

swiss : finance : institute



Activity Report
2012

swiss : finance : institute

Activity Report
2012



As a world-leading financial center building on a rich history, Switzerland's financial sector has the natural ambition of housing a world-leading research and training center in banking and finance.

The Swiss Finance Institute is the product of this ambition. Established at the initiative of the Swiss Bankers Association, it is a private foundation created in 2006 with the support of the Swiss banking and finance community and the Swiss stock exchange together with the Swiss Confederation, the Swiss National Science Foundation and several Swiss universities with the aim of advancing research activities in finance and executive education in the banking and finance sector.

The Swiss Finance Institute encompasses three pre-existing foundations: the International Center for Financial Asset Management and Engineering (FAME), the Swiss Banking School and the Stiftung Banking and Finance an der Universität Zürich. This merger has led to the creation of one of the major European providers of research, doctoral training and advanced executive education in banking and finance. This report gives an overview of Swiss Finance Institute's activities from January to December 2012.

Table of Contents

A Word from the Board	4
Swiss Finance Institute Faculty	5
Research Highlights	6
The Swiss Finance Institute Research Partner: NCCR FINRISK	8
PhD Program in Finance	9
PhD Graduate Placements	11
Education	12
Knowledge Center	16
Knowledge Transfer Activities	18
Governing and Advisory Bodies	21
2012 Facts & Figures	23
Research Paper Series 2012	26
Faculty Guide	29
Overview of Executive Courses Offered in 2012	58
Knowledge Transfer Events Provided During 2012	59

A Word from the Board

The Year of Change

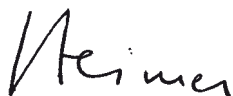
In 2012, the Swiss Finance Institute (SFI) completed a thorough review of its strategy in preparation of the next phase of its activities and in view of the changing landscape of finance. While the strategy review underscored the outstanding degree of academic recognition which SFI has achieved since 2006, it also suggested a number of changes, in view of improving overall institutional performance and to reinforce its activities.

One way in which SFI has addressed the need for change is by integrating activity areas, making operations more efficient, and broadening SFI's reach. To this effect, SFI's Foundation Board appointed Dr. Gabriela Maria Payer in the newly established role of Head of Education as of October 2012. Dr. Harry Hürzeler, who has been Head of Executive Education and Chief Operating Officer since the Institute's inception, continues to support the Institute in an advisory role. SFI's Foundation Board wishes to thank Dr. Hürzeler for his substantial contribution during the first years of SFI's existence.

SFI's Foundation Board furthermore appointed Anita Belitz-Krasniqi to the equally new function of Executive Director, merging her role as SFI's Secretary General with the function of Chief Operating Officer, held until now by the Head of Executive Education. This is to facilitate the integrated approach to SFI's mission in research and education.

In research, in addition to its usual activities, SFI has been preparing for the implementation of significant research project support from the Secretary for Education, Research and Innovation for the beginning of 2013. In Education, a new program architecture and an expanded offering are being implemented. And the SFI Knowledge Center has started first initiatives, with a number of activities planned for 2013. Following these many changes, SFI continues to strive to fulfill its objective of becoming a world-leading research and training institute in banking and finance, so as to contribute substantially to the success of the Swiss financial center.

Changes have also taken place in SFI's governing and advisory bodies: Raymond Baer has stepped down from the Foundation Board and Michael Brennan has retired from the Scientific Council. Both have made significant contributions to SFI since its creation. In the name of the Foundation Board, we would like to take this opportunity to thank them and to welcome Bernard Keller to the Foundation Board. Without the ongoing commitment and dedication of such members, SFI could not be the Institute that it is today.



Olivier Steimer
Chairman of the Foundation Board



Claudio Loderer
Managing Director

Swiss Finance Institute Faculty

One of Swiss Finance Institute's objectives is to build up an outstanding faculty across Switzerland. In this way, Swiss Finance Institute (SFI) will create, together with its academic partners, academic expertise with staying power. Since its creation, SFI has worked on developing promising talents and ensuring that SFI researchers have a research environment in which they can thrive. Outstanding researchers with access to the right research conditions contribute to the international research community through publication success at the highest level, allowing Switzerland to make its mark on the international research agenda.

One measure of financial academic expertise is the number of publications in the most noteworthy international academic finance journals. The first article published in a top academic journal, the Journal of Financial Economics, by an SFI Faculty member was in 2006. In December 2012, seven years and 59 publications later, the Journal of Finance alone carried four articles of a total of ten articles in a single edition by SFI researchers and a former SFI PhD graduate.



Faculty Highlights

Internal promotion successes!

Following noteworthy publication successes, development of an international reputation in their fields, and significant contribution to the SFI community, three of our researchers were promoted by autumn 2012 to the position of SFI Senior Chair. These promotions concern Prof. Rüdiger Fahlenbrach (Ecole Polytechnique Fédérale de Lausanne), Prof. Francesco Franzoni (University of Lugano), and Prof. Julien Hugonnier (University of Lausanne). Furthermore Prof. Alexander Wagner (University of Zurich) and Prof. Lorian Mancini (Ecole Polytechnique Fédérale de Lausanne) were promoted from SFI Faculty member to SFI Junior Chair.

Swiss Finance Institute Faculty (January - December 2012)

<i>Hansjörg Albrecher</i>	p. 29
<i>Anastasia Andrikogiannopoulou*</i>	p. 30
<i>Philippe Bacchetta*****</i>	p. 30
<i>Giovanni Barone-Adesi*****</i>	p. 31
<i>Tony Berrada (on leave 2012-2013)</i>	p. 31
<i>Peter Bossaerts (until June 2012)</i>	
<i>Inès Chaieb*</i>	p. 32
<i>Marc Chesney</i>	p. 32
<i>Pierre Collin-Dufresne*****</i>	p. 33
<i>François Degeorge*****</i>	p. 33
<i>Theodosios Dimopoulos*</i>	p. 34
<i>Paul Embrechts*****</i>	p. 34
<i>Rüdiger Fahlenbrach***** (Sep. 2012)</i>	p. 35
<i>Damir Filipovic*****</i>	p. 35
<i>Francesco Franzoni***** (Sep. 2012)</i>	p. 36
<i>Patrick Gagliardini</i>	p. 36
<i>Rajna Gibson Brandon****</i>	p. 37
<i>Manfred Gilli</i>	p. 37
<i>Ami Goyal*****</i>	p. 38
<i>Michel Habib</i>	p. 38
<i>Henrik Hasseloft</i>	p. 39
<i>Harald Hau*****</i>	p. 39
<i>Thorsten Hens***</i>	p. 40
<i>Martin Hoesli</i>	p. 40
<i>Julien Hugonnier***** (Oct. 2012)</i>	p. 41
<i>Eric Jondeau</i>	p. 41
<i>Felix Kübler*****</i>	p. 42
<i>Markus Leippold</i>	p. 42
<i>Henri Loubergé</i>	p. 43
<i>Semyon Malamud**</i>	p. 43
<i>Loriano Mancini** (Sep. 2012)</i>	p. 44
<i>Antonio Mele*****</i>	p. 44
<i>Erwan Morellec*****</i>	p. 45
<i>Johannes Muhle-Karbe (June 2012)</i>	p. 45
<i>Eric Nowak</i>	p. 46
<i>Kjell G. Nyborg*****</i>	p. 47
<i>Claudio Ortelli</i>	
<i>Per Östberg*</i>	p. 47
<i>Marc Paoletta</i>	p. 48
<i>Alberto Plazzi**</i>	p. 48
<i>Jean-Charles Rochet*****</i>	p. 49
<i>Michael Rockinger</i>	p. 49
<i>Yuki Sato*</i>	p. 50
<i>Olivier Scaillet*****</i>	p. 50
<i>Norman Schürhoff*****</i>	p. 51
<i>Martin Schweizer*****</i>	p. 51
<i>Karl Schmedders</i>	p. 52
<i>Halil Mete Soner*****</i>	p. 52
<i>Didier Sornette</i>	p. 53
<i>Pascal St-Amour</i>	p. 54
<i>Josef Teichmann</i>	p. 54
<i>Fabio Trojani***</i>	p. 55
<i>Anders Trolle**</i>	p. 55
<i>Paolo Vanini</i>	p. 56
<i>Alexander Wagner** (April 2012)</i>	p. 56
<i>Alexei Zhdanov**</i>	p. 57
<i>Alexandre Ziegler</i>	p. 57

- ***** Senior Chair
- **** Distinguished Service Senior Chair
- *** Research Fellow
- ** Junior Chair
- * SFI Tenure-track Assistant Professor



Research Highlights

The Swiss Finance Institute (SFI) strives for a top-ranking position among the research institutes in finance of Europe. One way to measure progress towards this goal will be through the number and quality of publications by SFI researchers appearing in top academic journals. SFI Faculty's research is gaining significant recognition internationally through a steady increase in the output of research publications, on par with the foremost international institutions.

The SFI Scientific Council places extra weight on publications appearing in journals that historically have been first in promoting the ideas that have changed financial practice: *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies*, *American Economic Review*, *Journal of Political Economy*, *Quarterly Journal of Economics*, *Econometrica*, and *Review of Economic Studies*. In 2012 the following 13 articles were published by SFI researchers:

2012

Self-Fulfilling Risk Panics, Ph. Bacchetta, C. Tille, and E. van Wincoop, *American Economic Review*, vol. 102(7), pp. 3674-3700, 2012.

On the Relative Pricing of Long Maturity Index Options and Collateralized Debt Obligations, P. Collin-Dufresne, R. Goldstein, and F. Yang, *Journal of Finance*, vol. 67(6), pp. 1983-2014, 2012.

This Time is the Same: Using Bank Performance in 1998 to Explain Bank Performance During the Recent Financial Crisis, R. Fahlenbrach, R. Prilmeier, and R. Stulz, *Journal of Finance*, vol. 67(6), pp. 2139-2185, 2012.

Institutional Investors and Mutual Fund Governance: Evidence from Retail - Institutional Fund Twins, with R. B. Evans and R. Fahlenbrach, *Review of Financial Studies*, vol. 25 "12", pp. 3530-3571, 2012.

Hedge Fund Stock Trading in the Financial Crisis of 2007-2009, I. Ben-David, F. Franzoni, and R. Moussawi, *Review of Financial Studies*, vol. 25(1), pp. 1-54, 2012.

Private Equity Performance and Liquidity Risk, F. Franzoni, E. Nowak, L. Phalippou, *Journal of Finance*, vol. 67(6), pp. 2341-2373, 2012.

Nonparametric Instrumental Variable Estimation of Structural Quantile Effects, P. Gagliardini, O. Scaillet *Econometrica*, vol. 80(4), pp. 1533-1562, 2012.

Endogenous Completeness of Diffusion Driven Equilibrium Markets, J. Hugonnier, S. Malamud, and E. Trubowitz, *Econometrica*, vol. 80(3), pp. 1249-1270, 2012.

Health and (other) Asset Holdings, J. Hugonnier, F. Pelgrin and P. St-Amour, *Review of Economic Studies*, vol. 0, pp. 1-48, 2012.

Financial Innovations and Asset Price Volatility, F. Kübler and K. Schmedders, *American Economic Review*, vol. 102(3), pp. 147-151, 2012.

Corporate Governance and Capital Structure Dynamics, with E. Morellec, B. Nikolov, and N. Schürhoff, *Journal of Finance*, vol. 67(3), pp. 803-848, 2012.

Technical Trading Revisited: False Discoveries, Persistence Tests, and Transaction Costs, P. Bajgrowicz and O. Scaillet, *Journal of Financial Economics*, vol. 106(3), pp. 473-491, 2012.

Real Options, Volatility, and Stock Returns, A. Zhdanov, G. Grullon, and E. Lyandres, *Journal of Finance*, vol. 67(4), pp. 1499-1537, 2012.

Names appearing in bold indicate SFI Faculty members at the time of acceptance or publication of an article in the journal.

Other Publications

45 research papers were included in the 2012 **Swiss Finance Institute Research Paper Series** hosted on the Social Science Research Network (SSRN). The series is a collaborative project between SFI and NCCR FINRISK. A complete list of the 2012 papers is available on pages 26-28 of this report.

The **Connection** is a quarterly knowledge transfer publication. The aim of *Connection* is to present ongoing research carried out by SFI Faculty members on finance topics of current interest.

• **N°2012-0003**
Focus on Investments
6th Annual Meeting of the Swiss Finance Institute

• **N°2012-0004**
Focus on Banking
The post-crisis banking landscape

• **N°2012-0005**
Focus on Volatility
Reading into financial market swings

• **N°2012-0006**
Focus on Trading
Buy in panic, sell in euphoria?

The Connection can be accessed on SFI's website:
<http://www.swissfinanceinstitute.ch/connection>

Outstanding Paper Award

The Outstanding Paper Award winners for the year 2012 were Zhiguo He (University of Chicago) and Arvind Krishnamurthy (Northwestern University) for their paper entitled “A Macroeconomic Framework for Quantifying Systemic Risk”. The paper will be the object of a public lecture in autumn 2013 in Geneva. The Swiss Finance Institute’s Outstanding Paper Award is awarded annually to an unpublished research paper circulated over the previous 12 months and making an outstanding contribution to the field of finance. The jury selecting the winning paper is composed of all Swiss Finance Institute chaired professors and Fellows and is headed by Rajna Gibson Brandon, SFI Head of Research.

Other Awards and Honors

Hansjörg Albrecher

- Second-Best Paper Award at the *ASTIN Colloquium in Mexico*, October 2012

Rüdiger Fahlenbrach

- 2012 Best Teacher Award, *The 2012 Class of the Master in Financial Engineering*, EPFL
- Distinguished Referee Award, *Review of Financial Studies*, 2012

Michel Habib

The paper entitled “Swiss Banking Secrecy: The Stock Market Evidence”, co-authored with F.-X. Delaloye and A. Ziegler, is forthcoming in the 25th anniversary issue of *Financial Markets and Portfolio Management*, the journal of the Swiss Finance Association.

Martin Hoesli

- *Nick Tyrrell Research Prize*, 2012. The objective of the prize is to recognize and promote high quality applied research in the field of real estate investment.
- Prize for the best valuation paper presented at the *American Real Estate Society* conference in 2012.
- RICS prize for the best paper presented at the 2012 Asian Real Estate Society and *American Real Estate and Urban Economics Association* joint conference in Singapore.

Antonio Mele

Co-inventor of the CBOE *Interest Rate Swap Volatility Index* (CBOE-SRVXSM), the first standardized volatility measure in the interest rate swap market, designed to standardize and simplify trading in the interest rate swap market, much in the spirit of the CBOE-VIX index in the equity market.

Felix Kübler

Gossen Award, *Verein für Sozialpolitik*, Germany.

The purpose of the *Gossen Award* is to promote the internationalization of German economic sciences. In the selection of the award winner, publications in respected international journals and the number of citations in the Social Science Citation Index are the key criteria.

Johannes Muhle-Karbe

- The *Bachelier Finance Society* is involved in awarding the Nicola Bruti Liberati Prize for an outstanding doctoral in all subjects of Mathematical Finance. Johannes Muhle-Karbe was announced as the first winner at the 2012 *Bachelier Conference*.
- *Nicola Bruti Liberati Visiting Fellowship* to attend the 7th *World Congress of the Bachelier Finance Society* in Sydney, Australia.

Karl Schmedders

- Best Teacher Award of the Kellogg – WHU EMBA Class of 2012
- Best Teacher Award of the Kellogg Class EMP87

Fabio Trojani

NYSE Euronext Financial Markets Best Paper Award for “The Cross-Section of Expected Stock Returns: Learning About distress and predictability in Heterogenous Orchards”, with A. Buraschi and P. Porchia, EFMA 2012 meeting, Barcelona, Spain. The NYSE Euronext Financial Markets Best Paper Award recognize the research paper that has the most potential to advance the understanding in the field of financial markets.



The Swiss Finance Institute Research Partner: NCCR FINRISK



SFI works hand-in-hand with the National Centre of Competence in Research (NCCR) Financial Valuation and Risk Management Program (FINRISK) to support world-class financial research in Switzerland.

This is the 11th year of FINRISK's activities, and the results amply demonstrate the success of the collaboration with SFI. The impressive output not only reflects the continued growth in faculty but also shows, year on year, significant increases in both quantity and quality. A total of 60 new journal articles have been published for 2012, and 20 of these have been published in A-rated journals – the highest number achieved to date.

Every year since 2002, the Study Center Gerzensee Foundation has generously sponsored the **SFI/FINRISK Annual Workshop in Finance** at which advanced doctoral students from the SFI/FINRISK network present their research. The 2012 workshop featured a keynote lecture on "Rating Agencies" by Harald Hau (SFI Professor at UNIGE). And it provided the ideal platform for organizing the first joint SFI/FINRISK General Assembly meeting, reflecting the close collaboration between the two institutions.

The **FINRISK Research Day 2012** gave members the opportunity to interact, discuss their research work, and identify areas of common interest and possible collaboration. This event, held in June, attracted about 80 participants from the SFI/FINRISK network and the faculty presented on-going research projects in their respective fields – Risk Management, Asset Pricing and Portfolio Management, Corporate Finance, Quantitative Methods in Finance, and Banking and Regulation.

At the same time, PhD students from Swiss institutions presented 23 research papers in the 11th **Swiss Doctoral Workshop in Finance**. Each paper was then discussed by a fellow student before Prof. René Stulz (Ohio), Prof. Jérôme Detemple (Boston), and SFI/FINRISK Faculty members provided feedback. SFI then awarded prizes for the best PhD paper presented and the best student discussant.

The latest **SFI-funded FINRISK Research Project** is "*Systemic Risk and Dynamic Contract Theory*". This

project – headed by Prof. Jean-Charles Rochet, SFI Professor at the University of Zurich – started in 2010 and provides the basis for a new FINRISK banking and regulation research module. It seeks to develop dynamic models of financial intermediaries subject to endogenous financial frictions.

The rationale of this project stems from the financial crisis, which showed that inappropriate risk-management policies can throw well-established financial institutions into turmoil. This leads to a loss of confidence which not only hurts the financial sector, but also propagates to the real sector.

The development of such dynamic models is crucial for understanding the core risk-management policies used by banks, insurance and reinsurance companies, pension funds and hedge funds.

This SFI-funded project involves 5 Senior Researchers and Post-Docs, 4 Doctoral Students, 5 Associate Participants, and has led to the publication of 6 working papers and 3 articles.

The results will help develop the modeling of optimal contracts in continuous time, whilst allowing for continuous adaptation, and will offer new directions for studying the limits of traditional regulation.

Also the newly launched FINRISK / SFI initiative, "Finance and Society", started in 2012. Aiming at supporting research modules on the topic of "socially responsible finance", a call for projects was launched in spring 2011. After two rounds of evaluation of several project proposals by the governing bodies of SFI and FINRISK, finally two projects were approved for financing. The first project "Delegated Portfolio Management, Resource Allocation, and Social Welfare", is conducted under the lead of Prof. Yuki Sato (University of Lausanne and SFI), whereas the second project, "The Financial Crisis of 2007/08: Causes and Consequences", is under the lead of Prof. Fahlenbrach (École Polytechnique Fédérale de Lausanne and SFI). Both projects started in fall of 2012 for the length of 3 years.

The Swiss Finance Institute PhD Program in Finance

The Swiss Finance Institute PhD Program in Finance is targeted towards the pursuit of academic excellence. It aims at providing rigorous and inspiring PhD studies in finance with an intellectual environment and curriculum comparable with the top PhD programs in Europe and North America. The program seeks to offer the best training possible to both future academics and those contemplating a career in industry.

