking, and MAS in Banking) and being awarded a university diploma increased in 2019. The SFI flagship program, "DAS in Banking" (its predecessor being the "Executive Program"), was held for the 32nd time.

Certification

In 2019 the Continuing Education team successfully continued to broaden the scale of its offering to incorporate specialist certification training. SFI has been mandated by the Swiss Association for Quality (SAQ) as an examination institute for the certification of client advisors in wealth management (ISO 17024). SFI, with its significant expertise in wealth management, joined forces with two strong partners—namely, the University of Zurich and the CYP Association. These partners complement SFI's expertise and education setup ideally, which allows the three bodies to jointly offer certifications not only in Wealth Management but also in other client advisor bank profiles of SAQ. The certification offering comprises a self-assessment test for all candidates and selected e-learning and/or on-site training elements, as well as an examination.

All elements of the certification are offered in four languages—English, French, German, and Italian—and can be customized upon request. In 2019, the Swiss Finance Institute was commissioned to execute the certification program (e-learning, webinars, physical training sessions, and exams) for several new and existing clients. Quality reviews show that SFI ranks among the top providers in the field of certification courses.



Keynote Speaker Prof. Dr. Donato Scognamiglio, IAZI AG



DAS in Banking 2019

SFI Alumni Association

The Swiss Finance Institute Alumni Association (SFIAA) replaced the former Swiss Banking School Alumni Association on April 28, 2006. Graduates of any of the Swiss Finance Institute training programs or continuing education offerings—in particular the Executive Program, the Diploma of Advanced Studies (DAS) in Banking, the Certificate of Advanced Studies (CAS), the Advanced Executive Program, the Financial Asset Management and Engineering Program, and the International Bank Management Program—are eligible to join. The SFIAA currently has 1'255 members.

The SFIAA Promotes:

- Networking among its members
- The continuing education of its members by means of seminars and lectures (in collaboration with SFI)
- Contributions to the ongoing development of SFI

In addition to an annual meeting of members, SFIAA and SFI jointly organize the Alumni Luncheons, with prominent guest speakers; after-work aperitifs in Zurich and Basel; luncheons in Bern; and networking dinners in Geneva, as well as the SFIAA Golf Trophy. Furthermore, in 2015, for the first time, social events were organized, starting with a one-day excursion to Mercedes-AMG in Affalterbach.

2019 Alumni Luncheons & Events

January 24, 2019

SFIAA "Fondue Enjoyment"

August 28, 2019

SFIAA BBQ

December 3, 2019

Networking Luncheon, Bern

March 20, 2019

Networking Dinner, Romandie

September 3, 2019

Networking Luncheon, Bern

Women's Luncheons

This series of events was launched in 2008 to promote networking among female members of the SFIAA.

March 27, 2019

General Assembly & Luncheon, Zurich.

Speaker: Dr Markus P.H. Bürgi, CFOO, the Swiss Finance Institute

September 11, 2019

SFIAA Luncheon, Zurich. Speaker: Marc Walder, CEO Ringier

May 23, 2019

Speaker: Sona Blessing, author of Alternative Alternatives

April 9, 2019

Networking Luncheon, Bern

September 13, 2019

SFIAA Golf Trophy

September 17, 2019

Speaker: Anna Maria d'Hulster, ex-General Secretary of the Geneva Association

May 22, 2019

SFIAA Luncheon, Zurich. Speaker: Jos Dijsselhof, CEO SIX

September 18/19, 2019

SFIAA Social Event: Visit to Mercedes AMG, Affalterbach

November 12, 2019

Speaker: Karin Oertli, COO of UBS Switzerland

June 5, 2019

Networking Dinner, Romandie

October 30, 2019

SFIAA Luncheon, Zurich. Speaker: Roger Semprini, CEO Equinix

June 25, 2019

Networking Luncheon, Bern

November 6, 2019

Networking Dinner, Romandie

August 20, 2019

After-work Aperitif, Basel

November 19, 2019

After-work Aperitif, Basel

Overview of SFI Master Classes 2019

Successful launch of SFI Master Classes in 2019

The first Master Classes conducted in summer 2019—a new form of continuing education—were challenging for both the SFI professors involved and the industry experts. The 14 Master Classes in 2019 were conducted by eight renowned SFI professors. They teamed up with very senior and highly experienced experts from the banking and finance industry. The collaboration with these experts proved excellent. This team aspect with regard to the co-leaders of the Master Classes also helped elicit a high level of interactivity from, and between, participants.

Data and Technology in Finance

Zurich, June 5, 2019

Prof. Dr. Laurent Frésard, SFI Senior Chair, Università della Svizzera italiana

Risk and Return in Corporate Debt

Geneva, June 17, 2019

Prof. Dr. Erwan Morellec, SFI Senior Chair, Ecole Polytechnique Fédérale de Lausanne

Maschinelles Lernen und KI: Anwendungen im Bank- und Finanzbereich

Zurich, June 21, 2019

Prof. Dr. Norman Schürhoff, SFI Senior Chair, University of Lausanne

Risk and Return in Corporate Debt

Zurich, July 2, 2019

Prof. Dr. Erwan Morellec, SFI Senior Chair, Ecole Polytechnique Fédérale de Lausanne

Data and Technology in Finance

Pfaeffikon SZ, September 4, 2019

Prof. Dr. Laurent Frésard, SFI Senior Chair, Università della Svizzera italiana

Data and Technology in Finance

Geneva, September 12, 2019

Prof. Dr. Laurent Frésard, SFI Senior Chair, Università della Svizzera italiana

Machine Learning and AI: Applications in Banking and Finance

Geneva, September 27, 2019

Prof. Dr. Norman Schürhoff, SFI Senior Chair, University of Lausanne

Wertorientierte Führung

Zurich, September 27, 2019

Prof. Dr. Alexander F. Wagner, SFI Senior Chair, Universität Zürich

Opportunities in Active Asset Management

Zurich, October 28, 2019

Prof. Dr. Francesco Franzoni, SFI Senior Chair, Università della Svizzera italiana

Risk and Quality in Residential Mortgage Markets

Zurich, November 7, 2019

Prof. Dr. Johan Walden, SFI Senior Chair, University of Lausanne

Wertorientierte Führung

Pfaeffikon SZ, November 18, 2019

Prof. Dr. Alexander F. Wagner, SFI Senior Chair, Universität Zürich

Value-based Management

Geneva, November 25, 2019

Prof. Dr. Alexander F. Wagner, SFI Senior Chair, Universität Zürich

Best Practices in Valuation

Zurich, November 29, 2019

Prof. Dr. Kjell Nyborg, SFI Senior Chair, University of Zurich

Factor Based Asset Allocation

Zurich, December 3, 2019

Prof. Dr. Pierre Collin-Dufresne, SFI Senior Chair, Ecole Polytechnique Fédérale de Lausanne

Overview of Knowledge Exchange Seminars 2019

Knowledge Exchange Seminars are roundtable discussions on various themes including both trends and uncertainties in the market. The Seminars are guided by the same principle that applies to all SFI's knowledge exchange activities—the combination of the expertise of an SFI professor and a senior industry expert.

Attendance is invitation only and such invitations are sent solely to senior experts in the field. The discussants are expected to express as many different points of view as reasonably possible in order to allow for the most varied and animated discussion possible. The richness of topics listed below illustrates the broad appeal of this activity.

Value Reporting – Shareholders

Zurich, March 12, 2019

Prof. Dr. Alexander F. Wagner, SFI Senior Chair, Associate Professor of Finance, University of Zurich
Prof. Dr. Rolf Watter, Bär und Karrer

ETF Liquidity

Zurich, May 6, 2019

Prof. Dr. Francesco Franzoni, SFI Senior Chair, Professor of Finance, Università della Svizzera italiana
Umberto Orso, Flow Traders

Private Equity

Zurich, September 3, 2019

Prof. Dr. Rüdiger Fahlenbrach, SFI Senior Chair, Associate Professor of Finance, EPFL
Dr. Christian Waldvogel, Renaissance

Corporate Governance

Zurich, September 11, 2019

Prof. Dr. Alexander F. Wagner, SFI Senior Chair, Associate Professor of Finance, University of Zürich
Prof. Dr. Rolf Watter, Bär und Karrer

Central Banks and Financial Markets

Zurich, September 26, 2019

Prof. Dr. Kjell Nyborg, SFI Senior Chair, Professor of Finance, University of Zurich
Andreas Koester, UBS

The Replacement of LIBOR

Zurich, November 21, 2019

Prof. Dr. Damir Filipović, SFI Senior Chair, Swissquote Chair in Quantitative Finance, EPFL
Dr. Jochen Dorn, Vontobel
Stefan Pomberger, Vontobel

Best Practices in Valuation

Zurich, November 28, 2019

Prof. Dr. Philippe Bacchetta, SFI Senior Chair, Professor of Economics, University of Lausanne
Dr. Stefan Gerlach, EFG

Cybercrime and Cybersecurity

Geneva, December 3, 2019

Prof. Dr. Olivier Scaillet, SFI Senior Chair, Professor of Probability and Statistics, University of Geneva
Dr. Adrien Treccani, Metaco

Intergenerational Perspectives on Sustainable Investing

Geneva, December 10, 2019

Prof. Dr. Philipp Krueger, SFI Senior Chair, Associate Professor of Responsible Finance, University of Geneva
Tullio Musso, Pictet

Overview Special Projects and Publications 2019

SFI's mission is to offer opportunities for academics and practitioners to move beyond current practice, exchanging the knowledge and expertise that will keep Switzerland at the top in banking and finance. Two major pillars of this mission are our events and conferences, which bring together the finest minds in academia and the Swiss financial community, and our special projects, which allow SFI professors to share their expertise with practitioners, journalists, and politicians in a very practice-oriented way.

SFI Practitioner Roundups 2019 **Factor Investing**

January 2019

Drivers, which can actually be captured by so-called factors, are at the very heart of today's investment models for factor investing. Being able to identify factors allows investors to build portfolios in a more transparent way, which helps them pursue their needs and objectives.

Prof. Dr. Fabio Trojani, SFI Senior Chair, Professor of Statistics, University of Geneva
Christophe Donay, Head of Strategy and Asset Allocation, Banque Pictet & Cie SA

Financial Forecasting

February 2019

The quality of a forecast should be based on its ability to both be accurate and to explain the outcome. But as long as financial decisions are made by humans, who can be seen as atoms and molecules bouncing against one another, one should be content with predictions that are accurate only on average. Predictions of financial returns are generally carried out using regression models and past data on asset characteristics, such as size or book-to-market ratios.

Prof. Dr. Amit Goyal, SFI Senior Chair, Professor of Finance, University of Lausanne
Umberto Boccato, Head of Investments, Mirabaud Asset Management
Mark Temnikoy, Strategist-Economist, Mirabaud Asset Management

Special Issue: Can Finance Make the Planet Greener?

June 2019

This Special Issue of the SFI Practitioner Roundups highlights exciting recent developments in Green Finance. Drawing on the expertise of SFI researchers and industry experts, it addresses key questions such as: can price signals from financial markets create incentives for sustainability? How do government policies and green finance complement each other? What pitfalls lie ahead in the transition to a decarbonized economy, and how to manage the pace of this transition? Is the transition already priced in, or are we in a carbon bubble?

Prof. Dr. Philipp Krueger, SFI Senior Chair, Associate Professor of Responsible Finance, University of Geneva
Prof. Dr. Steven Ongena, SFI Senior Chair, Professor of Banking, University of Zurich
Prof. Dr. Jean-Charles Rochet, SFI Senior Chair, SFI Head of Research, Professor of Banking, University of Geneva
Prof. Dr. Norman Schürhoff, SFI Senior Chair, Professor of Finance, University of Lausanne
Sabine Döbeli, Chief Executive Officer, Swiss Sustainable Finance
Bertrand Gacon, Co-Founder & Chief Executive Officer, Impaakt

Special Issue: Debt, Growth and Resilience

November 2019

This study examines recent trends in the demand and supply of debt and their consequences for the overall economy. Drawing on finance research and practice, it offers a nuanced, evidence-based perspective on several topics that figure prominently in public discussion, such as the sustainability of government debt levels, the effect of debt on entrepreneurial activity, and the unintended consequences of certain banking regulations.

Erwan Morellec, SFI Senior Chair, Head of SFI PhD Program, Professor of Finance, Ecole Polytechnique Fédérale de Lausanne

Prof. Dr. Steven Ongena, SFI Senior Chair, Professor of Banking, University of Zurich

Prof. Dr. Jean-Charles Rochet, SFI Senior Chair, SFI Head of Research, Professor of Banking, University of Geneva

Prof. Dr. Axel P. Lehmann, President UBS Switzerland and Member of the Group Executive Board, UBS

Special Projects 2019

Digitalization Study: Digital Pulse Check 3.0

Comprehensive study based on a written survey among Fintech executives, interviews with approx. 20 members of management and boards of directors of Swiss banks, as well as zeb's existing results from the rest of Europe. Publication of a dedicated study booklet and presentation of the study at two dedicated events and various other occasions.

Prof. Dr. Rüdiger Fahlenbrach, SFI Senior Chair, Ecole Polytechnique Fédérale de Lausanne

Prof. Dr. Damir Filipović, SFI Senior Chair, Ecole Polytechnique Fédérale de Lausanne

Dr. Markus P.H. Bürgi, Swiss Finance Institute

Andreas Borg, Senior Manager, zeb

Norman Karrer, Partner zeb

Wieland Weinrich, Senior Partner, zeb

Survey on Career Prospects—Profound Banking Expertise Remains a Crucial Success Factor

In spring 2019, SFI together with finews.ch and Communicators carried out the eighth annual online survey on "Career Prospects in the Financial Industry". The results confirmed the path taken by SFI to focus on industry-oriented Knowledge Exchange activities. Bankers know about the importance of first-class knowledge and they appreciate the opportunity to keep their knowledge up-to-date in focused and time-efficient manner by attending SFI Master Classes.

