

## Lectures and Reading List

1. A history of the emerging asset class (including frontier markets), where it is today, and where it is heading. The evolution of benchmarks. The growing role of China.
  - a. "Emerging Equity Markets in a Globalizing World," Geert Bekaert, Campbell R. Harvey, National Bureau of Economic Research, 2017.
  - b. "Emerging Markets and the Future of Business History," by Gareth Austin, Carlos Dávila and Geoffrey Jones , Harvard Business School (2017).
  - c. "Built to Last Two Decades of Wisdom on Emerging Markets Allocations," by Juliana Bambaci, Chin-Ping Chia and Billy Ho October (MSCI 2012)
  - d. "Defining Emerging Markets," Philosophy of Money, August 2018 ([Link](#))
  - e. "China: A Visit to the Epicenter," KKR Insights, August 2018
  - f. "Emerging Markets—No Reward Without Risk," Ben Inker, GMO, August 2018 ([Link](#))
  - g. Emerging Markets Sources for Economic, Financial and Markets Indicators (PDF)
  - h. The Little Book of Emerging Markets: How To Make Money in the World's Fastest Growing Markets by Mark Mobius (Wiley 2012)
2. Development and Economic Convergence: Low-income high growers, the "Middle Income Trap," and the East-Asian "miracle."
  - a. "The Growth Report. Strategies for Sustained Growth and Inclusive Development," Commission on Growth and Development. ([Link](#))
  - b. "Ideas and Institutions – A growth Story" by Andrew Haldane, Bank of England, May 2018 ([BOE](#))
  - c. "Outperformers: High-Growth Emerging Economies and the Companies that Propel Them," McKinsey Global Institute, August 2018. ([Link](#))
  - d. A Discussion of Modernization, by Li Lu July 2014. ([Link](#))

- e. "Central Europe: Running Out of Steam," Financial Times, August 27, 2018 ([Link](#))
- f. "Economic Restructuring & Sustainable Democracy: Challenge to Asian Emerging Economies," by George Abonyi, Center for Strategic and International Studies, July 2018. ([Link](#))
- g. "East Asian Financial and Economic Development," by Randall Morck and Bernard Yeung, NBER Working Paper No. 23845, September 2017
- h. "Slouching Towards Utopia?; An Economic History of the Long 20<sup>th</sup> Century," by Brad Delong. ([Link](#))
- i. "We were pirates too," Charles R. Morris, Foreign Policy. ([Link](#))
- j. Why Nations Fail: The Origins of Power, Prosperity, and Poverty, by Daron Acemoglu and James Robinson, Random House, March 2012.
- k. How Asia Works: Success and Failure in the World's Most Dynamic Region, by Joe Studwell, Grove Press, July, 2013.

3. The Efficient Market Hypothesis, cost of capital, alpha-generating factors; implications for emerging markets.

- a. "The Cross-Section of Equity Returns in Emerging Markets," by Yigit Atilgan, Ozgur Demirtuna; July 2018 ([Link](#))
- b. "The performance of US-based emerging market mutual funds", by Halil Kiymaz, Koray D. Simsek, (2017) Journal of Capital Markets Studies, ([Link](#))
- c. "The Profitability Premium in Emerging Markets," by Masha Gordon, Pimco, December 2013. ([Link](#))
- d. Your Complete Guide to Factor-Based Investing: The Way Smart Money Invests Today, by Andrew L. Berkin, Larry E. Swedroe, BAM Alliance Press, December 2016.
- e. "Purgatory for Pessimists: An Unemotional, Factor-Based Approach to International Equities," by Ehren Stanhope, O'Shaugnessy Asset Management, July 2018. ([Link](#))
- f. "The Discount Rate in Emerging Markets: A Guide," by Jaime Sabal, Department of Financial Management and Control, ESADE Business School, December, 2003.