As of January 2012, there were 95 active students enrolled in the SFI PhD program in finance. The program takes place across the three SFI Centers with students in Léman (40), Lugano (25) and Zurich (30). The 2012/2013 academic year had an incoming class of 23 students entering the program, mostly from Europe but also from overseas.

Swiss Finance Institute (SFI) finances students in their first year of the program to allow for full-time dedication to their studies. In subsequent years, the students often work as teaching and research assistants in local institutes while writing their thesis, following advanced courses and pursuing their research interests. SFI further supports students by providing financing for travelling to international conferences and workshops and even for support for the academic job market. SFI's research partner, NCCR-FINRISK, also contributes to supporting the students.

SFI / FINRISK Doctoral Courses

A total of four advanced doctoral courses in finance were jointly organized by FINRISK and SFI in 2012. In accordance with the FINRISK / SFI cooperation agreement, these courses are offered to doctoral students from any Swiss University.

- The Econometric Analysis of Mixed Frequency Data with Macro/Finance Applications; Eric Ghysels (University of North Carolina, Chapel Hill); March 2012 at USI
- Unanswered Questions in Finance; Randall Morck (Alberta); June 2012 at USI
- Econometrics of Pricing and Macro Finance; Alain Monfort (CREST); June 2012 at USI
- High Frequency Financial Econometrics, Prof. Victor Todorov; December 2012 at USI

PhD Awards & Support:

Swiss Finance Institute Best Paper Doctoral Award

The annual SFI Best Paper Doctoral Award was started in 2003 by the International Center FAME and from 2006 has been extended to all Swiss doctoral students in finance under the auspices of FINRISK and SFI. It awards a PhD student for an outstanding research paper presented at the Annual PhD Workshop

organized by FINRISK and SFI. The winning paper is nominated by a committee formed of outside experts participating in the Workshop and is selected by faculty representatives from each SFI Academic Center. The Award is bestowed upon the winner at the SFI Annual Meeting and the recipient receives CHF 2'000 and a certificate for her/his accomplishment. In 2012, the Award was given to Matthias Efung, an SFI student from the University of Geneva at the SFI Annual Meeting for his paper entitled "Bank Capital Regulation with an Opportunistic Rating Agency".

Swiss Finance Institute Best Discussant Doctoral Award

The annual SFI Best Discussant Doctoral Award was begun by SFI in 2007 and is awarded to Swiss doctoral students in finance for an outstanding discussion of a paper presented at the Annual PhD Workshop organized by FINRISK and SFI. The recipients are selected by the chairpersons of the respective workshop sessions. The Awards are bestowed upon the winners at the SFI Annual Meeting and the recipients receive CHF 1'000 (to be shared among the winners) and a certificate for this accomplishment. In 2012, the recipient was Julien Cujean (EPFL & SFI).

Advanced Doctoral Grants and PhD Study Abroad

- **Sofia Cazzaniga** from the University of Lugano, visited the Stern School, New York University, USA, from September 2012 to August 2013 (faculty sponsor: Prof. Xavier Gabaix).
- **Sébastien Coupy** from the University of Geneva, visited NUS Business School, Singapore, from November 2012 to February 2013 (faculty sponsor: Prof. Robert Kimmel).
- **Ngoc Giang Hoang** from Ecole Polytechnique Fédérale de Lausanne, visited Duke University, USA, from February to June 2012 (faculty sponsor: Prof. Tim Bollerslev).
- **Mustafa Karaman** from the University of Zurich visited the Stern School, New York University, USA, from February to July 2012 (faculty sponsor: Prof. Robert F. Engle).
- **Roberto Marfè** from the University of Lausanne visited Duke University, USA, from February to June 2012 (faculty sponsor: Prof. Tim Bollerslev).
- **Cornelius Schmidt** from the University of Lausanne visited Fisher College of Ohio State University, USA, from March to June 2012 (faculty sponsors: Prof. René Stulz and Prof. Ingrid M. Werner).

New SFI PhD Workshop Series

A new internal SFI PhD workshop series (self-organized by PhD students) aimed at stimulating student interaction across the three SFI centers was launched in 2011. Meanwhile, two other workshops have taken place in 2012:

“Financial Econometrics”, February 23, 2012, in Zurich

A first workshop on “Financial Econometrics” was hosted by the University of Zurich and organized by Kerstin Kehrlé, Jochen Krause, Pawel Polak and Maria Putintseva. The one day event included five talks of the invited keynote speakers and six presentations of PhD students. This allowed for a solid interchange and balance between the senior researchers and the PhD students. Among the senior speakers were some of the best researchers in financial econometrics. The PhD students arrived from all SFI centers. Their presented working papers (theoretical and empirical) and presentations were of the highest quality. There was a large spectrum of topics covered, among others:

- equilibrium asset pricing for high-frequency data;
- systemic risk for non-US institutions;
- analysis of variance swaps;
- realized volatility;
- dynamics of the risk premium in large panel data;
- portfolio optimization and mean-variance efficiency test;
- predictability of risk in present-value models;
- modeling conditional dynamics of the vector returns under non-Gaussianity;
- present-value models; option related nonlinear dynamics of the asset prices;
- asset pricing models.

The workshop was designed to allow for a significant interaction between the speakers and the audience. Each talk was followed by an intensive discussion, valuable comments and feedback which made the workshop a great success for both the audience and the speakers.

“Corporate Finance”, October 10, 2012, in Lugano

A second workshop focusing on “Corporate Finance” was hosted at the University of Lugano on October 10, 2012 and organized by Vasileios Barmpoutis and Hien Vu, SFI graduate and student at the University of Lugano, with the goal to increase the interaction among PhD students from the three centers, who are interested in theoretical and empirical corporate finance.

The event welcomed 24 registered participants from Lausanne, Zurich and Lugano and a couple of unregistered participants as well. The workshop offered a platform to five PhD students to present their research in front of colleagues and professors and three keynote speakers presented their recent research works: Prof. Augustin Landier (Toulouse School of Economics), Prof. Alexander Wagner (University of Zurich and SFI), and Rüdiger Fahlenbrach (EPFL and SFI).

The workshop offered to participants lively and stimulating discussions on capital structure, payout policy, corporate governance and incentives, security offerings, and behavioral corporate finance.



PhD Graduate Placements

The Swiss Finance Institute PhD Program graduates are increasingly successful at securing notable positions at prestigious academic and financial institutions, both in Switzerland and around the globe!

The Swiss Finance Institute has one of the largest PhD programs in finance in the world. Currently, 40% of the students graduating from the program secure academic placements and 60% obtain placements in the industry. As can be seen, SFI graduates are beginning to make their mark in both sectors.

SFI PhD Graduates 2012

The following students graduated from the SFI PhD Program during 2012.

2012

- **Daniel Andrei**, Assistant Professor at the University of California, Los Angeles, USA.
- **Vasileios Barmpoutis**, Post Doc at the Harvard Kennedy School, USA.
- **Moreno Brughelli**
- **Ronald Gindrat**, Economist at the Swiss Federal Department of Finance, State Secretariat for International Finance Matters, Switzerland.
- **Mario Häfeli**, Assistant at the University of Zurich, Switzerland.
- **Benjamin Jone**, Quantitative Analyst, Swiss Life Asset Managers, Switzerland.
- **Matthias Jüttner**, Economist at the Swiss National Bank, Switzerland.
- **Mustafa Karaman**, Quantitative Risk Specialist at UBS, Zurich, Switzerland.
- **Matthias Kurmann**
- **Jan Peter Kulak**, Treasury Department of ProCredit, Switzerland.
- **Gabriel Neukomm**, Consultant, Mergers & Acquisitions Tax, PricewaterhouseCoopers, Switzerland.
- **Maria Putintseva**, Assistant at the University of Zurich, Switzerland.
- **Jacob Stroemberg**, Associate Director, UBS AG, Credit Methodology, Switzerland.

Swiss Finance Institute Graduates Recognized for Outstanding Research Work

Adrien Treccani, SFI PhD student at the University of Geneva, was accepted to spend two weeks in Chicago for the Initiative for Computational Economics at the University of Chicago Booth School of Business. The summer program was held from July 16 to 27, 2012. It is a two week workshop for promoting and disseminating cutting-edge methods in computational science useful in the solution and empirical estimation of economic models. This workshop is restricted to few participants and not many Europeans are selected. This was a fantastic opportunity for an SFI student.

Maria Putintseva, SFI PhD student at the University of Zurich and **Cornelius Schmidt**, SFI PhD student at the University of Lausanne, presented their research at the 39th Annual Meeting of the European Finance Association in Copenhagen, Denmark.

Chris Bardgett, SFI PhD student at the University of Zurich, presented his paper co-written with **Elise Gourier** (SFI PhD at the University of Zurich) and Prof. **Markus Leippold** (SFI Faculty Member at the University of Zurich) titled “A tractable model for consistently pricing S&P500 and VIX derivative” at the 7th World Congress of the Bachelier Finance Society. The conference was held from June 19 to 22, 2012 in Sydney, Australia.

Executive Education



Highlights 2012

In 2012 Swiss Finance Institute Education successfully offered 18 courses for a total of 33 weeks:

- > 4 courses in bank management for a total of 16 weeks
- > 3 Master program modules for a total of 5 weeks
- > 6 banking seminars for a total of 6 weeks
- > 6 in-house training courses for a total of 6 weeks

449 participants took one or more of the Institute's courses, 115 thereof graduated from one of the degree or executive courses.

The Education unit of Swiss Finance Institute finished 2012 with a positive financial result, in spite of a still difficult market environment for education offerings. Financial institutions around the world are continuing to refocus their external education as a reaction to their own adverse market situation. The international trend continues towards certified courses and towards more in-house programs, focusing on severe cost management.

SFI has therefore further extended its co-operation with Rochester-Bern Executive Programs -started in 2011- which helps to satisfy the need for officially recognized certificates. Next to the established Diploma of Advanced Studies in Banking, SFI launched the Certificate of Advanced Studies in Corporate Banking. Moreover SFI continued evaluating the banks' needs for further specialized Certificate programs leading to an officially recognized Certificate of Advanced Studies awarded by the University of Bern. Furthermore SFI aims at offering a Master of Advanced Studies, addressing the market demand for degree programs specializing in banking as of 2013/2014.

Moreover, SFI Education strengthened its ability to deliver international in-house programs through two highly successful deliveries of customized programs for a major Chinese bank. Also SFI is working with its Chinese partners on a more strategic and sustainable way to collaborate in the Chinese market.

With the leadership change in Education the whole offering strategy has been reviewed in 2012 and the existing and planned new offerings have been reorganized into the following groups:

- C-level offerings
- Executive offerings
- University Degree offerings
- Customized bank offerings

The 2012 Education Offering

The focus of Swiss Finance Institute Education offerings is to provide insight on key trends in the financial industry, both on a strategic and on an operational level. The concepts underlying these trends are presented by academics selected for their extensive industry involvement, and their understanding of the implications of these concepts for the finance industry. Senior executives are invited to present their institution's reaction to these developments. A systematic and regular update of the topics and course structure ensures that the needs of the market are constantly met. Finally, the carefully selected participants are of the highest calibre, ensuring a critical discussion of the ideas presented among peers and benefiting from outstanding networking and interaction platforms.

The Education Offering: C-Level Offerings

International Wealth Management Retreat

The most prestigious offering of Swiss Finance Institute is the five-day Wealth Management Retreat for Managing Directors. The Retreat assembles academic opinion leaders and senior private banking executives to discuss research and practical advances in the increasingly complex and globalized wealth management sector. In the 2012 cycle, 21 participants attended the event from countries as diverse as Australia, Canada, Colombia, Czech Republic, Finland, Iran, Lebanon, Nigeria, Switzerland, United Arab Emirates, and United Kingdom.

The Education Offering: University Degree Offerings

Diploma of Advanced Studies in Banking (former SFI Executive Program)

A total of 50 participants have registered for this German part-time bank management program in 2012/13. The aim of the program is to develop a broadened understanding of the finance industry, and thereby achieve an improved quality of decision-making as well as a superior ability to interact with colleagues from other business areas. Participants are taught how to interpret their own responsibilities as part of the financial system, and how these are to be handled in line with modern thinking. Much attention is therefore also paid to the study of the latest international developments in this context. The Diploma of Advanced Studies in Banking runs for 7 weeks spread over a two year period. It is aimed at young Vice Presidents and is offered in cooperation with Rochester-Bern Executive Programs.

Certificate of Advanced Studies in Corporate Banking

Today's advisors and specialists in corporate banking face great challenges in their everyday business. They need to serve their clients in a highly professional manner, as well as to identify and develop new business opportunities. And while working to grow the business, they must at the same time be able to recognize the early warning signs of a potential failure of the firm. The Certificate of Advanced Studies (CAS) in Corporate Banking helps to be even better prepared to handle these responsibilities successfully. With a focus on medium-sized enterprises, the CAS in Corporate Banking conveys insights into Corporate Strategy, Corporate Finance, Management Accounting, Legal & Compliance as well as Risk Management, all aimed at the level of an experienced corporate banker. The program is held in German, is offered in cooperation with Rochester-Bern Executive Programs and starts for the first time in 2013.

The Dual Degree Executive MBA in Asset and Wealth Management

The Dual Degree Executive MBA in Asset and Wealth Management integrates financial know how and business management. This program is one of only a handful of Executive MBA's in the world which allows participation from anywhere in the world, and as such is truly global. This Executive MBA addresses bank managers, senior relationship managers and investment professionals from around the world, active in private banking or in institutional asset management. The program engages some of the world's foremost academics to teach the concepts and how these are applied, while leading practitioners discuss the associated practical challenges. This is then put into the special perspective of managing the asset and wealth management business. The program involves six two-week classroom modules spread over 20 months, based alternately at the Tepper School of Business at Carnegie Mellon University, Pittsburgh, Pennsylvania, and at HEC Lausanne, Switzerland. Graduates of this new program receive Executive MBA Degrees from the Tepper School of Business and from HEC Lausanne. In May 2011, Swiss Finance Institute successfully started the first cycle of this new specialized Dual Degree Executive MBA in Asset and Wealth Management in Lausanne. With 12 different nationalities represented by the 22 participants, and with an average professional experience of 12 years in the financial industry, the first cohort is a truly international senior group. The first cohort will graduate in 2013. Further classes will rely on the partnership of the two partner Universities without SFI's involvement.

The Education Offering: Executive Offerings

Advanced Executive Program

SFI's Advanced Executive Program helps senior managers and experts from financial and related sectors to strengthen their management competence, to broaden their factual knowledge and to promote integrated thinking with respect to the current dramatic trends in the financial industry. The program consists of 25 days spread over one year and is held predominantly in German. 34 participants joined the course in 2012.

Senior Management Program in Banking

In 2008 Swiss Finance Institute launched an international executive program, the Senior Management Program in Banking. The program brings together a dynamic international faculty, industry leaders and peers to present and discuss strategic developments in the finance industry. The program is split into four blocks lasting 5 days each,

with each block taking place at a different European financial center. The course is held in English and attracted for its fifth cycle 24 international participants from Switzerland, Europe, Latin America, and Asia. The initial module in Geneva has been followed by another three modules in London, Frankfurt and Bratislava.

Both executive offerings are comparable in style to a shortened MBA program, with extensive use of cases, class discussions, and group presentations to incorporate the experience of the widely diverse participants. Each of the two programs utilize about a dozen professors selected from Swiss and foreign universities, who are individually responsible for leading one specific module. They are then supported by up to eighty senior executives who join the programs for special presentations and in-depth discussions.

The Education Offering: Customized Bank Seminars

Singapore Master Program

Swiss Finance Institute is also responsible for a one-week Swiss module of the Master in Wealth Management offered by the Singapore Management University, with the Wealth Management Institute as the third partner. The Swiss module was held for the eighth time in 2012, with 49 participants from Singapore and East Asia.

China In-House Trainings

SFI Education has been approached by various organizations requesting two to three week programs in Switzerland for major Chinese banks. The first such program has been offered in July and has been followed by a successor program in October 2012. The feedback was very positive and it is expected that further cycles of this training will follow in the coming years.

Cross-Border Seminars

A group of Swiss banks have invited about ten educational institutions to submit an offer to train private banking client advisors in cross border banking, i.e. to understand the tax and market issues of the client domicile country. The banks were requesting this for six European markets. SFI joined forces with the Centro di Studi Bancari (CSB) and together won the beauty contests for all of these markets. As of 2012, Swiss Finance Institute together with the CSB, therefore offered this program for the markets Austria, Belgium, France, Germany, Italy, Spain and the UK.

Participants in Executive Education Courses in 2012

<i>Executive offerings</i>	<i>58</i>
<i>Degree programs</i>	<i>109</i>
<i>Masters programs</i>	<i>71</i>
<i>Banking seminars</i>	<i>88</i>
<i>In-house programs</i>	<i>123</i>
<i>Total</i>	<i>449</i>

For a complete list of the Executive Education courses offered by the Swiss Finance Institute in 2012 see page 58 (Overview of course offering).



Alumni Association

The Swiss Finance Institute Alumni Association (SFIAA) took over from the former Swiss Banking School Alumni Association on April 28, 2006. Graduates from the Executive Program/Diploma of Advanced Studies in Banking, Certificate of Advanced Studies in Corporate Banking, Advanced Executive Program, International Wealth Management Executive MBA, Financial Asset Management and Engineering Program and the Senior Management Program in Banking are eligible to join. There are now 1'529 members of the SFIAA.

The Swiss Finance Institute Alumni Association promotes

- networking among its members;
- further education of its members by means of seminars and lectures (in collaboration with Swiss Finance Institute);
- contributing to the ongoing improvement of Swiss Finance Institute.

In addition to an annual meeting of members, the Swiss Finance Institute Alumni Association and Swiss Finance Institute jointly organize the Alumni Luncheons with prominent guest speakers, After Work Apéros in Zurich and Basel, Networking Dinners in Geneva as well as the SFIAA Golf Trophy.