Overview of SFI Events Organized in 2019

Launch Event: Digital Pulse Check

Zurich, Study Presentation, January 24, 2019

Prof. Dr. Damir Filipović, SFI Senior Chair and Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne

Prof. Dr. Rüdiger Fahlenbrach, SFI Senior Chair and Associate Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne

Norman Karrer, Partner zeb

Markus Locher, Head of Strategic Digitalization, Credit Suisse

SFI–Capco Institute Banking & Finance Forum

Zurich, Conference, February 26, 2019

Focus Topics

Panel 1: How Technological Changes Affect the Evolution of IPO and Acquisition Activities

Panel 2: Passive Asset Management and Corporate Governance

Panel 3: Auditors' Response to Higher Capital Requirements for Banks: Evidence from a Quasi-Natural Experiment

Keynote: Quo Vadis Financial Market Infrastructure?—Challenges and Opportunities

Speakers

Prof. Dr. Rüdiger Fahlenbrach, Associate Professor of Finance, Swiss Finance Institute & École Polytechnique Fédérale de Lausanne

Prof. Dr. Laurent Frésard, Professor of Finance, Swiss Finance Institute & Università della Svizzera italiana

Dr. Romeo Lacher, Chairman of the Board, SIX, and Vice-Chairman of the Foundation Board, Swiss Finance Institute

Prof. Dr. Steven Ongena, Professor of Banking, Swiss Finance Institute & University of Zurich

Panelists

Dr. Urban Angehrn, Group Chief Investment Officer, Zurich Insurance Group

Dr. Frederic Boissay, Monetary and Economic Department, Financial Systems & Regulation, BIS

Yves Bonzon, Head Investment Management and Chief Investment Officer, Julius Baer

Nick Bossart, Country Head and Head of Investment Banking—Switzerland, JP Morgan

Isabelle Bourcier, Global Head of Quantitative & Index, BNP Paribas Asset Management

Philippe Cléménçon, Chief Risk Officer, Credit Suisse (Schweiz) AG

Didier Denat, Head of Corporate & Investment Banking, Credit Suisse (Schweiz) AG

Daniel Martin, Partner, EMIEA Leader for Prudential Competency, EY

Gernot Mittendorfer, Chief Financial Officer, Erste Group Bank AG

Prof. Dr. Bertrand Rime, Director—Financial Stability, Schweizerische Nationalbank

Sandro Streit, Head of Asset Management, Schweizerische Nationalbank

Michael Strobaek, Global Chief Investment Officer, Credit Suisse

Roger Studer, Head of Investment Banking, Vontobel

Patrick Voegeli, Head of Corporate and Institutional Banking, BNP Paribas (Suisse) SA

Chairmen

Prof. Dr. François Degeorge, Managing Director, Swiss Finance Institute

Andrea Hoffmann, Senior Partner, Capco

Dr. Ingo Rauser, Senior Partner—Switzerland, Capco Institute

**Événement partenaire FGPF et SFI:
"Le pouls digital de la banque Suisse"**

Geneva, Study Presentation, June 10, 2019

Prof. Dr. François Degeorge, Managing Director,
Swiss Finance Institute

Prof. Dr. Damir Filipović, SFI Senior Chair and
Professor of Finance at the Ecole Polytechnique Fédérale
de Lausanne

Steve Krieger, Head of Strategy & Group Projects,
Pictet Group

Yves Mirabaud, Président, Fondation Genève Place
Financière

**SFI Public Discussion Event mit
Sergio P. Ermotti**

Zurich, Public Discussion Event, June 25, 2019

Sergio P. Ermotti, Group Chief Executive Officer, UBS

**14th Annual Meeting of SFI:
"Debt, Growth, and Resilience"**

Zurich, Conference, November 13, 2019

Dr. Romeo Cerutti, General Counsel, Credit Suisse
Group AG and Chairman of the SFI Foundation Board

Prof. Dr. François Degeorge, Managing Director and
Senior Chair, SFI

Sergio P. Ermotti, Group Chief Executive Officer, UBS
Nobel Laureate Professor Bengt Holmström, Professor of
Economics, Massachusetts Institute of Technology (MIT)

Prof. Dr. Jean-Charles Rochet, SFI Senior Chair and
Head of Research, University of Geneva and SFI

Herbert J. Scheidt, Chairman of the
Swiss Bankers Association

SFI—M&G Seminar on Private Debt

Zurich, Evening Seminar, November 19, 2019

Prof. Dr. Rüdiger Fahlenbrach, SFI Senior Chair and
Professor of Finance, EPFL

William Nicoll, Director Fixed Income, M&G

Brian Olvany, Head of Private Debt,
Zurich Insurance Group

Overview of SFI Commercial Continuing Education 2019

Swiss Offerings

March 2019–April 2020

Diploma of Advanced Studies in Banking

This bank management program is held in German and runs for six weeks spread over a period of 16 months. It is aimed at management and technical experts within the banking industry who have experience of leading a demanding client portfolio and who wish to broaden their roles. It is conducted in collaboration with Rochester–Bern Executive Programs/University of Bern.

June 2019–April 2020

Advanced Executive Program (AEP)

This bank management program for senior executives synthesizes the latest insights into banking and finance issues in theory and current practice. In 2019, participants attended the AEP modules together with the DAS in Banking class, which intensified the exchange of knowledge and expertise between practitioners.

September 2019–March 2020

Certificate of Advanced Studies in Banking with a Focus on Real Estate Finance

This certificate program is held in German and targets real estate specialists from finance and the real estate industry. It comprises 12 days of classroom study. It is conducted in collaboration with IAZI AG Zurich and Rochester–Bern Executive Programs/University of Bern.

Swiss Banking School Certification

In collaboration with the University of Zurich and the CYP Association, the Swiss Finance Institute launched an inclusive offering—available in German, English, French, and Italian—at the end of 2016 to prepare individuals for certification as client advisors by the Swiss Association for Quality (SAQ) under the ISO standard 17024.

Specialist Offerings and In-house Training

Several in-house and specialist training courses were offered in 2019, among them the Cross-Border Wealth Management Certification.

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SFI Expertise Guide



Swiss Finance Institute Faculty

Swiss Finance Institute has a faculty of over 50 professors who support its research and continuing education activities.

SFI Partner University Faculty (as of April 2020)

The SFI Research Faculty is made up of over 50 exceptional researchers from six SFI partner universities. Their outstanding publications and expertise contribute to the international research community and ensure that Switzerland makes its mark on the international research agenda.

Hansjörg Albrecher	40
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* SFI chair-holder

Continuing Education Adjunct Faculty (as of April 2020)

The title of SFI Adjunct Professor is awarded to selected academics from recognized universities and universities of applied science. Recipients are chosen because of their strategic and/or reputational engagements for SFI, for example within its continuing education programs.

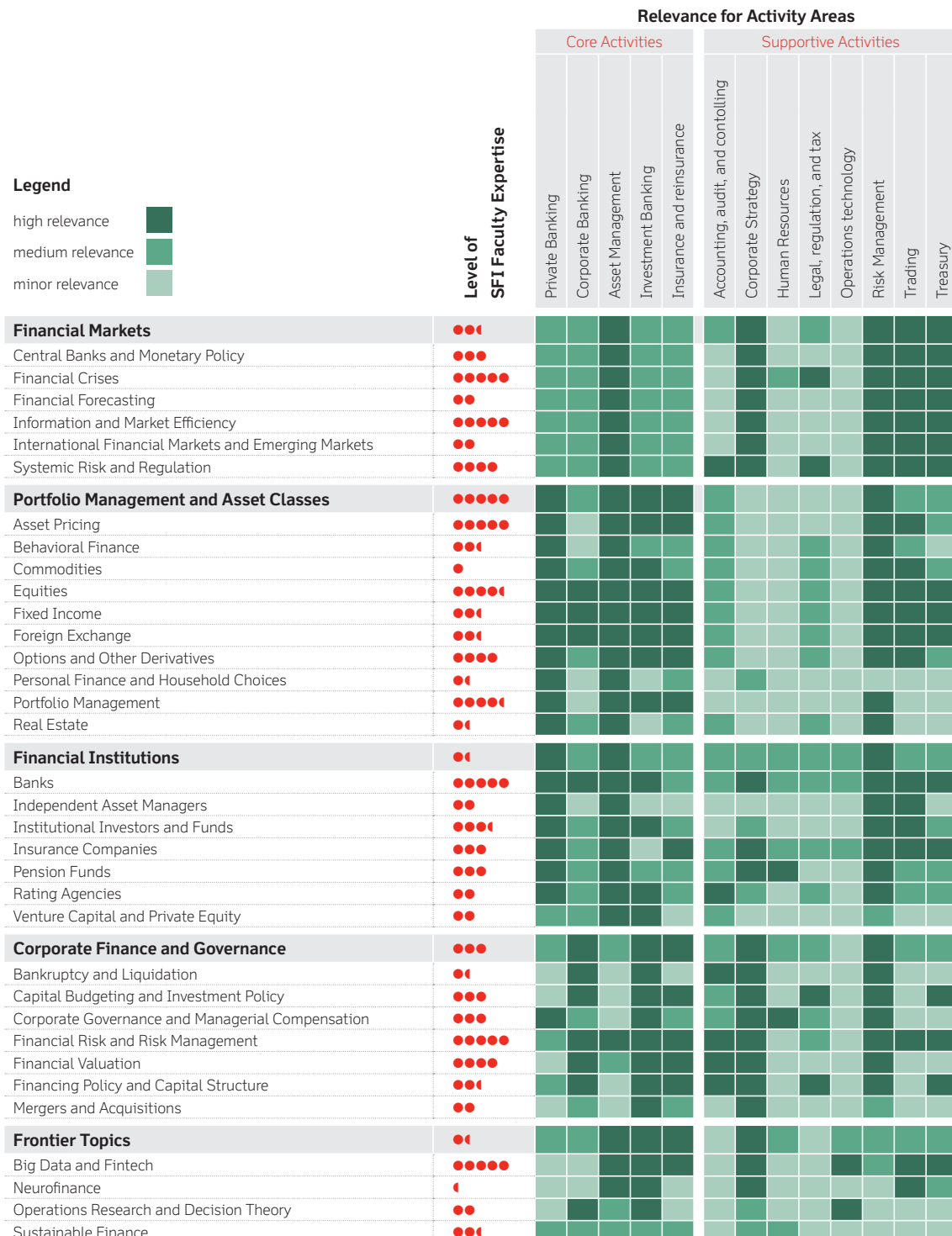
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SFI works with its partner universities to create and establish academic expertise and excellence.



Editing:
Dr. Cyril Pasche, Swiss Finance Institute

The SFI Expertise Matrix



Our Faculty's Areas of Expertise

Financial Markets

- Central Banks and Monetary Policy
- Financial Crises
- Financial Forecasting
- Information and Market Efficiency
- International Financial
- Markets and Emerging Markets
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Asset Pricing
- Behavioral Finance
- Commodities
- Equities
- Fixed Income
- Foreign Exchange
- Options and Other
- Derivatives
- Personal Finance and Household Choices
- Portfolio Management
- Real Estate

Financial Institutions

- Banks
- Independent Asset
- Managers
- Institutional Investors and Funds
- Insurance Companies
- Pension Funds
- Rating Agencies
- Venture Capital and Private Equity

Corporate Finance and Governance

- Bankruptcy and Liquidation
- Capital Budgeting and Investment Policy
- Corporate Governance and Managerial Compensation
- Financial Risk and Risk Management
- Financial Valuation
- Financing Policy and Capital Structure
- Mergers and Acquisitions

Frontier Topics

- Big Data and Fintech
- Neurofinance
- Operations Research and Decision Theory
- Sustainable Finance

Expertise Index

Looking for specific expertise and trying to get in touch with one of our faculty members? Do not hesitate to contact us!

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English, German:

Dr. Markus Bürgi,
Markus.Buergi@sfi.ch,
+41 44 254 30 95

Financial Markets

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Faculty Profiles

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Hansjörg Albrecher is Professor of Actuarial Science at the University of Lausanne. Professor Albrecher is a regular speaker at leading conferences on insurance. He has published extensively and serves on the editorial boards of the top academic journals in his areas of research expertise.

Expertise

Professor Albrecher is studying how heavy-tailed distributions—where single out of the ordinary events have strong consequences—impact financial or insurance-related returns and risks. He has recently developed some highly flexible and parsimonious models to better understand such outcomes. For various insurance loss data sets, he shows that the resulting

models need considerably fewer parameters for a comparable fit and are hence interesting complements for the analysis of the involved randomness and for risk management.

Expertise Fields

Financial Markets

- Systemic Risk and Regulation

Financial Institutions

- Insurance Companies

Corporate Finance and Governance

- Bankruptcy and Liquidation
- Capital Budgeting and Investment Policy
- Financial Risk and Risk Management
- Financing Policy and Capital Structure

Frontier Topics

- Operations Research and Decision Theory

Language Skills

English, French, German

Prof. Philippe Bacchetta



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Philippe Bacchetta is Professor of Economics at the University of Lausanne. Professor Bacchetta has provided consultancy services to numerous central banks around the world and has been a visiting scholar at the International Monetary Fund on several occasions.

Expertise

Professor Bacchetta is studying the increase in dollar borrowing by non-investment grade eurozone firms during the 2007–09 financial crisis. Traditional knowledge states that a borrower's export intensity and foreign currency income and the interest rate differential between domestic and foreign currency loans are the main factors at work when determining the currency

denomination of debt. Professor Bacchetta's contribution is to show that during a liquidity crisis another factor also matters—the increase in the relative cost of funding of the domestic currency. During the 2007–09 crisis, the increase in the cost of funding in euros reduced the supply of credit by eurozone lenders, curbed the willingness of foreign lenders to bear currency risk, and ultimately caused a shift to foreign currency credit. Altogether, this shows that foreign credit is counter-cyclical and that non-eurozone banks played a key stabilizing role. Professor Bacchetta actively participates in SFI Knowledge Exchange activities that focus on negative interest rates.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy
- Financial Crises
- International Financial Markets and Emerging Markets

Portfolio Management and Asset Classes

- Foreign Exchange

Language Skills

English, French, Spanish

Prof. Giovanni Barone-Adesi



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Giovanni Barone-Adesi is Professor of Economics at the Università della Svizzera italiana. He is President of OpenCapital, an asset management firm based in Lugano, and a member of the Board of Credit Agricole Indosuez (Switzerland).

