

Portfolio Management and Derivatives

A Swiss Finance Institute Academic Conference

May 28 – 30, 2007 Lugano, Switzerland



With the financial support of the Stiftung Finanzplatz Schweiz, the Swiss Finance Institute (SFI) is organizing a conference focusing on the use of derivatives (in particular structured products) in portfolio management.

In the recent years structured products have become an important part of the palette of investment vehicles proposed to institutional as well as private investors. In view of their success, it is apparent that the stream of cash flows that these products provide adds value to the investment process. It is however an open question whether they simplify the investment decision by proposing a cash flow “package” that blends different asset classes, or if they constitute an additional asset class exposed to specific sources of risk (one may think for example of correlation risk and the use of third generation volatility products). These questions, and others will be addressed in Lugano in May 2007 in the spirit of a discussion forum between academics and investment professionals.

Venue

The conference will take place at the **Hotel de la Paix in Lugano** which is located close to Lake Lugano and at a walking distance from the city center, 5 km from the Lugano-Agno airport, 1 km from the train station. Further information available at www.delapaix.ch

Program Committee

Giovanni Barone-Adesi (Swiss Finance Institute and University of Lugano),

Tony Berrada (Swiss Finance Institute and University of Geneva),

Rajna Gibson (Swiss Finance Institute and ISB University of Zurich).

Preliminary Program

: Monday May 28th

Evening: Welcome Reception

: Tuesday May 29th

Morning Session: 9:30 - 11:30 > Invited Speakers

- > **Suleyman Basak**, London Business School
Dynamic Mean-Variance Asset Allocation
- > **Alain Dubois**, Chairman of the Board, Lyxor Asset Management
Derivatives: a tool in the quest for Alpha

Afternoon Session 1: 13:30 - 15:00

- > **Fabio Trojani**, University of St-Gallen
The Joint Behavior of Credit Spreads, Stock Options and Equity Returns when Investors Disagree
- > **Paolo Guasoni**, Boston University
Excess Return of Managed Portfolios

Afternoon Session 2: 15:30 - 17:00

- > **Hao Wang**, McGill University
What Risks Do Corporate Bond Put Features Insure Against?
- > **Yong Chen**, Boston College (PhD student)
Derivatives Use and Risk Taking: Evidence from the Hedge Fund Industry

Evening: Conference Dinner

: Wednesday May 30th

Morning Session: 9:30 - 11:30 > Invited Speakers

- > **Marcel Rindisbacher**, University of Toronto
Management of Assets and Liabilities
- > **Bernard Dumas**, HEC Lausanne and Swiss Finance Institute
Equilibrium Portfolio Strategies in the Presence of Sentiment Risk

Afternoon Session 1: 13:30 - 15:00

- > **Nikola Tarashev / Haibin Zhu**, Bank of International Settlements
The Pricing of Correlated Default Risk: Evidence from the Credit Derivatives Market
- > **Hong Yan / Dragon Tang**, University of South Carolina
Liquidity and Credit Default Swap Spreads

Afternoon Session 2: 15:30 - 17:00

- > **Amit Goyal**, Emory University / **Alessio Saretto**, Purdue University
Option Returns and Volatility Mispricing
- > **Franco Citterio**, Associazione Bancaria Ticinese
Giovanni Barone-Adesi and **Jean-Pierre Danthine**, Swiss Finance Institute

Public Lecture: 17:30 - 18:30

- > **Prof. Bernard Dumas**, HEC Lausanne and Swiss Finance Institute
Why not Trade Pension Claims?

Closing Cocktail