2012 Alumni Luncheons

January 26, 2012

Jörg Lienert
Jörg Lienert AG, Managing Director and Owner

February 15, 2012

Rolf Bögli
Credit Suisse AG, Chief Operating Officer
Private Banking

April 4, 2012

Dr. Pierin Vincenz
CEO Raiffeisen Bank Schweiz

July 2, 2012

Prof. Gian-Luca Bona
Professor for Photonics, ETH Zurich & EPFL
Lausanne

September 25, 2012

Isabelle Welton
VP Brand System IBM Europe

October 18, 2012

Reto Ringger
CEO Globalance Bank, Zurich

November 1, 2012

Hans-Rudolf Kög
CEO Postfinance, Zurich

In order to promote the networking among women in the SFIAA, Female Luncheons have been launched in 2008. At this year's events in total 62 women participated:

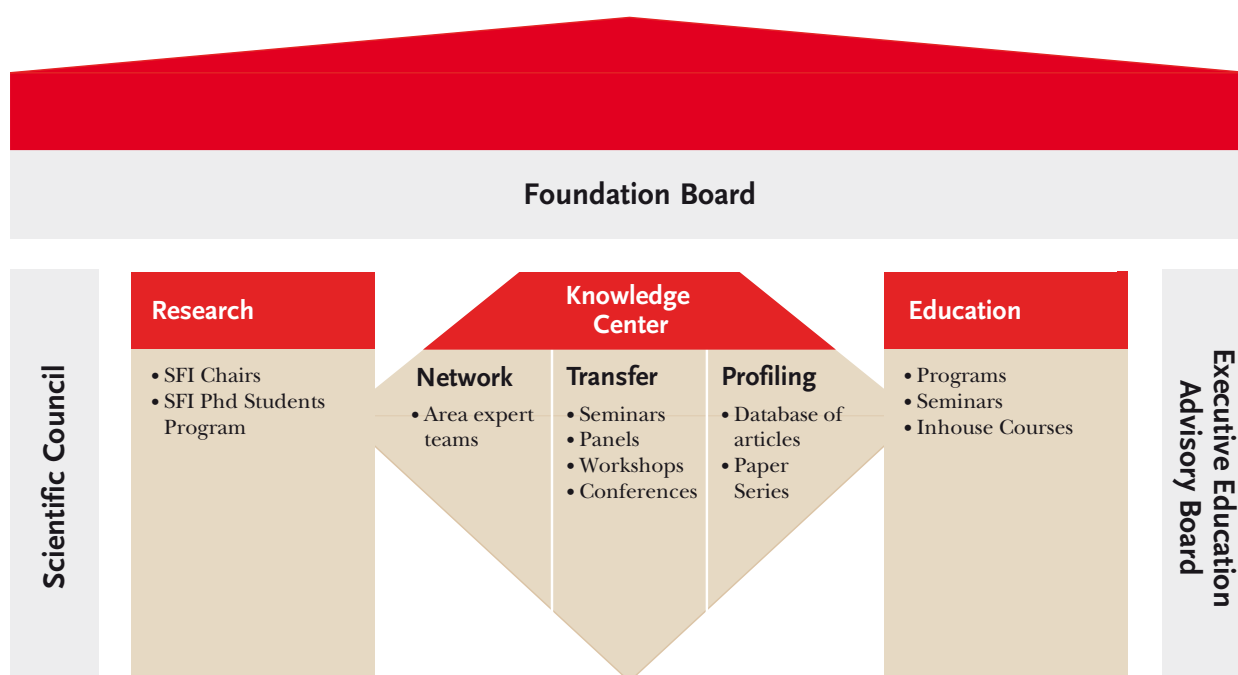
March 15, 2012

Brigitte Baumann
CEO, Go Beyond, Zurich

September 20, 2012

Elisabeth Kruck
Partner KPMG, Zurich

Swiss Finance Institute Knowledge Center



Over the past years the Swiss Finance Institute has successfully built its reputation and expertise on three pillars: Research, Executive Education, and Knowledge Transfer. Without any doubt, the goals that have been set in these three areas have overall been well achieved. However, a recent in-depth analysis of the needs of SFI's different stakeholders, initiated by the executive education advisory board, has shown that there is a significant potential for more integration, increased cooperation, and deeper connections between the three pillars.

In spring 2011 the Swiss Finance Institute initiated the formation of its new "Knowledge Center" (KC). The KC is set up as a vehicle to encourage and ensure exchanges between academia and industry with a wide offering of initiatives, opportunities and solutions.

This task may be achieved in various ways, such as by making SFI's existing vast expert networks more broadly available, by promoting information flow and collaboration between financial institutions and academia, by performing an active intermediary function in knowledge gathering and dissemination, by playing a catalyst role in finding solutions to current banking problems, etc. The overall goal is to build on and expand the brand and reputation of the Swiss Finance Institute, and therefore in various ways become a focal point for banking/finance expertise and new market trends.

Knowledge Drivers

The Knowledge Center's activities are based on four knowledge drivers:

- **Knowledge Network:** Through the KC all involved parties gain access to an extensive network of experts and peers.
- **Knowledge Transfer:** The KC actively promotes a closer working relationship between the financial services industry and the academic world, and in this way contributes to finding solutions to current banking issues.
- **Knowledge Communication:** The KC communicates its activities and findings on a regular basis and provides opportunities to stay informed about relevant topics in banking and finance.
- **Knowledge Profiling:** The KC builds and maintains a database of topical articles which are selected by qualified experts and retrieved from practitioner-oriented as well as academic sources.

In the beginning the management team's main focus was on defining the KC's organizational structure, the development of a new website, and on setting up various activities. Many discussions inside and outside of SFI with academics, practitioners, and other interested parties have greatly helped to further develop the concept and to create visibility for the center.

Area Expert Network

Within the Knowledge Network the area expert pool of about 60 professors has been established. Its members initially include SFI Professors and selected non-SFI Professors who have expressed an interest in supporting the KC and its activities. While the majority of the area experts will be from the Finance/Banking area, the pool is open to selected Professors from other areas as well (for example Law, Accounting, Economics, Risk Management). The KC will support the formation of teams of pool members who work together on specific projects relevant to the financial services industry.

Knowledge Transfer Activities

In the area of Knowledge Transfer/Knowledge Communication a number of breakfast seminars, luncheon presentations, panel discussions and evening events took place (more information can be found on the following pages). Especially noteworthy is the “SFI Tour de Suisse” of Patrick Odier, Chairman of the Swiss Bankers Association. His presentation titled “The Future of Swiss Banking”, given in Geneva, Lugano, and Zurich, was very well received and inspired many discussions. In addition a series of panel discussions have been started.

“Connecting Minds”, a joint initiative between the National Center of Competence in Research FINRISK and the Swiss Finance Institute (SFI), assembles top caliber speakers from academia, as well as leading industry representatives and policymakers, in a series of panel debates with SFI professors on topics of current relevance. The series successfully started in September 2012 on *Bankkundenberatung in turbulenten Märkten* with Prof. Thorsten Hens which attracted over 100 participants. Another panel discussion took place with Prof. Jean-Charles Rochet on *Post-Crisis Banking Regulation: A Swiss First-Mover Advantage?* Further panel discussions are planned for 2013.

SFI Conferences

An important date was March 1st, 2012, when the inaugural SFI Capco conference on “Banking in the ‘Glocal’ World” took place in Zurich with over 170 attendees. A number of high-level speakers and panelists discussed current banking topics from a theoretical as well as an applied viewpoint. Podcasts of the event are available on the KC website.

SFI Database of Select Articles

Within the Knowledge Profiling area the KC entered into an agreement with FINWATCHER, an information and documentation service for finance and banking publications based in Geneva. During 2012 the KC tested the service and has evaluated possible steps to further cooperation. The analysis however showed that SFI has not proven to be a natural host for these services. Therefore, the project has not been further pursued.

Outlook

The KC will continue to develop and expand its activities in all areas. An overview of planned events for 2013 can be found on the KC website on: www.sfi.ch/events.

Swiss Finance Institute Knowledge Transfer Activities

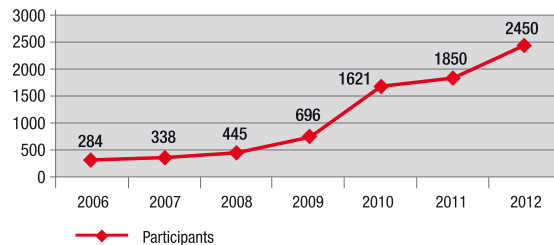
Swiss Finance Institute (SFI) Knowledge Transfer activities expanded further in 2012, nurturing exchanges between academia and the banking industry. Expert speakers presented cutting-edge perspectives on current research and industry developments, attracting ever-increasing audiences.

SFI Knowledge Transfer (KT) organizes a wide variety of industry events, and by providing platforms for presentations and panel discussions makes applied knowledge available to a wider audience.

More than 2'400 Participants

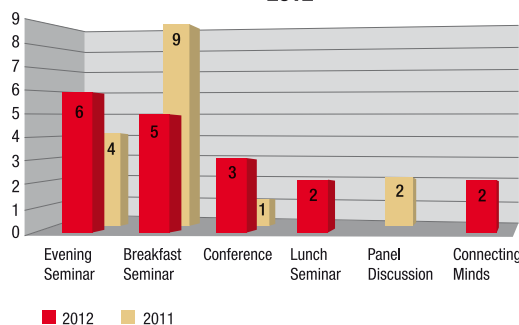
In 2012, the number of participants increased massively due to the relevance of the themes addressed in the seminars. A major highlight was the Tour de Suisse with Patrick Odier, with a total of 440 participants. Furthermore, three conferences combined attracted a total of almost 500 participants. Seminars on issues topical for the market generated significant interest in a very short time once registration opened. Overall, KT organized 18 events, attracting 2'450 participants.

Number of Participants in Knowledge Transfer Events 2006 - 2012



The type of event varied more than in the previous year. Six breakfasts, two lunches, and six evening seminars were held in Zurich, Geneva, or Lugano.

Number and Type of Events 2012



Raising Public Awareness

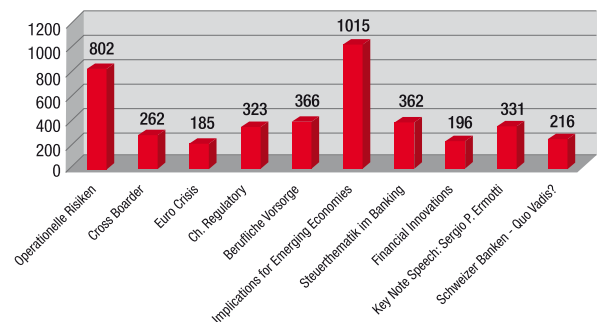
KT's one-hour seminars – at breakfast, lunch or in the evening – proved attractive to the general public, a point illustrated by the resulting media coverage and the high participant numbers. Overall 34 online articles were published regarding these events. Seven appeared in newspapers, including three in the Neue Zürcher Zeitung – a success compared to previous years.

Outstanding media coverage followed presentations by speakers such as Jean-Pierre Danthine (BNS), Sergio P. Ermotti (UBS), Charles Murphy (NYU), or Patrick Odier (Lombard Odier & Cie.). The SFI industry seminars are also publicized in various finance event calendars, including www.financeplatz-zuerich.ch and www.geneve-finance.ch.

Pocket-Size Knowledge

Video podcasts from SFI are becoming more and more popular. Statistics illustrate the draw of speakers with an international reputation, such as Professor Shin. German language presentations on topical issues also attract a significant amount of attention, a good example being “Operational risks” with Prof. Embrechts (ETHZ) and Beatrice Fux Zanella (ZKB). As of December, the podcasts are available for smartphone and tablet computer.

Download of Podcasts in 2012



Enhancing the Flows of Knowledge Between Research and Industry

Presenters came from academia and industry and from a wide range of backgrounds. Six university professors from fields close to industry, and nine practitioners, mostly consultants, presented burning issues including regulation, tax, and innovation. Three conferences were held over the year with a balanced mix of applied and research sessions. This composition was very popular, as illustrated by participant feedback from our seminars and our annual meeting in November: “Top insight into past, present, and future of IB”; “Very useful information on topical issues”; “SFI is an intellectual beacon in the world of finance.”

In regards to the level of expertise of participants, the majority are senior managers from banking and finance – around 60% coming from the banking industry.

Themes addressed by our events focused on Swiss banking, cross-border banking, financial markets, alternative asset classes, and regulation. A selection of previous presentations is also available from the SFI knowledge center: www.sfi.ch/knowledge. Especially noteworthy in 2012 was the SFI Tour de Suisse with Mr. Patrick Odier (senior partner of Lombard Odier & Cie., and Chairman of the Swiss Bankers Association), on “the Future of Swiss Banking”. Mr. Odier started the “tour” in Lugano, before moving on to Geneva, and finally Zurich - a concept which was well received by participants, and which will be repeated in 2013. All SFI 2012 events can be found on page 59.

The Annual SFI Headline Event

At our corporate event, the 7th Annual Meeting, distinguished finance experts from academia and industry discussed risk management, managerial compensation, and investment banking strategies.

A highlight of the conference was the speech by Professor Charles Murphy, from the Leonard N. Stern School of Business NYU, in which he talked about the past and the future of investment banking. Prof. Murphy discussed the emergence of investment banks in the US, the ways in which they boosted their balance sheets starting in the 1990s, and the ambitious investment banking goals of some European banks. He then discussed in detail, drawing on his great experience in the field, the future of investment banks. He explained how the many dimensions affecting and / or defining investment banks lead to a complex DNA. Technology, clients, human nature, wealth, growth, ethics, as well as many other factors, impact investment banking and vice versa.

In addition to the well-known regulatory responses that followed the last financial crisis, there was also a sharp reaction in the markets. Prof. Murphy presented statistics illustrating how the stock prices of the largest banks were shattered during the crisis, how creditworthiness deteriorated, and how clients lost confidence in investing.

Prof. Murphy defined cyclical and structural factors as the maladies now affecting the global banking industry, suggesting – in conclusion - that banks with a relatively short history in capital markets might do better to divest themselves of their investment banking units. Alternatively, he proposed, banks should reengineer their business models by balancing their riskier activities with the rest of their business units.

Media Profile

During 2012 Swiss Finance Institute was mentioned 181 times in print and radio medias. The main topics that were represented in the media references in 2012 were:

- Research findings of researchers affiliated with Swiss Finance Institute
- SFI breakfast seminars
- Launch of the cross-border Wealth Management seminars

Press Releases

3 press releases were distributed in 2012. In March the inaugural SFI Knowledge Center conference in cooperation with Capco was announced. In May the second press release informed about the launch of the new Certificate of Advanced Studies (CAS) in Corporate Banking in cooperation with Rochester-Bern Executive Programs. Finally the third press release in October informed about the appointment of Dr. Gabriela Maria Payer as new Head of Education, and about Anita Belitz-Krasniqi becoming Executive Director.

Newsletter

The Swiss Finance Institute newsletter is published twice a year. The February 2012 edition featured an interview with Prof. Alfred Mettler about the new initiative of Swiss Finance Institute, the Knowledge Center. In addition, it highlighted the Knowledge Transfer industry seminar with Giles Keating, Head of Research for Private Banking and Asset Management at Credit Suisse, as well as new research successes, and highlighted the 6th Annual Meeting. The Edition No. 12 which was published in September 2012 highlighted the successful first steps of the strategy review as well as the launch of the new Certificate of Advanced Studies in Corporate Banking. Moreover the new research funding structure through SFI in succession of the NCCR FINRISK has been presented in an interview with SFI Head of Research Prof. Rajna Gibson-Brandon.

Database

Swiss Finance Institute database is growing consistently and now contains nearly 33'000 active Swiss and international contacts. This database is a highly effective marketing tool for our Education courses and our Knowledge Transfer activities, as it is precisely targeted at financial executives. The database is used to send out printed material and emails informing among others on the Connection series, Knowledge Transfer events, Alumni Luncheons, and Education programs.



Governing and Advisory Bodies

The main governing body of Swiss Finance Institute is the Foundation Board. It includes representatives of its founding members as well as representatives of its academic regional centers. The Foundation Board is advised by the Scientific Council on matters of scientific content and by the Executive Education Advisory Board on matters of Executive Education.

Foundation Board

The Foundation Board members represent the entire finance and banking community in Switzerland, both locally and internationally. Swiss Finance Institute gratefully acknowledges the participation of Mr. Raymond J. Baer, as representative of the Association of Swiss Commercial and Investment Banks in Switzerland, who has since left the Foundation Board.

Swiss Finance Institute Foundation Board – December 2012

Chair

Mr. Olivier Steimer

Chairman of the Board of Directors
Banque Cantonale Vaudoise, Lausanne

Prof. Dr. Piero Martinoli

President, Università della Svizzera italiana - as representative of the Swiss Finance Institute Lugano Center

Deputy Chairs

Mr. Lukas Gähwiler

CEO UBS Switzerland

Mr. Luca Soncini

Executive Board Member, CFO, PKB Privatbank SA - as representative of the Ticino Bankers Association

Mr. Hans-Ulrich Meister

Head Private Banking & Wealth Management Division & Chief Executive Officer Region Switzerland, Credit Suisse

Prof. Dr. Jean-Dominique Vassalli

Rector, University of Geneva - as representative of the Swiss Finance Institute Léman Center

Members

Mr. Renaud de Planta

Managing Partner, Pictet & Cie - as representative of the Swiss Private Bankers Association

Dr. Pierin Vincenz

CEO, Raiffeisen Group

Prof. Dr. Andreas Fischer

President of the University of Zurich - as representative of the Swiss Finance Institute Zurich Center

Scientific Council

The Swiss Finance Institute Scientific Council (SC) is comprised of five international experts nominated as a result of a wide consultation with its university partners with the aim at arriving at a broad consensus on the representation of the Scientific Council of Swiss Finance Institute main fields of research: corporate finance, financial econometrics, financial mathematics and investments. The Foundation Board of Swiss Finance Institute has committed to make decisions with scientific content exclusively under the recommendation of its Scientific Council. Swiss Finance Institute is very fortunate to count on the enthusiastic support of five internationally renowned experts. Furthermore Swiss Finance Institute gratefully acknowledges the participation of Prof. Dr. Michael Brennan (Anderson School of Management, UCLA).

Prof. Dr. Peter Gomez

Chairman of the Board of Directors, SIX Group SA, Zurich

Dr. Alfredo Gysi

Chairman of the Board of Directors, BSI SA – as representative of the Association of Foreign Banks in Switzerland

Dr. Philipp Halbherr

Head Institutionals & Multinationals and Member of the Executive Board, Cantonal Bank of Zurich

Mr. Bernard Keller

Member of the Executive Board, Julius Baer Group Ltd.

Chairman

Prof. Dr. René Stulz

Fisher College of Business, Ohio State University

Mr. Claude-Alain Margelisch

CEO and Delegate of the Board of Directors, Swiss Bankers Association

Members

Prof. Dr. Tim Bollerslev
Fuqua School of Business, Duke University

Prof. Dr. Patrick Bolton
Columbia Business School, Columbia University

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

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

Executive Education Advisory Board

The Executive Education Advisory Board is the main supervisory body concerned with Education. The Executive Education Advisory Board ensures that the Education offering of Swiss Finance Institute is of the highest quality, addresses the needs of the industry and is well coordinated with other initiatives within Switzerland. Swiss Finance Institute gratefully acknowledges the participation of Mr. Matthias Schacke from UBS Business University in Switzerland, who left the Executive Education Advisory Board in 2012.

The members of the Executive Education Advisory Board as of December 2012 are:

Chair

Dr. Gabriela Maria Payer
PAYERPARTNER

Members

Mr. Martin Beeler
Head Education Region Switzerland & Continental Europe UBS Business University

Mr. Maurizio Camponovo
Head of Training & Development, BSI SA

Prof. Dr. Rudolf Grünig
University of Fribourg

Dr. Jürg Gutzwiller
Member of the Board, RBA-Holding

Mr. Andreas John
Head of Business Area Private Banking Clients Spain, Portugal, France, Belgium, Russia, Central Asia, Eastern Europe, Greece, Credit Suisse

Prof. Dr. Alfred Mettler
Georgia State University

Mr. Tim Price
Head of Learning and Development, HSBC Private Bank (Switzerland) SA

Mr. Lukas Stucky
Head Julius Baer Academy, Bank Julius Baer & Co. Ltd

Mr. Johannes Toetzke
Credit Suisse Head Education Switzerland

Dr. Thomas Ulrich
Regional Head Greater Zurich area, Managing Director at UBS

Secretary

Mr. Matthias Wirth
Swiss Bankers Association

The SFI Project Evaluation Committee

The SFI Project Evaluation Committee supports the Scientific Council and is an independent committee, composed of professors selected for their expertise in financial economics from around the world. Projects are assessed on the basis of their scientific rigor and their potential impact on financial economics, in particular through publication success.

The members of the SFI Project Evaluation Committee as per December 2012 are:

Chair

Prof. Dr. Rajna Gibson Brandon
University of Geneva and Swiss Finance Institute

Members

Prof. Dr. Suleyman Basak
Institute of Finance and Accounting, London Business School

Prof. Dr. Bruno Biais
CRM, University of Toulouse

Prof. Dr. Arnoud Boot
Faculty of Economics and Econometrics, University of Amsterdam

Prof. Dr. Wayne Ferson
Marshall School of Business, University of Southern California

Prof. Dr. Alexander Ljungqvist
Stern School of Business, New York University

Prof. Dr. Josef Zechner
Institute for Finance, Banking and Insurance, Vienna University of Economics and Business

A silhouette of a person's arm and hand holding a dark briefcase against a bright, hazy sky at sunset or sunrise. The person is on the left side of the frame, and the briefcase is held in their right hand, angled downwards. The background is a gradient of light blue and yellow, with some clouds visible near the horizon.