Expertise

Professor Barone-Adesi is examining the key aspects of financial market predictability with a specific focus on both predictive modelling and predictors. With respect to predictive modelling, he shows how combining machine learning and model selection techniques dramatically increases forecasting capabilities. Such findings pose a significant challenge to the efficient market hypothesis as they prove that

machine learning experts can build algorithms capable of consistently outperforming the market; they also call for new asset pricing models that include nonlinearities. With respect to predictors, he considers a broad variety of variables and reveals that the most successful predictors are based on asset growth and net stock issue, and that small stocks are more predictable than big ones. Finally, he proves how predictability is a generalized characteristic of equity markets, and urges investors to study the relation between predictability and pricing in a combined approach.

Expertise Fields

Portfolio Management and Asset Classes

- Asset Pricing
- Commodities
- Equities
- Foreign Exchange
- Options and Other Derivatives
- Portfolio Management

Financial Institutions

- Banks
- Independent Asset Managers

Corporate Finance and Governance

- Financial Risk and Risk Management

Language Skills

English, Italian

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Christoph Basten is Assistant Professor of Banking at the University of Zurich. Prior to joining the University of Zurich, he worked for five years as a risk manager at the Swiss Financial Market Authority, FINMA.

Expertise

Professor Basten is focusing on bank capital requirements and empirically measuring the effects of the Basel III macroprudential Counter-Cyclical Capital Buffer (CCyB). In 2013, the Swiss Federal Council decided to activate the CCyB and required Swiss banks to set aside extra capital to finance domestic residential mortgages. Professor Basten's analysis shows that an immediate price effect occurred, as banks increased mortgage rates. By contrast, he found no

noticeable impact on the rejection rate of mortgage applications nor any form of direct credit rationing. Increases in pricing did nonetheless have an indirect effect on the issuance volume of new mortgages, which allowed banks to increase retained earnings to build the needed extra capital. From a policy perspective, he finds it encouraging to see how the CCyB can help policy makers "lean against the wind" of suspected credit bubbles by affecting the supply composition of lending and precisely strengthening those lenders most exposed to suspected bubbles.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy
- Financial Crises
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Personal Finance and Household Choices
- Real Estate

Financial Institutions

- Banks

Corporate Finance and Governance

- Financial Risk and Risk Management

Frontier Topics

- Big Data and Fintech

Language Skills

English, German

Prof. Stefano Battiston



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Stefano Battiston is Professor of Banking at the University of Zurich and Director of the FINEXUS Center for Financial Networks and Sustainability. He has coordinated several EU and Swiss projects on sustainable finance. His interdisciplinary scientific background, which combines complex systems, economics, and finance, has put him in a unique position to understand policy issues from a quantitative perspective.

Expertise

Professor Battiston is investigating, by means of financial network models, the relation between financial interconnectedness and risk, and the existence of important trade-offs in markets with counterparty risk. In particular, he is developing innovative

methods to assess climate-related financial risks in investors' portfolios and to conduct climate stress tests. His methods are currently being implemented by leading policy makers and financial institutions, such as the European Central Bank and the European Insurance and Occupational Pensions Authority.

Expertise Fields

Financial Markets

- Financial Crises
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Options and Other Derivatives

Financial Institutions

- Banks

Corporate Finance and Governance

- Bankruptcy and Liquidation
- Financial Risk and Risk Management
- Financial Valuation

Frontier Topics

- Big Data and Fintech
- Sustainable Finance

Language Skills

English, German, Italian

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Tony Berrada is Professor of Finance at the University of Geneva and Head of the Geneva Finance Research Institute at the University. Professor Berrada is a regular speaker at leading finance conferences and workshops worldwide. He teaches executive education courses on portfolio management.

Expertise

Professor Berrada is studying asset prices with a specific focus on the general lack of ability that exists when investors seek to predict the dynamic features of asset prices. His contribution is to develop a model that includes unobservable growth regimes, belief-dependent risk aversion, and macroeconomic information to predict future asset returns. When tested, his model

reveals attractive predictive properties, and is capable of producing a measure of equity volatility, which tracks realized volatility, and a counter-cyclical equity premium that spikes during recessions. His results show that the macroeconomic metric he has developed makes a significant contribution to predicting future asset returns for all time horizons, which is not the case for the usual consumption–wealth and dividend yield metrics, which require many quarters before providing reliable results.

Expertise Fields

Financial Markets

- Information and Market Efficiency

Portfolio Management and Asset Classes

- Asset Pricing
- Behavioral Finance
- Options and Other Derivatives
- Portfolio Management

Frontier Topics

- Neurofinance

Language Skills

English, French

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Ines Chaieb is Associate Professor of Finance at the University of Geneva. Professor Chaieb is a regular speaker at major academic conferences and workshops on finance worldwide.

Expertise

Professor Chaieb is studying the degree and dynamics of sovereign bond market integration. Using data covering developed and emerging countries, she shows that better spanning—investing in substitute assets that are freely available to foreign investors—can considerably increase market integration and reduce the effect of local risk premiums. Higher political stability and credit quality, lower inflation and inflation risk, and lower illiquidity all

support increases in sovereign bond market integration, which in turn provide sizeable decreases in the sovereign cost of funding. She further shows that reduced confidence in the global equity market leads to higher integration for high credit quality sovereign bonds. Finally, she unravels the impact of central banks' bond purchasing programs and demonstrates that they substantially amplify the negative effect of illiquidity on market integration.

Expertise Fields

Financial Markets

- International Financial Markets and Emerging Markets

Portfolio Management and Asset Classes

- Asset Pricing
- Equities
- Fixed Income
- Foreign Exchange

Frontier Topics

- Big Data and Fintech

Language Skills

Arabic, English, French

Prof. Pierre Collin-Dufresne



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Pierre Collin-Dufresne is Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne. Previously, Professor Collin-Dufresne held the Carson Family Chair of Business at Columbia University and worked in the Quantitative Strategies Group of Goldman Sachs Asset Management.

Expertise

Professor Collin-Dufresne is investigating the consequences of market imperfections such as insider trading, informed trading, and trading glitches. He recently studied the impact of a trading glitch that occurred at a high-frequency market-making firm on market liquidity and institutional trading costs. Regarding liquidity, he shows that stocks in which the firm accumulated large

long (short) positions increased (decreased) during the glitch and became substantially more illiquid, and that this illiquidity took one day to revert. Regarding trading costs, he reveals they remained significantly higher for more than a week after the glitch. His findings are, overall, consistent with "slow-moving capital" theories, and imply that "supply" shocks have a more persistent effect on a stock's illiquidity, and in particular on institutional trading costs, than on its price level. Professor Collin-Dufresne actively participates in SFI Knowledge Exchange activities that focus on the topic of factor base asset allocation.

Expertise Fields

Financial Markets

- Information and Market Efficiency

Portfolio Management and Asset Classes

- Equities
- Fixed Income
- Foreign Exchange
- Options and Other Derivatives

Language Skills

English, French, German

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Suzanne de Treville is Professor of Operations Management at the University of Lausanne. Professor de Treville has played a pioneering role in the application of quantitative-finance methods to valuing supply chain responsiveness. She created OpLab to facilitate the implementation of these research insights and tools for managers and policy makers. She is currently Coeditor in Chief for the Journal of Operations Management.

Expertise

Professor de Treville is focusing on ways in which firms can be more competitive from an operations management perspective, including by measuring the real value of

producing close to demand and by studying the role of process documentation in improving process consistency. Over the years, she has been able to accurately price the value of time when it comes to supply chain management. Her estimates show that firms tend to underestimate the true cost of lead time—the period between the decision to produce and the moment when demand is observed—leading them to offshore industrial production too heavily. Her results also demonstrate that it is rational to produce a mix of functional products and innovative products and to do so closer to where the demand for each is situated.

Expertise Fields

Portfolio Management and Asset Classes

- Options and Other Derivatives

Frontier Topics

- Operations Research and Decision Theory
- Sustainable Finance

Language Skills

English, French, Finnish

Prof. François Degeorge



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François Degeorge is Professor of Finance at the Università della Svizzera italiana. Professor Degeorge is a former Dean of the Faculty of Economics at the Università and a former president of the European Finance Association. He has taught at HEC Paris, where he also served as Associate Dean for Research. He has been a visiting professor at the Tuck School of Business, at Université Paris-Dauphine, and at the Saïd Business School. He has received numerous teaching and research awards.

Expertise

Prof. Degeorge's research studies how incentives and information flows affect company valuation and pricing. In a recent project he examined how the technology of

information transmission affects investor's response to earnings news. In ongoing research, he is investigating the governance implications of private vs. public company ownership and the frictions involved in the transition between the two forms. Findings indicate that the incentives of financial intermediaries have a much bigger impact on price discovery than commonly believed.

Expertise Fields

Portfolio Management and Asset Classes

- Behavioral Finance
- Equities

Financial Institutions

- Venture Capital and Private Equity

Corporate Finance and Governance

- Mergers and Acquisitions

Language Skills

English, French, Italian

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Theodosios Dimopoulos is Professor of Finance and Director of the Department of Finance at the University of Lausanne. Professor Dimopoulos has received several grants and awards during his academic career.

Expertise

Professor Dimopoulos is studying the factors at work in order to better explain the differences in the levels of profit, investment, leverage, and payout across manufacturing firms. Data show that seemingly identical firms exhibit large and persistent differences in their cash flow characteristics. This variation in firm "DNA" explains why firms in the same sector and the same year follow markedly different investment, leverage, and

dividend policies. His results reveal that differences across firms in profit shocks and corporate tax rates are the main factors that explain dispersion in leverage rates, while differences in capital-adjustment costs and equity-issuance costs are the main factors that explain dispersion in investments rates. His research will now focus on the differences in debt composition, maturity structure, and asset structure among manufacturing firms.

Expertise Fields

Financial Markets

- Financial Crises

Financial Institutions

- Venture Capital and Private Equity

Corporate Finance and Governance

- Capital Budgeting and Investment Policy
- Corporate Governance and Managerial Compensation
- Financial Valuation
- Financing Policy and Capital Structure
- Mergers and Acquisitions

Language Skills

English, Greek

Prof. Paul Embrechts



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Paul Embrechts is Emeritus Professor of Mathematics at ETH Zurich. His research has been published in top academic journals worldwide and has featured in the international media. He is a regular speaker at leading international conferences on risk management aimed at both academics and industry professionals. He also serves on the editorial boards of several international journals and is a member of numerous international advisory panels.

Expertise

Professor Embrechts is further focusing on the quantitative and qualitative dimensions of risk. In particular, he is concentrating on the modelling of extremal events for insurance and finance, as well as on

quantitative risk management. Specific applications include risk allocation, risk sharing, and operational (including cyber) risk, as well as data science- (big data-) driven products in insurance. He is currently writing a book on the public understanding and communication of risk. The current coronavirus pandemic clearly illustrates the importance of such a project, especially when it is aimed at a broad public.

Expertise Fields

Financial Markets

- Financial Crises
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Options and Other Derivatives

Financial Institutions

- Banks
- Insurance Companies

Corporate Finance and Governance

- Corporate Governance and Managerial Compensation
- Financial Risk and Risk Management

Frontier Topics

- Big Data and Fintech
- Operations Research and Decision Theory

Language Skills

Dutch, English, French, German

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Rüdiger Fahlenbrach is Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne. Previously, Professor Fahlenbrach taught at the Ohio State University. His research has been published in the top finance journals worldwide and has featured in the international press. He is currently serving a three-year term as Director of the European Finance Association.

Expertise

Professor Fahlenbrach is studying the behavior of investors in the case of initial coin offerings (ICOs). Data reveal that the typical investor is a retail investor who invests a small amount of money and the average ICO has just a few thousand contributors. The ICO market has been said

to provide a novel fundraising mechanism for start-ups, in particular those focusing on fintech and blockchain technology. Many investors, however, seem to participate in ICOs for speculative purposes and large pre-sale investors flip part of their allocation shortly after the ICO. Financial returns several months after an ICO are positive on average, but the median return is negative as many ICOs were shown to be fraudulent or simply failed. Professor Fahlenbrach actively participates in SFI Knowledge Exchange activities that focus on private equity.

Expertise Fields

Financial Institutions

- Banks
 - Venture Capital and Private Equity
- #### *Corporate Finance and Governance*
- Capital Budgeting and Investment Policy
 - Corporate Governance and Managerial Compensation
 - Financial Risk and Risk Management
 - Financial Valuation
 - Mergers and Acquisitions

Frontier Topics

- Sustainable Finance

Language Skills

English, French, German

Prof. Walter Farkas



SFI Faculty Member since 2013

PhD University of Jena—Mathematics

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Walter Farkas is Associate Professor of Quantitative Finance at the University of Zurich. Professor Farkas is also an associated Faculty Member at the Department of Mathematics of ETH Zurich and is the program director of the Master of Science in Quantitative Finance, a degree jointly offered by ETH Zurich and the University of Zurich.

Expertise

Professor Farkas is focusing on structured products with an emphasis on market volatility. Instead of doing this by means of the traditional approach—so, for example, with a stock or a bond and a financial derivative—he does so with a stock and its own implied volatility. He subsequently

constructs a derivative that incorporates both the market risk premium and the variance risk premium, and by doing so merges two asset classes together. Empirical results show that the higher the market risk premium and the lower the variance risk premium, the higher the payoff of this novel product. Further analysis reveals that the Sharpe ratio of such a derivative is at least as high as that of the market risk premium, which is obviously interesting to investors.

