



# INAUGURAL PRACTITIONER SEMINAR

20 January 2015

# INTRODUCTION

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## ABOUT INQUIRE

The Institute for Quantitative Investment Research (INQUIRE) is a not-for-profit organisation dedicated to furthering research and understanding in the field of quantitative investment methodologies. The goal of the institute is to bridge the gap between theory and practice.

## MEMBERSHIP

INQUIRE members include traditional investment firms, sell-side brokerage houses, hedge funds and other “alternative” asset managers, and firms offering services to the investment industry, such as risk models and style analysis. Members have access to seminars each year and participate in the “INQUIRE community”, allowing informal contact with peers.

## SEMINARS

One residential seminar and two one-day seminars are held each year, where papers are presented by academic researchers and by practitioners. Sponsors have the opportunity to exchange views with academics and each other. The “INQUIRE community” approach is designed to allow both networking and informal discussions between peers on the papers and on their application to investment management.

## RESEARCH

We aim to foster and strengthen links between academia and the investment community. INQUIRE supports academic research in areas of particular interest to INQUIRE members by organising seminars at which relevant academic papers are presented. INQUIRE provides research grants both direct to business schools and, where appropriate, to fund specific research projects.

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# PROGRAMME

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**Academic discussant:** Raman Uppal, *EDHEC Business School*

9:00-9:30	Registration Coffee and pastries
9:30-9:35	Opening Remarks
9:35-10:25	<b>Efficiently Combining Multiple Sources of Alpha</b> Jose Menchero, Jyh Huel Lee and Zoltan Nagy*, <i>MSCI</i>
10:25-11:15	<b>Risk Parity Strategies for Equity Portfolio Management</b> Frank Siu, <i>Axioma</i>
11:15-11:45	Break
11:45-12:35	<b>Correlation, De-correlation and Risk-Parity</b> Nick Baltas*, David Jessop, Heran Zhang and Claire Jones, <i>UBS</i>
12:35-13:50	Lunch
13:50-14:40	<b>Inter-temporal Risk Parity</b> Romain Perchet, Raul Leote de Carvalho*, Thomas Heckel and Pierre Moulin, <i>BNP Paribas Investment Partners</i>
14:40-15:30	<b>Asset Allocation with Stock-level Concentration Risk</b> Robert Rice, <i>OCCAM Financial Technology</i>
15:30-16:00	Break
16:10-16:50	<b>Evaluating Alternative Betas</b> Andrew Harmstone, <i>Morgan Stanley Investment Management</i>
16:50-17:50	<b>Research and Reality: The Sponsor, the Supervisor and the Ph.D.</b> Rick Di Mascio, <i>Inalytics</i> and Simon Erritt, <i>Coventry Capital</i> with Narayan Naik, Anton Lines and Afonso Januario, <i>London Business School</i> in conversation with Robert Schwob, <i>Style Research</i>
17:50-18:00	Closing Remarks
18:00-19:00	Drinks reception

\*Speaker

# BIOGRAPHIES

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RAMAN UPPAL  
EDHEC Business School

Raman is Professor of Finance at Edhec Business School. He was formerly Professor of Finance at London Business School, having previously worked at the University of British Columbia. He has held visiting positions at Catholic University (Leuven), the MIT Sloan School of Management, and the London School of Economics and Political Science, and has served as Co-Director of the Financial Economics Programme of the Centre for Economic Policy Research (CEPR).

His research focuses on optimal portfolio selection and asset allocation in dynamic environments, valuation of securities in capital markets, risk management, and exchange rates. This research has been published in Journal of Finance, Review of Financial Studies, Journal of Economic Theory, Journal of Financial and Quantitative Analysis, Journal of International Money and Finance, and Management Science. He has received numerous grants and awards for his research and teaching.



ZOLTAN NAGY  
MSCI

Zoltán is a member of the Applied Research team. In this role, he focuses on equity portfolio management and risk related research for asset owners and investment managers. Zoltán joined MSCI in 2008, and first worked on the development of new index methodologies and on other index related research.

Prior to entering finance, Zoltán was a post-doctoral researcher at the University of Algarve, Faro, Portugal. His area of research was Quantum Integrable Systems. He also has several publications in this field.

