

MUSTAFA ONUR CAGLAYAN, Ph.D.

Florida International University
College of Business
Modesto A. Maidique Campus
11200 S.W. 8th St, Ryder Building 223B
Miami, FL 33199
Telephone: (305) 348-8430
E-mail: mustafa.caglayan@fiu.edu

EMPLOYMENT

Florida International University, Miami, US

Associate Professor of Finance, College of Business (August 2017 – present)
Knight-Ridder Research Fellow (August 2019 – present)
Graduate Faculty of Florida International University (April 2018 – present)

Özyeğin University, Istanbul, Turkey

Associate Professor of Finance, Faculty of Business (September 2014 – July 2017)
Director of Ph.D. Studies in Business (September 2014 – July 2017)
Assistant Professor of Finance, Faculty of Business (December 2008 – August 2014)

FIELDS OF SPECIALIZATION

Asset Pricing, Investments, Hedge Funds, Mutual Funds, Asset Allocation, Portfolio Optimization, Financial Risk Management, Macro and Monetary Economics, Quantitative Currency Trading Models.

EDUCATION

Ph.D. in Financial Economics, The Graduate Center, City University of New York (June 2000)
Ranked 1st among department graduates with a cumulative GPA of 3.91 out of 4.00.

B.A. in Economics with Honors, Boğaziçi University, Istanbul, Turkey (June 1996)
Ranked 3rd among 140 Economics majors with a cumulative GPA of 3.36 out of 4.00.

PH.D. DISSERTATION

Title: *Hedge Funds and Managed Futures Funds: A Performance Analysis*.

Advisors: Prof. Franklin R. Edwards (Columbia University) and Prof. Salih Neftçi (CUNY)

ACADEMIC PUBLICATIONS

- Does Industry Timing Ability of Hedge Funds Predict Their Future Performance, Survival, and Fund Flows? *Journal of Financial and Quantitative Analysis*, *forthcoming* (with Turan G. Bali, Stephen J. Brown, and Umut Çeliker).
- Mutual Fund Herding and Return Co-movement in Chinese Equities, *Pacific-Basin Finance Journal*, *forthcoming* (with Yu Hu and Wenjun Xue).
- Sell-side Analyst Recommendation Revisions and Hedge Fund Trading before and after Regulation Fair Disclosure, *Financial Review*, *forthcoming* (with Umut Çeliker and Edward Lawrence).

- Industry Herding by Hedge Funds, European Journal of Finance, *forthcoming* (with Umut Çeliker and Gökhan Sonaer).
- Global Investigation on the Country-level Idiosyncratic Volatility and its Determinants, Journal of Empirical Finance, Jan. 2020, Vol. 55: 143-160 (with Wenjun Xue and Liwen Zhang; *Citations: Web of Science:1, Google Scholar: 3*).
- Upside Potential of Hedge Funds as a Predictor of Future Performance, Journal of Banking and Finance, Jan. 2019, Vol. 98: 212-229 (with Turan G. Bali and Stephen J. Brown; *Citations: Web of Science:8, Google Scholar: 3*).
- Hedge Fund vs. Non-Hedge Fund Institutional Demand and the Book-to-Market Effect, Journal of Banking and Finance, Jul. 2018, Vol. 92: 51-66 (with Umut Çeliker and Gökhan Sonaer; *Citations: Web of Science:2, Google Scholar: 8*).
- Macroeconomic Risk and Hedge Fund Returns, Journal of Financial Economics, Oct. 2014, Vol. 114: 1-19 (with Turan G. Bali and Stephen J. Brown; *Citations: Web of Science:68, Google Scholar: 204*).
- Emerging Market Exposures and the Predictability of Hedge Fund Returns, Financial Management, Spring 2014, Vol. 43:149-180 (with Sevan Ulutas; *Citations: Web of Science:4, Google Scholar: 13*).
- Development and Calibration of a Currency Trading Strategy Using Global Optimization, Journal of Global Optimization, Jun. 2013, Vol. 56: 353-371 (with Janos Pinter; *Citations: Web of Science:3, Google Scholar: 7*).
- Systematic Risk and the Cross-section of Hedge Fund Returns, Journal of Financial Economics, Oct. 2012, Vol. 106: 114-131 (with Turan G. Bali and Stephen J. Brown; *Citations: Web of Science:52, Google Scholar: 133*).
- Do Hedge Funds' Exposures to Risk Factors Predict Their Future Returns? Journal of Financial Economics, Jul. 2011, Vol. 101: 36-68 (with Turan G. Bali and Stephen J. Brown; *Citations: Web of Science:53, Google Scholar: 157*).
- Hedge Fund Performance and Manager Skill, Journal of Futures Markets, Nov. 2001, Vol. 21: 1003-1028 (with Franklin R. Edwards; *Citations: Web of Science:95, Google Scholar: 457*).
- Hedge Fund and Commodity Fund Investments in Bull and Bear Markets, Journal of Portfolio Management, Summer 2001, Vol. 27: 97-108 (with Franklin R. Edwards; *Citations: Web of Science:47, Google Scholar: 186*).
- Comment on 'Do Hedge Funds Disrupt Emerging Markets?' by W. Fung, D. A. Hsieh, and K. Tsatsaronis, Brookings-Wharton Papers on Financial Services, 2000: 409-418 (with Franklin R. Edwards).