Expertise Fields

Portfolio Management and Asset Classes

- Options and Other Derivatives
- #### *Corporate Finance and Governance*
- Financial Risk and Risk Management

Language Skills

English, German

Prof. Damir Filipović



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SFI Faculty Member since 2010

PhD ETH Zurich—Mathematics

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Damir Filipović holds the Swissquote Chair in Quantitative Finance and is Head of the Finance Institute at the Ecole Polytechnique Fédérale de Lausanne. Professor Filipović has been a member of the board of directors of Swiss Life Holding since 2011, and of Ewooq, a small fintech company, since 2019. He is the recipient of numerous research grants and is a regular speaker at leading quantitative finance conferences and workshops worldwide.

Expertise

Professor Filipović is currently focusing on the benefits of machine learning for portfolio risk management, in particular regarding risk measurement, valuation, and hedging. His results suggest that machine

learning can significantly reduce computational costs compared to industry standard methods for the calculation of risk capital over long time horizons—such as those used in the retirement scheme business. Nonetheless, he cautions that although machine learning provides strong computational benefits, one must still analyze results with a critical mindset when such a technology is applied to financial data. Professor Filipović actively participates in SFI Knowledge Exchange activities that focus on big data and fintech.

Expertise Fields

Financial Markets

- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Asset Pricing
- Commodities
- Equities
- Fixed Income
- Options and Other Derivatives

Financial Institutions

- Insurance Companies

Corporate Finance and Governance

- Financial Risk and Risk Management
- Financial Valuation

Frontier Topics

- Big Data and Fintech

Language Skills

English, German

Prof. Francesco Franzoni



SFI Senior Chair since 2012
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PhD Massachusetts Institute of Technology—Economics

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Francesco Franzoni is Professor of Finance at the Università della Svizzera italiana and a research fellow at the Center for Economic Policy Research. Professor Franzoni's research has been published in the top finance journals and featured in the international press.

Expertise

Professor Franzoni is studying the costs and benefits of hedge funds being affiliated with financial conglomerates. Results show that such funds behave differently from other unaffiliated funds. For example, they show lower sensitivity of flows to performance, enabling them to act as contrarians, take on risk, and provide support to the financial system in times of crisis. His estimates

further show that due to their lower sensitivity, affiliated funds are able to generate higher returns after periods of market turmoil and provide their investors with more flexibility in redeeming their capital, which may explain why investors are willing to place their money with affiliated funds, despite the fact that they on average slightly underperform other, unaffiliated funds. Professor Franzoni actively participates in SFI Knowledge Exchange activities that focus on ETFs, as well as on opportunities in active asset management.

Expertise Fields

Financial Markets

- Information and Market Efficiency

Portfolio Management and Asset Classes

- Asset Pricing
- Equities
- Portfolio Management

Financial Institutions

- Independent Asset Managers
- Institutional Investors and Funds
- Pension Funds
- Venture Capital and Private Equity

Language Skills

English, Italian

Prof. Laurent Frésard



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Laurent Frésard is Professor of Finance at the Università della Svizzera italiana. Previously, Professor Frésard was a member of the faculty at HEC Paris and the University of Maryland. His papers have been published in leading academic journals and he has received a number of grants and awards.

Expertise

Professor Frésard is studying the determinants of start-up exit methods using novel measures of technological characteristics constructed from patent text. His core results are that start-ups with more potential to disrupt technological areas are more likely to exit via initial public offerings (IPOs) and less likely to sell out. His results

further suggest that IPOs are favored by start-ups that can carve out independent market positions and avoid the need to share gains with an acquirer. He also documents an economy-wide decline in disruptive potential, which can explain part of the recent decline in IPOs and surge in sellouts. Professor Frésard actively participates in SFI Knowledge Exchange activities that focus on data and technology in finance.

Expertise Fields

Financial Institutions

- Information and Market Efficiency

Financial Institutions

- Institutional Investors and Funds

Corporate Finance and Governance

- Bankruptcy and Liquidation
- Capital Budgeting and Investment Policy
- Corporate Governance and Managerial Compensation
- Financial Risk and Risk Management
- Financial Valuation
- Financing Policy and Capital Structure
- Mergers and Acquisitions

Frontier Topics

- Big Data and Fintech

Language Skills

English, French

Prof. Patrick Gagliardini



SFI Faculty Member since 2008

PhD Università della Svizzera italiana—Econometrics

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Patrick Gagliardini is Professor of Econometrics at the Università della Svizzera italiana. Professor Gagliardini's papers have been published in the top academic journals in finance, economics, and financial econometrics.

Expertise

Professor Gagliardini is tackling the question of wage inequality from a dynamic-career perspective instead of from a traditional static-job standpoint. To do so, he developed a framework that accounts for wage dynamics over the professional career, professional changes, the role of past positions, and education—thus providing more accurate results and advanced policy recommendations. Data reveal several key

findings. First, workers with both low education and low wages, whether at the beginning or end of their career, tend to stay stuck in the low-wage trap. Second, workers with both high education and low initial wages tend to move up the professional ladder and improve their position from one year to the next. Finally, to reduce the current trend of increasing inequality, policies should focus on the low-wage trap instead of on low wages in general.

Expertise Fields

Financial Markets

- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Asset Pricing
- Equities
- Options and Other Derivatives
- Portfolio Management

Frontier Topics

- Big Data and Fintech

Language Skills

English, French, Italian

Prof. Manfred Gilli



SFI Faculty Member since 2006

PhD University of Geneva—Econometrics

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Manfred Gilli is Emeritus Professor at the University of Geneva. During his career, Professor Gilli has published extensively and has contributed many chapters to books on computational finance. He is a regular speaker at leading finance conferences worldwide.

Expertise

Professor Gilli is studying the role of computationally intensive tools that offer financial solutions—ranging from asset allocation to risk management to option pricing to model calibration—with an emphasis on simulation and optimization in a heuristic environment. Practitioners in the banking and financial sector benefit from the practical-in-scope and theoretically

rigorous software he continues to develop, test, update, and share.

Expertise Fields

Financial Markets

- Financial Forecasting

Portfolio Management and Asset Classes

- Asset Pricing
- Fixed Income
- Foreign Exchange
- Options and Other Derivatives
- Portfolio Management

Language Skills

English, French, German, Italian

Prof. Amit Goyal



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PhD University of California, Los Angeles—Finance

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Amit Goyal is Professor of Finance at the University of Lausanne. Professor Goyal's research has been published in the top finance journals worldwide and has featured in the international press.

Expertise

Professor Goyal is studying the false discovery problem in empirical asset pricing studies that investigate predictability in stock returns. He estimates the expected proportion of false rejections if one fails to account for multiple hypothesis testing to be close to 50 percent. He also provides new higher statistical thresholds that guard against this false discovery, which is beneficial to investors. In other work, he is exploring the interaction between option

markets and corporate bond markets. He finds that option implied volatility change has significant predictive power for the underlying firms' bond returns. Corporate bonds with large increases in implied volatility over the past month underperform those with large decreases in implied volatility. Overall, his results are consistent with the notion that informed traders with new information about firm risk prefer to trade in the option market, and that the corporate bond market is slow to incorporate that information.

Expertise Fields

Financial Markets

- Information and Market Efficiency

Portfolio Management and Asset Classes

- Asset Pricing
- Behavioral Finance
- Equities
- Portfolio Management

Financial Institutions

- Institutional Investors and Funds
- Pension Funds

Language Skills

English

Prof. Michel Habib



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Michel Habib is Professor of Finance at the University of Zurich. After graduating from the Wharton School of the University of Pennsylvania he taught at the London Business School.

Expertise

Professor Habib is currently estimating countries' maximum sustainable primary surpluses. These, as once explained by Argentina's chief debt negotiator following that country's 2001 default, are a central determinant of countries' debt capacity, a paramount concern in a time that has seen a dramatic increase in many countries' debt-to-GDP ratios as well as default by some. In parallel, he is also working on a comparison of civil procedures in Common

and Civil Law jurisdictions, where he examines the roles of discovery, direction by judges, and deliberate information curtailment in minimizing both legal costs and the errors made in allocating liability and estimating damages. An interesting feature of his work is the complementarity of bias and precision: an attempt to decrease the bias in party-provided information will decrease that information's precision too; a party will provide accurate information only to the extent the party believes it can sway the court in the direction of that party's own interests.

Expertise Fields

Financial Markets

- International Financial Markets and Emerging Markets

Corporate Finance and Governance

- Corporate Governance and Managerial Compensation

Language Skills

English, French

Prof. Harald Hau



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Harald Hau is Professor of Finance at the University of Geneva. Professor Hau is engaged in several ongoing collaborations with the European Central Bank. His work has been published in top academic journals and has featured in the international press.

Expertise

Professor Hau is focusing on how firms react to competitive shocks. Data covering changes in minimum wages throughout China during several years reveal that low-wage firms show a larger labor-to-capital substitution rate when minimum wages increase than high-wage industry peers. Interestingly, real output growth and market share are not diminished, as the relative increase in the cost of labor, induced by higher minimum

wages, is compensated by higher overall firm productivity. Further analysis reveals that firm ownership type plays a substantial role in reactions to labor cost shocks—foreign-owned firms show the strongest increase in total productivity whereas state-owned enterprises show no response. Such evidence suggests that a complementary relationship exists between competition and management quality, two factors that investors should account for when creating their financial portfolio.

Expertise Fields

Financial Markets

- Financial Crises
- International Financial Markets and Emerging Markets

- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Equities
- Foreign Exchange

Financial Institutions

- Banks
- Institutional Investors and Funds
- Rating Agencies

Corporate Finance and Governance

- Capital Budgeting and Investment Policy
- Corporate Governance and Managerial Compensation
- Financial Valuation

Frontier Topics

- Big Data and Fintech

Language Skills

English, French, German

Prof. Thorsten Hens



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Thorsten Hens is Professor of Financial Economics at the University of Zurich. Professor Hens is the founder of the UZH spin-off Behavioral Finance Solutions which provides decision-making tools, based on behavioral finance principles, to financial firms.

Expertise

Professor Hens is focusing on how investors react differently depending on the way risk is communicated to them. To do so, he conducts an experiment where investors are asked to make investment decisions over multiple trading days and the risk–return trade-off is presented to them either through experience sampling or through descriptive communication. His results show that after

investors' initial decisions are made, no persistent differences are found in terms of risk-taking behavior with regard to the way risk is communicated. Further results show that investors who are updated frequently regarding financial performance exhibit lower trading frequencies than those who are updated on a less regular basis. These results have concrete practical implications regarding the role of communication and the frequency of reporting.

Expertise Fields

Financial Markets

- Information and Market Efficiency
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Asset Pricing

- Behavioral Finance
- Equities
- Personal Finance and Household Choices
- Portfolio Management

Financial Institutions

- Banks
- Independent Asset Managers
- Institutional Investors and Funds
- Insurance Companies
- Pension Funds

Frontier Topics

- Big Data and Fintech
- Neurofinance
- Operations Research and Decision Theory

Language Skills

English, German

Prof. Martin Hoesli



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Martin Hoesli is Professor of Real Estate Investments and Finance at the University of Geneva and Chair in Accountancy at the University of Aberdeen (UK). Professor Hoesli is a past president of the International Real Estate Society and of the European Real Estate Society, and is a Fellow of the Royal Institution of Chartered Surveyors and of the Weimer School of Advanced Studies in Real Estate and Land Economics. He is also on the board of the Swiss Financial Analysts Association and on the research committee of the European Public Real Estate Association.

Expertise

Professor Hoesli is investigating the accuracy and volatility of different residential real estate valuation models. Using a Swiss dataset, he tests several estimation and updating methods while investigating their specificities and relative performance. Estimates show there is a clear trade-off across methods depending on whether one seeks to improve accuracy or elude volatility. Such results prove useful not only to banks and valuation firms, but also to regulatory authorities seeking an informed view on where today's market is heading.

Expertise Fields

Portfolio Management and Asset Classes

- Real Estate

Language Skills

English, French

Prof. Julien Hugonnier



SFI Senior Chair since 2012
SFI Faculty Member since 2006

PhD Pantheon-Sorbonne University—Finance

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Julien Hugonnier is Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne and the head of its Master in Financial Engineering program. Professor Hugonnier has held positions at Carnegie Mellon University, HEC Montreal, and the University of Lausanne. He serves on the editorial boards of various academic journals in the areas of mathematical finance and financial economics.

Expertise

Professor Hugonnier is focusing on how to generalize search models in over-the-counter (OTC) markets. He has therefore built a model in which customers trade with dealers in a search market and dealers trade among themselves in another search

market. Such a generalization is successful as it gives rise to intermediation chains and accounts for empirical facts such as the relation between a dealer's type and the typical position he or she holds in the chains, as well as the frequency, direction, and prices of the dealer's trades. These results provide insights into multiple ongoing issues that surround today's OTC markets, such as the effect of trading speed on market outcomes, the effects of regulation, and the effects of shocks to dealers' participation in decentralized markets.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy
- Information and Market Efficiency

Portfolio Management and Asset Classes

- Asset Pricing
- Foreign Exchange
- Options and Other Derivatives
- Portfolio Management

Corporate Finance and Governance

- Capital Budgeting and Investment Policy
- Financial Risk and Risk Management
- Financing Policy and Capital Structure

Frontier Topics

- Big Data and Fintech
- Operations Research and Decision Theory

Language Skills

English, French

Prof. Eric Jondeau



SFI Faculty Member since 2006

PhD Université Paris-Dauphine—Economics

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Eric Jondeau is Professor of Finance at the University of Lausanne. Professor Jondeau's papers have been published in leading academic journals.