2012 Facts & Figures

Summary of Swiss Finance Institute 2012 Financial Accounts

Balance Sheet as of December 31, 2012

	31.12.2012 CHF
ASSETS	
Current assets	
Cash and cash equivalents	6'153'914
Accounts receivable	82'835
Other receivables	72'333
Prepaid expenses and accrued income	219'663
Total current assets	<u>6'528'746</u>
Fixed assets	
Investment portfolios	54'264'044
Due from Securities Lending and Borrowing	5'947'650
Deposits	44'761
Office equipment	33'879
IT equipment	20'096
Total fixed assets	<u>60'310'431</u>
TOTAL ASSETS	<u><u>66'839'176</u></u>
LIABILITIES AND FOUNDERS' EQUITY	
Short-term liabilities	
Accounts payable	764'882
Other payables	79'413
Research accounts	543'767
Accrued expenses and deferred income	1'875'852
Long term loans founders	8'000'000
Total short-term liabilities	<u>11'263'914</u>
Founders' equity	
Foundation capital	15'000'000
Reserves	37'564'785
Retained earnings	6'762'114
Net result from donations and operations	-3'751'637
Total founders' equity	<u>55'575'261</u>
TOTAL LIABILITIES AND FOUNDERS' EQUITY	<u><u>66'839'176</u></u>

Profit and Loss Statement
For the Period from January 1, to December 31, 2012

	31.12.2012
	<u>CHF</u>
Income from Executive Education courses	3'892'991
Expenses from Executive Education courses	-1'870'942
Net result from courses before general expenses	<u>2'022'049</u>
Expenses Research	-5'515'388
Expenses PhD Program	-842'424
Income from Knowledge Transfer	61'506
Expenses from Knowledge Transfer	<u>-500'830</u> -439'324
Net operating result before general expenses	<u>-4'775'087</u>
GENERAL EXPENSES	
Personnel expenses	-2'511'194
Other operating costs	-1'000'306
Net operating result	<u>-8'286'587</u>
Net extraordinary income	9'932
Donations	1'802'475
INCOME/EXPENSES ON INVESTMENTS	
Total realized and unrealized gains on investments	2'917'831
Administration and bank fees	-195'289
Total income/expenses on investments	<u>2'722'542</u>
RESULT FROM DONATIONS AND OPERATIONS	<u><u>-3'751'637</u></u>

Swiss Finance Institute Research Paper Series 2012



The aim of the Swiss Finance Institute Research Paper Series is to disseminate original theoretical or empirical research with relevance to banking and finance. The series includes research contributions carried out at Swiss Finance Institute and its research partner, the National Centre of Competence in Research “Financial Valuation and Risk Management” (NCCR FINRISK), by faculty, PhD students and affiliated researchers. Papers issued in 2012 were included on the Social Science Research Network Financial Economics Network. To access the Swiss Finance Institute Research Paper Series, please use the following link: www.ssrn.com/link/swiss-finance-institute.html.

N°45

Systemic Risk in Europe

Robert ENGLE, New York University
Eric JONDEAU, University of Lausanne and Swiss Finance Institute
Michael ROCKINGER, University of Lausanne, Swiss Finance Institute, and CEPR

N°44

Liquidity and Liquidity Risk in the Cross-Section of Stock Returns

Volodymyr VOVCHAK, University of Lugano and Swiss Finance Institute

N°43

The Information Content of Option Demand

Kerstin KEHRLE, University of Zurich
Tatjana-Xenia PUHAN, University of Zurich and Swiss Finance Institute (PhD Program)

N°42

Dividend Growth Predictability and the Price-Dividend Ratio

Ilaria PIATTI, University of Lugano and Swiss Finance Institute (PhD Program)
Fabio TROJANI, University of Lugano and Swiss Finance Institute

N°41

Mixture Normal Conditional Correlation Models

Maria PUTINTSEVA, University of Zurich and Swiss Finance Institute (PhD Program)

N°40

The Illusion of the Perpetual Money Machine

Peter CAUWELS, ETH Zurich
Didier SORNETTE, ETH Zurich and Swiss Finance Institute

N°39

Utility Rate Equations of Group Population Dynamics in Biological and Social Systems

Vyacheslav I. YUKALOV, ETH Zurich and Joint Institute for Nuclear Research
Elisabeth YUKALOVA, ETH Zurich and Joint Institute for Nuclear Research
Didier SORNETTE, ETH Zurich and Swiss Finance Institute

N°38

Understanding Asset Correlations

Dominic BURKHARDT, University of Zurich and Swiss Finance Institute (PhD Program)
Henrik HASSELTOFT, University of Zurich and Swiss Finance Institute

N°37

Market Belief Risk and the Cross-Section of Stock Returns

Rajna GIBSON BRANDON, University of Geneva and Swiss Finance Institute
Songtao WANG, University of Zurich and Swiss Finance Institute (PhD Program)

N°36

On the Risk and Return of the Carry Trade

Fabian ACKERMANN, Zurich Kantonalbank
Walt POHL, University of Zurich

Karl SCHMEDDERS, University of Zurich and Swiss Finance Institute

N°35

A Polynomial Optimization Approach to Principal-Agent Problems

Philipp RENNER, University of Zurich
Karl SCHMEDDERS, University of Zurich and Swiss Finance Institute

N°34

Peer Effects at Work: The Common Stock Investments of Co-workers

Hans K. HVIDE, University of Bergen, CEPR, and the University of Aberdeen
Per ÖSTBERG, University of Zurich and Swiss Finance Institute

N°33

Evidence of Excess Comovement in US Mergers?

Per ÖSTBERG, University of Zurich and Swiss Finance Institute
Christoph WENK, University of Zurich

N°32

Tax-Subsidized Underpricing: Issuers and Underwriters in the Market for Build America Bonds

Dario CESTAU, Tepper School of Business Carnegie Mellon University
Richard C. GREEN, Tepper School of Business Carnegie Mellon University
Norman SCHÜRHOFF, University of Lausanne, Swiss Finance Institute, and CEPR

N°31

Bank Ratings: What Determines Their Quality?

Harald HAU, University of Geneva, Swiss Finance Institute, and CEPR
Sam LANGFIELD, European Systemic Risk Board Secretariat, and UK Financial Services Authority
David MARQUES-IBANEZ, European Central Bank, Financial Research Division

N°30

Option Pricing and Hedging with Small Transaction Costs

Jan KALLSEN, University of Kiel
Johannes MUHLE-KARBE, ETH Zurich and Swiss Finance Institute

N°29

Dealer Intermediation Between Markets

Peter DUNNE, Central Bank of Ireland
Harald HAU, University of Geneva and Swiss Finance Institute
Michael MOORE, Queens University, Belfast

N°28

Transaction-Based and Appraisal-Based Capitalization Rate Determinants

Alain CHANEY, IAZI AG
Martin HOESLI, University of Geneva, Swiss Finance Institute, University of Aberdeen, and Bordeaux Ecole de Management

N°27

Costs and Benefits of Speculation

Terje LENSBERG, NHH-Norwegian School of Economics
Klaus Reiner SCHENK-HOPPE, University of Leeds and NHH-Norwegian School of Economics
Dan LADLEY, University of Leicester

N°26

Valuing American Options Using Fast Recursive Projections

Antonio COSMA, University of Luxembourg
Stefano GALLUCCIO, BNP Paribas
Olivier SCAILLET, University of Geneva and Swiss Finance Institute

N°25

Cone-Constrained Continuous-Time Markowitz Problems

Christoph CZICHOWSKY, University of Vienna
Martin SCHWEIZER, ETH Zurich and Swiss Finance Institute

N°24

Convex Duality in Mean Variance Hedging under Convex Trading Constraints

Christoph CZICHOWSKY, University of Vienna
Martin SCHWEIZER, ETH Zurich and Swiss Finance Institute

N°23

Time-Changed Lévy LIBOR Market Model for the Joint Estimation and Pricing of Caps and Swaptions

Markus LEIPPOLD, University of Zurich and Swiss Finance Institute
Jacob STROMBERG, University of Zurich and Swiss Finance Institute (PhD Program)

N°22

The Effect of Lock-Ups on the Suggested Real Estate Portfolio Weight

Martin HOESLI, University of Geneva, Swiss Finance Institute, and University of Aberdeen Business School
Eva LILJEBLOM, Hanken School of Economics
Anders LÖFLUND, Hanken School of Economics

N°21

Behavioral Finance and the Pricing Kernel Puzzle: Estimating Risk Aversion, Optimism, and Overconfidence

Giovanni BARONE-ADESI, University of Lugano and Swiss Finance Institute
Loriano MANCINI, Ecole Polytechnique Fédérale de Lausanne and Swiss Finance Institute
Hersh SHEFRIN, Santa Clara University

N°20

Super-Exponential Bubbles in Lab Experiments: Evidence for Anchoring Over-Optimistic Expectations on Price

Andreas HUESLER, ETH Zurich
Didier SORNETTE, ETH Zurich and Swiss Finance Institute
Cars HOMMES, University of Amsterdam

N°19

Bank Capital Regulation with an Opportunistic Rating Agency

Matthias EFING, University of Geneva and Swiss Finance Institute (PhD Program)

N°18

Macroeconomic Determinants of Stock Market Volatility and Volatility Risk-Premiums

Valentina CORRADI, University of Warwick
Walter DISTASO, Imperial College Business School
Antonio MELE, University of Lugano and Swiss Finance Institute

N°17

Betting Against Beta

Andrea FRAZZINI, AQR Capital Management
Lasse H. PEDERSEN, New York University, AQR, NBER, and CEPR

N°16

Corporate Governance and CEO Turnover Decisions

Theodosios DIMOPOULOS, University of Lausanne and Swiss Finance Institute
Hannes F. WAGNER, Bocconi University

N°15

Are REITs Real Estate? Evidence from International Sector Level Data

Martin HOESLI, University of Geneva, Swiss Finance Institute, University of Aberdeen, and Bordeaux Ecole de Management
Elias OIKARINEN, Turku School of Economics

N°14

Affine Variance Swap Curve Models

Damir FILIPOVIC, Ecole Polytechnique Fédérale de Lausanne and Swiss Finance Institute

N°13

Homogenization and Asymptotics for Small Transaction Costs

Halil Mete SONER, Swiss Federal Institute of Technology and Swiss Finance Institute
Nizar TOUZI, CMAP and Ecole Polytechnique Paris

N°12

Misvaluation and Return Anomalies in Distress Stocks

Assaf EISDORFER, University of Connecticut
Amit GOYAL, University of Lausanne and Swiss Finance Institute
Alexei ZHDANOV, University of Lausanne and Swiss Finance Institute

N°11

The Shareholder Base and Payout Policy

Andriy BODNARUK, University of Notre Dame, Mendoza College of Business
Per Östberg, University of Zurich and Swiss Finance Institute

N°10

Quantum Decision Making by Social Agents

Vyacheslav I. YUKALOV, ETH Zurich and Bogolubov Laboratory of Theoretical Physics
Didier SORNETTE, ETH Zurich and Swiss Finance Institute

N°9

Are Ratings the Worst Form of Credit Assessment Apart from All the Others?

Andreas BLOCHLINGER, Zürcher Kantonalbank
Markus LEIPPOLD, University of Zurich and Swiss Finance Institute
Basile MAIRE, Zürcher Kantonalbank

N°8

A Simple Microstructure Return Model Explaining Microstructure Noise and Epps Effects

Alexander SAICHEV, ETH Zurich and Nizhni Novgorod State University
Didier SORNETTE, ETH Zurich and Swiss Finance Institute

N°7

The Exchange Rate Effect of Multi-Currency Risk Arbitrage

Harald HAU, University of Geneva and Swiss Finance Institute

N°6

Mortgage Interest Deductions and Homeownership: An International Survey

Steven C. BOURASSA, University of Louisville
Donald R. HAURIN, Ohio State University
Patric H. HENDERSHOTT, Ohio State University and University of Aberdeen Business School
Martin HOESLI, University of Geneva, Swiss Finance Institute, University of Aberdeen Business School, and Bordeaux Business School

N°5

Optimal Risk Sharing With Limited

Semyon MALAMUD, Ecole Polytechnique Fédérale de Lausanne and Swiss Finance Institute
Huaxia RUI, University of Texas
Andrew WHINSTON, University of Texas

N°4

Managing the Risks of Corporate Bond Portfolios: New Evidence in the Light of the Sub-Prime Crisis

Giovanni BARONE-ADESI, University of Lugano and Swiss Finance Institute
Nicola CARCANO, University of Lugano and MVC & Partners SA
Hakim DALL'O, UBS S.A.

N°3

Aggregate Investment Externalities and Macprudential Regulation

Hans GERSBACH, CER and ETH Zurich
Jean-Charles ROCHET, University of Zurich, Swiss Finance Institute, and Toulouse School of Economics

N°2

Quantifying Reflexivity in Financial Markets: Towards a Prediction of Flash Crashes

Vladimir FILIMONOV, ETH Zurich

Didier SORNETTE, ETH Zurich and Swiss Finance Institute

N°1

Investors' Expectations, Management Fees and the Underperformance of Mutual Funds

Andreas D. HUESLER, ETH Zurich
Yannick MALEVERGNE, University of Saint Etienne and EM-Lyon Business School
Didier SORNETTE, ETH Zurich and Swiss Finance Institute

SFI Faculty Guide



Prof.
Hansjoerg Albrecher
SFI Faculty Member (since December 2010)
University of Lausanne

Hansjoerg.Albrecher@sfi-research.ch
+41 21 692 33 71

Hansjoerg Albrecher is Professor of Actuarial Science at the University of Lausanne and has been an SFI faculty member since December 2010. Prof. Albrecher is a regular speaker at leading conferences on insurance. He has published extensively and also sits on the editorial board of the top academic journals in his areas of research expertise.

Research Interests

His research focuses on quantitative aspects of insurance and risk management.

Recent Research

Among his recent studies, Prof. Albrecher looks into dividend payout schemes for insurance firms. This is a classical problem of risk theory, where the research question to be answered is when and how many dividends a firm should pay out to its shareholders. Relying on a mathematical approach, Prof. Albrecher provides new insights into optimal dividend strategies, in particular in the presence of transaction costs or when the criterion is a balance between profitability and longer-term safety objectives.

Publications 2012

Pricing of Parisian options for a jump-diffusion model with twosided jumps, with D. Kortschak and X. Zhou, *Applied Mathematical Finance*, vol.19 (2), pp. 97-129, 2012.

Risk and insurability of storm damages to residential buildings in Austria, with J. Köberl, D. Kortschak, and F. Prettenhaler, *Geneva Papers on Risk and Insurance: Issues and Practice*, vol. 37, pp. 340-364, 2012.

Tail asymptotics for dependent subexponential differences, with S. Asmussen and D. Kortschak, *Siberian Mathematical Journal*, vol. 53 (6), pp. 1209-1230, 2012.

Asymptotic Results for Renewal Risk Models with Risky Investments, with C. Constantinescu and E. Thomann, *Stochastic Processes and their Applications*, vol. 122 (11), pp. 3767-3789, 2012.

Randomized observation times for the compound Poisson risk model: The discounted penalty function, E.C.K. Cheung and S. Thonhauser, *Scandinavian Actuarial Journal*, forthcoming.

Exact and asymptotic results for insurance risk models with surplusdependent premiums, C. Constantinescu, Z. Palmowski, G. Regensburger and M. Rosenkranz, *SIAM Journal of Applied Mathematics*, forthcoming.

The tax identity for Markov additive risk processes, F. Avram, C. Constantinescu, and J. Ivanovs, *Methodology and Computing in Applied Probability*, forthcoming.

From ruin to bankruptcy for compound Poisson surplusprocesses, V. Loutscham, *ASTIN Bulletin*, forthcoming.

On optimal dividend strategies in insurance with a random time horizon, in *Advances in Statistics, Probability and Actuarial Science*, S. Thonhauser, World Scientific (eds), pp. 157-180, 2012 (Singapore).

Introduction to Quantitative Methods for Financial Markets, with A. Binder, V. Loutscham and P. Mayer, Birkhäuser (Basel), forthcoming.



Prof.

Anastasia-Angeliki Andrikogiannopoulou

SFI Assistant Professor (since September 2011)
University of Geneva

Angie.Andrikogiannopoulou@sfi-research.ch
+41 22 379 80 08

Anastasia-Angeliki Andrikogiannopoulou has been SFI Assistant Professor of Finance at the University of Geneva since September 2011. She obtained her PhD in economics from Princeton University. Prof. Andrikogiannopoulou has received several grants and awards during her undergraduate and graduate studies in finance.

Research Interests

Her research interests lie in household finance, behavioral finance, and mutual fund performance evaluation.

Recent Research

In one of her recent papers, Prof. Andrikogiannopoulou's analysis identifies biased investor behavior, which leads to inefficient markets. She uses a unique dataset from the soccer betting market to examine whether the prices set by bookmakers on soccer events correctly reflect all available information. Should this not be the case, she asks to what extent this is due to people suffering from mental accounting biases when forming beliefs on the odds of winning. The results she obtains for the soccer better market can provide insights on the behavior of participants in the financial market as well.



Prof.

Philippe Bacchetta

SFI Senior Chair (since January 2013)
University of Lausanne

Philippe.Bacchetta@sfi-research.ch
+41 21 692 34 73

Philippe Bacchetta is Professor of Economics at the University of Lausanne, joined SFI in June 2006 and has been an SFI Senior Chair since January 2013. He holds a PhD in economics from Harvard University. Prof. Bacchetta is President of the Swiss Society of Economics and Statistics. He was a visiting scholar at the International Monetary Fund on several occasions and has been consulting at numerous central banks around the world. From 1998 to 2007, he was Director of the Study Center Gerzensee founded by the Swiss National Bank.

Research Interests

His research focuses primarily on international finance and monetary economics.

Recent Research

One of Prof. Bacchetta's recent studies looks at how changes in investors' perceptions of risk affect the international transmission of financial crises. He develops a new model where he illustrates the way investors focus their attention on a specific attribute of the economy to develop their risk perceptions. Should that attribute's performance deteriorate, the prices of financial assets

are likely to drop. His model is able to explain, for instance, the important role Greek debt suddenly took on in May 2010 becoming the focal point for a self-fulfilling increase in investors' perception of risk.

Publications 2012

Self-Fulfilling Risk Panics, with C. Tille and E. van Wincoop, *American Economic Review*, vol. 102(7), pp. 3674-3700, 2012.

Sudden Spikes in Global Risk, with E. van Wincoop, *Journal of International Economics*, forthcoming.

Capital Controls with International Reserve Accumulation: Can this Be Optimal?, with K. Benhima and Y. Kalantzis, *American Economic Journal: Macroeconomics*, forthcoming.

Modeling Exchange Rates with Incomplete Information, in *Handbook of Exchange Rates*, with E. van Wincoop, J. James, I.W. Marsh, L. Sarno (eds), pp. 375-407, Wiley, 2012.



Prof.
Giovanni Barone-Adesi
SFI Center Head - Lugano
SFI Senior Chair (since October 2011)
University of Lugano

Giovanni.Barone-Adesi@sfi-research.ch
+41 58 666 47 53

Giovanni Barone-Adesi held an SFI Distinguished Service Chair from October 2006 to October 2011; since then, he has held an SFI Senior Chair. He acts as Head of the SFI Center at the University of Lugano. Prof. Barone-Adesi is a founding partner at Open Capital, an asset management firm based in Lugano. He has been recently developing specialized investment funds to support international trade.

