

Soosung Hwang

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CURRENT POSITION

Professor of Financial Economics

College of Economics, Sungkyunkwan University, Seoul, Korea

CAREER

| | |
|--------------------------------|---|
| March 2009 – Present | Professor of Financial Economics, Department of Economics, Sungkyunkwan University, Seoul, Korea (March 2010 – February 2011: Head of the Faculty) |
| March 2007 – February 2009 | Senior Strategist, GSA Capital Ltd, 11 Berkeley Street, London W1J 8DS, UK |
| September 1999 – August 2007 | Lecture – Reader in Finance, Faculty of Finance, Cass Business School, 106 Bunhill Row, London EC1Y 8TZ, UK. |
| December 1996 – September 1999 | Research Associate, Department of Applied Economics, University of Cambridge |
| March 1992 – September 1993 | Research Fellow, Korea Securities Research Institute, Seoul, Korea |
| February 1988 – February 1992 | Senior Fund Manager, Dongsuh Investment Management Ltd., Seoul, Korea |
| September 1987 – February 1988 | Lecturer (management accounting), Yonsei University, Seoul, Korea |
| March 1987 – August 1987 | Auditor, Ernst Young International, Seoul, Korea |
| August 1986 – February 1987 | Military Service, Korea |
| March 1986 – July 1986 | Lecturer (accounting principle), Yonsei University, Seoul, Korea |

DEGREES

Ph.D, December 1997, Faculty of Economics, Cambridge.

Ph.D. Thesis: *Essays on Long Memory Processes and Volatility*

Supervisor: Stephen E. Satchell

MSc in Accounting and Finance (*Distinction*), July 1994, London School of Economics.

Master of Business Administration, February 1986, Yonsei University, Seoul, Korea.

Bachelor of Business Administration, February 1984, Yonsei University, Seoul, Korea.

RESEARCH FIELDS

Asset Pricing, Portfolio Theory, Performance Measures, Behavioural Finance, Risk Management, Emerging Markets Finance, Real Estate Finance and Economics, etc.

PUBLICATIONS

Book Chapters and Others

1. "Implied Volatility Forecasting: A Comparison of Different Procedures Including fractionally Integrated Models with Applications to UK Equity Options," with S. E. Satchell, 1998, in J. Knight and S. Satchell eds., *Forecasting Volatility in the Financial Markets*, Butterworth-Heinemann, London.
2. "Modelling Emerging Market Risk Premia Using Higher Moments", with S. E. Satchell, 2000, in J. Knight and S. Satchell eds., *Return Distribution in Finance*, Butterworth-Heinemann, London.
3. "VaR versus Tracking Error: the Strengths and Weaknesses of Two Performance Measures" with S. E. Satchell, 2001, in I. Acar eds., *Measuring Added Value: In Financial Institutions*, Financial Times Prentice Hall, London.
4. "An Analysis of Performance Measures using Copulae " with Mark. Salmon, 2002, in J. Knight and S. Satchell eds., *Performance Measurement*, Butterworth-Heinemann, London.
5. "Assessing the Merits of Rank-based Optimisation for Portfolio Construction" with Stephen M. Wright and S. E. Satchell, 2003, in S. Satchell eds., *New Advances in Portfolio Construction and Implementation*, Butterworth-Heinemann, London.
6. "Liquidity Risk and Real Estate: A Quantitative Approach to Assessing Risk" with Shaun Bond, 2004, in *Liquidity in Commercial Property Markets* published by the Investment Property Forum.
7. "Cross-Sectional Stock Returns in the UK Market: the Role of Liquidity Risk" with Chensheng Lu, 2007, in S. Satchell eds., *Forecasting Expected Returns*, Butterworth-Heinemann, London.

