

Conference Schedule

Thursday, May 29, 2003

7:00 a.m.
Abbott Center

Breakfast

8:00 a.m.
Classroom 120

Welcome

Robert S. Harris, Dean, Charles C. Abbott and C. Stewart Sheppard Professor of Business Administration, The Darden School, University of Virginia



Robert S. Harris

Robert S. Harris is Dean at The Darden School. He teaches in the Finance area. Harris' research has concentrated on corporate finance, financial markets and mergers and acquisitions. He has authored financial textbooks, journal articles, computer tutorials and dozens of business cases and teaching notes. Harris has also served as a consultant to corporations and government agencies.

Before being named Dean in 2001, Harris held a dual appointment as C. Stewart Sheppard Professor of Business Administration at Darden and Vice President and Chief Learning Officer of United Technologies Corporation. Prior to joining the Darden faculty in 1988, Harris was on the faculties of the University of North Carolina's Kenan-Flagler School and the University of Pennsylvania's Wharton School, and was visiting faculty at London Business School. He received teaching honors at UNC and the Wachovia Award for Research Excellence at Darden. Harris earned his B.A. (summa cum laude) from Davidson College and his Ph.D. in Economics from Princeton University.

Conference Introduction

Robert F. Bruner, Executive Director, The Batten Institute and Distinguished Professor of Business Administration, The Darden School, University of Virginia



Robert F. Bruner

Distinguished Professor of Business Administration Robert F. Bruner is a specialist on emerging markets investing, mergers and acquisitions, and corporate finance. He is also the Executive Director of the Batten Institute, a foundation within The Darden School that invests in applied research and knowledge transfer programs in the areas of innovation, entrepreneurship, and corporate transformation.

Bruner is the author of twelve books and more than 400 items of teaching material focusing on corporate finance. He has received numerous awards and recognitions for teaching and case writing. *Investing in Emerging Markets*, a monograph by Bruner, Conroy, Li, O'Halloran, and Palacios, will be published soon. Bruner has been a visiting professor at various schools in Europe and Latin America, and served as a consultant to global organizations.

Before joining the Darden faculty in 1982, he was a loan officer and investment analyst for First Chicago Corporation.

8:15 a.m.
Classroom 120



Michael C. Jensen

Session #1: Agency Cost of Overvalued Equity

Michael C. Jensen, Jesse Isidor Straus Professor of Business, Emeritus, Harvard Business School; Managing Director of the Organizational Strategy Practice, Monitor Group; and Batten Fellow

Michael Jensen, Jesse Isidor Straus Professor of Business Administration, Emeritus, at the Harvard Business School, joined the faculty there in 1985. In 1999 he became Managing Director of Monitor Company's organizational strategy practice. He was LaClare Professor of Finance and Business Administration at the William E. Simon Graduate School of Business Administration, University of Rochester, from 1984 to 1988.

Jensen is the author of numerous scientific papers, articles, and editorials on a wide range of economic, finance, and business topics. He is the author of *Foundations of Organizational Strategy* (Harvard University Press, 1998) and *Theory of the Firm: Governance, Residual Claims, and Organizational Forms* (Harvard University Press, 2000). In 1973 he founded the *Journal of Financial Economics* and served as managing editor from 1987 to 1997. In 1993 he cofounded the Social Science Research Network (SSRN) and currently serves as chairman.

In 1996 Jensen was elected to the American Academy of Arts and Sciences, and he has received many awards throughout his career. In 1990, he was named Scholar of the Year by the Eastern Finance Association and one of the Year's 25 Most Fascinating Business People by *Fortune* magazine. He received the 1989 McKinsey Award from the *Harvard Business Review* for his article "Eclipse of the Public Corporation."

Jensen earned an A.B. from Macalester College. His M.B.A. in Finance and his Ph.D. in Economics, Finance, and Accounting are from the University of Chicago. He has been awarded honorary degrees by Universite Catholique de Louvain in Belgium, the University of Bern in Switzerland, and the University of Rochester's William E. Simon Graduate School of Business Administration.

9:45 a.m.

