MATTHIJS BREUGEM

www.matthijsbreugem.com ⋄ +393896288769 ⋄ mhpbreugem@gmail.com

Updated January 2021

EMPLOYMENT

Collegio Carlo Alberto and University of Turin 2017 - Present
Assistant Professor—Finance *Turin, Italy*

Frankfurt School of Finance and Management 2015 - 2017
Assistant Professor—Finance *Frankfurt am Main, Germany*

EDUCATION

INSEAD 2010 - 2015
PhD in Finance (supervisor: Bernard Dumas) *Fontainebleau, France*
MSc in Finance

Univ. Paris 1 Panthèon Sorbonne & Univ. Ca' Foscari di Venezia 2008 - 2010
Dual Degree Erasmus Mundus Master Models and Methods of Quantitative Economics
MSc in Economics (Venice), 110/110 cum laude
MSc in Applied Mathematics (Paris), mention très bien

Delft University of Technology 2004 - 2008
BSc in Applied Physics *Delft, The Netherlands*

PUBLICATIONS

"Dynamic Ownership and Private Benefits" (with Raffaele Corvino), **Journal of Corporate Finance**, Forthcoming

"Long-run versus short-run news and the term structure of equity" (with Roberto Marfe), Finance Research Letters, Volume 36, October 2020

"Institutional Investors and Information Acquisition: Implications for Asset Prices and Informational Efficiency" (with Adrian Buss), **The Review of Financial Studies**, Volume 32, Issue 6, June 2019, Pages 2260–2301

Working papers with abstracts and PDF's are listed at the end of this document

PRESENTATIONS

2020	American Finance Association, SFS Cavalcade*, IDC Financial Economics Conference, 2nd Future of Financial Information conference*
2019	Ca' Foscari University, Long-Term Investors Conference Torino, 4 Nations Cup HEC Paris*
2018	Western Finance Association, European Finance Association*, Lancaster Frontiers of Factor Investing, INSEAD Finance Symposium*, International Industrial Organization Conference* Mannheim Centre for Competition & Innovation*, China International Conf. in Finance
2017	American Finance Association, Adam Smith Asset Pricing, 2nd NBER Long-Term Asset Management Conference, Annual 2nd CEPR Symposium World Finance Conference, World Finance Conference , Collegio Carlo Alberto

2016	Australasian Finance & Banking Conference, European Summer Symposium in Financial Markets Gersensee (co-author), INSEAD (brown bag, co-author), Frankfurt School (brown bag)
2015	Erasmus Rotterdam, VU Amsterdam, Católica Lisbon, IESE, Frankfurt School, SKK GSK, KAIST, HEC Montreal
2014	ESCP PhD conference (co-author), INSEAD (brown bag)
2013	HEC Business in Paris PhD conference, INSEAD-LBS-LSE PhD Workshop

TEACHING

University Teaching at Graduate level:

Corporate Finance	MSc, University of Turin, 2019-2020 (no evaluations given)
Asset Pricing	MSc, Collegio Carlo Alberto, 2017-2020 (no evaluations given)
Risk Management	MSc, Frankfurt School, 2015-2020 (evaluations 1.3/6, with 1=highest)
Corporate Finance (TA)	MBA, INSEAD, 2012,2015 (evaluations 4.6/5)
Prices and Markets (TA)	MBA, INSEAD, 2011-2013 (evaluations 4.7/5)

Executive Teaching:

Finance (Business Plan)	Project Manager Executives, Faurecia (Automotive), BMS, 2015-2020
Project Management	Plant & Project Manager Executives, Faurecia, BMS, 2019-2020
Finance for Executives	EMBA, Kinshasa FS, 2017,2020

GRANTS

2018	Lyxor-Dauphine Research Academy Award
2017	NBER presenation honorary (€2500), Institut Europlace de Finance/Louis Bachelier (€10k)
2014	AFA Travel grant ($1500)
2010	INSEAD PhD tuition fee waver

REFEREEING

American Economic Review, Management Science, Review of Finance, Quantitative Finance, Journal of Empirical Finance, Quantitative Finance, Annals of Finance, European Journal of Operational Research, Journal of Economic Behavior & Organization, Finance Research Letters

