THE SECOND RISK MANAGEMENT CONFERENCE
MONT TREMBLANT, QUÉBEC

FAIRMONT RESORT HOTEL
Mont Tremblant, Québec, Canada
March 14-16, 2008

Desmarais Global Finance Research Centre
www.mfrc.mcgill.ca

Organized by Peter Christoffersen and Jan Ericsson

P R O G R A M

McGill DESAUTELS
FACULTY OF MANAGEMENT · FACULTÉ DE GESTION

IFM²
INSTITUT DE FINANCE MATHEMATIQUE DE MONTREAL

Caisse de dépôt et placement du Québec

Day One: Friday, March 14, 2008

7:30-8:00 Registration

Friday Morning Session: PORTFOLIO MANAGEMENT

8:00-8:45

[A Generalized Approach to Portfolio Optimization: Improving Performance By Constraining Portfolio Norms]

Victor DeMiguel, Lorenzo Garlappi, Francisco Nogales, Raman Uppal

Presenter: **Lorenzo Garlappi, University of Texas at Austin**

Discussant: **Michael Gallmeyer, Texas A&M University**

8:45-9:00 COFFEE BREAK

9:00-9:45

Portfolio Choice with Capital Gain Taxation and the Limited Use of Losses

Michael Gallmeyer, Paul Ehling, Sanjay Srivastava, Stathis Tompaidis

Presenter: **Michael Gallmeyer, Texas A&M University**

Discussant: **Pascal Francois, HEC Montréal**

9:45-10:00 COFFEE BREAK

10:00-10:45

Idiosyncratic Volatility, Growth Options, and the Cross-section of Returns

Presenter: **Alexander Barinov, University of Rochester**

Discussant: **Lorenzo Garlappi, University of Texas at Austin**

Friday Afternoon Session: MARKET RISK MODELING

4:30-5:15

Estimation and Filtration of Time-changed Lévy Processes

Presenter: **David Bates, University of Iowa**

Discussant: **George Panayotov, Georgetown University**

5:15-5:30 COFFEE BREAK

5:30-6:15

Do High-frequency Measures of Volatility Improve Forecasts of Return Distributions?

John Maheu, Tom McCurdy

Presenter: **John Maheu, University of Toronto**

Discussant: **Lars Stentoft, HEC Montréal**

6:15-6:30 COFFEE BREAK

6:30-7:15

Stock Returns and Expected Business Conditions: Half a Century of Direct Evidence

Sean D. Campbell, Francis X. Diebold

Presenter: **Francis X. Diebold, University of Pennsylvania**

Discussant: **John Maheu, University of Toronto**

8:00 CONFERENCE DINNER

Day Two: Saturday, March 15, 2008

Saturday Morning Session: OPTIONS AND VOLATILITY TRADING

8:00-8:45
The Volatility Premium
Presenter: Bjørn Eraker, Duke University
Discussant: Alexander David, University of Calgary

8:45-9:00 COFFEE BREAK

9:00-9:45
Are Options on Index Futures Profitable for Risk Averse Investors? Empirical Evidence
George Constantinides , Michal Czerwonko, Jens Carsten Jackwerth, Stylianos Perrakis
Presenter: Michal Czerwonko, Concordia University
Discussant: Sorin Sorescu, Texas A&M University

9:45-10:00 COFFEE BREAK

10:00-10:45
The Success Probability and Synergies of a Tender Offer via Stock and Option Prices
Alan Bester, Victor Martinez, Ioanid Rosu
Presenter: Alan Bester, University of Chicago
Discussant: Kris Jacobs, McGill University

Saturday Afternoon Session: SYSTEMIC, OPERATIONS AND INFLATION RISK

4:30-5:15
The Determinants of Operational Losses
Anna Chernobai, Philippe Jorion, Fan Yu
Presenter: Fan Yu, Michigan State University
Discussant: Jens Hilscher, Brandeis University

5:15-5:30 COFFEE BREAK

5:30-6:15
Systemic Risk as Renegotiation Breakdown: The Role of Structured Investment Products
Alexander David, Alfred Lehar
Presenter: Alexander David, University of Calgary
Discussant: Roberto Rigobon, MIT

6:15-6:30 COFFEE BREAK

6:30-7:15
Inflation Risk Premium: Evidence from the TIPS Market
Olesya Grishchenko, Jay Huang
Presenter: Olesya Grishchenko, Penn State University
Discussant: Jens Christensen, Federal Reserve Bank of San Francisco

Day Three: Sunday, March 16, 2008

Sunday Morning Session: CREDIT RISK

8:00-8:45
Effects of Bond Liquidity on the Nondefault Component of Corporate Bond Spreads: Evidence from Intraday Transactions
Song Han, Hao Zhou
Presenter: Song Han, Federal Reserve Board of Governors
Discussant: Jun Yang, Bank of Canada

8:45-9:00 COFFEE BREAK

9:00-9:45
Decomposing the Returns on European Debt
Antje Berndt, Iulian Obreja
Presenter: Antje Berndt, Carnegie Mellon University
Discussant: Dragon Tang, University of Hong Kong

9:45-10:00 COFFEE BREAK

10:00-10:45
Market Conditions, Default Risk and Credit Spreads
Dragon Tang, Hong Yan
Presenter: Dragon Tang, University of Hong Kong
Discussant: Antje Berndt, Carnegie Mellon University

CONFERENCE FEES and REGISTRATION

(NB: Hotel fees are separate – see below)

Practitioner	:	$500	+ taxes	=	$564.38 ($525.00)*
Professor (with proof of status)	:	$250	+ taxes	=	$282.19 ($262.50)*
Student (with proof of status)	:	$100	+ taxes	=	$112.88 ($105.00)*

Prices include conference breakfasts and dinners.

***The registration fee for non-Quebec residents is slightly lower as non-Quebec residents are exempt from the QST tax of 7.5%.**

For conference registration, please contact Karen Robertson at (514) 398-8144 or karen.robertson@mcgill.ca or fax/e-mail the registration form on our website www.mfrc.mcgill.ca).

ACCOMMODATION

The conference will be held at the Fairmont Resort Hotel situated at the foot of Mont Tremblant in Quebec's Laurentians (www.fairmont.com/tremblant/). You can register on-line directly here or fax/e-mail the attached registration form (click here).

Mont Tremblant is the premier winter resort in eastern North America. It is located a 2-hour drive by shuttle or rental car north of Montreal's Trudeau Airport. Toronto and New York (Newark) have direct air service to the local Mont Tremblant Airport (To view information on rates, schedules, routes and to book on-line, go to www.mtia.ca). For an overview of winter activities at Mont Tremblant, see: www.tremblant.ca.

Fairmont Resort Hotel 3045 Chemin de la Chapelle Mont Tremblant, Québec.
Phone: 1-800-441-1414 – Promotional Code **GRMCG1**.

Mont-Tremblant Shuttle Service from Montreal-Trudeau Airport to/from Mont Tremblant (please book in advance).
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