Expertise

Professor Jondeau is looking into ways to expand our understanding of investing in socially responsible equities, moving away from the simple method of excluding "sin" industries to a more systematic and complex approach based on environmental, social, and governance (ESG) screening. His work shows that active smart beta strategies based on ESG screening typically offer substantially higher Sharpe ratios than those based on exclusion. ESG screening leads, however, to substantial regional bets

in favor of Europe and against the US, and also implies large sectoral bets in favor of information technology stocks, and against financial and energy stocks. To circumvent this pitfall, he demonstrates how to eliminate this potentially undesirable exposure of ESG portfolios to regional, sectoral, and risk factor tilts by developing algorithms that optimize the ESG profile while keeping the exposures to various risk factors under control.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy
- Financial Crises
- Financial Forecasting
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Asset Pricing
- Equities
- Portfolio Management

Financial Institutions

- Banks
- Institutional Investors and Funds
- Pension Funds

Corporate Finance and Governance

- Financial Risk and Risk Management

Frontier Topics

- Sustainable Finance

Language Skills

English, French

Prof. Pablo Koch-Medina



SFI Faculty Member since 2017

PhD University of Zurich—Mathematics

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Pablo Koch-Medina is Associate Professor of Finance and Insurance at the University of Zurich. Professor Koch-Medina was responsible for launching the Center for Finance and Insurance at the University, which bridges the gap between the fields of finance and insurance and helps advance research and foster education in the application of finance theory and mathematical finance to insurance-related topics. Prior to his academic appointment he worked for more than 20 years in the finance and insurance industry.

Expertise

Professor Koch-Medina is studying ways in which insurance contracts should be valued in a financially sound manner. A diverse set

of standards—IFRS, Solvency II, and the Swiss Solvency Test—require that the valuation of insurance contracts be market-consistent and integrate a so-called risk margin. Over the past years, the insurance industry and other stakeholders have voiced concerns regarding the appropriate method for determining the risk margin in the Solvency II framework. This has recently prompted a methodological review of the Solvency II framework, which has motivated Professor Koch-Medina's research. The framework for the valuation of insurance contracts he develops deviates in important ways from that of Solvency II and preliminary findings suggest that correcting for these deviations would likely increase the overall risk margin.

Expertise Fields

Portfolio Management and Asset Classes

- Asset Pricing

Financial Institutions

- Insurance Companies

Corporate Finance and Governance

- Financial Risk and Risk Management
- Financial Valuation
- Financing Policy and Capital Structure

Language Skills

Dutch, English, German, Spanish

Prof. Philipp Krüger



SFI Senior Chair since 2019

SFI Faculty Member since 2015

PhD Toulouse School of Economics – Economics

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Philipp Krüger is Associate Professor of Responsible Finance at the University of Geneva. Professor Krüger is a regular speaker at leading finance conferences worldwide and his research has been published in top academic journals.

Expertise

Professor Krüger's research focuses primarily on behavioral and sustainable finance. For example, he has studied whether, how, and why institutional investors incorporate climate risk into investment decisions. His research reveals that institutional investors believe that climate risks have implications for their portfolio and that these risks, in particular regulatory risks, have already begun to

materialize. Long-term, larger, and ESG-oriented institutional investors consider that risk management and engagement—rather than divestment—is the better approach to tackle climate risks. Further analysis shows that institutional investors find climate risk reporting to not only be as important as traditional financial reporting, but should further be mandatory and better standardized. Professor Krüger actively participates in SFI Knowledge Exchange activities that focus on the topic of responsible investing.

Expertise Fields

Portfolio Management and Asset Classes

- Behavioral Finance
- Equities

Financial Institutions

- Institutional Investors and Funds
- Rating Agencies

Corporate Finance and Governance

- Capital Budgeting and Investment Policy
- Corporate Governance and Managerial Compensation
- Financial Valuation
- Financing Policy and Capital Structure

Frontier Topics

- Sustainable Finance

Language Skills

English, French, German

Prof. Felix Kübler



SFI Senior Chair since 2008
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PhD Yale University—Economics

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Felix Kübler is Professor of Finance at the University of Zurich. Before joining the faculty in Zurich, Professor Kübler held professorships at Stanford University, the University of Pennsylvania, and the University of Mannheim. He also serves on the editorial boards of several economic and financial journals.

Expertise

Professor Kübler is focusing on ways to make carbon taxation a generational win-win and move away from the traditional perspective through which carbon taxation trades off the welfare of future and current generations. To do so, he has developed a very realistic model that features coal, oil, and gas, increasing extraction costs, a clean

energy sector, technical and demographic changes, and temperature and damage functions. He shows that policies seeking optimal uniform welfare should set the initial carbon tax at a relatively low level and raise it annually. By doing so, the welfare of both current and future generations will increase. His results also show that procrastination has severe implications, as delaying the implementation of carbon policies by 20 years reduces gains by approximately 50 percent.

Expertise Fields

Financial Markets

- Financial Crises

Portfolio Management and Asset Classes

- Asset Pricing

Frontier Topics

- Sustainable Finance

Language Skills

English, German

Prof. Lorenz Küng



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Lorenz Küng is Assistant Professor of Economics at the Università della Svizzera italiana. Before joining the faculty in Lugano, Professor Küng held positions at the Kellogg School of Management at Northwestern University and served as a Research Economist at the Federal Reserve Bank of Chicago. His papers have been published in the top journals in economics.

Expertise

Professor Küng is studying the risks involved with owning versus renting housing. Data show that housing represents homeowners' most important asset and approximately a quarter of their expenditure, and that house prices and housing costs are subject to substantial

risk. Spatial equilibrium models show that wages, rents, and house prices are positively correlated and a crucial determinant of the riskiness of owning versus renting. He finds that for a typical working-age household, owning is considerably riskier than renting, as renters naturally hedge themselves against wage risk, while owners lose the hedge against wage risk and are further exposed to house price risk. Households may therefore find it optimal to either own a property in a location that is weakly impacted by business cycles or hold a diverse portfolio of properties.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy

Portfolio Management and Asset Classes

- Personal Finance and Household Choices
- Real Estate

Frontier Topics

- Big Data and Fintech

Language Skills

English, French, German

Prof. Semyon Malamud



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PhD ETH Zurich—Mathematics

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Semyon Malamud is Associate Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne. Professor Malamud is a regular speaker at leading academic conferences worldwide and his papers have been published in the top journals in finance and economics.

Expertise

Professor Malamud is focusing on how the microstructure of foreign exchange markets impacts liquidity from both the consumers' and dealers' perspectives. The dealers' market is shown to be highly fragmented and dominated by a handful of large strategic players who differ considerably in their balance sheets, capitalizations, and willingness and ability to take on risk. These differences create a liquidity mismatch risk

in which large risk-averse dealers would like to get rid of their inventory, but are unable to due to price impacts. Interestingly, he demonstrates that this liquidity mismatch not only affects the dealer-to-consumer market, but also the dealer-to-dealer market. He further shows that price-based liquidity mismatch in the dealer-to-consumer market positively predicts dealer-to-dealer prices, that dispersion in dealer-to-consumer spreads predicts spreads negatively in the dealer-to-dealer market, and that customers' net order flow predicts dealer-to-dealer prices negatively.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy

- International Financial Markets and Emerging Markets

Portfolio Management and Asset Classes

- Asset Pricing
- Options and Other Derivatives
- Portfolio Management

Financial Institutions

- Institutional Investors and Funds
- Corporate Finance and Governance
- Financial Risk and Risk Management

Frontier Topics

- Big Data and Fintech
- Operations Research and Decision Theory

Language Skills

English, French, German, Russian

Prof. Lorian Mancini



SFI Junior Chair since 2012
SFI Faculty Member since 2008

PhD Università della Svizzera italiana—Econometrics

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Lorian Mancini is Associate Professor of Finance at the Università della Svizzera italiana. Prior to joining the Università, Professor Mancini held positions at Princeton University and at the Ecole Polytechnique Fédérale de Lausanne. He has published papers in the top academic journals in finance and is a regular speaker at leading conferences and workshops worldwide.

Expertise

Professor Mancini is studying ways to extend expected utility models so that they fully take the tail behavior of the portfolio return distribution into account. To do so he has developed a novel approach to model risk assessment based on a projection method and applies it to portfolio

construction. Using stock data to explore the economic gains of incorporating empirical regularities of financial asset returns, he finds that investors with generalized disappointment aversion preferences benefit from significant monetary utility gains in comparison to investors with conventional expected utility preferences. He further shows that the marginal utility gains of the optimal portfolio of a generalized disappointment aversion investor are remarkably robust to mis-specifications in the underlying distributions.

Expertise Fields

Financial Markets

- Financial Crises

Portfolio Management and Asset Classes

- Asset Pricing
- Equities
- Options and Other Derivatives

Financial Institutions

- Banks

Language Skills

English, Italian

Prof. Antonio Mele



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PhD Paris University—Economics

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Antonio Mele is Professor of Finance at the Università della Svizzera italiana, having spent a decade as a professor at the London School of Economics. Professor Mele is the co-inventor of the CBOE Interest Rate Swap Volatility Index and the CBOE Treasury Volatility Index, the first standardized volatility measures in the interest rate swap and treasury markets. He is a regular speaker at leading finance conferences worldwide.

Expertise

Professor Mele is focusing on how valuable it can be for financial investors to mitigate government debt volatility by using dedicated financial instruments. His work accounts for the complex structure of expected volatility in government bond

markets and provides predictions regarding the fair value of derivatives referenced to this expected volatility. He predicts that, unlike for equity markets, the futures markets on government bond volatilities frequently oscillate between episodes of backwardation and contango. Such a property helps explain the reaction of the US Treasury volatility curve to shocks including unanticipated Fed decisions or global economic imbalances. His results can further be used in practice as a risk-management tool and prove useful to policy makers engaged in macroprudential supervision.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy
- Financial Crises
- Information and Market Efficiency

Portfolio Management and Asset Classes

- Asset Pricing
- Fixed Income
- Options and Other Derivatives
- Portfolio Management

Corporate Finance and Governance

- Financial Risk and Risk Management

Language Skills

English, French, Italian

Prof. Roni Michaely



SFI Senior Chair since 2018
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PhD New York University—Finance and Economics

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Roni Michaely is Professor of Finance at the University of Geneva. Professor Michaely is a regular speaker at major conferences. His research has been published in leading finance journals and has featured in the international press, including *The Economist*, the *Wall Street Journal*, and the *New York Times*.

Expertise

Professor Michaely is focusing on how product market competition affects efficiency. He finds that over the past two decades most US industries have experienced a decline in the level of competition they face. Further, firms operating in industries with the largest declines in competition have enjoyed higher

profit margins and more profitable M&A deals, suggesting that market power is becoming an important source of value. His analysis further suggests that the higher profit margins associated with an increase in concentration are also reflected in higher returns to shareholders. Overall, his results suggest that the nature of US product markets has undergone a shift that has potentially weakened competition across the majority of industries. In follow-up work, he investigates the extent to which political connections shape competition and profits, and finds that more politically active firms are able to increase profits and market share.

Expertise Fields

Financial Markets

- Information and Market Efficiency

Corporate Finance and Governance

- Capital Budgeting and Investment Policy
- Corporate Governance and Managerial Compensation
- Financial Valuation
- Financing Policy and Capital Structure

Frontier Topics

- Big Data and Fintech

Language Skills

English, Hebrew

Prof. Erwan Morellec



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Erwan Morellec is Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne. Previously, Professor Morellec was a professor at the University of Rochester and the University of Lausanne.

Expertise

Professor Morellec is working on corporate finance and banking with a particular focus on financing decisions, liquidity management, and credit risk. His recent research investigates the effects of debt financing on innovation and demonstrates that while debt limits innovation by incumbents due to debt overhang, it also stimulates firm entry. The latter effect is generally stronger, so that the overall effect of debt financing is to foster innovation and

growth. In other work, he investigates the financing of digital platforms and shows how the optimal provision of utility and security features in tokens relates to financing needs, moral hazard, and platform characteristics. His analysis specifies the conditions under which initial coin offerings or security token offerings are optimal for platform financing. Professor Morellec actively participates in SFI Knowledge Exchange activities that focus on risk and return in corporate debt.

Expertise Fields

Financial Markets

- Financial Crises
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Options and Other Derivatives

Financial Institutions

- Banks

Corporate Finance and Governance

- Bankruptcy and Liquidation
- Capital Budgeting and Investment Policy
- Corporate Governance and Managerial Compensation
- Financial Risk and Risk Management
- Financial Valuation
- Financing Policy and Capital Structure
- Mergers and Acquisitions

Frontier Topics

- Big Data and Fintech

Language Skills

English, French

Prof. Cosimo-Andrea Munari



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Cosimo-Andrea Munari is Assistant Professor of Finance and Insurance at the University of Zurich. In 2016 Professor Munari was awarded the Walter Saxer Insurance Prize and in 2017 he received the ACRI Research Prize.

Expertise

Professor Munari is studying how regulatory measures, such as those set out by the Basel Committee or by FINMA, determine the minimum amount of capital financial institutions would need to raise to pass a given capital adequacy test. His specific focus concerns the way this capital is invested once it has been raised. The bulk of the literature on this topic assumes that this capital is either held in cash or invested

in a single reference eligible asset. As all financial institutions know, investing in a single eligible asset, instead of in a portfolio of multiple assets, is inefficient because it leads to higher levels of required capital and holding capital has a cost. He thus studies multiple eligible assets in conjunction with value at risk and expected shortfall—the most prominent risk measures in practice—and shows that capital requirements based on multiple eligible assets are much less affected by mis-specifications in the underlying balance sheet figures when an expected shortfall-based approach is adopted instead of one based on value at risk.

Expertise Fields

Financial Institutions

- Insurance Companies

Corporate Finance and Governance

- Financial Risk and Risk Management
- Financial Valuation

Language Skills

English, Italian

Prof. Boris Nikolov



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Boris Nikolov is Professor of Finance at the University of Lausanne. He is a regular speaker at major conferences and his research has been published in leading finance journals.

Expertise

Professor Nikolov is focusing on what financial frictions matter for corporate policies by drawing on recent advances in modelling, computing, and estimation techniques. The estimation procedure he has developed allows the magnitude of various financial frictions to be gauged, in particular regarding limited enforcement, moral hazard, and trade-off models. Data reveal that large firms favor trade-off models, small firms favor limited

commitment models, and private firms favor moral hazard models. Overall, financing costs due to financial frictions are substantial and are first order drivers of corporate policies.