Refereed Journals

1. "Evaluation of Mutual Fund Performance in Emerging Markets," with S. E. Satchell, 1998, *Emerging Markets Quarterly*, Vol. 2, No. 3, 39-50.
2. "Modelling Emerging Market Risk Premia Using Higher Moments," with S. E. Satchell, 1999, *International Journal of Finance and Economics*, Vol. 4, No. 4, 271-296.
3. "Empirical Identification of Common Factors in Emerging Markets Returns," with S. E. Satchell, 1999, *Emerging Markets Quarterly*, Vol.3, No.4, 7-26.
4. "Market Risk and the Concept of Fundamental Volatility: Measuring Volatility across Asset and Derivative Markets and Testing for the Impact of Derivatives Markets on Financial Markets," with S. E. Satchell, 2000, *Journal of Banking and Finance*, Vol. 24(5), 759-785.
5. "An Exponential Risk Measure with Application to UK Asset Allocation," with D. C. Damant and S. E. Satchell, 2000, *Applied Mathematical Finance* Vol.7 (2), 127-152.
6. "The Effects of Systematic Sampling and Temporal Aggregation on Discrete Time Long Memory Processes and Their Finite Sample Properties", 2000, *Econometric Theory*, Vol.16, 347-372.
7. "Forecasting Nonlinear Functions of Returns Using LINEX Loss Functions", with J. Knight and S. E. Satchell, 2001, *Annals of Economics and Finance* Vol.2., 187-213.

8. "Tracking Error: Ex-Ante versus Ex-Post Measures", with S. E. Satchell, 2001, *Journal of Asset Management* Vol. 2, No. 3, 241-246.
9. "Calculating the Misspecification in Beta from Using a Proxy for the Market Portfolio" with S. E. Satchell, 2002, *Applied Financial Economics* Vol.12, No. 11, 771-781.
10. "Using Bayesian Variable Selection Methods to Choose Style Factors in Global Stock Return Models" with A. Hall and S. E. Satchell, 2002, *Journal of Banking and Finance* Vol. 26, 2301-2325.
11. "A Measure of Fundamental Volatility in the U.K. Commercial Property Market" with Shaun A. Bond, 2003, *Real Estate Economics* Vol. 31 (4), 577-600.
12. "Asymmetric Risk Measures When Modelling Emerging Markets Equities: Evidence for Regional and Timing Effects" with Christian Pedersen, 2004, *Emerging Markets Review* Vol 5(1), 109-128.
13. "Market Stress and Herding" with M. Salmon" with Mark Salmon, 2004, *Journal of Empirical Finance* Vol. 11, 585-616.
14. "GARCH Model with Cross-sectional Volatility; GARCHX Model" with S. E. Satchell, 2005, *Applied Financial Economics*, 15, 203-216.
15. "Valuing Information Using Utility Functions" with S. E. Satchell, 2005, *European Journal of Finance*, Vol. 11(1), 1-16.
16. "Optimal Allocation to Real Estate Incorporating Illiquidity Risk" with Shaun A. Bond and Kimberley Richards, 2006, *Journal of Asset Management* 7(1), 2-16.
17. "Small Sample Properties of GARCH Estimates and Persistence", with Pedro Valls, 2006, *European Journal of Finance* 12 (6-7), 473-494.
18. "Performance Measure with Loss Aversion" with Gordon Gemmill and Mark Salmon, 2006, *Journal of Asset Management* 7 (3/4), 190-207.
19. "The Disappearance of Style in the US Equity Market ", with S. E. Satchell, 2007, *Applied Financial Economic* 17(8), 597-613.
20. "Smoothing, Nonsynchronous Appraisal and Cross-Sectional Aggregation in Real Estate Price Index" with S. Bond, 2007, *Real Estate Economics* 35(3), 349-382.
21. "How Persistent is Stock Return Volatility? An Answer with Markov Regime Switching Stochastic Volatility Models" with S. E. Satchell and Pedro Valls, 2007, *Journal of Business Finance and Accounting* 34(5), 1002-1024.
22. "Does Downside Beta Matter in Asset Pricing?" with Christian S. Pedersen, 2007, *Applied Financial Economic* 17(12), 961-978.
23. "Will Private Equity and Hedge Funds Replace Real Estate in Mixed-Asset Portfolios?", with S. Bond, S. Satchell, and P. Mitchell, 2007, Special Real Estate Issue, *Journal of Portfolio Management* 33(5), 74-84.
24. "Marketing Period Risk in a Portfolio Context: Theory and Empirical Estimates from the UK Commercial Real Estate Market?" with S. Bond, Z. Lin, and K. Vandell, 2007, *Journal of Real Estate Finance and Economics* 34(4), 447-461.
25. "The Effects of Structural Breaks in ARCH and GARCH Parameters on Persistence of GARCH models", with P. Valls, 2008, *Communications in Statistics-Simulation and Computation*, 37(3), 571-578.

