

London Business School
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Employment and Affiliations

Professor of Finance **London Business School**, May 2006 – present.
Co-Chair of Finance Department, 2014 – 2018.
Class of 2008 Term Chair, 2009 – 2012.
London Business School Chair, 2008 – 2009.

Associate Professor **London Business School**, July 2000 – April 2006.

Research Fellow **Center for Economic Policy Research**, January 2002 – present.

Assistant Professor **Finance Department, The Wharton School**, University of Pennsylvania,
September 1993 – June 2000.

Visiting **The Wharton School**, University of Pennsylvania, Fall 2000.
Graduate School of Business, University of Chicago, Spring 2000.

Education

Ph.D. **Financial Economics, Carnegie Mellon University**, Pittsburgh, September 1993.

M.S. **Financial Economics, Carnegie Mellon University**, Pittsburgh, May 1990.

M.S. **Civil Engineering, Carnegie Mellon University**, Pittsburgh, May 1988.

B.Sc.(Eng) **Civil Engineering, University College London**, London, England, August 1986.

Publications

“Dynamic Equilibrium with Costly Short-Selling and Lending Market,” 2024, **Review of Financial Studies**, 37, 444–506 (with A. Atmaz and F. Ruan).

“Stock Market and No-Dividend Stocks,” 2022, **Journal of Finance**, 77, 545–599 (with A. Atmaz).

“Security Design with Status Concerns,” 2020, **Journal of Economic Dynamics and Control**, 118, 1–18 (with D. Makarov, A. Shapiro, and M. Subrahmanyam).

“Investor Protection and Asset Prices,” 2019, **Review of Financial Studies**, 32, 4905–4946 (with G. Chabakauri and D. Yavuz).

“Options Prices and Costly Short-Selling,” 2019, **Journal of Financial Economics**, 134, 1–28 (with A. Atmaz).

“Belief Dispersion in the Stock Market,” 2018, **Journal of Finance**, 73, 1225–1279 (with A. Atmaz).

“A Model of Financialization of Commodities,” 2016, **Journal of Finance**, 71, 1511–1556 (with A. Pavlova).

Publications (cont'd)

- “Strategic Asset Allocation in Money Management,” 2014, **Journal of Finance**, 69, 179–217 (with D. Makarov).
- “Asset Prices and Institutional Investors,” 2013, **American Economic Review**, 103, 1728–1758 (with A. Pavlova).
- “Dynamic Hedging in Incomplete Markets: A Simple Solution,” 2012, **Review of Financial Studies**, 25, 1845–1896 (with G. Chabakauri).
- “Difference in Interim Performance and Risk Taking with Short-Sale Constraints,” 2012, **Journal of Financial Economics**, 103, 377–392 (with D. Makarov).
- “Equilibrium Asset Prices and Investor Behavior in the Presence of Money Illusion,” 2010, **Review of Economic Studies**, 77, 914–936 (with H. Yan).
- “Dynamic Mean-Variance Asset Allocation,” 2010, **Review of Financial Studies**, 23, 2970–3016 (with G. Chabakauri).
- “Multiplicity in General Financial Equilibrium with Portfolio Constraints,” 2008, **Journal of Economic Theory**, 142, 100–127 (with D. Cass, J. M. Licari and A. Pavlova).
- “Offsetting the Implicit Incentives: Benefits of Benchmarking in Money Management,” 2008, **Journal of Banking and Finance**, 32, 1883–1893 (with A. Pavlova and A. Shapiro).
- “Optimal Asset Allocation and Risk Shifting in Money Management,” 2007, **Review of Financial Studies**, 20, 1583–1621 (with A. Pavlova and A. Shapiro).
- “International Good Market Segmentation and Financial Innovation,” 2007, **Journal of International Economics**, 71, 267–293 (with B. Croitoru).
- “On the Role of Arbitrageurs in Rational Markets,” 2006, **Journal of Financial Economics**, 81, 143–173 (with B. Croitoru).
- “Risk Management with Benchmarking,” 2006, **Management Science**, 52, 542–557 (with A. Shapiro and L. Tepla).
- “Asset Pricing with Heterogeneous Beliefs,” 2005, **Journal of Banking and Finance**, 29, 2849–2881.
- “A Model of Credit Risk, Optimal Policies and Asset Prices,” 2005, **Journal of Business**, 78, 1215–1266 (with A. Shapiro).
- “Monopoly Power and the Firm’s Valuation: A Dynamic Analysis of Short versus Long-Term Policies,” 2004, **Economic Theory**, 24, 503–530 (with A. Pavlova).
Longer version reprinted in A. Citanna, J. Donaldson, H. M. Polemarchakis, P. Siconolfi, and S. E. Spear, eds., 2005, “Essays in Dynamic General Equilibrium Theory: Festschrift for David Cass,” Springer.
- “Capital Market Equilibrium with Differential Taxation,” 2003, **European Finance Review**, 7, 121–159 (with M. Gallmeyer).
- “A Comparative Study of Portfolio Insurance,” 2002, **Journal of Economic Dynamics and Control**, 26, 1217–1241.