Expertise Fields

Corporate Finance and Governance

- Bankruptcy and Liquidation
- Capital Budgeting and Investment Policy
- Corporate Governance and Managerial Compensation
- Financial Risk and Risk Management
- Financial Valuation
- Financing Policy and Capital Structure
- Mergers and Acquisitions

Language Skills

Bulgarian, English, French

Prof. Eric Nowak



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Eric Nowak is Professor of Finance and Head of the Institute of Finance at the Università della Svizzera italiana. Throughout his career, Professor Nowak has held visiting appointments at leading universities worldwide, including Stanford, the University of Chicago, and NUS Singapore. He is Founding Director of the pioneering MSc in FinTech program at the Università.

Expertise

Professor Nowak is reviewing market efficiency and limits to arbitrage during the Volkswagen short squeeze of 2008. Back then, when Porsche announced its domination plan, the price of Volkswagen shares skyrocketed and the firm briefly became the most valuable company in the world.

He finds that tax disclosure requirements, low shareholder protection, and weak enforcement of securities laws in Germany are the main factors that explain this short squeeze. To ensure that capital markets in Europe function well and are efficient, he recommends that the European Securities and Markets Authority be responsible for the implementation and enforcement of regulation to prevent short squeezes and other forms of price manipulation.

Expertise Fields

Financial Markets

- Financial Crises
- Information and Market Efficiency

Portfolio Management and Asset Classes

- Behavioral Finance

- Equities
- Personal Finance and Household Choices

Financial Institutions

- Institutional Investors and Funds
- Venture Capital and Private Equity

Corporate Finance and Governance

- Bankruptcy and Liquidation
- Corporate Governance and Managerial Compensation
- Financial Valuation
- Mergers and Acquisitions

Frontier Topics

- Big Data and Fintech
- Sustainable Finance

Language Skills

English, German, Italian

Prof. Kjell G. Nyborg



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Kjell Nyborg is Professor of Finance at the University of Zurich. Professor Nyborg has published extensively in his areas of expertise and has spent research periods at the European Central Bank, the Deutsche Bundesbank, the Bank of Norway, and Stanford University.

Expertise

Professor Nyborg is looking at why the overnight collateral spread—the difference between the unsecured rate and the repo rate—is negative 25 percent of the time within the euro area. Repos are highly secured loans in which the lender buys the collateral along with its property rights at the beginning of the financing period and the borrower repurchases the collateral back

at the end of the period. He explains this puzzle through constrained arbitrage from three distinct rates: the unsecured rate, the repo rate, and the expected rate of return of the collateral between the moment of the purchase and the repurchase. The collateral spread is found to be a simple market-based measure of financial market stress that central banks, investors, and other actors can easily monitor. Professor Nyborg actively participates in SFI Knowledge Exchange activities that focus on the topic of central banks and financial markets and that of financial valuation.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy
- Financial Crises

Portfolio Management and Asset Classes

- Equities
- Fixed Income

Financial Institutions

- Banks

Corporate Finance and Governance

- Capital Budgeting and Investment Policy
- Financial Valuation
- Financing Policy and Capital Structure

Language Skills

English, Norwegian

Prof. Steven Ongena



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Steven Ongena is Professor of Banking at the University of Zurich. Professor Ongena's papers have been published in leading academic journals in finance and economics. He has received numerous awards for his research and serves as a research consultant for several European central banks.

Expertise

Professor Ongena is raising the question of knowing whether banks price the risk of stranded fuel reserves. To remain below the global threshold of 2°C of additional temperature rise, vast amounts of fossil fuels will need to remain underground and be considered as stranded assets. The decision to strand assets is a political one that depends on each country's political

ambition and willingness to fight climate change. As firms in the energy industry traditionally run highly leveraged balance sheets, banks should charge higher loan spreads to compensate for this additional climate policy. When using recent data, Professor Ongena finds that fossil fuel firms that are more exposed to climate policy risk are not charged higher loan spreads than otherwise similar non-fossil fuel firms or comparable fossil fuel firms. This mispricing of climate policy risk leads to two possibilities: banks disregard the actual likelihood that environmental policies will lead to assets being stranded or a carbon bubble due to inexact pricing of climate policy risk by banks has formed. Both are a concern.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy
- Financial Crises
- Systemic Risk and Regulation

Financial Institutions

- Banks

Corporate Finance and Governance

- Bankruptcy and Liquidation
- Corporate Governance and Managerial Compensation

Frontier Topics

- Sustainable Finance

Language Skills

Dutch, English, German

Prof. Per Östberg



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Per Östberg is Associate Professor of Finance at the University of Zurich. Professor Östberg is a regular speaker at finance conferences and seminars worldwide and has served on the program committees of several conferences. His research interests include financial markets, household finance, and corporate finance.

Expertise

Professor Östberg is focusing on the latest European sovereign debt crisis. Using high-frequency data, he shows that episodes of market turmoil in the European sovereign bond market were usually associated with large decreases in trading volume. The response, in trading volume, to market stress is essentially related to

transaction costs. Low transaction cost turmoil episodes were associated with volume increases, during which investors rebalance their portfolios, while high transaction cost turmoil periods were associated with abnormally low volume, during which the market freezes. His results show that investors tended to rebalance their portfolios during the pre-crisis period. During the crisis, meanwhile, reductions in the risk-bearing capacity of financial intermediaries resulted in increased transaction costs and market freezes. Overall, he shows that the sovereign debt crisis was not associated with large-scale investor rebalancing.

Expertise Fields

Financial Markets

- Financial Crises

Portfolio Management and Asset Classes

- Equities
- Fixed Income

Corporate Finance and Governance

- Mergers and Acquisitions

Frontier Topics

- Big Data and Fintech

Language Skills

English

Prof. Marc Paoletta



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Marc Paoletta is Professor of Empirical Finance at the University of Zurich. Professor Paoletta is the author of several books on graduate-level probability, statistics, and time series analysis. His research papers have been published in the top academic journals in his areas of expertise.

Expertise

Professor Paoletta is studying different modelling techniques to better forecast financial assets' returns and select an optimal portfolio. Within a dynamic setting, he tests a broad set of assumptions and parameters. The most effective model not only leads to highly accurate risk forecasts, but also reduces regulatory capital

requirements during market downturns. Data covering daily returns of the components of the Dow Jones Industrial Index also show that in terms of portfolio performance the selected model delivers consistently higher Sharpe ratios and smaller losses than the equally weighted portfolio and all competing models. Overall, investors could benefit from these findings by improving risk-adjusted returns and avoiding most losses during financial crises.

Expertise Fields

Portfolio Management and Asset Classes

- Portfolio Management

Language Skills

English, German

Prof. Alberto Plazzi



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Alberto Plazzi is Associate Professor of Finance at the Università della Svizzera italiana. Professor Plazzi is a regular speaker at finance conferences worldwide and his papers have been published in top academic journals.

Expertise

Professor Plazzi is studying the cost of equity for large financial institutions from an international perspective. This topic is of paramount importance for investors as, on average, the top 10 percent of financial stocks account for more than 20 percent of market capitalization. Data show that equity is a cheap source of capital for the largest financial institutions within each country and that the risk-adjusted return is typically

negative—on average, the largest financial firms offer returns that are 3 percent lower than the largest nonfinancial firms bearing the same risk. Further results show that stock markets price in guarantees that are activated during periods of turmoil and therefore allow large financial firms to fare much better during economic crises. Regulators can also learn from these findings when pondering the costs and benefits of bailouts and the levels of banks' capital requirements.

Expertise Fields

Financial Markets

- Financial Crises
- Financial Forecasting
- Information and Market Efficiency
- International Financial Markets and Emerging Markets

Portfolio Management and Asset Classes

- Asset Pricing
- Equities
- Fixed Income
- Portfolio Management
- Real Estate

Language Skills

English, Italian

Prof. Kerstin Preuschoff



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Kerstin Preuschoff is Associate Professor in Neurofinance and Neuroeconomics at the University of Geneva. Prior to joining the University, Professor Preuschoff was a researcher and lecturer at the Institute for Empirical Research in Economics at the University of Zurich and at the Brain Mind Institute at the Ecole Polytechnique Fédérale de Lausanne.

Expertise

Professor Preuschoff is focusing on how the human brain employs inferential neural processes to overcome the problem of uncertainty. Inference is considered a fundamental process that occurs in highly diverse situations such as value-based decision-making or perception. On the one

hand, value-based decision-making involves a time-consuming process that requires the conscious consideration of multiple decision variables. On the other hand, perception is automatic and effortless. Due to possible uncertainty, however, both processes may require input from the general neural system. Using experimental data, Professor Preuschoff shows that uncertainty, whether occurring within a value-based decision-making environment or a perception environment, employs a common brain region—the anterior insula. These results provide empirical evidence that the brain interacts with its environment through inferential processes.

Expertise Fields

Portfolio Management and Asset Classes

- Behavioral Finance

Frontier Topics

- Neurofinance

Language Skills

English, German

Prof. Jean-Charles Rochet



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Jean-Charles Rochet is Professor of Banking at the University of Geneva. Before joining the faculty in Geneva, Professor Rochet held a chair at the Toulouse School of Economics and at the University of Zurich.

Expertise

Professor Rochet is researching the interactions between monetary and prudential policies of central banks. This topic has become of key importance since the global financial crisis, because many central banks are in charge not only of choosing appropriate monetary policy but also of the prudential supervision of banks. He shows that monetary and prudential policies can only become independent instruments if central banks enrich their

toolbox. Quantitative easing and interest payments on reserves are likely to become permanent tools of central banks, rather than emergency instruments to be used solely during times of crisis.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy
- Financial Crises
- Systemic Risk and Regulation

Financial Institutions

- Banks

Frontier Topics

- Sustainable Finance

Language Skills

English, French, Spanish

Prof. Michael Rockinger



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Michael Rockinger is Professor of Finance at the University of Lausanne. Professor Rockinger is an active member of the Center for Risk Management, Lausanne—a group that focuses on diffusing independent and transparent decision-making tools for banks, insurance companies, and industrial firms. He is also a research fellow of the Society for Financial Econometrics and is a regular speaker at leading conferences in his areas of expertise.

Expertise

Professor Rockinger is studying the conditions under which, when transaction costs are present, a rebalancing strategy dominates a buy-and-hold strategy. As the value of risky assets in an investment

portfolio changes over time, the portfolio needs to be rebalanced on a regular basis for it to maintain its initial strategic allocation determined by the investor's risk tolerance. By using nearly 20 years of data covering risk-free assets, bonds, and several equity indices, Professor Rockinger demonstrates that when transaction costs are lower than 0.5 percent, investors who reallocate their portfolios on a monthly basis outperform those who use a simple buy-and-hold strategy. This result is of particular interest to pension funds in today's very low interest rate environment.

Expertise Fields

Financial Markets

- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Asset Pricing
- Equities
- Fixed Income
- Foreign Exchange
- Options and Other Derivatives
- Portfolio Management
- Real Estate

Financial Institutions

- Pension Funds

Frontier Topics

- Big Data and Fintech

Language Skills

English, French, German, Italian

Prof. Olivier Scaillet



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Olivier Scaillet is Professor of Probability and Statistics at the University of Geneva. Professor Scaillet is a regular speaker at leading conferences on finance. His papers have been published in the top academic journals in finance and econometrics.

Expertise

Professor Scaillet is revisiting previous findings in the field of financial performance for mutual funds, using the approach called the false discovery rate (FDR). The FDR approach helps quantify the proportion of zero and non-zero alpha funds in the market, and to form portfolios of funds that generate positive alphas. The FDR approach is frequently used by the industry as it provides a fast and simple way to empirically detect

return-generating alpha. Professor Scaillet provides several relevant learnings based on recent data. First, although previous FDR techniques may have been slightly too optimistic they are nonetheless found to be unbiased. Second, the updated FDR approach he develops is even more precise, as it reduces the probability of misclassifying a fund by a further 25 percent. Overall, the FDR approach provides a simple and efficient way to capture the main features of alpha distribution within mutual funds. Professor Scaillet actively participates in SFI Knowledge Exchange activities that focus on the topic of cybercrime and cybersecurity.

Expertise Fields

Financial Markets

- Financial Forecasting
- International Financial Markets and Emerging Markets
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Asset Pricing
- Behavioral Finance
- Options and Other Derivatives
- Portfolio Management

Corporate Finance and Governance

- Financial Risk and Risk Management

Frontier Topics

- Big Data and Fintech

Language Skills

English, French

Prof. Paul Schneider



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Paul Schneider is Professor of Quantitative Methods at the Università della Svizzera italiana. Professor Schneider is a regular speaker at leading academic conferences on finance and his papers have been published in top finance journals.

Expertise

Professor Schneider is investigating how uncertainty about models affects trading strategies. He finds that model uncertainty is hard to distinguish from conventional risk. He also finds that optimal positions under model uncertainty become small when global economic uncertainty is high. This trading behavior is also reflected in realized option trading volume. In related work, he is studying how to capture complex

economic markets in a small number of scenarios with the least possible information loss. Results suggest that simplicity in modelling is beneficial for investors.

Expertise Fields

Financial Markets

- Financial Crises
- Financial Forecasting

Portfolio Management and Asset Classes

- Asset Pricing
- Behavioral Finance
- Equities
- Fixed Income
- Foreign Exchange
- Options and Other Derivatives
- Portfolio Management

Frontier Topics

- Operations Research and Decision Theory

Language Skills

English, German

Prof. Norman Schürhoff



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Norman Schürhoff is Professor of Finance at the University of Lausanne. Professor Schürhoff's work has been published in the top academic journals in finance and he has won several prestigious publication awards. He is a multiple-time winner of the CFA Institute Research Challenge in Switzerland and was World Champion for 2018.