26. "Surprise vs anticipated information announcements: Are prices affected differently? An investigation in the context of stock splits?", with Aneel Keswani and Mark B. Shackleton, 2008, *Journal of Banking and Finance*, 32(5), 643-653.
27. "Irrational Exuberance in the Long-run UK Stock Market" with B. Song, 2008, *Applied Economics* 40(24), 3199 – 3211.
28. "How Loss Averse Are Investors in Financial Markets?", with S. E. Satchell, 2010, *Journal of Banking and Finance* 34, 2425-2438.
29. "The Optimal Mortgage Loan Portfolio in the UK Regional Residential Real Estates" with Youngha Cho and Steve Satchell, 2012, *Journal of Real Estate Finance and Economics* 45, 645-677.
30. "An Analysis of Commercial Real Estate Returns: An Anatomy of Smoothing in the Individual and Index Levels" with Shaun Bond and Gianluca Mercato, 2012, *Real Estate Economics* 40(4), 637-661.
31. "Some exact results for an asset pricing test based on the Average F Distribution", with S. E. Satchell, 2012, *Theoretical Economics Letters* 2(5), 435-437.
32. "Testing Linear Factor Models on Individual Stocks Using the Average F Test", with S. E. Satchell, accepted by *European Journal of Finance*
33. A behavioral explanation of the value anomaly based on time-varying return reversals" with Alexandre Rubesam, accepted by *Journal of Banking and Finance*.
34. "The Dynamics of Smoothing" with Y. Cho and Y. Lee, accepted by *Real Estate Economics*.

Working Papers

- "Sentiment and Beta Herding", with M. Salmon.
- "Disappearance of Momentum" with Alexandre Rubesam, *the 2009 Western Finance Association annual meeting paper*. (submitted)
- "Too many Factors! Do We Need Them All?" with Chensheng Lu.
- "Fishing with a License? In Search of Empirical Factors" with Alexandre Rubesam.
- "Overconfidence, Ambiguity, and Excess Arbitrage" with M. Hwang and S. Noh.
- "Defining Optimism via Forecasting and Loss Aversion" with Steve Satchell.

Refereeing

Applied Economics, Computational Statistics & Data Analysis, Economic Journal, Emerging Markets Review, European Journal of Finance, International Economic Review, International Review of Economics and Finance, Journal of Banking and Finance, Journal of Econometrics, Journal of Empirical Finance, Journal of Financial Econometrics, Journal of Financial Forecasting, Journal of Forecasting, Journal of the Operational Research Society, Journal of Real Estate Finance and Economics, Quantitative Finance.

Associate Editor

European Journal of Finance (SSCI)
Korean Economic Review (SSCI)

FUNDING

- Econometrics of Emerging Markets, Alpha Strategies, with S. E. Satchell, 1998 (£28,000).
- Liquidity in Commercial Property Markets, the Investment Property Forum, with Shaun Bond, Neil Crosby, Tony Key, Colin Lizieri, George Matysiak, Patrick McAllister, and Charles Ward, September 2003 – March 2004 (£20,000).
- Asset Allocation in the Morden World: Property and Alternative Asset Classes, Investment Property Forum, with Shaun Bond and Steve Satchell, May 2006 – November 2006 (£25,000).
- ESRC fund for the project “The New Basel Accord and Credit Risk Analytics with Applications to UK Mortgage Risk” (with Steve Satchell and Ba Chu), June 2006 – May 2007 (£47,062, RES-000-22-1606).
- Sungkyungwan research funds on “Testing individual assets using the average F test”, 2010-2011 (KRW 13,000,000)

TEACHING AND SUPERVISION

Lectures

- Since 1997, I have taught BSc, MSc, and PhD students the following subjects;
 - Advanced Financial Econometrics (BSc)
 - Asset Pricing (BSc)
 - Quantitative Methods (MSc)
 - Financial Econometrics (MSc, PhD)
 - Financial Theory (Financial Economics) (BSc, MSc, PhD)
 - Derivatives (MSc)
 - Forecasting Financial Markets (MSc)
 - Derivatives and Risk Management (MSc)
 - Fixed Income and Credit Risk Modelling (MSc, PhD).