Zoltán holds a PhD degree in Theoretical Physics from the University of Cergy-Pontoise, France, and an engineering degree from the Ecole Polytechnique, France. He is also a CFA® charterholder.

FRANK SIU  
Axioma

Frank is Index Research Specialist at Axioma, where he is responsible for developing alternative beta ideas that leverage the firm's expertise in optimization and risk modeling. His background is in financial econometrics, focusing on empirical asset pricing, time series forecasting, and quantitative portfolio construction. Prior to joining Axioma in 2006, he worked with risk analytics and portfolio optimization at MSCI Barra and BlackRock. He received his bachelor's degree in economics from Harvard University and his master's degree in finance and economics from the London School of Economics and Political Science.



NICK BALTAS  
UBS

Nick has been a Director and Quantitative Researcher within the Global Quantitative Equity Research Group at UBS since February. His research interests include cross-asset systematic strategies, portfolio construction, risk analysis and performance evaluation. Nick also maintains a visiting researcher position at Imperial College Business School and a visiting lecturer position at Queen Mary University of London.

Prior to his current role, Nick spent two years as Lecturer in Finance at Imperial College Business School and almost a year as risk manager in a London-based hedge fund. He has been the recipient of several research grants and awards (most recently the INQUIRE Europe Best Paper Prize 2012/13) as well as teaching awards (Star Teacher of the Year at Imperial College Business School for two consecutive years 2010/11 and 2011/12). He holds a DEng in electrical and computer engineering from the National Technical University of Athens, an MSc in communications & signal processing from Imperial College London and a PhD in finance from Imperial College Business School.



**RAUL LEOTE DE CARVALHO**  
BNP Paribas Investment Partners

Raul has 15 years of experience in the financial industry and is co-head of financial engineering at BNP Paribas Investment Partners since 2014. This team is responsible for the development of quantitative strategies for investment teams managing equity, fixed income and asset allocation portfolios and also for the use of quantitative approaches in the design of client investment solutions. He joined this team in 2007 as head of quantitative strategies and research.

Prior to that, from 2003 to 2007, he held the position of senior quantitative strategist in the global strategy team of BNP Paribas Investment Partners in Paris where he was member of the asset allocation investment committees and developed a number of quantitative models for asset allocation. He joined Paribas Asset Management in 1999 in London as a quantitative analyst, a position he held until 2002, working mainly on the application of robust portfolio optimisation techniques to portfolio construction, the development of FX and fixed income models and also as fund manager of asset allocation portfolios.

Before he spent three years working as a Research Associate in Computational and Theroretical Physics at the University College of London, at the Ecole Normale Superieure de Lyon and at the University of Wuppertal. He obtained a PhD in Theroretical Physics from the University of Bristol in 1996, an MSc in Condensed Matter Physics in 1992 and a BSc in Chemistry in 1990 both from the University of Lisbon.

He is a member of INQUIRE Europe and the author of several refereed papers in Finance.



**ROBERT RICE**  
OCCAM Financial Technology

Robert is founder and CEO of OCCAM Financial Technology and OCCAM Cashflow Technology, which together provide consultancy and customisable optimisation, risk and cashflow software to equity, real estate and other investment managers under the POW! and PAC-M labels.

After graduating from Oxford, he pioneered the use of computers in corporate finance. In 1981 he moved to the Saudi Arabian Monetary Agency, advising on their portfolio and the performance of their external managers. In 1987 he became Managing Director of Baring Quantitative Management. In 1989 he joined QUANTEC as Director of Investment Technology, and was responsible for marketing, client support and consultancy worldwide. He founded OCCAM in 1993. He is chairman of INQUIRE UK and a director of INQUIRE Europe.

## ANDREW HARMSTONE

### Morgan Stanley Investment Management

Andrew is a portfolio manager for the Global Balanced team. He joined Morgan Stanley in 2008 and has 33 years of relevant industry experience.

Prior to joining the Firm, Andrew worked at Bear Stearns as head of European Equity Quantitative Research. Previously, he headed European Equity Derivatives and Quantitative Research at Lehman Brothers. While at Lehman, Andrew was voted first place in Derivatives Research in Europe in the 2004 Institutional Investor survey.