Expertise

Professor Schürhoff is studying the way dealers in decentralized markets, such as over-the-counter markets, form trading networks and provide both liquidity and price discovery. The trading network within the US municipal bond market is found to have a core-periphery structure, with 10 to 30 highly interconnected core dealers and

about 2'000 peripheral dealers. Central dealers use their superior ability in locating counterparties to provide faster execution, as they can match buyers with sellers more directly, which shortens intermediation chains. Such a service is accompanied by higher trading fees. This centrality premium can reach up to 0.7 percent of transaction value. Investors need to take into account the trade-off they face between execution cost and speed when choosing with which dealer they trade. Professor Schürhoff actively participates in SFI Knowledge Exchange activities that focus on machine learning and artificial intelligence.

Expertise Fields

Financial Markets

- Information and Market Efficiency
- Portfolio Management and Asset Classes*

- Asset Pricing
- Fixed Income
- Options and Other Derivatives

Financial Institutions

- Rating Agencies
- Corporate Finance and Governance*
- Capital Budgeting and Investment Policy
- Financial Valuation
- Financing Policy and Capital Structure

Language Skills

English

Prof. Martin Schweizer



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Martin Schweizer is Professor of Mathematics at ETH Zurich. Professor Schweizer has published extensively in the top academic journals in his areas of expertise. He is a regular speaker at leading conferences worldwide.

Expertise

Professor Schweizer is focusing on mathematical models that center on optimal portfolio creation and portfolio mean-variance hedging techniques, as well as financial arbitrage. With respect to portfolios, his results can, for instance, be applied to situations in which one holds a long or short position on an asset for which no liquid market exists, such as certain petrochemical products, and

therefore needs to trade the derivatives of a near-product, such as crude oil futures and options, to hedge price risk. With respect to arbitrage, his results show that whether or not arbitrage exists depends heavily on the precise conditions one imposes on the strategies allowed for trading. Given that absence of arbitrage is one of the pillars of all trading and hedging decisions, the moral here is that one should critically examine the models used in practice if one wishes to avoid running into trouble.

Expertise Fields

Financial Markets

- Information and Market Efficiency
- Portfolio Management and Asset Classes*

- Asset Pricing
- Foreign Exchange
- Options and Other Derivatives
- Portfolio Management

Corporate Finance and Governance

- Capital Budgeting and Investment Policy
- Financial Risk and Risk Management
- Financial Valuation

Frontier Topics

- Operations Research and Decision Theory

Language Skills

English, French, German

Prof. Didier Sornette



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Didier Sornette holds the Chair of Entrepreneurial Risks at ETH Zurich. Professor Sornette is the founding director of the Financial Crisis Observatory, a scientific platform aimed at studying financial market inefficiencies, which among other activities regularly publishes a "cockpit" reporting on positive and negative bubbles in all major assets and markets around the world.

Expertise

Professor Sornette is using data-driven mathematical statistical analysis to study the predictability and control of crises and extreme events in complex systems. His key contribution is to use nonlinear multi-variable dynamical settings that include both positive and negative

feedback. The results obtained help us better understand the overall stability and instability of financial markets.

Expertise Fields

Financial Markets

- Central Banks and Monetary Policy
- Financial Crises
- Financial Forecasting
- Information and Market Efficiency
- International Financial Markets and Emerging Markets
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Asset Pricing
- Behavioral Finance
- Commodities
- Equities

- Foreign Exchange
- Options and Other Derivatives
- Portfolio Management
- Real Estate

Corporate Finance and Governance

- Financial Risk and Risk Management
- Financial Valuation

Frontier Topics

- Big Data and Fintech
- Operations Research and Decision Theory
- Sustainable Finance

Language Skills

English, French

Prof. Pascal St-Amour



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Pascal St-Amour is Professor of Economics at the University of Lausanne. Professor St-Amour's papers have been published in the leading academic journals in economics.

Expertise

Professor St-Amour is specializing in households' health, financial, and labor market choices, as well as studying optimal human capital dynamics throughout the life cycle. With respect to health capital dynamics, he specifically focuses on optimal financial choices and health spending in the face of the growing exposure to death and sickness risks associated with aging, as well as on optimal depletion paths for wealth and health toward the end of life. With respect to economic valuation of health

capital, he demonstrates that the value of human life is related to societal debates on public safety and health spending issues, and that life values are also used by courts in wrongful death litigation to determine tangible, such as income loss, and intangible, such as hedonic, damages. Finally, with respect to labor market issues, he analyzes how skill capital depreciation leads to unemployment and how optimal investments in skills can reduce exposure to occurrences of unemployment and their duration.

Expertise Fields

Portfolio Management and Asset Classes

- Personal Finance and Household Choices
- Portfolio Management

Language Skills

English, French

Prof. Josef Teichmann



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Josef Teichmann is Professor of Mathematics at ETH Zurich. Professor Teichmann is a regular speaker at international conferences on finance and mathematics. He has published extensively in his areas of research expertise.

Expertise

Professor Teichmann is currently developing machine learning tools for the financial industry. In one project, conducted jointly with investment bankers, generic hedging tasks are solved by relying on deep learning techniques in a realistic market environment—that is, in the presence of market frictions and trading constraints. Other projects include deep calibration, deep simulation, and deep prediction.

Overall, he aims to demonstrate that theoretical foundations from mathematical finance, approximation theory, and stochastic analysis offer successful implementations for concrete applications within the financial industry.

Expertise Fields

Financial Markets

- Financial Forecasting
- Information and Market Efficiency

Portfolio Management and Asset Classes

- Commodities
- Fixed Income
- Foreign Exchange
- Options and Other Derivatives
- Portfolio Management

Corporate Finance and Governance

- Financial Risk and Risk Management

Frontier Topics

- Big Data and Fintech
- Operations Research and Decision Theory

Language Skills

English, French, German

Prof. Fabio Trojani



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Fabio Trojani is Professor of Statistics and Finance at the University of Geneva. Previously, Professor Trojani taught at the University of St. Gallen and the Università della Svizzera italiana. He is a regular speaker at leading academic conferences on finance and econometrics.

Expertise

Professor Trojani is focusing on the nature of jump risk for trading strategies that bet on the high-frequency jump skew of the S&P 500 index. By comparing average profits over time, he finds that large and positive jump risk premiums are highly concentrated during periods in which the option market is closed and investors are unable to trade. When the market is open and jump skew

can be traded, the premium simply vanishes. The jump skew premium in index options is therefore not compensation for the risk of occasional large returns, but rather for investors' inability to adjust their risk exposure actively. Traders could therefore benefit financially by accounting for market opening hours and investors' (in)ability to hedge risks in their index returns and options strategies.

Expertise Fields

Financial Markets

- Financial Forecasting

Portfolio Management and Asset Classes

- Asset Pricing
- Equities
- Fixed Income
- Foreign Exchange
- Options and Other Derivatives
- Portfolio Management

Corporate Finance and Governance

- Financial Risk and Risk Management

Frontier Topics

- Big Data and Fintech

Language Skills

English, Italian

Prof. Alexander F. Wagner



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Alexander Wagner is Associate Professor of Finance at the University of Zurich. Professor Wagner's research has been published in leading academic journals and professional reviews. His talk on "What really motivates people to be honest in business" was featured on TED.com.

Expertise

Professor Wagner is researching managerial communication and investor behavior. Using transcripts of conference calls, he finds that analysts and investors are sensitive to changes in managers' use of linguistic tone. More extensive negative tone usage leads analysts to lower their earnings expectations, and such adjustments are confirmed by lower future earnings and

market behavior. Both analysts and the market, however, initially underreact to managerial tone. His research also reveals that changes that introduce a bleaker tone are more informative than those that introduce a brighter tone, and that managers must prepare their communication studiously. Finally, he forecasts that the role of machine learning and artificial intelligence in the field of managerial communication is likely to boom within the next few years. Professor Wagner actively participates in SFI Knowledge Exchange activities that focus on corporate governance and value-based management.

Expertise Fields

Financial Markets

- Information and Market Efficiency
- Portfolio Management and Asset Classes*

- Behavioral Finance
- Equities

Financial Institutions

- Banks
- Institutional Investors and Funds

Corporate Finance and Governance

- Corporate Governance and Managerial Compensation
- Mergers and Acquisitions

Frontier Topics

- Sustainable Finance

Language Skills

English, German

Prof. Joël Wagner



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Joël Wagner is Professor of Actuarial Science at the University of Lausanne and Chairman of the Board of Directors at Retraites Populaires, and was previously Member of the Federal Occupational Pension Supervisory Commission.

Expertise

Professor Wagner is studying the financial risk of facing the costs associated with long-term care (LTC) from different angles. Regarding the generally limited development of LTC insurance markets, he explains that LTC risk misperceptions are surprisingly widespread at the individual level and that the role of family altruism is heterogeneous, suggesting that other factors need to be unearthed to explain the

small market for LTC insurance. He further details that in many countries private LTC insurance does not entirely protect individuals against large medical costs, but that it improves the general well-being of insured individuals, motivates savings, and reduces intergenerational wealth transfers. Finally, he conjectures that combined products that bundle life and health risks and public-private partnerships that integrate LTC into health and pension systems could help overcome current systemic limitations.

Expertise Fields

Financial Markets

- Financial Crises
- Systemic Risk and Regulation

Portfolio Management and Asset Classes

- Portfolio Management

Financial Institutions

- Insurance Companies
- Pension Funds

Corporate Finance and Governance

- Capital Budgeting and Investment Policy
- Financial Risk and Risk Management
- Financing Policy and Capital Structure

Frontier Topics

- Big Data and Fintech

Language Skills

English, French, German

Prof. Johan Walden



SFI Senior Chair since 2019
SFI Faculty Member since 2019

PhD Yale University—Financial Economics
PhD Uppsala University—Applied Mathematics

University of Lausanne
Johan.Walden@unil.ch
+41 21 692 61 25

Johan Walden is Professor of Finance at the University of Lausanne. Previously, Professor Walden taught at the University of California, Berkeley, and worked as a management consultant at McKinsey & Company. His work has been published in top academic journals in finance and economics. His research interests lie in finance, insurance, and real estate, with a focus on asset pricing, networks in capital markets, and heavy-tailed risks.

Expertise

Professor Walden has been developing a novel model, based on social outcomes, to better understand the factors at play in investment decision-making and asset prices. The key contribution here lies in

understanding the transmission process, both in-person and electronic, through which investors discuss their strategies and convert others to their strategies. His results show that, in contrast with nonsocial approaches, sociability and self-enhancing transmissions determine the popularity and pricing of active investment strategies. In a nutshell, he finds that systematic biases in the transmission process promote active investing over passive investing. Professor Walden actively participates in SFI Knowledge Exchange activities that focus on risk and quality in residential mortgage markets.

Expertise Fields

Financial Markets

- Information and Market Efficiency
- *Portfolio Management and Asset Classes*
- Asset Pricing
- Equities

Language Skills

English

Faculty Departures in 2019

Prof. Artem Neklyudov



SFI Faculty Member from 2013 to 2019

Assistant Professor of Finance at the University of Lausanne from 2013 to 2019

PhD Carnegie Mellon University—Financial Economics

Prof. Diane Pierret



SFI Faculty Member from 2017 to 2019

Assistant Professor of Finance at the University of Lausanne from 2014 to 2019

PhD, Université catholique de Louvain—Statistics

Prof. Roberto Steri



SFI Faculty Member from 2017 to 2019

Assistant Professor of Finance at the University of Lausanne from 2014 to 2019

PhD Bocconi University—Finance

Adjunct Professors



Prof.
Teodoro D. Cocca
SFI Adjunct Professor
(since 2010)

Teodoro D. Cocca is full Professor for Wealth and Asset Management at the Johannes Kepler University of Linz in Austria and has been an SFI Adjunct Professor since 2010. Previously he worked for Citibank in investment and private banking and was a research fellow at the Stern School of Business in New York and a senior researcher at the Swiss Banking Institute in Zurich.

Professor Cocca frequently addresses academics and investment professionals and is a consultant to a number of financial institutions on issues relating to strategic bank management. He has published numerous articles in academic journals and is a member of the board of directors at VP Bank AG (Liechtenstein).



Prof.
Rudolf Gruenig
SFI Adjunct Professor
(since 2010)

Rudolf Grünig is Professor for Business Administration at the University of Fribourg and lectures in Strategic Management in various executive programs. He has been an SFI Adjunct Professor since 2010.

In addition to his academic career, Professor Grünig is a board member and strategy consultant in several Swiss companies. He has written numerous books and articles on strategic management, planning, and decision-making (Rudolf Grünig and Richard Kühn, *Solving Complex Decision Problems*, 4th edition, Berlin Heidelberg, 2017; Rudolf Grünig and Richard Kühn, *The Strategy Planning Process*, 2nd edition, Berlin Heidelberg, 2018; and Rudolf Grünig and Dirk Morschett, *Developing International Strategies*, 2nd edition, Berlin Heidelberg, 2017.)



Prof.
Erwin W. Heri
SFI Adjunct Professor
(since 2010)

Erwin W. Heri is Professor of Financial Theory at the University of Basel and has been an SFI Adjunct Professor since 2010. He has held various posts as an executive board member including as Chief Financial Officer at Winterthur Insurance Group and CFO and Chief Investment Officer at Credit Suisse Financial Services. He was also chairman of the board of a Swiss private banking group listed on the Swiss stock exchange. For many years he was also the chairman of the Investment Committee of Publica, the pension fund of State Government employees in Switzerland. Professor Heri also holds mandates on several advisory boards and boards of directors and is the author of numerous books and articles on financial and investment matters. He recently launched an Internet-based financial literacy.



Prof.
Roger M. Kunz
SFI Adjunct Professor
(since 2010)

Roger M. Kunz is Professor at the University of Basel and Adjunct Professor of the Swiss Finance Institute. He is an independent consultant in the areas of asset management, investment strategy and finance.