Publications (cont'd)

- “Value-at-Risk-Based Risk Management: Optimal Policies and Asset Prices,” 2001, **Review of Financial Studies**, 14, 371–405 (with A. Shapiro).
- “Nonlinear Taxation, Tax Arbitrage and Equilibrium Asset Prices,” 2001, **Journal of Mathematical Economics**, 35, 347–382 (with B. Croitoru).
- “Equilibrium Mispricing in a Capital Market with Portfolio Constraints,” 2000, **Review of Financial Studies**, 13, 715–748 (with B. Croitoru).
- “A Model of Dynamic Equilibrium Asset Pricing with Heterogeneous Beliefs and Extraneous Risk,” 2000, **Journal of Economic Dynamics and Control**, 24, 63–95.
- “On the Fluctuations in Consumption and Stock Market in the Presence of Labor and Human Capital: An Equilibrium Analysis,” 1999, **Journal of Economic Dynamics and Control**, 23, 1029–1064.
- “Currency Prices, the Nominal Exchange Rate, and Security Prices in a Two Country Dynamic Monetary Equilibrium,” 1999, **Mathematical Finance**, 9, 1–30 (with M. Gallmeyer).
- “An Equilibrium Model with Restricted Stock Market Participation,” 1998, **Review of Financial Studies**, 11, 309–341 (with D. Cuoco).
- “Consumption Choice and Asset Pricing with a Non-Price-Taking Agent,” 1997, **Economic Theory**, 10, 437–462.
- “An Intertemporal Model of Capital Market Segmentation,” 1996, **Journal of Financial and Quantitative Analysis**, 31, 161–188.
- “A General Equilibrium Model of Portfolio Insurance,” 1995, **Review of Financial Studies**, 8, 1059–1090.

Working Papers

- “Meritocracy and Asset Prices,” July 2025 (with V. Fedyk and D. Pu).
- “Asset Prices, Wealth Inequality, and Taxation,” May 2025 (with G. Chabakauri).
- “A Theory of Model Sophistication and Operational Risk,” June 2019 (with A. Buffa).
- “Competition among Portfolio Managers and Asset Specialization,” September 2015 (with D. Makarov).
- “A Dynamic Model with Import Quota Constraints,” January 2010 (with A. Pavlova).

Research Interests

Asset Pricing, asset allocation, risk management, market imperfections, international finance and financial innovation.

