

FINANCIAL MARKETS RESEARCH CENTER

Owen Graduate School of Management

Vanderbilt University

Nashville, TN 37203

Conference on

**Innovation in Finance**

April 11-12, 2002

This conference deals with two areas of innovation in finance – innovation in investing and innovation in trading. With respect to innovations in investing, the conference will examine alternative investment vehicles such as hedge funds and managed funds. How has the hedge fund industry developed? What types of investing strategies do these funds employ? What has been their investment performance? How are managers compensated? On the trading side, the conference will discuss recent developments in equities markets and futures markets, including regulatory changes. What is the future of innovative trading systems? Of traditional exchanges? Can market quality be accurately measured? How has regulation affected the quality and functioning of equities markets? What will be the effect of the new regulatory framework for futures trading?

The conference is sponsored by the Financial Markets Research Center and by a special grant from the New York Stock Exchange.

The conference takes place all day Thursday, April 11, and half day Friday, April 12, followed by the Dewey Daane Invitational Tennis Tournament.

Conference hotel:

Nashville Marriott at Vanderbilt University

2555 West End Avenue

Reservations line: 1-800-285-0190 (ask for the Financial Markets/Owen Room Block)

Conference locations:

- Thursday, April 11: Caterpillar Financial Building, 2120 West End Avenue, 2<sup>nd</sup> floor Auditorium
- Thursday dinner: Marriott Hotel
- Friday, April 12: Owen Graduate School of Management, Averbuch Auditorium

More information

Contact Pat Scott at 615-322-3671, [pat.scott@owen.vanderbilt.edu](mailto:pat.scott@owen.vanderbilt.edu). For more information on the Financial Markets Research Center, check our website, <http://mba.vanderbilt.edu/fmrc/>.

**Thursday, April 11, 2002: Caterpillar Financial Building (8:15 AM – 5:00 PM)**

- 8:15 AM – 8:55 AM Continental Breakfast
- 8:55 AM – 9:00 AM Welcome. Hans Stoll, Owen School.  
James English, Executive Vice President, CAT  
Financial.  
William Christie, Dean, Owen School.
- 9:00 AM – 10:15 AM Characterizing Hedge Funds. Chair: Richard Lindsey, President, Bear  
Stearns Securities Corporation.  
  
Characterizing Hedge Funds. Steven Lonsdorf, CEO, Van Hedge  
Fund Advisors.  
  
Characterizing the Risk and Return of Equity Hedge Funds. Vikas  
Agarwal, Georgia State University.
- 10:15 AM – 10:45 AM Break
- 10:45 AM – 12:00 PM Panel: Developments in Hedge Funds and Managed Funds. Chair:  
John Damgard, President, Futures Industry Association.  
  
James Klingler, Senior Vice President, Eclipse Capital – Evolution of  
hedge fund industry.  
  
William Spitz, Treasurer, Vanderbilt University – An investor's  
perspective on hedge funds.  
  
Eric Noll, Associate Director, Susquehanna International Group LLP  
– Trading needs of hedge funds.  
  
Jack Gaine, President, Managed Funds Association – Current issues  
in managed funds.
- 12:00 PM – 1:15 PM Luncheon
- 1:30 PM – 2:15 PM Philip McBride Johnson, Skadden, Arps, Slate, Meagher, & Flom. A  
Tale of Two Tragedies (Maybe).
- 2:15 PM – 3:45 PM Hedge Fund Risk and Compensation. Chair: Jim Cochrane, Senior  
Vice President, NYSE.  
  
The Risk in Hedge Fund Strategies: Theory and Evidence from Fixed  
Income Funds. David Hsieh, Duke University.

Incentive Fees and Mutual Funds. Martin J. Gruber, NYU Stern School.

Gaussian Returns Surrogate. David Sweet, Quantitative Analyst, Thales Fund Management.

3:45 PM – 4:15 PM

Break

4:15 PM – 4:45 PM

Accounting, Enron, and Long-Term Capital Management. David Modest, Managing Director, Morgan Stanley.

4:45 PM – 5:00 PM

General discussion

**Thursday Evening, April 11, 2002: Marriott Hotel**

6:15 PM

Cocktails and Dinner

**Friday Morning, April 12, 2002**

7:15 AM – 8:45 AM

Financial Markets Research Center Advisory Board Meeting and breakfast. Marriott Hotel.

**Friday, April 12, 2002 – Averbuch Hall, Owen School (8:15 AM – 1:00 PM)**

8:15 AM – 9:00 AM

Continental Breakfast

9:00 AM – 10:15 AM

Assessing Market Quality. Chair: Thomas Peterffy, Chairman and CEO, Interactive Brokers Group

Paul Bennett, Chief Economist, NYSE

Simon Wu, Economist, Nasdaq Stock Market

Matthew Gelber, Senior Vice President, Fidelity Capital Markets

10:15 AM – 10:45 AM

Break

10:45 AM – 11:45 AM

Trading Strategies and Trading Venues. Chair: Ron Masulis, Owen School.

Automation, Trading Costs, and the Evolution of Equity Markets. Ian Domowitz, Managing Director, ITG Inc.

The Buy-Side Perspective. Kevin Cronin, Senior Vice President, AIM Capital Management.

ECNs and Market Quality. Joe Lombard, Executive Vice President, Archipelago LLC.

12:00 PM – 1:00 PM            Luncheon

**Friday, April 12, 2002 – Post Conference Activities**

2:00 PM – 5:00 PM            Dewey Daane Invitational Tennis Tournament – Belle Meade Club

2:00 PM – 4:00 PM            Hike around Radnor Lake led by Ron Masulis

6:30 PM – until                Informal supper at the Stoll's – 3614 Trimble Road,            615-385-1240