Research Interests

His research interests lie in derivative pricing and studies of market volatility.

Recent Research

In recent research, Prof. Barone-Adesi tackles the topic of system-wide volatility from a behavioral finance perspective. More specifically, he studies the influence of investor sentiment on the risk of collapse of the entire financial system. He shows that things might get more dangerous when markets are less – rather than more – volatile. Although this result might at first sound somewhat counterintuitive, he argues that when market volatility is high, anxiety prevails and investors become more prudent.



Prof.
Tony Berrada
SFI Faculty Member (since January 2006)
University of Geneva

Tony.Berrada@sfi-research.ch
+41 22 379 81 26

Tony Berrada is Professor of Finance at the University of Geneva and has been an SFI faculty member since January 2006. Prof. Berrada is a regular speaker at leading finance conferences and workshops worldwide. He teaches executive education courses on derivatives and financial markets.

Research Interests

His main research interests lie in the pricing of financial derivatives and the modeling of market volatility dynamics.

Recent Research

In a recent research paper, Prof. Berrada takes a closer look at the link between stock returns and their volatility. This link is ambiguous to researchers, since

textbook theory states that returns should only depend on overall market risk and not also on firm-specific risk. Prof. Berrada clarifies this ambiguity by showing that the return on a stock depends on investor forecasts of the firm's cash flows and that stocks subject to higher firm-specific risk should react more strongly to forecast errors. This implies that these firms will outperform (underperform) their peers when their realized earnings are higher (lower) than anticipated, thus leading analysts to positively revise their forecasts.

Publications 2012

Incomplete information, idiosyncratic volatility and stock returns, with J. Hugonnier, *Journal of Banking and Finance*, forthcoming.



Prof.

Inès Chaieb

SFI Assistant Professor (since October 2010)
University of Geneva

Ines.Chaieb@sfi-research.ch
+41 22 379 85 68

Inès Chaieb has been SFI Assistant Professor of Finance at the University of Geneva since October 2010. She obtained her PhD in finance from McGill University in Canada. Prof. Chaieb is a regular speaker at major academic conferences and workshops in finance worldwide.

Research Interests

Her main research interests lie in international finance and emerging markets.

Recent Research

One of Prof. Chaieb's recent studies looks at the fact that, despite the removal of foreign government restrictions in many countries of the world, financial markets are far from being fully integrated. Indeed, there still exist considerable differences in asset prices.

She questions whether implicit barriers, such as political risk, represent an obstacle to market globalization. To test this assumption, she uses data on emerging markets. Her analysis reveals that strong institutions, strong corporate governance, and more transparent financial markets are crucial in achieving a significant degree of integration.

Publications 2012

Do implicit barriers matter for globalization, with F. Carrieri and V. Errunza, *Review of Financial Studies*, forthcoming.

The unconditional and conditional exchange rate exposure of U.S. firms, with S. Mazzotta, *Journal of International Money and Finance*, forthcoming.



Prof.

Marc Chesney

SFI Faculty Member (since October 2006)
University of Zurich

Marc.Chesney@sfi-research.ch
+41 44 634 45 80

Marc Chesney is Professor of Finance at the University of Zurich and has been an SFI faculty member since October 2006. Prior to his appointment in Zurich, he was a professor and the associate dean at HEC Paris. Prof. Chesney's papers have been published in the leading academic journals on quantitative finance. He also writes op-eds on topics such as environmental finance and ethics in finance on a regular basis.

Research Interests

His main research interests lie in quantitative finance.

Recent Research

One of his latest research studies aims at gaining a better understanding of the circumstances under which informed trading in option markets takes place. His analysis reveals that most informed trades take place before specific event dates, such as the announcement of a company acquisition or quarterly financial earnings

statements. Also, informed trades usually involve bets on falling rather than rising prices, and gains from the traded options easily exceed several million US dollars for a single firm-relevant event. His study can provide a tool for policy-makers when deciding whether informed trading should be viewed as insider trading and hence considered illegal.

Publications 2012

The effect of proactive adaptation on green investment, with O. Bahn and J. Gheysens, *Journal of Environmental Science and Policy*, vol. 18, pp. 9-24, 2012.

The Endogenous Price Dynamics of Emission Allowances: An Application to CO2 Option Pricing, with L. Taschini, *Applied Mathematical Finance*, forthcoming.



Prof.
Pierre Collin-Dufresne
SFI Senior Chair (since September 2011)
Ecole Polytechnique Fédérale de Lausanne

Pierre.Collin-Dufresne@sfi-research.ch
+41 21 693 01 36

Pierre Collin-Dufresne has held an SFI Senior Chair at the Ecole Polytechnique Fédérale de Lausanne since September 2011. Prior to his appointment in Switzerland, he held a chair in business at Columbia University. Prof. Collin-Dufresne spent four years at Goldman Sachs Asset Management, where he was in charge of fixed income and credit trading strategies. He currently sits on the academic board of Kepos Capital, a US asset management firm.

Research Interests

His primary research interest lies in derivatives markets.

Recent Research

One of the topics Prof. Collin-Dufresne has been investigating recently is insider trading. More specifically, his

recent paper looks at the effect that informed traders' strategies have on stock market characteristics, such as market liquidity, i.e. the easiness with which stocks for sale can find a buyer. He finds the opposite of what traditional measures of liquidity predict: investors with inside information trade more aggressively when uninformed investors trade, too, and liquidity is high. This might point to informed investors wanting to hide their trades and not reveal the information they possess.

Publications 2012

On the Relative Pricing of Long Maturity Index Options and Collateralized Debt Obligations, with R. Goldstein and F. Yang, *Journal of Finance*, vol. 67(6), pp. 1983-2014, 2012.



Prof.
François Degeorge
SFI Senior Chair (since January 2010)
University of Lugano

Francois.Degeorge@sfi-research.ch
+41 58 666 46 34

François Degeorge is Professor of Finance at the University of Lugano. He joined SFI in 2006 and has held an SFI Senior Chair since January 2010. Prof. Degeorge obtained his PhD from Harvard University and is a former Fulbright scholar. Prof. Degeorge teaches executive education courses on corporate finance for wealth managers on a regular basis. He has received numerous teaching and research awards.

Research Interests

His research tackles several topics in corporate finance, including initial public offerings and earnings management.

Recent Research

One of Prof. Degeorge's most recent projects looks at the impact that equity research analysts have on corporate policies adopted by the firms they cover. Examples of policies he considers include cash holdings, dividend payouts, and share repurchases. He finds that analysts do, indeed, affect corporate policies, as firms design their corporate policies to cater to analysts' preferences.



Prof.
Theodosios Dimopoulos
SFI Assistant Professor (since July 2011)
University of Lausanne

Theodosios.Dimopoulos@sfi-research.ch
+41 21 692 33 98

Theodosios Dimopoulos has been SFI Assistant Professor of Finance at the University of Lausanne since July 2011. He obtained his PhD in Finance from London Business School with a dissertation on managerial incentives in corporate decisions. Prof. Dimopoulos has received several grants and awards during his undergraduate and graduate studies in finance.

Research Interests

His research interests lie in corporate governance.

Recent Research

In a recent paper, Prof. Dimopoulos looks at the rela-

tionship between CEO turnover and firm performance. More specifically, he asks whether CEO turnover is a credible threat, whether it is effective in delivering performance improvements, and whether better governance improves credibility and effectiveness of CEO turnover. He finds that CEOs do, indeed, face a credible threat of being removed for underperformance and that the hiring of new CEOs is effective in realizing large profitability improvements in the following years. These two links appear to be virtually identical in the UK and in Germany, despite large structural governance differences between the two countries.



Prof.
Paul Embrechts
SFI Senior Chair (since January 2009)
ETH Zurich

Paul.Embrechts@sfi-research.ch
+41 44 632 34 19

Paul Embrechts is Professor of Mathematics at ETH Zurich. He joined SFI in October 2007 and has held an SFI Senior Chair since January 2009. Prof. Embrechts' research has been published in top academic journals worldwide and featured in international press outlets. He is a regular speaker at leading conferences in risk management.

Research Interests

Prof. Embrechts is the director of RiskLab, a center for studies in the areas of insurance mathematics and quantitative risk management.

Recent Research

In a recent paper, Prof. Embrechts analyzes the practical implications of Basel III for the measurement of operational risk, i.e., the risk of losses resulting from inadequate internal processes, people, systems, or from external events. His analysis reveals that there are several difficulties when trying to adequately capture operational risk. The most relevant issues are the scarcity and complexity of data. He argues that, although researchers have developed several sophisticated models, there needs to be a sufficient amount of data to test the assumptions of these risk management models and check

how well they fit reality. The findings have broader implications for model uncertainty and risk aggregation.

Publications 2012

Sensitivity of the limit shape of sample clouds from meta densities, with G. Balkema and N. Nolde, *Bernoulli*, vol.18(4), pp. 1386-1404, 2012.

The GAEP algorithm for the fast computation of the distributions of a function of dependent random variables, with P. Arbenz and G. Puccetti, *Stochastics*, vol. 84(5-6), pp. 569-597, 2012.

Ceterum censeo Carthaginem esse delendam, in *Proceedings of the Conference on Statistics, Science and Public Policy*, A.M. Herzberg (Ed.), pp. 63-67. XVI. Risks, Rules and Regulations, 2012.

Risk Measures and dependence modelling, in *Handbook of Insurance*, with M. Hofert, Sec. Ed., G. Dionne (Ed.), Huebner Foundation, forthcoming.

Four theorems and a financial crisis, *International Journal of Approximate Reasoning*, with B. Das and V. Fasen, forthcoming.



Prof.
Rüdiger Fahlenbrach
SFI Senior Chair (since September 2012)
Ecole Polytechnique Fédérale de Lausanne

Ruediger.Fahlenbrach@sfi-research.ch
+41 21 693 00 98

Rüdiger Fahlenbrach is Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne and has held an SFI Senior Chair since September 2012. He joined the SFI faculty in Lausanne in July 2009 after graduating with a PhD in finance from the Wharton School of Business. Prof. Fahlenbrach's research has been published in the top finance journals worldwide and was featured in the international press, including the Economist. He is a regular speaker at leading academic conferences in finance.

Research Interests

His research focuses primarily on corporate governance.

Recent Research

One of Prof. Fahlenbrach's latest studies investigates whether or not CEO contracts in US public firms are set optimally to align the interests of CEOs and shareholders. To answer this question, he examines changes to CEO contracts carried out when a publicly held firm

is bought by a private equity fund. He finds that private equity sponsors do not change base salary or perquisites, such as personal use of corporate aircraft. They do, however, heavily restrict their CEOs from selling shares of the company and impose more performance-sensitive pay.

Publications 2012

CEO Contract Design: How Do Strong Principals Do It?, with C. Cronqvist, Journal of Financial Economics, forthcoming.

Institutional Investors and Mutual Fund Governance: Evidence from Retail - Institutional Fund Twins, with R.B. Evans, Review of Financial Studies, vol. 25, pp. 3530-3571, 2012.

This Time is the Same: Using Bank Performance in 1998 to Explain Bank Performance During the Recent Financial Crisis, with R. Prilmeier and R. Stulz, Journal of Finance, vol. 67, pp. 2139-2185, 2012.



Prof.
Damir Filipovic
SFI Senior Chair (since January 2010)
Ecole Polytechnique Fédérale de Lausanne

Damir.Filipovic@sfi-research.ch
+41 21 693 01 08

Damir Filipovic holds the Swissquote Chair in Quantitative Finance at the Ecole Polytechnique Fédérale de Lausanne (EPFL) and is the head of the SFI center at EPFL. He has held an SFI Senior Chair since January 2010. Since 2011, Prof. Filipovic has been a member of the board of directors of Swiss Life. He is the recipient of numerous research grants and a regular speaker at leading quantitative finance conferences and workshops worldwide.

Research Interests

His research interests lie in quantitative finance and risk management.

Recent Research

Prof. Filipovic has extensively investigated the quantita-

tive aspects of insurance. He has been doing research in this area since co-developing the Swiss Solvency Test (SST) during his time at the Swiss federal office of private insurance. The SST is a set of regulatory requirements that represent a seal of quality for insurance firms. It has been in use since 2006 and was developed in cooperation with the Swiss insurance industry.

Publications 2012

The Term Structure of Interbank Risk, with A. Trolle, Journal of Financial Economics, forthcoming.

Density Approximations for Multivariate Affine Jump-Diffusion Processes, with E. Mayerhofer and P. Schneider, Journal of Econometrics, forthcoming.



Prof.

Francesco Franzoni

SFI Senior Chair (since September 2012)
University of Lugano

Francesco.Franzoni@sfi-research.ch
+41 58 666 41 17

Francesco Franzoni is Professor of Finance at the University of Lugano. He joined SFI in September 2007 and has held an SFI Senior Chair since September 2012. Prof. Franzoni obtained his PhD in economics from the Massachusetts Institute of Technology. Prof. Franzoni's research has been published in the top finance journals worldwide and featured in the international press. He is a regular speaker at leading academic conferences in finance.

Research Interests

His main research interests are in asset pricing and the hedge fund market.

Recent Research

One of Prof. Franzoni's recent studies takes a closer look at attempts by hedge funds to manipulate their

reported performance by strategically timing their trading orders. His study reveals, for instance, that younger funds are more prone to manipulative behavior, since investors' perceptions of these funds tend to be quite elastic to their performance. Another finding of his study is that some hedge funds engage in manipulation when the overall market performs poorly. The goal of these hedge funds is to signal their skills in producing good returns even in down markets.

Publications 2012

Do hedge funds manipulate stock prices?, with I. Ben-David, A. Landier, and R. Moussawi, *Journal of Finance*, forthcoming.



Prof.

Patrick Gagliardini

SFI Faculty Member (since April 2008)
University of Lugano

Patrick.Gagliardini@sfi-research.ch
+41 58 666 46 60

Patrick Gagliardini is Professor of Econometrics at the University of Lugano and has been an SFI faculty member since April 2008. He obtained his PhD in physics from ETH Zurich. Prof. Gagliardini's papers have been published in the top academic journals in finance and financial econometrics.

Research Interests

His main research interests lie in financial econometrics, with applications to credit risk and asset pricing models.

Recent Research

In recent research, Prof. Gagliardini looks at risk dependencies between institutions of the financial system. The 2008-2011 financial crisis showed that these dependencies cannot be neglected and constitute a major component of the risk of the system when computing the reserves of a bank, or even of an insurance company. Prof. Gagliardini proposes a new

model to capture these dynamics. He uses his analysis to compute portfolio risk measures and to price credit derivatives, whose payoffs are a function of the portfolio gains or losses.

Publications 2012

Semi-parametric Estimation of American Option Prices, with D. Ronchetti, *Journal of Econometrics*, forthcoming.

Tikhonov regularisation for nonparametric instrumental variable estimators, with O. Scaillet, *Journal of Econometrics*, vol.167, pp. 61-75, 2012.

Nonparametric instrumental variable estimators of quantile structural effects, with O. Scaillet. *Econometrica*, vol. 80(4), pp. 1533-1562, 2012.



Prof.
Rajna Gibson Brandon
SFI Head of Research
SFI Senior Chair (since January 2013)
University of Geneva

Rajna.Gibson@sfi-research.ch
+41 22 379 80 83

Rajna Gibson Brandon is Professor of Finance at the University of Geneva and Managing Director of the Geneva Finance Research Institute. She joined SFI in October 2006, has held an SFI Distinguished Service Chair from January 2007 to January 2013, and currently holds an SFI Senior Chair. Prof. Gibson Brandon is a member of the board of directors of Swiss Re and Banque Privée Edmond de Rothschild. From 1997 to 2004, she was a member of the Swiss Banking Commission.

Research Interests

Her research areas include asset management, risk management, experimental finance, and corporate governance.

Recent Research

In recent research, Prof. Gibson carries out an experiment to test the tendency of individuals to tell the truth and the extent to which they trade off the

economic costs of truthfulness against the intrinsic costs of lying. She finds a wide spectrum of people's preferences for truthfulness that goes well beyond the simplistic dichotomy between "economic types" and "ethical types". The findings of her study reveal large heterogeneity in preferences for truthfulness both among and within individuals. These results have implications for the optimal setting of incentive contracts.

Publications 2012

Liquidity Risk, Return Predictability and Hedge Fund Performance: An Empirical Study, with S. Wang, *Journal of Financial and Quantitative Analysis*, forthcoming.

Preferences for truthfulness: Heterogeneity among and within individuals, with C. Tanner and A. Wagner, *American Economic Review*, forthcoming.



Prof.
Manfred Gilli
SFI Faculty Member (since October 2006)
University of Geneva

Manfred.Gilli@sfi-research.ch
+41 22 379 82 22

Manfred Gilli is Honorary Professor at the University of Geneva and has been an SFI faculty member since October 2006. Prof. Gilli has published extensively and has contributed many chapters to books on computational finance. He is a regular speaker at leading finance conferences worldwide.

Research Interests

His research interests primarily lie in the implementation and empirical validation of computational methods in finance.

Recent Research

In one of his latest papers, Prof. Gilli looks at how the use of equity options can enhance portfolio performance. Since the recent financial crisis, equity markets have performed poorly and investment strategies consisting only of equities have been unattractive. Prof. Gilli's study investigates whether including equity options in a portfolio can improve its performance. He identifies a dynamic strategy based on a view on volatility that can, indeed, improve portfolio performance.



Prof.

Amit Goyal

SFI Senior Chair (since August 2008)
University of Lausanne

Amit.Goyal@sfi-research.ch
+41 21 692 36 76

Amit Goyal is Professor of Finance at the University of Lausanne and has held an SFI Senior Chair since August 2008. Prof. Goyal's research has been published in the top finance journals worldwide and featured in the international press. He is a regular speaker at leading academic conferences in finance.

Research Interests

His main research interests lie in asset management and pension funds.

Recent Research

In a recent study, Prof. Goyal looks at the performance of US asset management funds that have substantial international investments compared to their more

domestic-oriented peers. One finding of his study is that the returns delivered by these global funds – both mutual and institutional – are indistinguishable from zero, despite conventional theory praising the benefits of international diversification. His study also reveals that there is very little persistence in a fund's performance over time, making it hard for investors to pick winner funds in advance.

Publications 2012

Assessing Project Risk, with A. Bernardo and B. Chowdhry, *Journal of Applied Corporate Finance*, vol. 24(3), pp. 94-100, 2012.



Prof.

Michel Habib

SFI Faculty Member (since October 2006)
University of Zurich

Michel.Habib@sfi-research.ch
+41 44 634 25 07

Michel Habib is Professor of Finance at the University of Zurich and has been an SFI faculty member since October 2006. After graduating from the Wharton School of Business, he taught at the London Business School for nine years. Prof. Habib has been the Director of the Swiss National Center of Competence in Research on "Financial Valuation and Risk Management", FINRISK, from 2009 until 2013.

Research Interests

His primary research interest is corporate finance.

Recent Research

In one of his latest research projects, Prof. Habib investigates the effects of Swiss banking secrecy on the stock market. More specifically, he looks at the value

of banking secrecy for two universal Swiss banks and two private Swiss banks. He finds that the value of banking secrecy to private banks is large, accounting for at least 10 percent of their market value, whereas banking secrecy appears to account for only a very small fraction of the market value of universal banks.

Publications 2012

Swiss Banking Secrecy: The Stock Market Evidence, with F.-X. Delaloye and A. Ziegler, *Financial Markets and Portfolio Management*, vol. 26(1), pp. 143-176, 2012.



Prof.
Henrik Hasseltoft
SFI Faculty Member (since September 2009)
University of Zurich

Henrik.Hasseltoft@sfi-research.ch
+41 44 634 44 83

Henrik Hasseltoft is Assistant Professor of Finance at the University of Zurich and has been an SFI faculty member since September 2009. He obtained his PhD in Finance from the Stockholm School of Economics. Before pursuing an academic career, Prof. Hasseltoft worked for two years in the trading department of UBS London.