WORKING PAPERS

- How Do Investors Trade R&D-intensive Stocks? Evidence from Hedge Funds and Other Institutional Investors (with Dallin Alldredge and Umut Çeliker); *2nd round revise-resubmit at the Journal of Banking and Finance*.
- Disagreement between Hedge Funds and Other Institutional Investors and the Cross-section of Expected Stock Returns (with Umut Çeliker and Gökhan Sonaer); *submitted to the Review of Asset Pricing Studies in May 2021*.
- Hot Potatoes: Underpricing of Stocks following Extreme Negative Returns (with Robinson Reyes).
- Compounding Money and Nominal Price Illusions (with Diogo Duarte and Xiaomeng Lu).
- Macroeconomic Sentiment Beta and Hedge Fund Returns (with Mehmet Canayaz and Le Zhao).

- The Price of Suboptimal Leverage (with Diogo Duarte and Marcos Velazquez).

TEACHING EXPERIENCE

Florida International University, College of Business, Associate Professor of Finance (Aug. 2017 – present).

Courses taught: Seminar in Investments (Ph.D.), Corporate Finance (EMBA, MSF, IMBA, PMBA, PMBA-Flex), Financial Issues in the Global Environment (DBA) Financial Management, Securities Analysis (Undergraduate).

Özyeğin University, Assistant and Associate Professor of Finance (Dec. 2008 – July 2017).

Courses taught: Finance (Undergraduate), Hedge Fund Performance and Trading (Undergraduate and Master in Financial Engineering), Corporate Finance (MBA and EMBA), Survey in Finance (Ph.D.), Special Topics in Finance (Ph.D.), and Macroeconomics (Undergraduate).

Baruch College, City University of New York, Full-time Instructor of Finance (Jan. 2000 – May 2001);

Adjunct Lecturer of Finance and Economics (Sept. 1998 – Dec. 1999).

Courses taught: Investments, Fundamentals of Financial Management, and Macroeconomics.

Hunter College, City University of New York, Adjunct Lecturer of Economics (Sept. 1997 – Dec. 1998).

Courses taught: Introductory and Intermediate Macroeconomics.

Bilkent University, Ankara, Turkey, Visiting Instructor of Economics (Summer 1998).

Courses taught: Introductory and Intermediate Macroeconomics.