He holds a PhD from the University of Basel and was a visiting researcher at Georgetown University in Washington DC. He worked several years for Credit Suisse, in roles including Head of Financial Market Research, Head of Investment Strategy and member of the Investment Committee. Later he was responsible for investment research at the Pension Fund SBB (Swiss Federal Railways). He has published numerous articles and given speeches in the fields of corporate finance, financial markets, investments and taxes.



Prof.
François-Serge Lhabitant
SFI Adjunct Professor
(since 2010)

François-Serge Lhabitant is a professor of Finance at the EDHEC Business School (France) and Visiting Professor of Finance at the Hong Kong University of Science and Technology (Hong Kong). He is a Swiss Finance Institute Adjunct Professor since 2010. Professor Lhabitant received a PhD in finance from University of Lausanne, as well as a computer engineering degree from one of the two Swiss Federal Institutes of Technology. He also holds an LLM in Tax Law from the University of Geneva. Professor Lhabitant is the Chief Executive Officer and the Chief Investment Officer of Kedge Capital, where he manages more than \$ 5 billion of capital. He was previously a senior management member at Union Bancaire Privée (Geneva) and a Director at UBS Global Asset Management.



Prof.
Alfred Mettler
SFI Adjunct Professor
(since 2010)

Alfred Mettler is Professor of Finance at the University of Miami (USA) and has been a Swiss Finance Institute Adjunct Professor since 2010. He was a faculty member of the Swiss Banking Institute at the University of Zurich before moving to the US in 1998. His principal academic interests are in International Banking and Finance, Risk Management of Financial Institutions, Fintech, and Financial Education. He plays leading roles in various executive education programs in Europe and the US and has consulted for various companies and organizations. Professor Mettler often comments on financial, economic, political, and societal developments in the US, Switzerland, and Europe. He regularly gives public speeches and presentations and is a frequent media (print, radio, and TV) contributor.



Prof.
Conrad Meyer
SFI Adjunct Professor
(since 2010)

Conrad Meyer is Professor in Business Administration at the universities of Zurich and Lucerne and has been an SFI Adjunct Professor since 2010. His specialized areas in research and teaching are management accounting and selected problems of banking business management, including management accounting, controlling, and asset and liability management.

Professor Meyer serves on the boards of directors of several private companies. He is a member of national and international scientific societies, and the author of numerous publications and contributions to specialist journals.



Prof.
Donato Scognamiglio
SFI Adjunct Professor,
IAZI AG – CIFI SA
Informations- und
Ausbildungszentrum für
Immobilien

Donato Scognamiglio is Honorary Professor for Real Estate at the University of Bern, from which he received his PhD, at the William E. Simon Graduate School in Rochester (NY), and at ETH Zurich. He is SFI Adjunct Professor since 2010. Professor Scognamiglio is CEO and co-owner of the company Informations- und Ausbildungszentrum für Immobilien AG (IAZI AG), Zurich. He has been elected by the Swiss Federal Council to the board of the Pfandbriefbank schweizerischer Hypothekarinstitute AG. He coauthored "Land Leverage and House" and he published various articles in important national newspapers. Professor Scognamiglio is currently undertaking ongoing research into hedonic valuation models and real estate indices, together with other, national and international, academics.



Prof.
Paolo Vanini
SFI Adjunct Professor

Paolo Vanini is Swiss Finance Institute Adjunct Professor and Adjunct Professor of Banking at the University of Basel. He is Head of Big Data Finance Technologies at swissQuant Group AG. Professor Vanini's research focus is on investment, risk management, and banking topics. He has conducted extensive research into operational risk and credit risk and is the author of numerous articles published in international finance and financial economics journals. He holds a PhD in Mathematics from ETH.



Prof.
Urs Wälchli
SFI Adjunct Professor
(since 2016)

Urs Wälchli was an Assistant Professor of Finance at the University of Bern from 2008 until 2014. Since then, he has been the Associate Academic Director of Rochester–Bern Executive Programs and a visiting professor of Finance at the University of Rochester (NY) and Purdue University (IN). He earned his PhD at the University of Bern and is an expert on corporate lifecycles, corporate governance, mergers and acquisitions, valuation, and empirical corporate finance. He provides advisory services on issues such as succession transactions in SMEs and direct investments in entrepreneurial firms.

Governing and Advisory Bodies

The main governing body of the Swiss Finance Institute is the Foundation Board. It includes representatives of the Institute's founding members and of its academic regional centers. The Foundation Board has five committees: the Executive Committee, the Audit and Risk Committee, the Faculty Appointment Committee, the Fund Management Committee, and the Knowledge Exchange Committee. The aim of these committees is to discuss financial and faculty matters in detail before each meeting of the Foundation Board in order to make recommendations to the members of the Board. All Foundation Board members have a secondary role on at least one of these five committees.

The Foundation Board is advised by the Scientific Council on matters of scientific content and by the Sounding Board on matters of knowledge exchange with the industry.

Foundation Board

Foundation Board members represent the finance and banking community in Switzerland, both locally and internationally. SFI gratefully acknowledges the participation of Gabriele Burn, representative of Raiffeisen Group, Lukas Gähwiler, representative of UBS Switzerland, Claude-Alain Margelisch, representative of the Swiss Bankers Association, and Gian A. Rossi, representative of the Association of Swiss Asset and Wealth Management Banks. All completed their tenure on the Foundation Board during 2019.

Swiss Finance Institute Foundation Board— December 2019

Chairperson

Dr. Romeo Cerutti,¹ Member of the Executive Board of Credit Suisse Group.

Vice-chairperson

Prof. Dr. Axel P. Lehmann,^{1,5} President, Personal & Corporate Banking and President, UBS Switzerland.

Dr. Romeo Lacher,^{4,5} Chairman of Julius Baer Group Ltd., Bank Julius Baer & Co. Ltd., and SIX Group AG—as representative of the Association of Swiss Asset and Wealth Management Banks.

Members

Prof. Dr. Boas Erez,³ Rector, Università della Svizzera italiana—as representative of the Swiss Finance Institute Lugano Center.

Christophe Hentsch,^{4,5} Managing Partner at Lombard Odier—as representative of the Association of Swiss Private Banks.

Prof. Dr. Nouria Hernandez,³ Rector, the University of Lausanne—as representative of the Swiss Finance Institute Léman Center.

Dr. Stephanino Isele,² Head of Institutionals & Multinationals and Member of the Executive Board, Zürcher Kantonalbank.

Pascal Kiener,⁴ CEO, Banque Cantonale Vaudoise.

Jörg Gasser,^{3,5} CEO, Swiss Bankers Association.

Adrian V. Nösberger,² CEO, Schroder & Co. Bank AG—as representative of the Association of Foreign Banks in Switzerland.

Prof. Dr. Christian Schwarzenegger,^{3,5} Vice President Faculty Affairs and Scientific Information, University of Zurich—as representative of the Swiss Finance Institute Zurich Center.

Luca Soncini,² Member of the Board of Directors, Banca dello Stato del Cantone Ticino—as representative of the Ticino Bankers Association (ABT).

¹ Member of the Executive Committee.

² Member of the Audit and Risk Committee.

³ Member of the Faculty Appointment Committee.

⁴ Member of the Fund Management Committee.

⁵ Member of the Knowledge Exchange Committee.

Scientific Council

The Scientific Council is an independent committee of internationally renowned professors of Banking and Finance from around the world. It advises the Foundation Board on all matters where scientific criteria should predominate and as such plays a crucial role in the Swiss Finance Institute's pursuit of its objectives. Indeed, by way of full respect for academic freedom and scientific integrity, the Swiss Finance Institute Foundation Board refuses to take decisions involving research or researchers unless armed with the appropriate recommendation from the Scientific Council. As of December 31, 2019 SFI is very fortunate to be able to count on the enthusiastic support of the following internationally renowned experts, who sit on the Council:

Chairperson

Prof. Dr. Marco Pagano, Department of Economics and Statistics, University of Naples Federico II

Members

Prof. Dr. Franklin Allen, Brevan Howard Centre, Imperial College London.

Prof. Dr. Markus Brunnermeier, Department of Economics, Princeton University.

Prof. Dr. Darrell Duffie, Graduate School of Business, Stanford University.

Prof. Dr. Andrew Lo, Sloan School of Management, Massachusetts Institute of Technology.

Prof. Dr. Maureen O'Hara, Johnson Graduate School of Management, Cornell University.

SFI gratefully acknowledges the participation of Prof. René Stulz, Fisher College of Business, Ohio State University; Prof. Tim Bollerslev, Department of Economics, Duke University; and Prof. Patrick Bolton, Columbia Business School, Columbia University. All completed their tenure on the Scientific Council during 2019. SFI especially acknowledges Prof. Stulz's leading role during the Institute's buildup phase and thanks him for his contribution to the Scientific Council since its creation in 2006.

Education and Knowledge Center Advisory Board

Following SFI's strategic reorientation, the Education and Knowledge Center Advisory Board was dissolved in 2019. SFI gratefully acknowledges the participation of Dr. Philipp Halbherr; Hans Baumgartner, Credit Suisse (Schweiz) AG; Christian Donzé, Banque Cantonale Vaudoise; Christophe Lapaire, SFI Alumni Association Chairperson and SIX Securities Services AG; Dr. Markus Tanner, UBS Switzerland; and Dr. Thomas Ulrich, UBS AG.

Sounding Board

The SFI Sounding Board is an independent committee of line, HR, and L&D experts from the financial industry. It advises SFI on topics, content, and practitioners for knowledge exchange activities. The members of the SFI Sounding Board as of December 2019 are:

Franziska Amstutz, Valiant Bank.

Regula Berger, Basler Kantonalbank.

Boris Billing, Zürcher Kantonalbank.

Thomas Burri, Credit Suisse.

Dr. Martin Hess, Swiss Banking Association.

Beatrice Jufer Steffen, Credit Suisse.

Andreas Koester, UBS.

Thierry Lacraz, Banque Pictet.

Dr. David Schlumpf, Julius Baer.

Pietro Soldini, Banca dello Stato del Cantone Ticino.

Dr. Markus Tanner, UBS.



Members of the SFI Foundation Board during a meeting.

Summary of Swiss Finance Institute Financial Accounts 2019

Balance Sheet as of 31 December	2019 CHF	2018 CHF
Assets		
Current Assets		
Cash and cash equivalents	4'332'434	6'694'745
Trade receivables	39'944	38'231
Other current receivables	488'736	407'450
Accrued income and prepaid expenses	296'909	240'529
Total Current Assets	<u>5'158'023</u>	<u>7'380'955</u>
Capital Assets		
Financial assets	28'712'388	27'006'497
Tangible fixed assets	122'951	138'028
Total Capital Assets	<u>28'835'338</u>	<u>27'144'525</u>
Total Assets	<u>33'993'361</u>	<u>34'525'480</u>
Liabilities and Founders' Equity		
Short-Term Liabilities		
Trade creditors	192'156	633'424
Other current liabilities	156'674	213'875
Deferred income and accrued expenses	1'147'558	1'149'476
Total Short-Term Liabilities	<u>1'496'387</u>	<u>1'996'775</u>
Long-Term Liabilities		
Other long-term liabilities	4'000'000	4'000'000
Total Long-Term Liabilities	<u>4'000'000</u>	<u>4'000'000</u>
Total Liabilities	<u>5'496'387</u>	<u>5'996'775</u>
Founders' Equity		
Foundation capital	19'000'000	19'000'000
Statutory capital reserves	37'564'785	37'564'785
Statutory retained earnings	-28'036'081	-22'426'907
Result of the period	-31'730	-5'609'174
Total Founders' Equity	<u>28'496'974</u>	<u>28'528'704</u>
Total Liabilities and Founders' Equity	<u>33'993'361</u>	<u>34'525'480</u>

Profit and Loss Account for the Period Ending 31 December	2019 CHF	2018 CHF
Income from Partner University Faculty	178'076	164'421
Income from PhD Program	15'174	20'908
Income from Knowledge Exchange & Education	1'331'044	1'970'301
Income from Communication & Projects	61'490	41'507
Income from Activity Areas	<u>1'585'783</u>	<u>2'197'137</u>
Expenses from Partner University Faculty	-2'277'801	-3'856'605
Expenses from PhD Program	-561'686	-596'847
Expenses from Knowledge Exchange & Education	-1'715'701	-1'039'810
Expenses from Communication & Projects	-354'841	-342'971
Total Expenses from Activity Areas	<u>-4'910'029</u>	<u>-5'836'234</u>
Net Result before General Expenses	<u>-3'324'245</u>	<u>-3'639'096</u>
Personnel expenses	-2'932'126	-2'869'756
Audit and Accounting services	-132'850	-129'088
Other professional services	-89'904	-106'219
IT services	-106'523	-179'257
Office expenses	-205'590	-186'709
Marketing and other operational expenses	-104'125	-145'429
Total other Operational Expenses	<u>-638'991</u>	<u>-746'702</u>
Earnings before Interest, Depreciation, and Amortization	<u>-6'895'364</u>	<u>-7'255'555</u>
Depreciation of tangible assets	-26'734	-18'012
Earnings before Interests	<u>-6'922'098</u>	<u>-7'273'566</u>
Financial income	7'436	809
Financial expenses	-2'863	-9'610
Earnings before Non-Operational and Extraordinary Results	<u>-6'917'525</u>	<u>-7'282'367</u>
Net result on investments	3'278'154	-1'917'275
Net non-operational income	3'600'000	3'600'000
Extraordinary, non recurring, or prior-period result	7'641	-9'532
Net Result of the Period	<u>-31'730</u>	<u>-5'609'174</u>

Swiss Finance Institute

Swiss Finance Institute (SFI) is the national center for fundamental research, doctoral training, knowledge exchange, and continuing education in the fields of banking and finance. SFI's mission is to grow knowledge capital for the Swiss financial marketplace. Created in 2006 as a public-private partnership, SFI is a common initiative of the Swiss finance industry, leading Swiss universities, and the Swiss Confederation.

swiss:finance:institute

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