Research Interests

His main research interests lie in empirical and theoretical asset pricing, as well as international finance.

Recent Research

In a recent paper, Prof. Hasseltoft looks into the dynamics of risk premia in equity and bond markets.

The literature typically treats equity and bond markets separately – and this despite today’s integrated financial markets. Prof. Hasseltoft finds that persistent shocks to expected growth in consumption are able to explain the average level of risk premia in both markets. His finding suggests that there is a common set of economic risk factors that operate in both the equity and bond markets.

Publications 2012

Stocks, Bonds, and Long-run Consumption Risks, *Journal of Financial and Quantitative Analysis*, vol. 47(2), 2012.



Prof.
Harald Hau
SFI Senior Chair (since September 2011)
University of Geneva

Harald.Hau@sfi-research.ch
+41 22 379 95 81

Harald Hau is Professor of Finance at the University of Geneva, where he has held an SFI Senior Chair since September 2011. He obtained his PhD in economics from Princeton University. Prof. Hau has several ongoing collaborations with colleagues at the European Central Bank, where he was the Wim Duisenberg Research Fellow in 2011. His work has been published in the top academic journals and featured in international press outlets, such as the *Economist*.

Research Interests

His research focuses on international finance, financial stability, asset pricing, and asset management.

Recent Research

One of Prof. Hau’s latest studies investigates the role that equity funds play in financial crisis propagation. More specifically, his study looks at how mutual funds

acted as a source of contagion from financial stocks to non-financial stocks during the recent crisis. This mainly occurred through the sale of assets at heavily discounted prices in times of distress. He finds that non-financial stocks owned by funds with ownership exposure to distressed financial stocks strongly underperformed their peers in the same country and industry.

Publications 2012

Banks’ Ratings: What Determines their Quality?, with S. Langfield and D. Marques-Ibanes, *Economic Policy*, forthcoming.

Real Effects of Stock Underpricing, with S. Lai, *Journal of Financial Economics*, forthcoming.



Prof.

Thorsten Hens

SFI Research Fellow (since July 2008)
University of Zurich

Thorsten.Hens@sfi-research.ch
+41 44 634 37 06

Thorsten Hens is Professor of Financial Economics and Director of the Department of Banking and Finance of the University of Zurich. He has been an SFI Research Fellow since July 2008. Prof. Hens is the founder of the UZH-spin-off firm Behavioral Finance Solutions, which assists financial firms in developing and implementing investor profiling methods making use of behavioral finance principles.

Research Interests

His research focuses mostly on behavioral finance.

Recent Research

In one of his latest research projects, Prof. Hens studies differences across countries in how individuals make deci-

sions under risk and uncertainty. In doing so, he conducts an international survey on risk preferences in more than 50 countries. He is able to identify differences in individuals' aversion to risk and in the probabilities they assign to uncertain events. He finds that risk attitudes depend not only on economic conditions, but also on cultural factors.

Publications 2012

Three Solutions to the Pricing Kernel Puzzle, with C. Reichlin, *Review of Finance*, forthcoming.

Two Paradigms and Nobel Prizes in Economics: A Contradiction or Coexistence, with H. Levy and E. De Giorgi, *European Financial Management*, vol. 18(2), pp. 163-182, 2012.



Prof.

Martin Hoesli

SFI Faculty Member (since October 2006)
University of Geneva

Martin.Hoesli@sfi-research.ch
+41 22 379 81 22

Martin Hoesli is Professor of Real Estate Investments and Finance at the University of Geneva and has been an SFI faculty member since October 2006. Prof. Hoesli is the author of several books on real estate investments and serves on the editorial board of leading international real estate journals.

Research Interests

His research mainly relates to the area of property finance.

Recent Research

In one of his latest research papers, Prof. Hoesli explores possible reasons for the low home ownership rate observed in Switzerland. Indeed, this rate is the lowest among all continental European countries. To answer his research question, Prof. Hoesli considers several factors, including the relative cost of owning and renting, as well as Swiss housing policies. He finds that high estate prices – relative to rents and household income and wealth – are by far the most important cause of Switzerland's low home ownership rate.

Publications 2012

Are REITs real estate? Evidence from international sector level data, with E Oikarinen, *Journal of International Money and Finance*, vol. 31, pp. 1823-1850, 2012.

Fractional cointegration analysis of securitized real estate, with C. Serrano, *Journal of Real Estate Finance and Economics*, vol. 44(3), pp. 319-338, 2012.

House prices, disposable income and permanent and temporary shocks: the N.Z., U.K. and U.S. experience, with P. Fraser and L. McAlevey, *Journal of European Real Estate Research*, vol 5(1), pp. 5- 28, 2012.

Robust repeat sales indexes, with S.C. Bourassa and E. Cantoni, *Real Estate Economics*, forthcoming.

Volatility spillovers, comovements and contagion in securitized real estate markets, with K. Reka, *Journal of Real Estate Finance and Economics*, forthcoming.

The effect of lock-ups on the suggested real estate portfolio weight, with E. Liljeblom and A. Löflund, *International Real Estate Review*, forthcoming.



Prof.
Julien Hugonnier
SFI Senior Chair (since October 2012)
Ecole Polytechnique Fédérale de Lausanne

Julien.Hugonnier@sfi-research.ch
+41 21 693 01 14

Julien Hugonnier is Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne (EPFL) and the head of its Master in Financial Engineering program. He joined SFI in 2006 and has held an SFI Senior Chair since October 2012. Prior to joining EPFL, he held positions at Carnegie Mellon University, HEC Montreal, and the University of Lausanne. Prof. Hugonnier is a regular speaker at finance conferences worldwide and serves on the editorial board of various academic journals in the areas of mathematical finance and financial economics.

Research Interests

His main research area is theoretical asset pricing.

Recent Research

In recent work, Prof. Hugonnier seeks to understand how capital supply uncertainty affects a firm's cash holdings, as well as its financing and investment decisions. Contrary to most models, Prof. Hugonnier assumes that firms are not necessarily always able to secure immediate funding for their positive net-present-value projects because of liquidity frictions. This assumption creates a role for capital supply factors as determinants of a firm's policy choic-

es and leads to a number of insights. In particular, the choice between internal and external funds for financing investment does not follow a strict pecking order.

Publications 2012

Endogenous Completeness of Diffusion Driven Equilibrium Markets, with S. Malamud and E. Trubowitz, *Econometrica*, vol. 80(3), pp. 1249-1270, 2012.

Health and (other) asset holdings, with F. Pelgrin and P. Saint-Amour, *Review of Economic Studies*, vol. 0, pp. 1-48, 2012.

Bubbles and multiplicity of equilibria under portfolio constraints, *Journal of Economic Theory*, forthcoming.

Incomplete information, idiosyncratic volatility and stock returns, with T. Berrada, *Journal of Banking and Finance*, forthcoming.

Real options and risk aversion, in *Ambiguity, Real Options, Credit Risk and Insurance*, with E. Morellec, IOS Press, 2012 (Amsterdam).



Prof.
Eric Jondeau
SFI Faculty Member (since June 2006)
University of Lausanne

Eric.Jondeau@sfi-research.ch
+41 21 692 33 49

Eric Jondeau is Professor of Finance at the University of Lausanne and has been an SFI faculty member since June 2006. Prof. Jondeau's papers have been published in the leading academic journals in his areas of expertise.

Research Interests

His research interests include financial econometrics, empirical finance, and risk management.

Recent Research

In one of his latest papers, Prof. Jondeau looks at strategies that allow investors to allocate their wealth using forecasts of stock returns and their

volatility. He investigates the economic value of an investor's ability to also forecast other characteristics of the probability distribution of investment returns, namely its asymmetry around the mean value and its peakedness. To answer this question, he analyzes the weekly allocation of wealth among investors in France, Germany, Japan, the UK, and the US over the past decade. His analysis reveals that "distribution timing" did, indeed, yield considerable gains per year.

Publications 2012

On the Importance of Time-Variability in Higher Moments for Asset Allocation, with M. Rockinger, *Journal of Financial Econometrics*, vol. 10(1), pp. 84-123, 2012.



Prof.
Felix Kübler
SFI Center Head - Zurich
SFI Senior Chair (since June 2008)
University of Zurich

Felix.Kuebler@sfi-research.ch
+41 44 634 41 06

Felix Kübler is Professor of Finance at the University of Zurich and has held an SFI Senior Chair since June 2008. He obtained his PhD in economics from Yale University. Before joining the faculty in Zurich, Prof. Kübler held professorships at Stanford University, the University of Pennsylvania, and the University of Mannheim.

Research Interests

His research interests lie in financial economics and computational methods.

Recent Research

In a recent paper, Prof. Kübler examines the effect of collateral constraints and margin requirements on the pricing of financial assets. Popular sentiment and textbook theory state that collateralized borrowing contributes to the volatility of asset returns. But this is in stark contrast with empirical evidence showing that regulation of margin requirements for stocks does little to reduce market volatility. To solve this contradiction, Prof. Kübler proposes a model where stocks represent

only a small fraction of collateralizable assets, so that regulation of margin requirements on stocks has a small impact on market volatility.

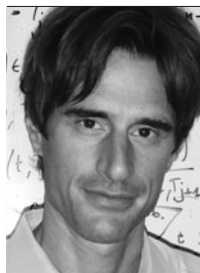
Publications 2012

Regulating Collateral when Markets are Incomplete, with A. Araujo and S. Schommer, *Journal of Economic Theory*, vol. 147, pp. 450-476, 2012.

Financial Innovations and Asset Price Volatility, with K. Schmedders, *American Economic Review*, vol. 102(3), pp. 147-151, 2012.

Recursive Contracts, Lotteries and Weakly Concave Pareto Sets, with H. Cole, *Review of Economic Dynamics*, vol. 15(4), pp. 479-500, 2012.

Inferior Good and Giffen Good Behavior for Investing and Borrowing, with L. Selden and X. Wei, *American Economic Review*, forthcoming.



Prof.
Markus Leippold
SFI Faculty Member (since October 2006)
University of Zurich

Markus.Leippold@sfi-research.ch
+41 44 634 50 69

Markus Leippold holds the Vontobel Chair of Financial Engineering at the University of Zurich and has been an SFI faculty member since October 2006. During his professorship term at Imperial College London, he was the director of the Center of Quantitative Finance. Throughout his career, Prof. Leippold has been involved in numerous projects with the Swiss banking industry. He is a founding partner of Lambda Capital, providing consultancy services in risk management, portfolio management, and asset pricing.

Research Interests

His main research interests lie in derivative pricing and volatility modeling.

Recent Research

One of Prof. Leippold's recent studies proposes a new

technique for measuring high-frequency volatility in foreign exchange markets. As traders submit thousands of buy and sell orders every second, they create disturbances that render estimates of price volatility inaccurate. The ability of this new technique in eliminating these disturbances and its forecasting performance are tested over four major currency pairs.

Publications 2012

Equilibrium Implications of Delegated Asset Management under Benchmarking, with P. Rohner, *Review of Finance*, Volume 16(4), pp. 935-984, 2012.

Data Snooping and the Global Accrual Anomaly, with H. Lohre, *Applied Financial Economics*, vol. 22, pp. 509-535, 2012.

International Price and Earnings Momentum, with H. Lohre, *European Journal of Finance*, vol. 18(6), pp. 535-573, 2012.

A remark on Lin's and Chang's paper 'Consistent modeling of S&P 500 and VIX derivatives', with J. Cheng, M. Ibraimi, and J.E. Zhan, *Journal of Economic Dynamics and Control*, vol. 36(5), pp. 708-715, 2012.



Prof.
Henri Loubergé
SFI Faculty Member (since October 2006)
University of Geneva

Henri.Loubergé@sfi-research.ch
+41 22 379 82 83

Henri Loubergé is Professor emeritus at the University of Geneva and was the chairman of its economics department for four years. He has been an SFI faculty member since October 2006. For many years, Prof. Loubergé was the head of the University of Geneva's PhD program in economics, as well as of the masters program.

Research Interests

His main research area is the study of risk and uncertainty in finance and insurance.

Recent Research

In recent research, Prof. Loubergé looks into insurance against natural catastrophes. From a finance theory point of view, natural catastrophes represent risks specific to a geographical area and are, thus, diversifiable at the world level. However, reinsurance markets have been yet unable to cope with this catastrophe risk completely and the development of insurance-linked products has been disappointing. Prof. Loubergé argues that investors' behavior towards downside risk explains the limited success of these instruments. He shows that another type of product,

which combines the transfer of catastrophe risk with protection against a stock market crash, would lead to an increase in market volume.

Publications 2012

The Economics of Risk: A Partial Survey, in *Handbook of Risk Theory*, with L. Eeckhoudt, S. Roeser, R. Hillerbrand, P. Sandin, and M. Peterson (Eds.), pp. 113-133. Springer, 2012, (Dordrecht, Heidelberg, London, New York).

Developments in Risk and Insurance Economics: The Past 40 Years, in *Handbook of Insurance*, with G. Dionne (Ed.), Springer, forthcoming, (Dordrecht, Heidelberg, London, New York).

Combined Use of Foreign Debt and Currency Derivatives Under the Threat of Currency Crises: The Case of Latin American Firms, with G. Gatopoulos, *Journal of International Money and Finance*, forthcoming.

Reinsurance and Securitization of Life Insurance Risk: The Impact of Regulatory Constraints, with P. Barrieu, *Insurance Mathematics and Economics*, forthcoming.



Prof.
Semyon Malamud
SFI Junior Chair (since August 2010)
Ecole Polytechnique Fédérale de Lausanne

Semyon.Malamud@sfi-research.ch
+41 21 693 01 37

Semyon Malamud is SFI Assistant Professor of Finance at the Ecole Polytechnique Fédérale de Lausanne, joined SFI in October 2007 and has held an SFI Junior Chair since August 2010. He obtained his PhD in mathematics from ETHZ. Prof. Malamud is a regular speaker at leading academic conferences worldwide and his papers have been published in the top journals in finance and economics.

Research Interests

His main research interest lies in asset pricing.

Recent Research

In a recent paper, Prof. Malamud studies financial securitization products in the presence of "moral hazard", whereby a financial intermediary creates and then sells defaultable assets to outside investors.

Default risk in this framework is determined by the unobservable costly effort exerted by the intermediary. He calculates the optimal contract for any given effort level and shows that investors stop paying the intermediary after the first default. When securitization contracts are optimally designed, Prof. Malamud finds that securitization improves the intermediary's screening incentives.

Publications 2012

Endogenous Completeness of Diffusion Driven Equilibrium Markets, with J. Hugonnier and E. Trubowitz, *Econometrica*, vol. 80(3), pp. 1249-1270, 2012.

Financial Markets Equilibrium with Heterogenous Agents, with J. Cvitanic, E. Jouini, and C. Napp, *Review of Finance*, vol. 16(1), pp. 285-321, 2012.



Prof.

Loriano Mancini

SFI Junior Chair (since September 2012)
Ecole Polytechnique Fédérale de Lausanne

Loriano.Mancini@sfi-research.ch
+41 21 693 01 07

Loriano Mancini is SFI Assistant Professor of Finance and has held an SFI Junior Chair at the Ecole Polytechnique Fédérale de Lausanne (EPFL) since September 2012. He joined SFI in November 2008 after his post-doctoral studies at Princeton University. Prof. Mancini has published papers in the top academic journals in finance and is a regular speaker at leading conferences and workshops worldwide.

Research Interests

His primary research interests are volatility modeling and asset pricing.

Recent Research

In recent research, Prof. Mancini takes a closer look at liquidity in foreign exchange (FX) markets, which

are traditionally thought of as liquid, but – as he shows – are not truly so. He empirically tests the impact of liquidity frictions on exchange rate movements and on the carry trades (whereby an investor borrows low-yielding currencies and invests in high-yielding currencies). His study finds that liquidity in FX markets is due to both a common factor across all exchange rates and exchange-rate-specific factors. It also reveals that illiquid markets suffer from exacerbated exchange rate movements and cause larger losses to carry trades than liquid markets do.

Publications 2012

Liquidity in the Foreign Exchange Market: Measurement, Commonality, and Risk Premiums, with A. Ranaldo and J. Wrampelmeyer, *Journal of Finance*, forthcoming.



Prof.

Antonio Mele

SFI Senior Chair (since August 2011)
University of Lugano

Antonio.Mele@sfi-research.ch
+41 58 666 44 98

Antonio Mele is Professor of Finance at the University of Lugano, where he holds a Chair sponsored by Ticino Bankers Association. He has held an SFI Senior Chair since August 2011. Before moving to Switzerland, he held a professorship at the London School of Economics. Prof. Mele is the co-inventor of the CBOE Interest Rate Swap Volatility Index, the first standardized volatility measure in the interest rate swap market. He is a regular speaker at leading finance conferences worldwide.

Research Interests

His research interests link to capital markets.

Recent Research

Professor Mele's recent research provides foundations to the pricing and hedging of interest rate volatility. His work aims to put forward security designs of variance swaps for rate markets, as well as lead to the development of indices of rate volatility that do not depend on any specific option pricing model. These

indices can be used to standardize and simplify trading in fixed income markets.

Publications 2012

Macroeconomic Determinants of Stock Volatility and Volatility Premiums, with V. Corradi and W. Distaso, Journal of Monetary Economics, forthcoming.

Going for Growth-The Role of Financial Intermediaries and Financial Markets in the Financing of Firms, with R. Guida, 2012, Il Mulino (Bologna).



Prof.

Erwan Morellec

SFI Center Head – Léman; Head of SFI PhD Program

SFI Senior Chair (since October 2006)

Ecole Polytechnique Fédérale de Lausanne

Erwan.Morellec@sfi-research.ch

+41 21 693 01 16

Erwan Morellec has held an SFI Senior Chair since 2006. Before joining the Ecole Polytechnique Fédérale de Lausanne in 2008, he taught at the University of Lausanne. He is Head of the SFI Léman Center as well as the Head of the SFI PhD program. Prof. Morellec is a regular speaker at leading finance conferences worldwide, and his research papers have been published in the top academic journals in finance.

Research Interests

His main research interest lies in corporate finance, corporate governance, and financial management.

Recent Research

A recent paper by Prof. Morellec examines the effects of liquidity risk in financial markets on firms' policy choices. To do so, he builds a new model in which firms can optimize not only their financing and investment decisions, but also the level of their cash holdings. The

paper shows how various firm characteristics, such as cash flow volatility, asset tangibility, liquidation costs, or access to capital markets, shape corporate decisions. The study also demonstrates the central role of capital supply and liquidity in financial markets in these decisions.

Publications 2012

Dynamic capital structure under managerial entrenchment: Evidence from a structural estimation, with B. Nikolov and N. Schürhoff, Journal of Finance, forthcoming.

Corporate Governance and Capital Structure Dynamics, with B. Nikolov and N. Schürhoff, Journal of Finance, vol. 67(3), pp. 803-848, 2012.

Real options and risk aversion, in Ambiguity, Real Options, Credit Risk and Insurance, with J. Hugonnier, IOS Press, 2012 (Amsterdam).



Prof.

Johannes Muhle-Karbe

SFI Faculty Member (since May 2012)

ETH Zurich

Johannes.Muhle-Karbe@sfi-research.ch

+41 44 632 30 87

Johannes Muhle-Karbe is Assistant Professor of Mathematical Finance at ETH Zurich and has been an SFI faculty member since May 2012. He graduated from TU München with a PhD in mathematics. Following his PhD studies, Prof. Muhle-Karbe was a postdoctoral fellow at the University of Vienna and also held visiting positions at Columbia University and the University of Technology, Sydney.