PhD Supervision and Examination

- PhD Student Supervision
 - Former PhD students: Dr Dennis Philips (2008), Dr Chengsheng Lu (2008), Dr Alexandre Rubesam (2008), Dr Sirajum Munira (2009).
- External examiner of PhD theses: University of London and Cambridge University.

Other Short Lectures and Teaching Experience

- Special courses for practitioners.
- Taught *Risk Management* (MSc Financial Engineering, 2007/2008), the School of Economics, Mathematics and Statistics, Birkbeck College, University of London.
- Special lectures, the School of Economics, Sungkyungwan University, Seoul, South Korea
 - *Expected Utility Theory vs Behavioural Finance*, July 2001.
 - *Market Anomalies and Behavioural Finance*, April 2003.
- Supervised undergraduate students in the *Theory of Finance* for the Institute of Economic and Political Studies (INSTEP Cambridge) in the academic year of 1998/1999.

- Taught (part-time) *Financial Data* for postgraduate students (M. Phil in Finance) in the *Theory of Finance* at Faculty of Economics and Politics, Cambridge, 1998.
- Taught *Accounting Principles* and *Management Accounting*, Yonsei University, Seoul, Korea, 1986-1987.

ADMINISTRATION

- Faculty head, Department of Economics, School of Economics, Sungkyunkwan University, Seoul (2010 - 2011)
- Exchange programme and dual degree programme director, Cass Business School (2006 – 2007)
- Other administration work: recruitment panel member, developing MSc programmes or improving existing master courses.

PROFESSIONAL ACTIVITIES

- Academic Advisor, Investment Advisory Committee, Bank of Korea, Seoul (2010 – present)
- External Research Associate, the Centre for International Macroeconomics and Finance (CIMF), Faculty of Economics, Cambridge University (2008 – present).
- Honorary Research Associate, Department of Applied Economics, Cambridge University (1999 – 2003).
- Visiting Scholar, the School of Economics, Mathematics and Statistics, Birkbeck College, University of London, 2007/2008.
- Visiting Scholar to the Land Economy, Cambridge University, 2005/2006.
- Member of the Financial Management Association, the American Finance Association, the Asian Finance Association, the Econometrics Society, and the Royal Society of Economics.

PROFESSIONAL OR OTHER QUALIFICATIONS

- Passed the Series 7 Test (General Securities Registered Representative), January 1990, The National Securities Dealers Association, New York
- Certified Public Accountant (CPA) of South Korea, 1987.

AWARDS

- SKKU Fellow, Sungkyunkwan University, 2010-2011.
- Nominated as an Excellent Junior Researcher in the Cass Business School, 2000 and 2001.
- Awarded Overseas Research Scheme Scholarship, August 1995.
- Awarded an Excellent Performance Prize in Dongsuh Investment Management Company, February 1989.
- Awarded a Scholarship from the Industrial Management Research Centre, Yonsei University, September 1984 and March 1985.

PROJECTS, CONSULTING, AND MODELLING FINANCIAL MODELS

Consulting for Investment Banks and Hedge Funds

- Global Equity Long/Short Models
 - Equity Long/Short Models: US, Canada, Europe, Japan, Korea, Australia
- Various projects for Mondrian (hedge fund) in London from 2004 -
 - Mortgage backed securities
 - Fixed income in Emerging Markets
 - Long/short pure alpha project
 - Portfolio insurance
- “Assessing the Merits of Rank-based Optimisation for Portfolio Construction” (UBS Warburg), 2001.
- Worked as a Senior Consultant in Alpha Strategies (Financial Consulting Firm), 1998 - 1999.
 - “Global Hedge Portfolio” (Nomura Asset Management).
 - “Evaluation of Mutual Funds” (Eldon).
 - “Regime Shifts in Style in US Equity” (Franklin Portfolio Associates).
- “Implied Volatility Forecasting: using GARCH(1,1) Models, log-ARFIMA(0,d,1) Models, and Other Methods”(Kleinwort Benson Investment Management), 1997.

Projects

- “A Project of Improving Financial Accounting System of Yonsei University” Yonsei University), 1985.
- “A Study on Medical Fee Schedule” (Korea Institute for Population and Health), 1984.

REFEREES

Professor Mark Salmon

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