Andrew has also worked as the head of Product Development at Credit Suisse Asset Management and had held various positions including the European head of Structured Derivatives and US head of the Futures and Options Group at JP Morgan Investment Management. He was also consultant to the Presidential Task Force on Market Mechanisms investigating the 1987 Market Break.

Andrew received a MA in business economics from University of Pennsylvania, U.S. and a BA (Honors) in economics from University of Wisconsin.

## AFONSO JANUARIO

### London Business School

Afonso's research focuses on empirical asset pricing, derivatives, market anomalies, household finance, and insurance markets. His PhD has been supported by a Doctoral grant from the Fundação para a Ciência e a Tecnologia (Portugal).

He is a Finance PhD candidate at the London Business School, and he holds a Master in Finance and a Bachelor in Economics from NOVA School of Business and Economics (Lisbon, Portugal).

Formerly a visiting research fellow at Harvard Business School (Boston, MA), he has worked as a strategy consulting analyst for Capgemini (Portugal) and interned at Banque Privée Edmond de Rothschild Europe - LCF Rothschild Group (Luxembourg).



## RICK DI MASCIO

### Inalytics

Prior to setting up Inalytics, Rick had twenty years' experience in Pensions and Fund Management; principally as CEO and CIO of British Coal's pension schemes.

His career includes Head of UK business for Goldman Sachs Asset Management, Director of a European Hedge Fund and Executive Director of IMIGest, managing 20% of the Italian savings market.

In 1998 Rick used this extensive industry experience to build Inalytics - an award winning service to analyse the investment decisions taken by Fund Managers. The service is used by Asset Owners assess the skills of their external Managers, and to provide objective feedback to Fund Managers to help them identify where they can strengthen their investment process. More recently this has led to Rick being appointed as a Special Advisor to the UK's largest in-house investment team at the Universities Superannuation Scheme Ltd (USS).

## SIMON ERRITT

### Finance for Coventry Capital

Simon is Managing Director, Finance for Coventry Capital. Based in Coventry's London office, Mr. Erritt directs Coventry's capital markets efforts throughout Europe and plays a key role in the global expansion of Coventry's industry-leading longevity distribution platform. Prior to joining Coventry, Mr. Erritt was a Director in Citigroup's Asset Finance Group where he led the development of Citigroup's investment activity in the US secondary market for life insurance. Mr. Erritt is a graduate of the University of Bristol and Haywards Heath College in West Sussex, England.



NARAYAN NAIK  
London Business School

Educated at the Indian Institute of Technology in Bombay and the Indian Institute of Management in Ahmedabad, Narayan subsequently worked as an executive for Special Steels and the Taj Group of Hotels and as a consultant for the World Bank before obtaining a PhD in Business Administration at Duke University, North Carolina in 1991.

Narayan joined London Business School as an Assistant Professor of Finance on completing his PhD, and was promoted to Associate Professor in 1997. Over the last couple of decades he has played a key role in the development of the finance group at LBS, most notably in the role of the Director of the PhD programme in Finance, the Director of the School's Investment Management Programme and the Director of the BNP Paribas Hedge Fund Centre at the London Business School.

Narayan's research interests include hedge funds, portfolio selection, risk management and market microstructure. Over the last decade he has authored a significant body of work in these areas, which has appeared in the top finance journals, leading practitioner journals and financial press. Narayan has appeared many times on CNN, CNBC, Bloomberg, BBC, ITV and other news channels as expert finance academic. Narayan has consulted widely during his career for the World Bank and private corporations in the UK, USA and Far East. He has also designed and taught tailor-made courses in corporate finance and investment management for leading investment banks.



ANTON LINES  
London Business School

Anton began his academic career with a BA in Linguistics (Witwatersrand), but became interested in Financial Economics during the financial crisis of 2008. He read for a Masters in Finance at the London School of Economics, and is currently in his fourth year of the Finance PhD programme at London Business School under the supervision of Professor Narayan Naik. His research focusses on the trading decisions of institutional asset managers and their effects on asset prices. Anton has presented his research in several academic fora, including the annual meetings of the European Finance Association and the Jackson Hole Finance Group.