Research Interests

His primary research interest lies in the application of mathematical models to asset pricing and portfolio optimization.

Recent Research

In a recent study, Prof. Muhle-Karbe looks into the influence of transaction costs on financial investments. Models of derivative pricings rely on the assumption

that, when markets operate smoothly, the risk incurred by selling any claim can be offset by actively trading the underlying asset. In practice, though, transaction costs make such dynamic trading prohibitively expensive. Prof. Muhle-Karbe revisits pricing models in the presence of small transaction costs.

Publications 2012

Portfolio Selection with Small Transaction Costs and Binding Portfolio Constraints, with R. Liu, SIAM Journal on Financial Mathematics, forthcoming.

Option Pricing and Hedging with Small Transaction Costs, with J. Kallsen, Mathematical Finance, forthcoming.

On the Existence of Shadow Prices, with G. Benedetti, L. Campi, and J. Kallsen, Finance and Stochastics, forthcoming.

The Dual Optimizer for the Growth-Optimal Portfolio

under Transaction Costs, with S. Gerhold and W. Schachermayer, Finance and Stochastics, forthcoming.

Asymptotic and Exact Pricing of Options on Variance, with M. Keller-Ressel, Finance and Stochastics, forthcoming.

Asymptotics and Duality for the Davis and Norman Problem, with S. Gerhold and W. Schachermayer, Stochastics, vol. 84(5-6), pp. 625-641, 2012.

Utility Maximization, Risk Aversion, and Stochastic Dominance, with M. Beiglböck and J. Temme, Mathematics and Financial Economics, vol. 6(1), pp. 1-13, 2012.

Option Pricing in Multivariate Stochastic Volatility Models of OU Type, with O. Pfaffel and R. Stelzer, SIAM Journal on Financial Mathematics, vol. 3(1), pp. 66-94, 2012.



Prof.

Eric Nowak

SFI Faculty Member (since May 2006)
University of Lugano

Eric.Nowak@sfi-research.ch
+41 58 666 46 37

Eric Nowak is Professor of Finance at the University of Lugano and has been an SFI faculty member since May 2006. Throughout his career, Prof. Nowak has held visiting appointments at leading universities worldwide, including Stanford University and the University of Chicago.

Research Interests

His research areas include corporate governance, family firms, and private equity.

Recent Research

In a recent research paper, Prof. Nowak looks at evidence of liquidity risk on private equity returns. Using several measures of liquidity, he finds that a positive shock to aggregate liquidity raises annual

returns significantly. Also, larger investments and investments by more mature private equity firms appear to have returns that are more sensitive to liquidity shocks. His paper provides a large-sample estimate of the cost of capital for private equity. The liquidity risk premium in private equity is about 3% annually, the total risk premium for private equity is about 18% annually, and alpha, a measure of manager performance before fees, is close to zero.

Publications 2012

Private equity performance and liquidity risk, with F. Franzoni and L. Phalippou, the Journal of Finance, forthcoming.



Prof.
Kjell Nyborg
SFI Senior Chair (since August 2009)
University of Zurich

Kjell.Nyborg@sfi-research.ch
+41 44 634 29 80

Kjell Nyborg has held an SFI Senior Chair at the University of Zurich since August 2009. He graduated from Stanford University with a PhD in finance. Prof. Nyborg has published extensively in his areas of expertise and has spent research periods at the European Central Bank, the Deutsche Bundesbank, and the Bank of Norway.

Research Interests

His research interests include liquidity, money markets, banking, and corporate finance.

Recent Research

In a recent study, Prof. Nyborg looks into the connection between the interbank market for liquidity and the broader financial markets. The existence of such a connection is suggested, for instance, by the recent

financial crisis, which saw both a breakdown in interbank lending and a collapse in financial asset prices. When interbank loans are expensive or hard to get, banks look for alternative ways of getting liquidity, such as selling financial assets or raising margins to investors who then may need to liquidate assets. Empirical tests confirm that tighter interbank markets are, indeed, associated with higher selling pressure on more liquid stocks as well as with transitory negative stock returns.

Publications 2012

Bank Bailout Menus, with S. Bhattacharya, Review of Corporate Finance Studies, forthcoming.



Prof.
Per Östberg
SFI Assistant Professor (since August 2010)
University of Zurich

Per.Oestberg@sfi-research.ch
+41 44 634 29 56

Per Östberg has been an SFI Assistant Professor of Finance at the University of Zurich since August 2010. He obtained his PhD in finance from the Stockholm School of Economics. Prof. Östberg is a regular speaker at finance conferences and seminars worldwide and has served on the program committee of several conferences.

Research Interests

His primary research interest lies in empirical corporate finance.

Recent Research

One of Prof. Östberg's latest research papers analyzes the role of passive shareholders as a takeover defense. He empirically examines the effect that a widely dispersed ownership has on a company's merger and acquisition plans. He argues that when shareholders hold low stakes in a firm, it is harder for a bidder to induce them to tender their shares. Hence, a dispersed shareholder base acts like a takeover defense. Prof. Östberg provides evidence of this effect by showing that, when other takeover provisions are newly permitted, firms decrease their shareholder base significantly.



Prof.

Marc Paolella

SFI Faculty Member (since October 2006)
University of Zurich

Marc.Paolella@sfi-research.ch
+41 44 634 45 84

Marc Paolella is Professor of Empirical Finance at the University of Zurich and has been an SFI faculty member since October 2006. Prof. Paolella is the author of two books on graduate level probability theory. His research papers have been published in the top academic journals in his areas of expertise.

Research Interests

His primary research interest lies in the development of statistical methods for finance.

Recent Research

In recent research, Prof. Paolella presents a new model for asset returns that takes into account empirical observations researchers have long been aware of, such as the tendency for asset price volatility to settle for long periods of time at either high or low

levels. The model also captures the time dynamics in the dependency between a potentially large number of assets. Prof. Paolella tests this model on the 30 components of the Dow Jones Industrial Average index. He also uses the model to develop formulae associated with portfolio optimization, risk measures, and option pricing.

Publications 2012

Time-varying Mixture GARCH Models and Asymmetric Volatility, with M. Haas, J. Krause, and S. Steude, North American Journal of Economics and Finance, forthcoming.

Stable Mixture GARCH Models, with S. M. Haas, J. Krause, and S. Steude, Journal of Econometrics, forthcoming.



Prof.

Alberto Plazzi

SFI Junior Chair (since September 2010)
University of Lugano

Alberto.Plazzi@sfi-research.ch
+41 58 666 46 77

Alberto Plazzi is SFI Assistant Professor of Finance and has held an SFI Junior Chair at the University of Lugano since September 2010. He obtained his PhD in finance from the University of California, Los Angeles. Prof. Plazzi is a regular speaker at finance conferences worldwide and his papers have been published in top academic journals.

Research Interests

His research interests include empirical asset pricing, institutional investor behavior, and real estate finance.

Recent Research

In a recent paper, Prof. Plazzi studies time variation in expected returns and expected rent growth rates of commercial real estate. Relying on transaction data

from US metropolitan areas, he finds that the rent-price ratio in commercial real estate captures fluctuations in expected returns for apartments, retail, as well as industrial properties. It does not, however, forecast expected returns on offices. As for growth rates, this ratio marginally forecasts office rent growth but not rent growth of apartments, retail, and industrial properties. Rent growth predictability is mostly observed in areas with higher population density and stringent land use restrictions.

Publications 2012

Forecasting Real Estate Prices, in Handbook of Economic Forecasting, vol. II, with E. Ghysels, R. Valkanov, and W. Torous, A. Timmermann, and G. Elliott, Ed., forthcoming.



Prof.
Jean-Charles Rochet
SFI Senior Chair (since April 2010)
University of Zurich

Jean-Charles.Rochet@sfi-research.ch
+41 44 634 40 55

Jean-Charles Rochet has held an SFI Senior Chair at the University of Zurich since April 2010. Before joining the faculty in Zurich, Prof. Rochet held a chair at the Toulouse School of Economics. Prof. Rochet is the author of *Why Are There so Many Banking Crises?*, a book shedding light on the causes of recent and past banking crises.

Research Interests

His research interests lie in banking crises and regulation.

Recent Research

Prof. Rochet is interested in the type of regulation that not only deals with the solvency of individual banks, but also monitors the resilience of the banking sector as a whole. In recent work, he introduces a new

theoretical model that sheds light on credit cycles. The policy implications of his study show that regulators can enhance society's welfare by inducing banks to lend more during recessions and restricting bank lending during booms.

Publications 2012

Rethinking the Regulatory Treatment of Securitization, with V. Cerasi, *Journal of Financial Stability*, forthcoming.

Taming SiFis, with X. Freixas, *Journal of Money, Credit and Banking*, forthcoming.

Aggregate Investment Externalities and Macro-Prudential Regulation, with H. Gersbach, *Journal of Money, Credit and Banking*, forthcoming.



Prof.
Michael Rockinger
SFI Faculty Member (since October 2006)
University of Lausanne

Michael.Rockinger@sfi-research.ch
+41 21 692 33 48

Michael Rockinger is Professor of Finance at the University of Lausanne and has been an SFI faculty member since October 2006. He holds a PhD in economics from Harvard University. Prof. Rockinger has published extensively on computational finance and financial econometrics. As a research fellow of the Society of Financial Econometrics, he is a regular speaker at leading conferences in his areas of expertise.

Research Interests

His main research interest lies in financial econometrics and computational methods for finance.

Recent Research

Prof. Rockinger has recently worked on long-term portfolio allocation problems where the uncertainty related to macroeconomic states affects future stock

returns. More specifically, he studies the extent to which stock return predictability influences long-term portfolio choices. Furthermore, he carries out empirical tests with data on ten European countries to check which economic variables drive the evolution of stock market returns. This type of research has important implications for pension funds' investment strategies.

Publications 2012

Moments for Asset Allocation, with E. Jondeau, *Journal of Financial Econometrics*, vol. 10(1), pp. 84-123, 2012.



Prof.

Yuki Sato

SFI Assistant Professor (since July 2011)
University of Lausanne

Yuki.Sato@sfi-research.ch
+41 21 692 33 00

Yuki Sato has been an SFI Assistant Professor of Finance at the University of Lausanne since July 2011. He obtained his PhD in economics from the London School of Economics. Throughout his academic studies, Prof. Sato has received several awards and scholarships.

Research Interests

His work focuses on the pricing of financial assets in the presence of market frictions.

Recent Research

A recent study by Prof. Sato investigates the implications of the complexity of financial securities for investor behavior, asset prices, and welfare. The

key assumption is that, unlike fund managers, non-professional investors cannot immediately observe what complex securities are truly worth. He shows that fund managers tend to overinvest in complex securities, since these allow them to inflate investors' expectations about their funds' performance. This attracts more capital and raises fund manager fees. As overinvestment in complex securities drives up their price, a "complexity premium" arises, creating incentives for financial engineers to render even simple securities complex.



Prof.

Olivier Scaillet

SFI Senior Chair (since January 2010)
University of Geneva

Olivier.Scaillet@sfi-research.ch
+41 22 379 88 16

Olivier Scaillet joined SFI in October 2006 and has held an SFI Senior Chair at the University of Geneva since January 2010. He obtained his PhD in applied mathematics from the University of Paris Dauphine. Prof. Scaillet is a regular speaker at leading conferences in finance. His papers have been published in the top academic journals in finance.

Research Interests

His research interests lie in the application of statistical methods to finance topics, with a special focus on the use of high-speed trading data.

Recent Research

In a recent research paper, Prof. Scaillet asks whether price jumps in high-speed trading data are correctly detected by commonly used detection techniques and also looks at the causes of these jumps. Applying a new technique he developed, he finds that only half of what are initially believed to be jumps are truly so. He also identifies no link between price jumps and the release of company-relevant information, suggesting that

liquidity pressures might have a significant impact on a stock's price.

Publications 2012

Tikhonov regularisation for nonparametric instrumental variable estimators, with P. Gagliardini, *Journal of Econometrics*, vol. 167, pp. 61-75, 2012.

Nonparametric instrumental variable estimators of quantile structural effects, with P. Gagliardini, *Econometrica*, vol. 80(4), pp. 1533-1562, 2012.

Robust subsampling, with L. Camponovo and F. Trojani, *Journal of Econometrics*, vol.167, pp. 197-210, 2012.

Technical trading revisited: persistence tests, transaction costs, and false discoveries, with P. Bajgrowicz, *Journal of Financial Economics*, vol. 106, pp. 473-491, 2012.



Prof.
Karl Schmedders
Head of the SFI Knowledge Center
SFI Faculty Member (since June 2008)
University of Zurich

Karl.Schmedders@sfi-research.ch
+41 44 634 37 70

Karl Schmedders is Professor of Quantitative Business Administration at the University of Zurich and has been an SFI faculty member since June 2008. He heads the SFI Knowledge Center. Before joining the faculty in Zurich, Prof. Schmedders spent ten years at Northwestern University. He holds a PhD in operations research from Stanford University. Prof. Schmedders' work has been published in leading economic and finance journals.

Research Interests

His primary research interest lies in operations research.

Recent Research

In a recent study, Prof. Schmedders investigates the effect of margin requirements – which dictate how much collateral needs to be held in order to borrow money – on asset prices. He shows that the presence of collateral can have a significant effect on the volatility of prices

of both collateralizable and non-collateralizable assets. He also shows that the only way for central banks to try and reduce market volatility is to tighten margins in boom times, while leaving them to market forces during recessions or crises.

Publications 2012

Financial Innovations and Asset Price Volatility, with F. Kübler, *American Economic Review*, vol. 102(3), pp. 147-151, 2012.

Finding All Pure-Strategy Equilibria in Games with Continuous Strategies, with K. L. Judd, P. Renner, *Quantitative Economics*, vol. 3 (2), pp. 289-331, 2012.

Optimal Rules for Patent Races, with K. L. Judd and S. Yeltekin, *International Economic Review*, vol. 53(1), pp. 23-52, 2012.



Prof.
Norman Schürhoff
SFI Senior Chair (since January 2010)
University of Lausanne

Norman.Schuerhoff@sfi-research.ch
+41 21 692 34 47

Norman Schürhoff joined SFI in October 2006 and has held an SFI Senior Chair at the University of Lausanne since January 2010. He obtained his PhD in financial economics from Carnegie Mellon University. Prof. Schürhoff's work has been published in the top academic journals in finance.

Research Interests

His main research interests lie in corporate governance, capital structure dynamics, and bond market microstructure.

Recent Research

In a recent study, Prof. Schürhoff examines the importance of manager-shareholder conflicts in a firm's choice of capital structure. A popular view holds that managers do not always make capital structure decisions that maximize shareholder wealth. However, academic

literature is silent on the magnitude of the impact of manager-shareholder conflicts on a firm's capital structure. He shows that refinancing costs have too small an effect on debt choices to explain financing decisions. He proposes a model where adding agency conflicts and giving the manager control over the decision of how much debt to hold deliver capital structure dynamics consistent with observed data.

Publications 2012

Dynamic capital structure under managerial entrenchment: Evidence from a structural estimation, with E. Morellec and B. Nikolov, *Journal of Finance*, forthcoming.

Corporate Governance and Capital Structure Dynamics, with E. Morellec and B. Nikolov, *Journal of Finance*, vol. 67(3), pp. 803-848, 2012.



Prof.

Martin Schweizer

SFI Distinguished Service Chair (since January 2009)
ETH Zurich

Martin.Schweizer@sfi-research.ch
+41 44 632 33 51

Martin Schweizer is Professor of Mathematics at ETH Zurich. He joined SFI in October 2007 and has held an SFI Distinguished Service Chair since January 2009. Prof. Schweizer has published extensively in the top academic journals in his areas of expertise. He is a regular speaker at leading conferences worldwide.

Research Interests

His primary research interest lies in mathematical finance.

Recent Research

In ongoing work, Prof. Schweizer examines a series of research questions related to the presence of market imperfections, such as lack of trading liquidity, sudden changes in stock prices, and transaction costs that

investors incur when trading financial assets. Market imperfections typically preclude investors from perfectly hedging the risks associated with the derivatives they buy and sell. Prof. Schweizer's research aims to develop concepts and criteria to value and handle unhedgeable risks, while taking into account financial market imperfections.

Publications 2012

Simplified Mean-Variance Portfolio Optimisation, with C. Fontana, Mathematics and Financial Economics, vol. 6, pp. 125–152, 2012.

Mean-Variance Hedging via Stochastic Control and BSDEs for General Semimartingales, Annals of Applied Probability, vol. 22, pp. 2388–2428, 2012.



Prof.

Mete Soner

SFI Senior Chair (since January 2010)
ETH Zurich

Mete.Soner@sfi-research.ch
+41 44 632 27 55

Halil Mete Soner has held an SFI Senior Chair at ETH Zurich since January 2010. Prof. Soner has published extensively in his areas of expertise and is a regular speaker at leading academic conferences worldwide.

Research Interests

His primary research interest lies in mathematical finance.

Recent Research

In recent research, Prof. Soner constructs a model for liquidity risk, i.e., the risk that a security cannot be traded easily and quickly enough in the market to prevent financial losses. More specifically, he studies the price impact of illiquidity on a trader's book. His goal is to develop mathematically tractable models for liquidity and to incorporate liquidity's three important components: (i) the spread between the buyer's and the seller's quote, (ii) the volume of transactions necessary to move market prices, (iii) the speed with which prices return to their original levels following a large

transaction. He also develops mathematical tools capable of analyzing the properties of these three liquidity components.

Publications 2012

Weak approximations of G-expectations, with Y. Dolinsky and M. Nutz, Stochastic Processes and Applications, vol. 122(2), pp. 664-675, 2012.

Wellposedness of second order backward SDEs, with N. Touzi and J. Zhang, Probability Theory and Related Fields, vol. 153, pp. 149-190, 2012.

Large liquidity expansion for super-hedging costs, with D. Possamai and N. Touzi, Asymptotic Analysis, vol. 79 (1-2), pp. 45-64, 2012.

Liquidity in a Binomial market, with S. Gokay, Mathematical Finance, vol. 22(2), pp. 250-276, 2012.

Superhedging and Dynamic risk measures under volatility

uncertainty, with M. Nutz, *SIAM Journal on Control and Optimization*, vol. 50(4), pp. 2065-2089, 2012.

Dual Formulation of Second Order Target Problems, with N. Touzi, J. Zhang, *Annals of Applied Probability*, forthcoming.

Homogenization and asymptotics for small transaction costs, with N. Touzi, *SIAM Journal on Control and Optimization*, forthcoming.

Duality and Convergence for Binomial Markets with Friction, with Y. Dolinsky, *Finance & Stochastics*, forthcoming.



Prof.

Didier Sornette

SFI Faculty Member (since October 2007)
ETH Zurich

Didier.Sornette@sfi-research.ch
+41 44 632 89 17

Didier Sornette holds the Chair of Entrepreneurial Risks at ETH Zurich and has been an SFI faculty member since October 2007. Prof. Sornette is the founding director of the Financial Crisis Observatory, a scientific platform aimed at studying financial market inefficiencies. His writings have been published in numerous academic journals as well as in international press outlets.

Research Interests

His research interests include the development of diagnostic tools for financial market anomalies, such as price bubbles, and the prediction of financial crises.

Recent Research

To model and predict when extreme negative events might occur, Prof. Sornette recently introduced the concept of “dragon-kings”. This new concept captures the fact that extreme events in natural and social systems are often caused by different mechanisms than those acting on other events. This calls for specific modeling processes and gives rise to certain properties that are unique to dragon-kings, thus leading to better predictability of extreme risks.

Publications 2012

Leverage Bubble, with W. Yan and R. Woodard, *Physica A*, vol. 391, pp. 180-186, 2012.