OTHER EXPERIENCE

2020	Co-organizer LTI conference Torino, faculty recruitment committee
2019	Co-organizer LTI conference Torino, faculty recruitment committee
2018	Co-organizer LTI conference Torino, faculty recruitment committee, brownbag co-organizer
2017	Member of 2017 FMA program committee, faculty recruitment committee
2016	Faculty recruitment committee
2015	Brownbag organizer
2013	Organizer of INSEAD-LBS-LSE PhD workshop
2013	Area organizer of HEC Business in Paris PhD conference
2010	Class representative, research assistant at Università Ca' Foscari di Venezia
2008	Exchange student at Bielefeld University
2007	Participant of Athens programme at Politecnico di Milano
2006	Internship in Nuclear Reactor Institute Delft for BSc thesis

LANGUAGES

In order of proficiency: Dutch (native), English (fluent), French (advanced), Italian (advanced), German (intermediate), Spanish (intermediate, B2 DELE)

WORKING PAPERS

"What Do Interest Rates Reveal About the Stock Market? A Noisy Rational Expectations Model of Stock and Bond Markets"
(with A. Buss, J. Peress)
We propose a novel theory and provide supporting empirical evidence that lower long-term interest rates (e.g., because of "quantitative easing") harm informational and allocative efficiency. We develop a noisy rational expectations equilibrium model with an endogenous interest rate that investors use to update their beliefs about economic fundamentals. The interest rate reveals information about discount rates, allowing investors to extract more information about cashflows from stock prices. The precision of the interest-rate signal and, hence, stock-price informativeness increase in the interest rate. As a result, informational and allocative efficiency rise with bond and money supplies and with policy transparency. *Download PDF*

"Dynamic Equity Slope" (with S. Colonello, R. Marfe, F. Zucchi)
We propose a general equilibrium model that jointly explains four important features of the term structure of equity: (i) a negative unconditional term premium, (ii) countercyclical term premia, (iii) procyclical equity yields, and (iv) premia to value and growth claims respectively increasing and decreasing with the horizon. The economic mechanism hinges on the interaction between heteroskedastic long-run growth—which helps price long-term cash flows and leads to countercyclical risk premia—and homoskedastic short-term shocks in the presence of limited market participation—which produce sizeable risk premia to short-term cash flows. The slope dynamics hold irrespective of the sign of its unconditional average. We provide empirical support to our model assumptions and predictions. *Download PDF*

"Corporate Policies and the Term Structure of Risk" (with S. Colonello, R. Marfe, F. Zucchi)
We build a dynamic corporate finance model in which the price of aggregate risk and the firm's exposure to this risk depend on the horizon.If a firm is symmetrically exposed to aggregate short-term and long-term shocks, an upward-sloping term structure of risk prices triggers corporate short-termism, leading the firm to favor payouts over investment. This effect is stronger for firms more exposed to long-term shocks, but can be reversed for firms more exposed to short-term shocks. Our analysis is extended to embed time variation in risk prices over the business cycle, consistent with recent evidence on the term structure of equity. *Download PDF*

"On the Importance of Benchmarking: Optimal Contracts in Delegated Portfolio Management" (with A. Buss)
We derive optimal, unrestricted contracts in delegated portfolio management using a novel economic framework that allows both investors and portfolio managers to infer information from public asset prices. For uninformative prices, investors rely on an asymmetric absolute-performance fee to compensate managers. However, with informative prices, *benchmarking arises endogenously*; in particular, optimal contracts contain an asymmetric relative-performance component. As informational efficiency increases, benchmarking becomes more important and dominates absolute-performance incentives. In addition, the expected contract cost for investors typically increases. In the presence of wealth effects, managers can even extract a surplus if price informativeness is sufficiently high because, to provide the necessary incentives, investors are forced to substantially raise compensation. *Download PDF*

"Retailer Power with Linear Contracts" (with M. Reisinger and T. Thomes)
Abstract: This paper analyzes the competitive effects of buyer power in a vertically related industry in which upstream and downstream firms sell homogeneous products and compete in prices. We identify a new rationale why buyer power is anti-competitive: Buyers compete in the upstream market by overbidding to exclude their rivals from the downstream market. This leads to final-consumer prices above marginal costs, and to positive profits for firms at both layers, despite the fact that they sell homogeneous products. By contrast, with seller power, the equilibrium involves marginal cost pricing. Our results contrast with the long-standing wisdom, developed by Galbraith (1952), that incentives of downstream firms and final consumers with respect to the wholesale prices are aligned.