Refreshment Break

10:00 a.m.
Classroom 120



Benjamin Esty

Session #2: Protection of Shareholders

Moderator: Robert M. Conroy, Professor of Business Administration, The Darden School, University of Virginia

When Do Foreign Banks Finance Domestic Investment? New Evidence on the Importance of Legal and Financial Systems
Benjamin Esty, Associate Professor, Harvard Business School

Benjamin Esty is an associate professor at Harvard Business School where he teaches courses on corporate and project finance. He has written more than 65 case studies, technical notes, and teaching notes on project finance, emerging market investments, and valuation techniques. The cases on project finance are contained in a book entitled: *Modern Project Finance: A Casebook* (Wiley, forthcoming 2003). In addition, he has published numerous articles in both finance

and practitioner journals, and has served as a consultant to investment banks, consulting firms, government agencies, and Fortune 500 firm on a broad range of investment, financing, and valuation issues.



Karl Lins

***Do Analysts Matter Most When Investors are Protected Least?
International Evidence***

Karl Lins, Assistant Professor of Finance, David Eccles School of Business, University of Utah

Karl Lins' research agenda focuses on international corporate finance, capital markets, and corporate governance. Lins has published papers in the *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of Accounting Research*, and *Financial Management*. He has presented research papers at AFA, WFA, EFA, and NBER conferences as well as specialized International Finance conferences. Lins holds a B.S. in Petroleum Engineering from Texas A&M University, an M.B.A. from the Anderson School at UCLA, and a Ph.D. in Finance from the University of North Carolina at Chapel Hill. His work experience includes an engineering position with Conoco Inc. and corporate finance, financial analyst, and international sales positions with Boise Cascade Corp. Lins' teaching interests are in the area of corporate finance and international finance.



Michael S. Weisbach

Protection of Minority Shareholder Interests, Cross-Listings in the United States, and Subsequent Equity Offerings

Michael S. Weisbach, Golder Chair in Finance, University of Illinois

Michael S. Weisbach is a distinguished scholar in corporate finance. His early work focused on corporate governance and control. His "Outside Directors and CEO Turnover" is one of the most cited papers of its era, with over 300 citations in academic journals. More recently, Weisbach's research has addressed issues concerning corporate financial policy: his work applying quantitative methods to capital structure choices won the prestigious Jensen Prize, and his research on the motivations for stock repurchase programs led him to advise the SEC concerning the these programs' regulations. Weisbach's research has been funded by the NSF, and has been cited numerous times in the business press, including by *The New York Times*, *The Economist*, *The Wall Street Journal*, *Forbes*, and *Barrons*.

Weisbach has been a member of the Finance faculty since 1999. He received a B.S. in Mathematics from the University of Michigan and a Ph.D. in Economics from MIT. Active in the academic Finance profession, Weisbach is on the editorial boards of *Journal of Financial Economics*, *Financial Management*, and *Journal of Corporate Finance*, and is a Research Associate of the National Bureau of Economic Research.

Noon
Abbott Center

Lunch

1:15 p.m.
Classroom 120



Mark J.P. Anson

Session #3: CalPERS Emerging Market Process

Mark J.P. Anson, Chief Investment Officer, California Public Employees' Retirement System (CalPERS)

Mark Anson is the Chief Investment Officer for the California Public Employees' Retirement System (CalPERS) which has over \$140 billion in assets. He has responsibility for all asset classes in which CalPERS invests, including domestic and international equity and fixed income, real estate, corporate governance, currency overlay, private equity, and hedge funds.

Anson earned his law degree from the Northwestern University School of Law in Chicago where he was the Production Editor of the *Law Review*, and his Ph.D. and Masters in Finance from the Columbia University Graduate School of Business in New York where he graduated *Beta Gamma Sigma*.

Anson is a member of the New York and Illinois State Bar Associations. He has also earned the Chartered Financial Analyst, Certified Public Accountant, Certified Management Accountant and Certified Internal Auditor degrees. In addition, Anson has received the Series 3, 4, 7, 8, 24, and 63 NASD securities industry licenses. He is the author of three books on the financial markets and has published over 50 articles on the topics of hedge funds, private equity, risk management, derivatives, and portfolio management.

2:00 p.m.

Refreshment Break

2:15 p.m.
Classroom 120

Session #4: Corporate Control and Organization

Moderator: Kenneth M. Eades, Professor of Business Administration, The Darden School, University of Virginia

Market Discipline and Corporate Governance

Amit Bhartia, Portfolio Manager, Emerging Equity, Grantham, Mayo, Van Otterloo & Co. LLC.



Amit Bhartia

Amit Bhartia is engaged in portfolio management for the GMO Emerging Markets Fund. Prior to joining GMO in 1995, he worked as an investment advisor in India. Bhartia earned a Bachelor of Engineering at the University of Bombay and an M.B.A. at the Institute for Technology and Management in Bombay. He is a Chartered Financial Analyst.