Honors

Research Awards	<p>Best Paper Award, Multinational Finance Society, Larnaca, 2014. For “A Model of Financialization of Commodities.”</p> <p>American Association of Individual Investors Award for the Best Paper on Investments, Western Finance Association, Santa Monica, 1999. For “Value-at-Risk Based Risk Management: Optimal Policies and Asset Prices.”</p> <p>Geewax, Terker Prize in Investment Research, Rodney L. White Center for Financial Research, University of Pennsylvania, 1999. For “Value-at-Risk Based Risk Management: Optimal Policies and Asset Prices.”</p> <p>Geewax, Terker Prize in Investment Research, Rodney L. White Center for Financial Research, University of Pennsylvania, 1998. For “An Equilibrium Model with Restricted Stock Market Participation.”</p> <p>Alexander Henderson Award for Excellence in Economic Theory, Carnegie Mellon University, 1993. For PhD thesis “General Equilibrium Continuous-Time Asset Pricing in the Presence of Portfolio Insurers and Non-Price Taking Investors.”</p>
Teaching Awards	<p>Best Teacher Award MiF, London Business School, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2015, 2016, 2018, 2022.</p> <p>Best Teacher Award MFA, London Business School, 2017.</p> <p>General Excellence Teaching Award, London Business School, 2001.</p> <p>Graduate Division Excellence in Teaching Award, The Wharton School, University of Pennsylvania, 2000.</p> <p>Undergraduate Division Excellence in Teaching Award, The Wharton School, University of Pennsylvania, 1996, 1997, 1998, 1999.</p> <p>David Hauck Teaching Award, The Wharton School, University of Pennsylvania, 1997.</p> <p>Best Student Teacher Award, Carnegie Mellon University, 1991.</p>
Fellowship	<p>William Larimer Mellon Fellowship, Carnegie Mellon University, 1988 – 1991.</p>
Scholarship	<p>Fulbright Scholarship, Cyprus-America Scholarship Program, Washington, D.C., 1986 – 1988.</p>
Research Grants	<p>ESRC, Economic & Social Research Council, U.K., 2003.</p> <p>Q-Group, Institute for Quantitative Research in Finance, U.S., 2003.</p>
Other	<p>Who’s Who in the World, Who’s Who in Finance and Industry, 2002 – present.</p>

Teaching Experience

London Business School, 2001 – 2025.

Continuous-Time Finance (PhD), *Financial Engineering and Risk Management*, *Fixed Income Securities*.

Finance Department, Wharton School, University of Pennsylvania, 1994 – 2000.

Financial Economics (PhD), *Fixed Income Securities* (undergraduate and MBA).

Goldman, Sachs & Co., New York, 1999 – 2000.

Equity Analysis and Asset Allocation, *Fixed Income Securities and Options*.

Graduate School of Business, University of Chicago, Spring 2000.

Fixed Income and Asset Pricing (MBA).

Carnegie Mellon University, 1990 – 1993.

Corporate Finance (MBA), *Derivative Securities I and II* (undergraduate), *Finance II* (undergraduate), *Intermediate Microeconomics* (undergraduate).

Professional Services

Associate Editor

Management Science, 1997 – 2007.

Mathematics and Financial Economics, 2006 – 2021.

Review of Finance, 2003 – 2016.

Referee

American Economic Review, Econometrica, Finance and Stochastics, International Economic Review, Journal of Banking and Finance, Journal of Business, Journal of Derivatives, Journal of Economic Dynamics and Control, Journal of Economic Theory, Journal of Finance, Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Journal of International Economics, Journal of International Money and Finance, Journal of Monetary Economics, Journal of Political Economy, Journal of Risk, Management Science, Mathematical Finance, Mathematics and Financial Economics, Review of Asset Pricing Studies, Review of Derivatives Research, Review of Economic Studies, Review of Finance, Review of Financial Studies, SIAM Journal on Financial Mathematics.

Reviewer

European Research Council (ERC) Starting Grant, 2012 – 2015.

Swiss Finance Institute (SFI) Grants, 2012 – 2018.

Program Committee

European Finance Association Meetings, 1998 – 2017, 2023 – 2025; track chair (asset pricing), 2006, 2008, 2009, 2014.

Western Finance Association Meetings, 1998 – 2001, 2009 – 2020.

American Finance Association Meetings, track chair (asset pricing), 2013.

Econometric Society Meetings, 2015.

Society for Financial Studies Cavalcade Conference, 2018 – 2025.

Internal Service

Program Coordinator, Finance Ph.D. Program, London Business School, 2004 – 2007.

Faculty Advisor, Masters in Finance, Masters in Management and Sloan Programmes, London Business School, 2010 – 2014.

