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16 - 19 Oct 2017



Tapping into academic research in today's turbulent world



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Better than a thousand days of
diligent study is one day with a
great teacher.

Japanese proverb



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Bruce Weber

Dean and Professor of Business Administration,
Lerner College of Business & Economics
University of Delaware



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John Trundle

Chief Executive Officer
Euroclear UK & Ireland



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Jean-Philippe Vergne

Strategy Professor and Co-Director of the Scotiabank Digital Banking Lab
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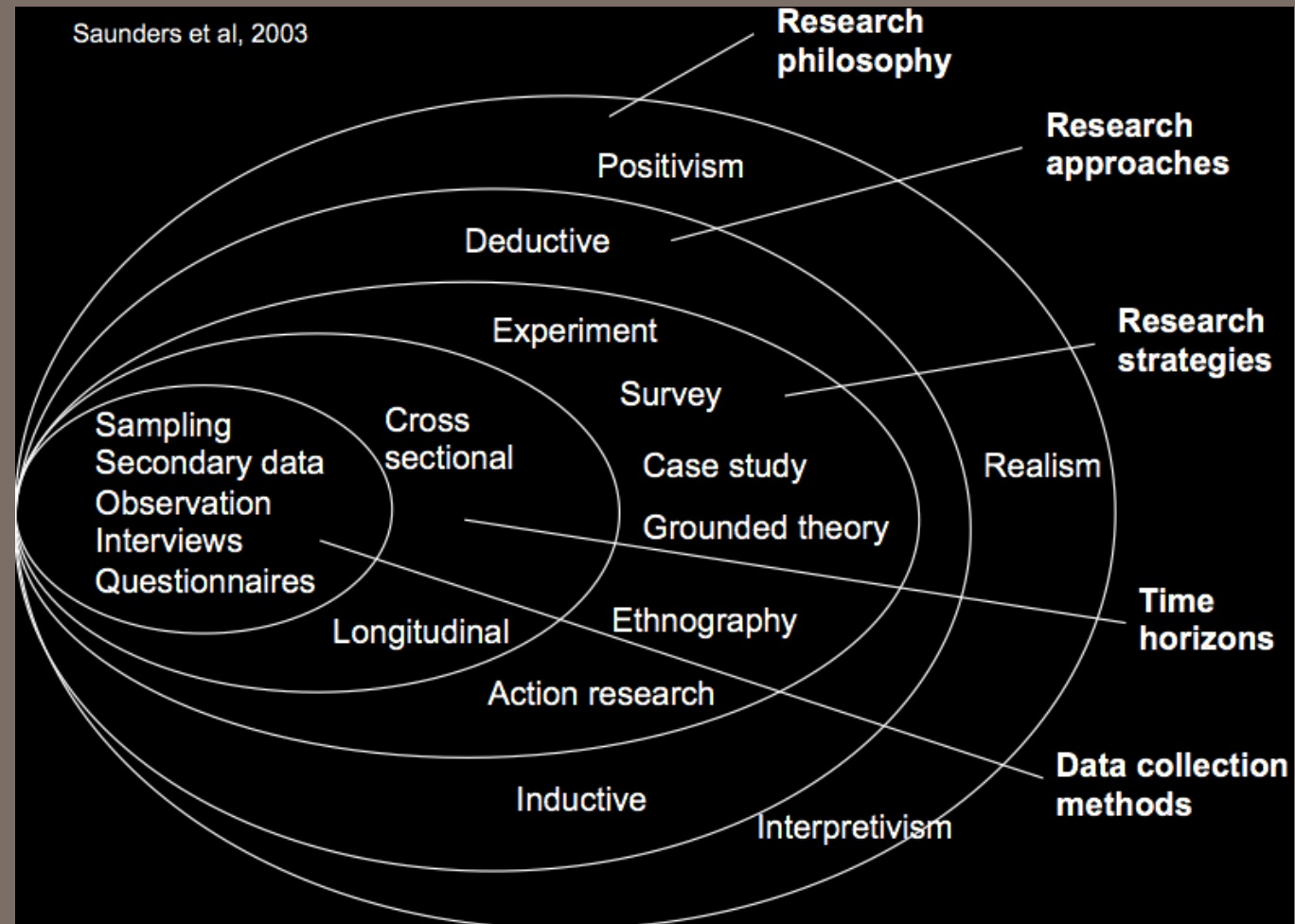


Michael Zerbs

Chief Technology Officer
Scotiabank

Goals: Business and Management research

- Identify best practices
- Understand complex phenomena
- Predict/forecast an uncertain future



Options theory (Black, Scholes, Merton, 1970-73)

... [I]t gave a lot of legitimacy to the whole notion of hedging and efficient pricing, ... B-S-M made the perception of gambling fall away. It wasn't speculation, it was efficient pricing. I think the Securities and Exchange Commission quickly thought of options as a useful mechanism in the securities markets and it's probably - that's my judgment - the effects of Black-Scholes. [Burton Rissman, former counsel, Chicago Board Options Exchange].

'When judged by its ability to explain the empirical data, option pricing theory is the most successful theory -- not only in option pricing theory or in finance -- but in all of economics' (Steve Ross, 1987)



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Who Should Buy Portfolio Insurance?

HAYNE E. LELAND*

I. Introduction

THE EXISTENCE OF OPTIONS markets can generate new opportunities for portfolio management. As Ross [1976] has shown, a complete set of options markets on a reference stock or portfolio will enable investors to achieve any desired pattern of returns conditional on the terminal value of the reference asset. While “buy-

Is research applied well?

- Portfolio insurance: create a ‘floor’ for the value
- 1987: \$90 billion ‘covered’ by portfolio insurance
- Put synthesis demands futures sales as stocks fall
- Mid 1970s-1987: benefits as reality adjusts to fit model, then -27σ event

Deriving more value from research

- A research model can bring about the state of affairs of which it was a good empirical description
- Kassouf (1965) regressed options prices against six variables – ‘Black box’ that could not be reasoned about or discussed in as explicit a way as B-S-M
- Publishing requires a knowledge contribution but application examples are valuable
- Time horizons vary: academic-industry
- Academics contribute to industry through teaching and “translation” of research findings to practical settings
- Connecting better – how should we do it?



Questions