Emerging Giants: Building World-Class Companies from Emerging Markets

Tarun Khanna, Professor, Harvard Business School



Tarun Khanna

Tarun Khanna is Professor and Novartis Fellow at the Harvard Business School, where he has been a member of the Strategy group since 1993. He holds a Bachelor of Science in Engineering degree, summa cum laude, Phi Beta Kappa, from Princeton University, and a Ph.D. in Business Economics from Harvard University. He has served as course head for the required Strategy course in the MBA program, and teaches in HBS executive education programs worldwide.

Khanna's current research focuses on understanding how company strategy should be tailored to suit country context. He is particularly interested in studying the drivers of entrepreneurship in emerging markets. This research has been conducted in several emerging economies in South and East Asia and Latin America, including Argentina, Chile, Hong Kong, India, Indonesia, Malaysia, Mexico, South Africa, and South Korea. His other main interest is work on the appropriate structuring and use of alliances, joint ventures, and networked organizational forms. His work has been published extensively in academic journals, including the *Journal of Finance*, *Academy of Management Journal*, *Harvard Business Review*, and *Sloan Management Review*.

Khanna is a co-editor of the *Journal of Economics and Management Strategy*, and the *Journal of International Business Studies*. His first book, *Foundations of Neural Networks* (Addison-Wesley Press, 1989), has been translated into Italian and Japanese, and is widely used as a reference text in engineering and applied science departments.



Sonia Wong

Shareholding Structure, De-Politicization, and Enterprise Performance: Lessons from China's Listed Companies

Sonia Wong, Research Assistant Professor, School of Business, University of Hong Kong

Wong earned her Ph.D. from the University of Hong Kong in 1999. She then served as a research assistant professor at the University's business school. Her research area is on the reforms in China's financial sector. During the past two years, she has devoted herself to the investigation of the relationship between political control of firm's decision making and firm performance in China. She has published papers on China's foreign exchange and banking reforms

4:15 p.m.

Refreshment Break

4:30 p.m.
Classroom 120

Session #5: Global Corporate Governance Reform: Challenges and Opportunities

Peter C. Clapman, Senior Vice President and Chief Counsel, Corporate Governance, TIAA-CREF



Peter C. Clapman

Peter C. Clapman is Senior Vice President and Chief Counsel, Corporate Governance. He formerly was Chief Counsel for TIAA-CREF Investments for 28 years where he managed the legal services in support of TIAA-CREF domestic and international investments. Clapman manages the domestic and global corporate governance program; in this capacity, he has developed TIAA-CREF governance policies and strategies on such issues as board and committee composition and effectiveness, anti-takeover measures, executive compensation, and global initiatives. Clapman also serves as a spokesman in many domestic and international forums regarding the role and responsibility of institutional investors.

A graduate of Princeton University, Clapman earned his J.D. degree from Harvard Law School. He is a member of the Association of the Bar of the City of New York, where he serves on the Committee on Mergers, Acquisitions and Corporate Control Contests and the Committee on Securities Regulation; the

American Bar Association. He was elected a member of the American Law Institute (ALI) in 1993.

Clapman is active in many organizations specializing in corporate governance in U.S. and globally. He is the immediate past Chairman of the International Corporate Governance Network (ICGN) for the years 1999-2002. Clapman served as the ICGN representative on the Task Force of the Office of Economic Cooperation and Development (OECD) that drafted global principles of corporate governance. He also co-chairs the Investor Responsibility Task Force, established by the World Bank Global Corporate Governance Forum. Clapman is a Board Member of the Investor Responsibility Research Center (IRRC). He is a member of the Advisory Board of the Global Corporate Governance Research Center of the Conference Board.

Clapman is a frequent panelist on programs involving corporate governance issues and international and domestic investment activities. He serves on the faculty of the Stanford Law School "Directors' College." He authored the article, "*The SEC Market 2000 Report: A Sensible Approach to Future Market Regulation*," *University of Iowa Journal of Corporation Law* (Spring 1994), co-authored "*The Role of Independent Directors in Corporate Governance*," published in the *Notre Dame Lawyer*, and authored "*Fiduciary Responsibilities of Investment Managers on Proxy Issues*." He is on the Editorial Board of the *Corporate Governance Advisor* and has written articles appearing in *Directorship*, *Directors Monthly*, *Top Pay Monitor*, and other publications.