PhD Thesis Committees

USA	Sema Bayraktar 2001, Benjamin Croitoru (chair) 2000, Mike Gallmeyer (chair) 1998, Jacques Olivier (co-chair) 1996, Anna Pavlova (chair) 2000, Nir Rabinovitz 1994, Alex Shapiro (chair) 1998.
Europe	Adem Atmaz (chair) 2015, Andrea Buffa (chair) 2012, Harjoat Bhamra 2003, Georgy Chabakauri (chair) 2009, Sergei Davydenko 2005, Dmitry Makarov (chair) 2007, Alexander Muermann 2002, Ellen Paulus 2014, Darcy Pu (chair) 2024, Ashish Sahay (chair) 2023, Astrid Schornick (chair) 2007, Mikhail Tirsikh (chair) 2019, Hongjun Yan (chair) 2005.
Student Placements (chair only)	Boston University, Carnegie Mellon University, HEC, INSEAD, London School of Economics, MIT, McGill University, NES, New York University, Peking University, Purdue University, Yale University.

Conferences and Seminars

2024	Econometric Society Meetings (San Antonio), European Finance Association (Bratislava), SFS Finance Cavalcade (Berlin), Bayes Business School, Imperial College, University of Toronto.
2022	ITAM Finance Conference (Mexico City), LBS PhD Alumni Workshop (<i>Keynote</i> , London), Nottingham University.
2021	Adam Smith Workshop (virtual), American Finance Association (virtual), European Finance Association (virtual), Finance Forum (virtual), Midwest Finance Association (virtual), SFS Finance Cavalcade (virtual), Turkish Finance Workshop (<i>Keynote</i> , virtual), Florida International University (virtual), INSEAD (virtual).
2020	SFS Finance Cavalcade (virtual), University of Colorado Boulder (virtual).
2019	American Finance Association (Atlanta), ESSEC Nonstandard Investment Choice Workshop (<i>Keynote</i> , Paris), IMS Fintech and Machine Learning Workshop (Singapore), Imperial College, University of Oxford.
2018	RMI Risk Management Conference (<i>Keynote</i> , Singapore), SAFE Asset Pricing Workshop (Frankfurt), Western Finance Association (San Diego), University of Minho, University of Vienna.
2017	Berlin-Princeton-Singapore Workshop on Quantitative Finance (<i>Keynote</i> , Berlin), Econometric Society Meetings (Hong Kong), Financial Intermediation Research Society (Hong Kong), University of Hull.
2016	American Finance Association (San Francisco), Adam Smith Workshop (Oxford), Econometric Society Meetings (San Francisco), London Mathematical Finance Seminar (London), Marti Subrahmanyam Festschrift (New York), Rick Green Workshop (Pittsburgh), City University of Hong Kong, Graduate Institute Geneva, Hong Kong Polytechnic University, Nanyang Technological University, University of Hong Kong, University of Lugano, University of Southampton.
2015	European Finance Association (Vienna), International Moscow Finance Conference (Moscow), SFS Finance Cavalcade (Atlanta), Western Finance Association (Seattle), University of Chicago, University of New South Wales, University of Oxford, University of Sydney, University of Technology Sydney.

Conferences and Seminars (cont'd)