- g. "Determinants of Emerging Market Sovereign Bond Spreads: Fundamentals vs Financial Stress," by Dimitri Bellas, Michael G. Papaioannou, and Iva Petrova, IMF Working Paper, December 2016.
- h. "Factoring" in the Emerging Markets Premium. Exploring Factor Indexes in Emerging Markets, MSCI , November 2014
- i. "Factor Investing in Emerging Markets", Morningstar, Patricia Oey, 12 Dec 2013
- j. "The Volatility Effect in Emerging Markets David Blitz," Juan Pang and Pim van Vliet\* Emerging Markets Review, Vol. 16, pp. 31-45, 2013
- k. "How We Came to Develop an Ex-State-Owned Emerging Markets Index," by Jeremy Schwartz, Wisdom Tree Capital, October 10, 2017.
- l. "The Value and Size Effects in Emerging Markets," Advisory Research Investment Management, June 2014.
- m. "Global Factors and Emerging Market Spreads," by Martín González-Rozada, Eduardo Levy Yeyati, Journal of International Money and Finance, Volume 27, Issue 8, December 2008, Pages 1325-1336
- n. "What would you do if you discovered a new investment factor?" ([Abnormal Returns](#)).

4. What's your edge? A look at great investors. Implications for EM.

- a. "Buffett's Alpha," by Andrea Frazzini, David Kabiller, and Lasse Heje Pedersen, November 21, 2013.
- b. **What Is Your Investing Edge? By John Huber ([Link](#))**
- c. "Hedge Fund Manager Mark Sellers on Becoming a Great Investor," Talk at the Harvard Business School. ([Link](#))
- d. "Interview with Mexico's Carlos Slim on Business, Investing and Entrepreneurship", Investors Archive, 2016 ([Link](#)); "Documentary on Carlos Slim," Alux.com ([Link](#))
- e. "Interview with Brazil's Jorge Paulo Lehman," Investors Archive, 2017 ([Link](#))
- f. "Interview with Malaysia's Robert Kuok," CCTV ([Link](#))
- g. "Biography of Robert Kuok," China Morning Post, 2017 (PDF)

- h. "A Man for All Markets: From Las Vegas to Wall Street, How I Beat the Dealer and the Market, by Edward O. Thorp (Random House, January 2017).
  - i. Hedge Fund Market Wizards: How Winning Traders Win, by Jack D. Schwager (Wiley, April 2012).
- 5. Portfolio construction and investment process; a look at several successful approaches.
  - a. Emerging market portfolio strategies, investment performance, transaction cost and liquidity risk by Roberto Violi I Enrico Camerini II ([Link](#))
  - b. "Factor Investing in Emerging Markets Webinar," EDHEC Risk Institute, Scientific Beta,
  - c. "Revisiting the Traditional Emerging Market Equities Allocation Framework," GMO White Paper by Amit Bhartia and Mehak Dua , July 2017.
  - d. "Emerging Value and Margin of Superiority," Ben Inker, GMO Quarterly Letter, 2Q 2017
  - e. "Profitable Growth: Avoiding the 'Growth Fetish' in Emerging Markets," case study by Nan Zhou, Seung Ho Park and Gerardo R. Ungson (Harvard Business Review 2012).
  - f. "How Corporate Governance Matters" (Credit Suisse Research Institute)
  - g. "Corporate Governance in Emerging Markets," MSCI, June 2017.
  - h. Corporate Governance in China, MSCI, September 2017.
- 6. Behavioral Finance; fertile ground in EM. Country bias. Booms and panics.
  - a. "Threshold Models of Collective Behavior," Mark Granovetter. The American Journal of Sociology, Vol. 83, No. 6 (May, 1978), 1420-1443.
  - b. The Little Book of Stupidity: How We Lie to Ourselves and Don't Believe Others, by Sia Mohajer, November 16, 2015.
  - c. Domestic and foreign country bias in international equity portfolios, Erkin Diyarbakirlioglu, Journal of Multinational Financial Management, Volume 21, Issue 5, December 2011, Pages 301-329.