CONFERENCE AND SEMINAR PRESENTATIONS

- 2020 Financial Management Association (FMA) Conference, online (virtual), October 2020 (*Listed in conference booklet*; Presentation: Does Industry Timing Ability of Hedge Funds Predict Their Future Performance, Survival, and Fund Flows?).
- 2019 Eastern Finance Association (EFA) Conference, Miami, FL, USA, April 2019 (*Listed in conference booklet*; Presentation: Industry Herding by Hedge Funds).
- Florida International University College of Business Finance Seminar Series, Miami, FL, USA, January 2019 (Presentation: Does Industry Timing Ability of Hedge Funds Predict Their Future Performance, Survival, and Fund Flows?).
- 2018 American Finance Association (AFA) Conference, Philadelphia, PA, USA, January 2018 (*Listed in conference booklet*; Presentation: Upside Potential of Hedge Funds as a Predictor of Future Performance).
- Florida International University College of Business Finance Seminar Series, Miami, FL, USA, January 2017 (Presentation: Managerial Talent and Hedge Fund Performance).
- Stevens Institute of Technology School of Business Finance Seminar Series, Hoboken, NJ, USA, January 2017 (Presentation: Hedge Fund vs. Non-Hedge Fund Institutional Ownership and the Book-to-Market Effect).
- George Washington University School of Business Finance Seminar Series, Washington, D.C. USA, January 2017 (Presentation: Hedge Fund vs. Non-Hedge Fund Institutional Ownership and the Book-to-Market Effect).
- Özyeğin University Finance Seminar Series, Istanbul, Turkey, December 2016 (Presentation: Hedge Fund vs. Non-Hedge Fund Institutional Ownership and the Book-to-Market Effect).

- University of Connecticut School of Business Finance Seminar Series, Storrs, CT, USA, February 2016 (Presentation: Managerial Talent and Hedge Fund Performance).
- University of Calgary Haskayne School of Business Finance Seminar Series, Calgary, Canada, January 2016 (Presentation: Managerial Talent and Hedge Fund Performance).
- 2014 Financial Management Association (FMA) Conference, Nashville, TN, USA, October 2014 (*Listed in conference booklet*; Presentation: Macroeconomic Risk and Hedge Fund Returns).
- Federal Reserve Board Finance Seminar Series, FED Board, Washington D.C., USA, July 2013 (Presentation: Emerging Market Exposures and the Predictability of Hedge Fund Returns).
- Norwegian School of Economics Finance Seminar Series, NHH, Bergen, Norway, March 2013 (Presentation: Emerging Market Betas and the Cross-section of Hedge Fund Returns).
- 2012 Istanbul International Finance Congress, Okan University, Istanbul, Turkey, June 2012 (*Listed in conference booklet*; Presentation: Emerging Market Betas and the Cross-section of Hedge Fund Returns).
- 2012 American Finance Association (AFA) Conference, Chicago, IL, USA, January 2012 (*Listed in conference booklet*; Presentation: Systematic Risk and the Cross-section of Hedge Fund Returns).
- Koç University Finance Seminar Series, Istanbul, Turkey, December 2011 (Presentation: Systematic Risk and the Cross-section of Hedge Fund Returns).
- Sabancı University Finance Seminar Series, Istanbul, Turkey, December 2011 (Presentation: Systematic Risk and the Cross-section of Hedge Fund Returns).
- Boğaziçi University Weekly Economics and Finance Seminar Series, Istanbul, Turkey, November 2011 (Presentation: Systematic Risk and the Cross-section of Hedge Fund Returns).
- 24th Mini EURO Conference on Continuous Optimization and Information-based Technologies in the Financial Sector, Izmir Economics University, Izmir, Turkey, June 2010 (*Short article published in conference proceedings*; Presentation: Optimized Calibration of Currency Market Strategies).
- 46th Euro Working Group on Financial Modeling Conference, Özyeğin University, Istanbul, Turkey, May 2010 (*Conference Organizer & Co-chair*; Presentation: Hedge Funds' Exposures to Risk Factors and Expected Fund Returns).
- Sabancı University Finance Seminar Series, Istanbul, Turkey, February 2008 (Presentation: Hedge Fund Performance and Manager Skill).
- Annual Seminars by Society of Quantitative Analysts, New York, NY, USA, October 2001 (Presentation: Alternative Investments: Hedge Funds and Commodity Funds).

SERVICE TO THE PROFESSION

A) Service as Conference Organizer, Co-Chair, or Session Discussant:

- **Conference Organizer & Conference Co-chair**, 46th Euro Working Group on Financial Modeling Conference, Istanbul, Turkey, May 2010.
- **Conference Session Discussant**, 2019 Eastern Finance Association (EFA) Conference, Miami, FL, USA, April 2019.