ROBERT JEAN SCHWOB  
Style Research

Robert is the founding Chief Executive of Style Research, an independent provider of global equity style research, portfolio analysis technology, and Internet-based equity and funds research facilities. He is also a member of the Editorial Board for the Journal of Asset Management and of the Advisory Board for the Centre of Asset Management Research at Cass Business School, an Advisor of INQUIRE, the past Chairman of the INQUIRE Research Committee and a Guest Lecturer at the London Business School.

Previously, Robert was Chief Executive of Quorum Capital Management Limited, London and, prior to that, Chief Investment Officer for The Citibank Private Bank (Europe, Middle East and Africa).

Robert was educated in Canada, France and the UK and holds Masters Degrees in Mathematics and International Economics. He is a regular speaker at international investment conferences and a respected educator, lecturing on international investment practice and theory in academic and professional education programmes and specialist seminars. Mr Schwob has also published broadly in the professional journals on Style Analysis and Style Management, Stock Selection, Benchmark Selection and Market Allocation Processes, and Hedging and Currency Management.

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# DELEGATE LIST

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First Name	Surname	Company
Joy	Yang	
Patrick	Hable	2iQ Research GmbH
Adolfo	Thavede	Aerion Fund Management
Paul	Chambers	AHL Partners LLP
Laurence	Wormald	APT
Robert	Macrae	Arcus Investment
Bjorn	Uhl	Aspect Capital
Lawrence Robert	Abele	Auriel Capital Limited
Lise	Renelleau	AXA Rosenberg
Enrico	Grande	Axioma Inc
Frank	Siu	Axioma Inc.
Stergios	Saloustros	Barclays UK Pension Fund
Raul	Leote De Carvalho	BNP Paribas Investment Partners
Barbara	Petitt	CFA Institute
Christopher	Ruby	Chris Ruby
Simon	Erritt	Coventry Capital
Nikolaos	Tessaromatis	EDHEC Business School
Raman	Uppal	EDHEC Business School
Eugenio	Raiteri	Ersel Asset Management
David	Buckle	Fidelity
Joo Hee	Lee	Fidelity
Hiten	Savani	Fidelity
Claudio	Ferrarese	Fidelity International
Martin	Howard	FTSE
Lingjuan	Ma	FTSE
Garrett	Quigley	Global Systematic Investors
Charles	Ward	Henley Business School
Andreas	Schroeder	Ignis
Rick	Di Mascio	Inalytics
Anna	Culley	INQUIRE/Ortec Finance
Marco	Dion	JP Morgan
Afonso	Januario	London Business School
Anton	Lines	London Business School
Narayan	Naik	London Business School
Ioan	Mirciov	Macquarie
Che Hang	Yiu	Man Group, AHL/MSS
Jasper	Liu	Manulife Asset Management
Ian	Cawood	Metaxis Finance
Jennifer	Austin	Monet Event Management Ltd
Stephanie	York	Monet Event Management Ltd

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George	Makaronidis	MSCI
Karan	Raichand	MSCI
Michael (Xiaochen)	Sun	MSCI
Jiwei	Dong	NEST Corporation
Maria	Musiela	NEST Corporation
Robert	Hillman	Neuron Capital
Robert	Rice	OCCAM Financial Technology
Lucas	Vermeulen	Ortec Finance
Anil	Akpinar	OxAM
Gavin	Boyle	OxAM
Guy	Billings	Principal Global Investors
Stephen	Holt	Principal Global Investors
Mark	Nebelung	Principal Global Investors
Andrew	Baum	Property Funds Research
David	King	Schroders
Lukas	Kamblevicius	State Street Global Advisors
Hao	Yin	State Street Global Advisors
Robert	Schwob	Style Research
Robert	Brown	Towers Watson
Nick	Baltas	UBS
David	Jessop	UBS
Claire	Jones	UBS
Mark	Salmon	University of Cambridge
Barbara	Chun	USS
Sohnke	Bartram	Warwick Business School
Pit	Breyer	Warwick Business School