7. A history of bubbles and extreme cyclical in Emerging Markets. Taking advantage of volatility to generate alpha.

- a. The Recession of 2019," Gavekal Research. (PDF Fin. Papers)
- b. The Volatility Machine, Michael Pettis (Oxford University Press, 2001)
- c. Business cycles : history, theory and investment reality, by Lars Tvede, (Wiley, )2006
- d. How to Make Money with Global Macro by Javier Gonzalez, 2016.
- e. "Understanding EM Crisis," Variant Perception July 2018 (PDF)
- f. "Dutch Tulips and Emerging Markets", Paul Krugman, *Foreign Affairs*, Vol. 74, No. 4 (Jul. - Aug., 1995), pp. 28-44
- g. "A Primer on Emerging Market Crises," Rudiger Dornbusch, NBER Working Paper No. 8326, 2001
- h. "Bubbles for Fama," Robin Greenwood Andrei Shleifer Yang You Working Paper 23191, National Bureau of Economic Research ([Link](#))
- i. Is It Possible to Identify "Bubbles"? Can Investors Profit from This? May 29, 2017 by Michael Edesess, Advisor Perspectives
- j. "A History of Emerging Markets Bear Markets," Ben Carlson, A Wealth of Common Sense, August 2018 ([Link](#))
- k. Interview with Simon White, Variant Perception Transcript (PDF)
- l. GLOBAL CYCLES: CAPITAL FLOWS, COMMODITIES, AND SOVEREIGN DEFAULTS, 1815-2015 Carmen M. Reinhart Vincent Reinhart Christoph Trebesch Working Paper 21958 <http://www.nber.org/papers/w21958>
- m. The Asian Financial Crisis," Variant Perception ([Link](#))
- n. What was the 1997 Asian financial crisis ([Link](#))

- o. Manias, Panics, and Crashes, by Charles Kindleberger, Sixth Edition, Palgrave Macmillan, 2011
  - p. "The Onset of the East Asian Financial Crisis," by Steven Radelet and Jeffrey Sachs, NBER Working Paper No. 6680, August 1998
  - q. "The Asian crisis: A view from the IMF," S Fischer, IMF, January 1998.
  - r. "What drives financial crises in emerging markets?", by Tuomas Komulainen and Johanna Lukkarila, Boffit Discussion Papers, 2003, No. 5.
- 8. The major institutional investors in EM. Characteristics of Institutional Investing. The influence of business-risk and career risk on portfolio decisions.
  - a. Global Wealth Report 2017 (Credit Suisse Research Institute)
  - b. Why do hedge funds still exist?, Larry Swedroe, [ETF.com](#)
  - c. How do Sovereign Wealth Funds Invest? A Glance at SWF Asset Allocation," by State Street Global Advisors, International Forum of Sovereign Wealth Funds, December 2015.
- 9. The explosion of ETFs. Active vs. passive investing. ETFs in emerging markets. The role of ETFs in active investing. Fundamental and Smart Beta funds.
  - a. "The Top 97 Emerging Markets ETFs," ETF.com.
  - b. "Smart-beta Fuels Best-Performing EM ETFs, ETF.com, October 24, 2016.
- 10. Technology and China's Industrial Planning: Robotics, AI, and Renewable energy.
  - a. Interview with AI expert Kai-Fu Lee ([McKinsey](#))
  - b. China's tech lag highlighted ([SCMP](#))
  - c. China wants high-tech cars with German help ([NYT](#))
  - d. Wake up call for China's chip industry ([Caixing](#))
  - e. China leads the way with electric vehicles ([McKinsey](#))
  - f. A global look on Chinese robotics ([ZDNET](#))
  - g. Germany impedes China tech m&a ([WSJ](#))

- h. "China is leading in the robot wars" ([QZ](#))
- i. "This company's robots are changing the world," Bloomberg, October 2017 ([Link](#))
- j. "To Make a New Kind of Shoe Adidas Had to Change Everything," By Rowland Manthorpe, Wired.com, October 4, 2017.
- k. "Will technology enable workers or replace them? A long-read Q&A with Daron Acemoglu," by James Pethokoukis, AEIideas Blog, October 2, 2017.
- l. "Tony Seba: A Futurist's Vision of Energy , " by Simon Lack, SL Advisors, October 8, 2017.
- m. "Digitization: The next stop for the apparel-sourcing caravan," by Achim Berg, Saskia Hedrich, Tim Lange, and Karl-Hendrik Magnus, The McKinsey Institute, September 2017.

11. The Rise of the Asian Consumer.

- a. The Emerging Consumer, Credit Suisse Research Institute, 2015.
- b. "Asia: Leaning In," by Henry H. McVey, KKR, October 11, 2017.

12. Frontier Markets

- a. "Frontier Stock Markets: Local vs Global Factors," Douglas W. Blackburn and Nusret Cakici, March 2017 .
- b. "Frontier markets facing oblivion," Financial Times, June 29, 2018 ([Link](#))
- c. Frontier Investor: How to Prosper in the Next Emerging Markets, by Marko Dimitrijevic, Columbia Business School Publishing, Oct 18, 2016.