- **Conference Session Discussant**, 2014 Financial Management Association (FMA) Conference, Nashville, TN, USA, October 2014.
- **Conference Session Discussant**, 2012 Istanbul International Finance Congress, Istanbul, Turkey, June 2012.
- **Conference Session Discussant**, 24th Mini EURO Conference on Continuous Optimization and Information-based Technologies in the Financial Sector, Izmir, Turkey, June 2010.

B) Service as Referee to Academic Journals:

- Journal of Financial and Quantitative Analysis
- Review of Finance
- Journal of Banking and Finance
- Journal of International Financial Markets, Institutions & Money
- Multinational Finance Journal

C) Memberships for Professional Associations:

- American Finance Association (AFA)
- Financial Management Association (FMA)
- Eastern Finance Association (EFA)

SERVICE TO THE DEPARTMENT, COLLEGE, & UNIVERSITY

A) Academic Duties and Committee Memberships:

- **Department of Finance Database Committee Member**, FIU, Miami, FL (Spring 2018 – present)
- **Continuous Improvement Taskforce Member for the Professional MBA for Executives**, FIU, Miami, FL (Fall 2020 – present)
- **Department of Finance Recruitment Committee Member**, FIU, Miami, FL (Fall 2019 – Spring 2020)
- **College of Business DBA Committee Member**, FIU, Miami, FL (Spring 2018 – Spring 2019)
- **Director of Ph.D. Studies in Business**, Özyeğin University, Istanbul, Turkey (Fall 2014 – Spring 2017).
- **Department of Finance Recruitment Committee Chair**, Özyeğin University, Istanbul, Turkey (Fall 2009 – Spring 2013).
- **Department of Finance Recruitment Committee Member**, Özyeğin University, Istanbul, Turkey (Fall 2013 – Spring 2017).
- **Member of the Faculty Board of Directors**, Özyeğin University, Istanbul, Turkey (Fall 2009 – Spring 2017).
- **Faculty Board Member**, Özyeğin University, Istanbul, Turkey (Fall 2009 – Spring 2017).

B) Academic Advising for the Ph.D. Students:

- **Dissertation Committee Member**, Ph.D. student Xiaomeng Lu, FIU, Miami, FL (Fall 2020 – present)
- **Dissertation Committee Member**, Ph.D. student Robinson Reyes, FIU, Miami, FL (Fall 2018 – present)
- **Dissertation Committee Member**, Ph.D. student Yu Hu, FIU, Miami, FL (Fall 2018 – present)
- **Dissertation Committee Chair**, Ph.D. student Sevan Ulutas, Özyeğin University, Istanbul, Turkey (Fall 2014 – Spring 2017)
- **Dissertation Committee Chair**, Ph.D. student Sureyya Burcu Avci, Özyeğin University, Istanbul, Turkey (Fall 2014 – Spring 2017)

FELLOWSHIPS AND GRANTS

Knight-Ridder Research Fellowship, College of Business, Florida International University (2019 – present): Fellowship awarded in recognition of outstanding research and teaching.

Robert E. Gilleece Fellowship, The Graduate Center, City University of New York (1996 – 2000): Maximum financial aid awarded by The Graduate Center, including full tuition waiver, housing and boarding.

Sabancı Fellowship, Boğaziçi University, Istanbul, Turkey (1992 – 1996): Scholarship awarded by the Hacı Ömer Sabancı Foundation to a select group of students based on the University Entrance Examination.

TEACHING AND RESEARCH ASSISTANTSHIPS

Columbia University, Business School, Research Assistant for Prof. Franklin R. Edwards (1998 – 2000); Teaching Assistant for Prof. Franklin R. Edwards (1998 – 1999).

Held problem sessions for Futures Markets and Institutional Funds Management MBA courses.

The Graduate Center, City University of New York, Teaching Assistant for Prof. Salih Neftçi (1997 – 1999); Teaching Assistant for Prof. Ted Joyce (1998); Research Assistant for Prof. Alvin Marty (1996 – 1997).