5:45 p.m.
Abbott Center

Cocktail Reception

6:45 p.m.
Abbott Center

Dinner

9:00 p.m.
Sponsors Pub

Cash Bar

Conference Schedule

Friday, May 30, 2003

7:00 a.m.
Abbott Center

Breakfast

8:15 a.m.
Classroom 120

Session #6: Opportunities and Risks of Investing in Russia

Sergei Ambartsumov, Portfolio Manager / Head Trader, Hermitage Capital Management

Ambartsumov is Portfolio Manager/Head Trader at Hermitage Capital Management. He is responsible for trading, investment, and portfolio analysis. Prior to joining Hermitage, he was a senior equity research analyst with Alfa-Bank in 1998-1999, one of the leading investment banks in Russia, and managed a proprietary trading desk (both equities and fixed income) at Bank of Investments from 1994-1997. Ambartsumov received his M.B.A. from INSEAD and M.Sc. in Accounting and Finance from the London School of Economics.

9:00 a.m.

Refreshment Break

9:15 a.m.
Classroom 120

Session #7: Capital Market Efficiency, Hedging, and Portfolio Management

Moderator: Javier Estrada, Professor, IESE Business School



Yiorgos Allayannis

Corporate Governance and the Hedging Premium around the World

Yiorgos (George) Allayannis, Associate Professor of Business Administration, Darden Graduate School of Business Administration, University of Virginia

Allayannis teaches in the Finance area at Darden. His research focuses on investment, financing constraints, and the use of derivatives. He has examined the impact of exchange-rate movements on firms' values and the effect of currency derivatives in potentially mitigating a firm's exchange rate risk and in increasing value. Before joining the Darden faculty in 1996, Allayannis taught at New York University's Stern School of Business, where he received both research and teaching awards.



Leora Klapper

Portfolio Preferences of Foreign Institutional Investors

Leora Klapper, Senior Financial Economist, The World Bank

Leora Klapper is a Senior Economist in the Finance Team of the Development Research Group at the World Bank. Since joining the Bank in 1998 as a Young Economist, her research and operational work has focused on SMEs, corporate finance, and risk management. Prior to coming to the Bank she worked at the Board of Governors of the Federal Reserve System, the Bank of Israel, and Salomon Smith Barney. Klapper holds a Ph.D. in Financial Economics from New York University Stern School of Business.



Randall Morck

Market Efficiency and Asset Pricing Theory: What Moves Prices in Emerging Markets

Randall Morck, Jarislowsky Distinguished Chair in Finance, University of Alberta School of Business

Randall Morck holds the Stephen Jarislowsky Distinguished Chair in Finance at the University of Alberta, and is a Research Associate with the National Bureau of Economic Research in Cambridge, MA. A summa cum laude Yale graduate with a Harvard Ph.D., he has published over 70 articles on corporate governance and corporate finance in journals such as the *American Economic Review*, *Journal of Finance*, and *Journal of Financial Economics*. He has also advised the Canadian and U.S. governments. His work is cited over a thousand times by other researchers. Morck has presented guest lectures at Harvard, MIT, New York University, University of Western Ontario, Wharton, and Yale. He is a frequent speaker to academic, business, and government audiences in North America and abroad.

11:15 a.m.

Refreshment Break

11:30 a.m.
Classroom 120

Session #8: Ownership, Theft, and Appropriation of Capital Assets

Larry Harris, Chief Economist and Director of the Office of Economic Analysis, Securities and Exchange Commission



Larry Harris

Larry Harris holds the Fred V. Keenan Chair in Finance at the Marshall School of Business at the University of Southern California. He is currently on assignment to the U.S. Securities and Exchange Commission where he serves as its Chief Economist and Director of the Office of Economic Analysis. He received his Ph.D. in Economics from the University of Chicago in 1982 where he examined price-volume relations in futures and securities markets.

Harris is an expert in market microstructure, investment management, and the uses of transactions data in financial research. He has written extensively about exchange trading rules, volatility, stock index markets, and market regulation; and he consults to traders, exchanges, investment banks, and regulators. His work is frequently cited and widely appreciated for his clarity of presentation. He is the author of *TRADING AND EXCHANGES: Market Microstructure for Practitioners* (Oxford University Press: 2003), a comprehensive lay-level introduction to the economics of market microstructure.

12:15 p.m.
Classroom 120

Closing Remarks

12:30 p.m.
Classroom 120

Boxed Lunch