- 2014 American Finance Association (Philadelphia), Arne Ryde Workshop in Financial Economics (*Keynote*, Lund), BIS Meeting on Banking and Asset Management (Basel), Multinational Finance Society (Larnaca), Deutsche Bank, Goethe University Frankfurt, IDC Herzliya, Monash University, University of Melbourne, University of Oxford, University of St. Gallen.
- 2013 Multinational Finance Society (*Keynote*, Izmir), Recent Advances in Commodity Markets (London), Risk Preferences Workshop (*Keynote*, Berlin), Swiss Finance Institute Annual Meeting (Geneva), Bank Gutmann, Boston University, Imperial College, Stanford University, Stockholm School of Economics, UC Berkeley.
- 2012 American Finance Association (Chicago), Collegio Carlo Alberto, Koc University, London School of Economics, National Bank of Serbia, University of Oxford, University of St. Gallen, Vienna Graduate School of Finance.
- 2011 American Finance Association (Denver), Campus for Finance – New Year’s Conference (*Keynote*, Vallendar), European Finance Association (Stockholm), Frontiers of Finance Conference (*Keynote*, Warwick), ICBFP Conference (Famagusta), Paul Wooley Centre Conference (London), Swissquote Conference on Asset Management (Lausanne), Lancaster University, University of Zurich.
- 2010 Asset Management Forum (Zurich), Catholic University of Louvain, Erasmus University, Norwegian School of Management–Oslo, Sabanci University, Tilburg University, University of Geneva, University of Piraeus.
- 2009 American Finance Association (San Francisco), European Finance Association (Bergen), Boston University, Carnegie Mellon University, Cass Business School, University of Cyprus, University of Lugano, University of Oxford.
- 2008 European Finance Association (Athens), Goethe University of Frankfurt, Hong Kong University of Science and Technology, Instituto de Emprasa, Nanyang Technological University, National University of Singapore, Singapore Management University, University of Toronto.
- 2007 Duke-UNC Asset Pricing Conference (Durham), European Finance Association (Ljubljana), Swiss Finance Institute Annual Meeting (Zurich), SFI Conference on Derivatives in Portfolio Management (Lugano), Duke University, Stockholm School of Economics, University of Lausanne, University of Mannheim, University of Warwick.
- 2006 University College Dublin.
- 2005 American Finance Association (Philadelphia), Econometric Society (Philadelphia), Adam Smith Asset Pricing Workshop (London), FINRISK Conference on Performance (Zurich), Isaac Newton Institute Workshop on Mathematical Finance (Cambridge), Bank Gutmann, Copenhagen Business School, London School of Economics, University of Vienna
- 2004 American Finance Association (San Diego), Econometric Society (San Diego), European Finance Association (Maastricht), Multinational Finance Society (Istanbul), Bilkent University, HEC.

Conferences and Seminars (cont'd)

- 2003 American Finance Association (Washington D.C.), European Finance Association (Glasgow), Blaise Pascal International Conference on Financial Modeling (France), Bank of England, Lehman Brothers, Norwegian School of Economics and Business–Bergen, Norwegian School of Management–Oslo, USI Lugano, Watson Wyatt, Yale University.
- 2002 American Finance Association (Atlanta), CEPR Symposium in Financial Markets (Gerzensee), European Finance Association (Berlin), European Investment Review Conference (London), International Credit Risk Conference (Montreal), Imperial College, Koc University, McGill University, University of Essex, University of Warwick, University of Wisconsin–Madison, University of Zurich.
- 2001 European Finance Association (Barcelona), Bank of England, London School of Economics, Stockholm School of Economics, Tilburg University, University of Amsterdam, University of Oxford.
- 2000 American Finance Association (Boston), European Finance Association (London), Western Finance Association (Sun Valley), INSEAD, London Business School, MIT, New York University, Rutgers University, University of Chicago, University of Iowa.
- 1999 CIRANO Conference on Intertemporal Asset Pricing (Montreal), European Finance Association (Helsinki), Institute for Operations Research and Management Science (INFORMS, Philadelphia), Western Finance Association (Santa Monica).
- 1998 American Finance Association (Chicago), Berkeley Program in Finance (Santa Barbara), Board of Governors of the Federal Reserve, European Finance Association (Fontainebleau), Western Finance Association (Monterey).
- 1997 Western Finance Association (San Diego), HEC, INSEAD, London Business School, University of Alberta, University of British Columbia, University of Chicago, University of Maryland, University of Michigan, Washington University in St. Louis.
- 1996 CIRANO-CRM symposium on Mathematical Finance (Montreal), Carnegie Mellon University, Instituto Tecnológico Autónomo de México (ITAM), University of Rochester.
- 1995 American Finance Association (Washington D.C.), European Finance Association (Milan), Global Investment Forum (Atlanta), Society of Industrial and Applied Mathematicians (St. Louis), McGill University, University of Michigan.
- 1994 University of Pennsylvania (Wharton), Temple University.
- 1993 Institute for Mathematics and its Applications (Minneapolis), Western Finance Association (Whistler), Carnegie Mellon University, Indiana University, INSEAD, London Business School, MIT, Northwestern University, University of British Columbia, University of Iowa, University of Michigan, University of Pennsylvania (Wharton), University of Warwick.