Diagnosis and Prediction of Market Rebounds in Financial Markets, with W. Yan and R. Woodard, *Physica A*, vol. 391(4), pp. 1361-1380, 2012.

Quis pendit ipsa pretia: facebook valuation and diagnostic of a bubble based on nonlinear demographic dynamics, with Peter Cauwels, *Journal of Portfolio Management*, vol. 38(2), pp. 56-66, 2012.

Cycles, determinism and persistence in agent-based games and financial time-series I, with J.B. Satinover, *Quantitative Finance*, vol. 12(7), pp. 1051-1064, 2012.

Cycles, determinism and persistence in agent-based games and financial time-series II, with J.B. Satinover, *Quantitative Finance*, vol. 12(7), pp. 1065-1078, 2012.

Robust Statistical Tests of Dragon-Kings beyond Power Law Distributions, with V.F. Pisarenko, *European Physical Journal Special Topics*, vol. 205, pp. 95-115, 2012.

Dragon-kings: mechanisms, statistical methods and empirical evidence, with G. Ouillon, *European Physical Journal Special Topics*, vol. 205, pp. 1-26, 2012.

Detection of Crashes and Rebounds in Major Equity Markets, with W. Yan, R. Rebib, and R. Woodard, *International Journal of Portfolio Analysis & Management*, vol. 1(1), pp. 59-79, 2012.

Spurious trend switching phenomena in financial markets, with V. Filimonov, *European Physical Journal B* 85, vol. 155, pp. 1-5, 2012.

Quantifying reflexivity in financial markets: towards a prediction of flash crashes, with V. Filimonov, *Physical Review E*, vol. 85(5): 056108, 2012.

When games meet reality: is Zynga overvalued?, with Z. Forro and P. Cauwels, *Journal of Investment Strategies*, vol. 1(3), pp. 119-145, 2012.

Role of diversification risk in financial bubbles, with W. Yan and R. Woodard, *Journal of Investment Strategies*, vol.1(4), pp. 63-83, 2012.

An economic and financial exploratory, with S. Cincotti, P. Treleaven, S. Battiston, G. Caldarelli, C. Hommes, and A. Kirman, *European Journal of Physics: Special Topics*, vol. 214, pp. 361-400, 2012.

Editorial introduction: new facets of the economic complexity in modern financial markets, with C. Kyrtsov, *European Journal of Finance*, pp. 1-7, 2012.



Prof.
Pascal St-Amour
SFI Faculty Member (since June 2006)
University of Lausanne

Pascal.Stamour@sfi-research.ch
+41 21 692 34 77

Pascal St-Amour is Professor of Finance at the University of Lausanne has been an SFI faculty member since June 2006. He holds a PhD in economics from Queen's University. Prof. St-Amour's papers have been published in the leading academic journals in economics.

Research Interests

His primary research areas are financial economics and economic history.

Recent Research

In one of his latest papers, Prof. St-Amour looks at the link between an individual's financial status and

his or her medical status. While most models treat financial and health-related choices separately, his study bridges this gap by proposing a framework for the joint determination of optimal consumption, portfolio holdings, health investment, and health insurance. His analysis sheds light on the pathways through which wealth and health determine allocations, welfare, as well as expected longevity or the value of health.

Publications 2012

Health and (other) asset holdings, with J. Hugonnier and F. Pelgrin, Review of Economic Studies, vol. 0, pp. 1-48, 2012.



Prof.
Josef Teichmann
SFI Faculty Member (since December 2009)
ETH Zurich

Josef.Teichmann@sfi-research.ch
+41 44 632 31 74

Josef Teichmann is Professor of Mathematics at ETH Zurich and has been an SFI faculty member since December 2009. Prof. Teichmann is a regular speaker at international conferences on finance and mathematics. He has published extensively in his areas of research expertise.

Research Interests

His main research interests lie in mathematical finance and quantitative risk management.

Recent Research

In a recent research project, Prof. Teichmann applies geometric reasoning to a variety of term structure problems, which appear, e.g., in interest rate theory

of option pricing: the goal is to construct tractable models for time evolution or prediction beyond the well understood but restricted world of factor models.

Publications 2012

Polynomial processes and their applications to mathematical finance, with C. Cuchiero and M. Keller-Ressel, Finance and Stochastics, vol. 16 (4), pp. 711-740, 2012.

A new extrapolation method for weak approximation schemes with applications, with K. Oshima and D. Veluscek, Annals of Applied Probability, vol. 22(3), pp. 1008-1045, 2012.



Prof.
Fabio Trojani
SFI Research Fellow (since January 2009)
University of Lugano

Fabio.Trojani@sfi-research.ch
+41 58 666 47 23

Fabio Trojani is Professor of Statistics at the University of Lugano and has been an SFI Research Fellow since January 2009. He graduated with a PhD in economics and finance from the University of Zurich. Prof. Trojani is a regular speaker at leading academic conferences in finance and econometrics.

Research Interests

His research interests relate to asset pricing and the application of statistical methods to finance, including the measurement and testing of hedge fund performance.

Recent Research

In a recent research paper, Prof. Trojani proposes a new hedge fund selection tool that takes into consideration

correlation risk, i.e., the risk of unanticipated changes in the financial system as a whole. Based on a variety of empirical tests, he shows that exposure to correlation risk can significantly affect the risk-return profile of hedge funds. Finally, using a hedge fund performance measurement procedure robust to anomalous observations, Prof. Trojani identifies a distinct set of hedge funds that persistently outperform their peers. This suggests that hedge fund investments might produce a larger value added than what has been previously documented in the literature.

Publications 2012

Higher Order Infinitesimal Robustness, with D. La Vecchia and E. Ronchetti, *Journal of the American Statistical Association*, vol. 107(500), pp. 1546-1557, 2012.



Prof.
Anders Trolle
SFI Junior Chair (since August 2009)
Ecole Polytechnique Fédérale de Lausanne

Anders.Trolle@sfi-research.ch
+41 21 693 01 31

Anders Trolle is SFI Assistant Professor of Finance and has held an SFI Junior Chair at the Ecole Polytechnique Fédérale de Lausanne since August 2009. He moved to Switzerland after completing postdoctoral studies in finance at Copenhagen Business School. Prof. Trolle is a regular speaker at major conferences worldwide and his work has been published in the top academic journals in finance.

Research Interests

His primary research interests are derivatives pricing and term structure modeling.

Recent Research

One of Prof. Trolle's recent studies takes a closer look at the risk of losses resulting from the loans that banks make to each other. He shows that this risk can be decomposed into default and non-default components. The credit risk component is more dominant on a longer horizon of investors' expectations of future stress in the interbank market. Prof. Trolle's analysis can provide a valuable tool for central banks and regulatory authorities, and help guide appropriate policy-making.

Publications 2012

The Term Structure of Interbank Risk, with D. Filipovic, *Journal of Financial Economics*, forthcoming.



Prof.

Paolo Vanini

SFI Director of Knowledge Transfer

SFI Faculty Member (since October 2006)

University of Basel

Paolo.Vanini@sfi-research.ch

+41 44 292 45 10

Paolo Vanini is Adjunct Professor of Banking at the University of Basel and has been SFI Director of Knowledge Transfer since October 2006. Prof. Vanini heads the department of structured products and cross assets at the Cantonal Bank of Zurich. He is the co-author of *Die Welt der Strukturierten Produkte*, a book on structured products commissioned by the Swiss Structured Products Association.

Research Interests

His research primarily focuses on banking, risk management, and structured finance.

Recent Research

One of Prof. Vanini's recent papers looks at the use of financial derivatives to protect homeowners against the risk of falling house prices due to airport noise. This risk is critical for residential areas close to airports with uncertain aircraft regimes. He designs and prices financial derivatives whose underlying value is an index that measures aircraft noise disturbance. The index depends on geographical location, future flight movements, and potential changes in how airport traffic is managed.



Prof.

Alexander Wagner

SFI Junior Chair (since April 2012)

University of Zurich

Alexander.Wagner@sfi-research.ch

+41 44 634 39 63

Alexander Wagner is SFI Assistant Professor of Finance at the University of Zurich. He joined SFI in October 2006 and has held an SFI Junior Chair since April 2012. He obtained his PhD in political economy from Harvard University. Since 2008, Prof. Wagner has been an independent counsel for PricewaterhouseCoopers, advising several Swiss companies on matters of executive compensation and disclosure. He is a regular speaker at conferences and panel debates both in Switzerland and abroad.

Research Interests

His main research interests are executive compensation, corporate governance, and behavioral economics.

Recent Research

In one of his most recent studies, Prof. Wagner investigates the impact of the Abzocker-Initiative on Swiss firms, which calls for a compulsory, binding vote by shareholders on top managers' pay. This study reveals

that the announcement of this initiative caused a drop in the stock prices of Swiss companies on average. Differences in reactions between firms can be explained by looking at firms' differences in terms of the benefits and costs they derive from the proposed reform. For example, smaller firms, those with younger CEOs, and those that performed well in the past experienced particularly pronounced share price decreases.

Publications 2012

Growth options, macroeconomic conditions, and the cross-section of credit risk, with M. Arnold, and R. Westermann, *Journal of Financial Economics*, forthcoming.

Preferences for truthfulness: Heterogeneity among and within individuals, with R. Gibson, Brandon, and C. Tanner, *American Economic Review*, forthcoming.

Solomonic Separation, with N. Miller and R. Zeckhauser, *Journal of Risk and Uncertainty*, forthcoming.



Prof.
Alexei Zhdanov
SFI Junior Chair (since August 2007)
University of Lausanne

Alexei.Zhdanov@sfi-research.ch
+41 21 692 36 74

Alexei Zhdanov is SFI Assistant Professor of Finance and has held an SFI Junior Chair at the University of Lausanne since August 2007. He joined the faculty in Lausanne after graduating from the University of Rochester with a PhD in finance. Prof. Zhdanov was previously a research consultant working on the valuation of distressed firms and hedge funds. He is a regular speaker at leading finance conferences worldwide.

Research Interests

His research focuses primarily on corporate finance, real options, and stock returns.

Recent Research

A recent paper by Prof. Zhdanov constructs a valuation model for financially distressed stocks that explicitly takes into account the value of the option to default.

The long-short strategy that buys stocks classified as undervalued by the model and shorts overvalued stocks generates an annual alpha of about 19%. He also argues that investors' inability to value distressed equities creates favorable conditions for return anomalies to be concentrated among distressed stocks. His study shows that anomalies exist only among the subset of distressed stocks that are not correctly valued.

Publications 2012

Real Options, Volatility, and Stock Returns, with G. Grullon, and E. Lyandres, *Journal of Finance*, vol. 67(4), pp. 1499-1537, 2012.

A Theory of Strategic Mergers, with G. Bernile and E. Lyandres, *Review of Finance*, vol. 16 (2), pp. 34-78, 2012.



Prof.
Alexandre Ziegler
SFI Faculty Member (since June 2006)
University of Zurich

Alexandre.Ziegler@sfi-research.ch
+41 44 634 27 32

Alexandre Ziegler is Assistant Professor of Finance at the University of Zurich and has been an SFI faculty member since June 2006. He obtained his PhD in finance from the University of St. Gallen. Prof. Ziegler is a regular speaker at leading academic conferences in finance and his papers have been published in top finance journals.

Research Interests

His main research areas are asset pricing and corporate finance.

Recent Research

In ongoing research, Prof. Ziegler investigates the pricing of financial instruments whose payoff depends on the variability of stock or index returns, such as

variance contracts and options. The popularity of these instruments has increased significantly in recent years, reflecting the rise of variance as an investable asset class in the marketplace. By decomposing stocks' total variance into systematic and stock-specific components, Prof. Ziegler's research is able to show that different types of variance risk command very different prices on the market. His findings explain the differences between index and single stock option returns, the differences in returns across single stock options, and the profitability of a number of trading strategies involving options.

Publications 2012

Swiss Banking Secrecy: The Stock Market Evidence, with M. Habib and F- X. Delaloye, *Financial Markets and Portfolio Management*, vol. 26(1), pp. 143-176, 2012.

Overview of Courses Offered in 2012 by the Swiss Finance Institute

Programs in Bank Management

March 12 – 16, 2012

- **Master of Science in Wealth Management, Swiss Study Block for Singapore Program**

The Swiss Finance Institute delivers the Swiss Study Block for this program of the Singapore Management University and the Wealth Management Institute of Singapore. This part-time program develops high potential Private Banking advisors and Asset Managers particularly for the Asian region.

May 2011 – January 2013

- **Executive MBA in Asset and Wealth Management (AWEMBA)**

This high quality dual degree program is offered in cooperation with Tepper School of Business at Carnegie Mellon University, Pittsburgh, USA, and HEC Lausanne, Faculty of Business and Economics at the University of Lausanne, Switzerland. Involving 12 weeks of classroom instruction spread over 20 months and two continents, participants will explore interdisciplinary business themes. The program mainly achieves two key objectives: It provides executives with the conceptual and practical tools and the in-depth financial and investment expertise required to compete at the highest levels of this industry. It also equips participants with the managerial tools necessary to assume a leadership role, exploring how to best translate new ideas into practice in a knowledge-intensive industry. New cycles of the program starting in 2013 onwards will be based on the partnership of the two Universities without SFI.

February 2012 – December 2013

- **Executive Program / Diploma of Advanced Studies in Banking**

This Program combines solid knowledge and skills in management with practical know-how and insight into the functioning of the financial sector. The 7-week course is spread over 1.5 years. This course is held predominantly in German and is offered in co-operation with Rochester-Bern Executive Programs. In December 2012 SFI could for the first time award University degrees with Rochester-Bern.

February 2012 - November 2012 and June 2012 - January 2013

- **Senior Management Program in Banking**

The Senior Management Program (SMP) in Banking addresses the radical change in the international financial sector and provides senior executives from financial and related sectors with the opportunity to strengthen their management competences, to extend their knowledge and to promote integrated thinking with respect to current developments in the international financial sector. The course comprises 4 modules, which run 5 days and take place in European financial centers like Geneva, Zurich, London or Frankfurt.

Seminars in Private Banking

- **International Private Banking and Wealth Management Retreat**

This seminar lasts 5 days and is aimed at Senior Executives. The seminar is taught by various academics and CEOs and Senior Executives from Private Banking.

- **Cross-border Seminars**

These certification programs convey the knowledge on domestic taxation and domestic markets necessary for wealth managers with international clients. Offered jointly by the Swiss Finance Institute and the Centro di Studi Bancari, the program runs for the following countries: Italy, Germany, Austria, France, Belgium, UK and Spain.

Client Seminars

In 2012 we offered in addition client seminars for several Swiss and a Scandinavian bank. Moreover, we offered 2 times 2 weeks of a client seminar for a major Chinese bank.

Knowledge Transfer Events Provided by the Swiss Finance Institute During 2012

In the following section you will find a list of events which have taken place during the period of 2012. More detailed information and video podcasts on our seminars can be found on our website.

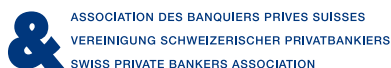
2012

- **Das Modell Migros – ein Modell für die Banken?**
Herbert Bolliger, CEO Migros
Zurich, SFI Lunch Seminar 01.02.2012
- **Banking in the “Glocal” World**
Panels on:
 - Brand and Reputation Management
 - The Future of Cross-Border Private Banking
 - The Regulatory Environment
 - Social Media & New TechnologyTwo keynote addresses:
 - Peter Stringhman, Young and Rubicam Brands
 - Professor Aymo Brunetti, University of Bern
Zurich, Inaugural Conference of the SFI-CAPCO Institute, March 1, 2012
- **Value through Wealth Planning - Key Trends in Taxation of Private Investors**
Professor Pierre-Marie Glauser, University of Lausanne and Oberson Avocad
Geneva, Evening Seminar, March 21, 2012
- **Der Wohnungsmarkt in der Regulierungsspirale? Mythen und Fakten zum Wohnen**
Dr. Patrik Schellenbauer, Avenir Suisse
Zurich, Breakfast Seminar, April 19, 2012
- **The Future of Swiss Banking**
Patrick Odier, Chairman of the Swiss Bankers Association (SBA), Senior Partner
Lombard Odier Darier Hentsch & Cie, Geneva
Evening Seminars in Lugano on April 20, in Zurich on May 30, and in Geneva, June 26, 2012
- **Berufliche Vorsorge: Grundsätzliches und Aktuelles**
Professor Heinz Zimmermann, University of Basel
Zurich, Breakfast Seminar, May 8, 2012
- **Cross-Border Banking and Global Liquidity: Implications for Emerging Economies**
Professor Hyun Song Shin, Princeton University
Zurich, Breakfast Seminar, June 20, 2012
- **Foreign Exchange Regimes: What can we draw from International Experience?**
Professor Jean-Pierre Danthine, Swiss National Bank
Zurich, Breakfast Seminar, June 20, 2012
- **Swiss Banking: External Constraints and Opportunities**
Speakers:
 - Professor Dr. Hannel Lubich, FHNW
 - Dr. Peter N. Damisch, Boston Consulting Group
 - Dr. Stefan Jaecklin, Oliver Wyman
 - Dr. Hans-Joachim Jaeger, Ernst & Young
 - Dr. Felix Wenger, McKinsey
 - Dr. David Wicki, Zurich Cantonal Bank*Lugano, Ticino Conference, September 6 & 7, 2012*
- **Bankkundenberatung in turbulenten Märkten**
Professor Thorsten Hens et. al., University of Zurich and SFI
Zurich, Connecting Minds; September 18, 2012
- **Steuerthematik im Banking**
Dr. Hans-Joachim Jaeger, Ernst & Young
Zurich, Breakfast Seminar, October 2, 2012
- **Post-Crisis Banking Regulation: A Swiss First-Mover Advantage?**
Professor Jean-Charles Rochet et. al., University of Zurich and SFI
Zurich, Connecting Minds; October 9, 2012
- **Financial Innovations**
Professor Franklin Allen, The Wharton School, University of Pennsylvania
Zurich, Breakfast Seminar, October 24, 2012
- **Hedge Funds: Risk, Return, and Disclosure**
Professor Tarun Ramadorai, Saïd Business School, University of Oxford.
Zurich, Lunch Seminar, October 30, 2012
- **7th Annual Meeting of the SFI**
Applied sessions on: Challenges in investment banking
 - Felix Oegerli, Zurich Cantonal Bank
 - Walter Braegger, UBS
 - Marco Illy, Credit Suisse
 - Charles Murphy, Leonard N. Stern School of Business, New YorkResearch sessions on: Recent developments in corporate governance
 - Marco Becht, University of Brussels
 - Morten Bennesen, INSEAD
 - Ernst Maug, University of Mannheim
 - François Degeorge, University of Lugano and SFI
 - Ruediger Fahlenbrach, EPFL and SFI
 - Alexander Wagner, University of Zurich and SFIKey note speech by Sergio P. Ermotti, Group CEO, UBS AG.
Zurich, November 15, 2012
- **Schweizer Banken – Quo Vadis?**
Dr. Stefan Jaecklin, Oliver Wyman
Zurich, Evening Seminar, December 17, 2012

The Swiss Finance Institute gratefully acknowledges the precious support of its founding members:



Association of Foreign Banks in Switzerland
Verband der Auslandsbanken in der Schweiz
Association des banques étrangères en Suisse
Associazione delle banche estere in Svizzera



swiss:finance:institute

swiss:finance:institute

Geneva

Bd. du Pont d'Arve 42
1211 Geneva 4
Switzerland

T +41 22 379 84 71
F +41 22 379 82 77
research@sfi.ch

Zurich

Walchestrasse 9
8006 Zurich
Switzerland

T +41 22 254 30 80
F +41 22 254 30 85
education@sfi.ch

www.SwissFinanceInstitute.ch