Held problem sessions for Financial Markets, Macroeconomics, and Econometrics courses in Ph.D. program.

Boğaziçi University, İstanbul, Turkey, Teaching Assistant for Prof. Süleyman Özmucur (1995 – 1996).

Held problem sessions for the undergraduate Econometrics course.

INDUSTRY EXPERIENCE

Millennium Partners, L.P., New York, NY

Foreign Exchange Portfolio Manager (July 2006 – Nov. 2008)

- Managed the hedge fund's \$150 million capital in foreign exchange markets; responsible for every aspect of the fund's allocated capital in currency markets, from implementation of currency models to execution of actual trades.
- Developed profitable quantitative trading models in currency markets, using empirical research applied to financial markets.
- Used various electronic trading platforms for the execution of trades to minimize transaction costs.
- Monitored the P&L of the portfolio on a daily basis, and managed the size of the portfolio according to market conditions and volatility.

J.P. Morgan Chase & Co., New York, NY

Vice President, Global Foreign Exchange Strategist (Jan. 2003 – June 2006)

Associate, Foreign Exchange Product Development (Oct. 2000 – Dec. 2002)

- Developed the "Carry-to-Risk" G-10 and emerging markets currency basket trading model, in which the bank invested \$145 million. This basket generated \$8.1 million P&L for the bank in 2005.
- Generated the "Risk Tolerance Index," a measure of risk-aversion for financial markets, which is used as an overlay for the Carry-to-Risk basket model.
- Launched and marketed to external clients J.P. Morgan's "FX Barometer" product, a multi-factor signaling model for currency markets.
- Generated a currency trading model from J.P. Morgan's propriety Flow-of-Funds portfolio flow database, in which the bank invested \$6 million in 2005.
- Constructed the FX CACI (Foreign Exchange Current Account and Carry Index) basket, a G-10 currency-trading portfolio model, in which the bank invested \$60 million in 2003.
- Presented currency views and trade recommendations to external and internal clients on a regular basis.
- Wrote daily, bi-weekly, monthly, and quarterly Foreign Exchange strategy publications.

INDUSTRY PUBLICATIONS

- Introducing JPMorgan's Flow of Funds Portfolio Flow Trading Model, [JPMorgan Global Foreign Exchange Research Publication](#), June 2, 2005.

- Trading JPMorgan's Carry-to-Risk Currency Model in G-10 & Emerging Markets, JPMorgan Global Foreign Exchange Research Publication, March 2, 2005.
- JPMorgan's FX & Commodity Barometer, JPMorgan Investment Strategies, No. 10, September 22, 2004.
- Using Official Data and Flow of Funds to Track Portfolio Flows, JPMorgan Global Foreign Exchange Research Publication, July 8, 2003.
- Finding Lower-risk FX Carry Trades, JPMorgan Global Foreign Exchange Research Publication, May 1, 2003.
- Flow of Funds: Profitable Patterns, JPMorgan Global Foreign Exchange Research Publication, April 1, 2003.
- Alternative LCVI Trading Strategies, JPMorgan Investment Strategies, No. 8, January 8, 2003.
- LCVI Trading Rules to Reduce Transaction Costs, JPMorgan Global Foreign Exchange Research Publication, December 18, 2002.
- Trading Emerging Market FX using the LCVI, JPMorgan Global Foreign Exchange Research Publication, December 18, 2002.
- Using Equities to Trade FX: Introducing the LCVI, JPMorgan Investment Strategies, No. 7, October 1, 2002.
- Cross-Border Flow of Funds: A Primer, JPMorgan Global Foreign Exchange Research Publication, April 18, 2002.
- FX Performance in Four Modes of LCPI, JPMorgan Global Foreign Exchange Research Publication, February 14, 2002.
- New LCPI Trading Rules: Introducing FX CACI, JPMorgan Global Foreign Exchange Research Publication, December 19, 2001.

COMPUTER SKILLS

Matlab, Stata, E-Views (Econometric Views), TSP (Time Series Processing), ET (Econometric Toolkit), Microsoft Excel, Microsoft Word, Microsoft Power Point, Adobe PageMaker, Ibbotson Investment Analysis 7.0.