



Lionel Martellini, PhD

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Professor - Speciality: Finance

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Lionel Martellini is a Professor of Finance at EDHEC Business School and the Scientific Director of EDHEC-Risk Institute. A former member of the faculty at the Marshall School of Business, University of Southern California, he holds Master's Degrees in Business Administration, Economics, Statistics and Mathematics, as well as a PhD in Finance from the Haas School of Business, University of California at Berkeley. Lionel is a member of the editorial board of *The Journal of Portfolio Management* and *The Journal of Alternative Investments*. He conducts active research in quantitative asset management and derivatives valuation, which has been published in leading academic and practitioner journals and has been featured in major European and global dailies such as *The Financial Times* and *The Wall Street Journal*. He has co-authored reference textbooks on topics related to Alternative Investment Strategies and Fixed-Income Securities. Lionel has served as a consultant for various institutional investors, investments banks and asset management firms both in Europe and in the United States on questions related to active asset allocation decisions and alternative investment strategies, and is a regular speaker in seminars and conferences on these subjects

EDUCATION

- **Ph.D., Finance**, U. C. Berkeley, Haas School of Business (chair : M. Rubinstein), 2000.
- **M.S., Statistics** (*DEA de Probabilités et Applications*), Université de Paris, Paris 6, Pierre et Marie Curie, 1996.
- **M.S., Economics**, Ecole Nationale de la Statistique et de l'Administration Economique (*diplômé ENSAE*), 1995.
- **M.S., Mathematics** (*Maîtrise de Mathématiques Pures*), Université de Paris, Paris 6, Pierre et Marie Curie, 1994.
- **B.S., Mathematics** (*Licence de Mathématiques*), Université de Paris, Paris 6, Pierre et Marie Curie, 1992.
- **M.S., Finance**, ESCP-EAP European School of Management (*diplômé ESCP-EAP*), 1990.

WORK EXPERIENCE

- Visiting Fellow, ORFE Department, Princeton University, 2011-2012.
- Professor, EDHEC Business School, France, 2006-onward.
- Associate Professor, EDHEC Business School, France, 2003-2006.
- Assistant Professor, University of Southern California, Marshall School of Business, 2000-2003.
- Teaching Assistant, University of California at Berkeley, Haas School of Business, 1998-2000.

Courses taught

- Executive:
 - Advances in Asset Allocation (EDHEC-CFA seminar - London and New-York).
 - Alternative Asset Allocation (EDHEC-CFA seminar - London).
 - Advanced Hedge Fund Investing (Lhabitant-Martellini seminar - London and New-York).
- PhD: Dynamic Asset Allocation Decisions (EDHEC, finance PhD).
- Graduate:
 - Investments (Msc. EDHEC, MBA USC).
 - Fixed-Income Securities (Msc. Edhec, MBA USC).
 - Derivatives (Msc. Edhec).

PROFESSIONAL ACTIVITIES

Board Activities

- Member of the academic advisory board, *FTSE*, 2009-onward.
- Member of the scientific council, *Institut Louis Bachelier*, 2008-onward.
- Scientific director, *EDHEC Risk Institute*, 2003-onward.

Editorial Activities

- Member of the editorial board, *Journal of Alternative Investments*, 2001-present.
- Member of the editorial board, *Journal of Portfolio Management*, 2004-present.
- Member of the editorial board, *Bankers, Markets and Investors*, 2008-present.
- Guest editor, special issue of the *EFM Journal*, Symposium on Risk and Asset Management, March 2008.

Referee Activities

Ad-hoc referee for various academic journals in economics and finance, including the *Journal of Banking and Finance*, the *Journal of Economic Dynamics and Control*, the *Journal of Finance*, the *Journal of Financial Econometrics*, the *Journal of Portfolio Management*, *Management Science*, *Mathematical Finance*, etc.

Prizes and Awards

- Winner of the 2009/2010 Inquire First Prize for the paper entitled “Dynamic Allocation Decisions in the Presence of Funding Ratio Constraints”.

PUBLICATIONS

Published and Forthcoming Papers

- Amenc, A., Goltz, F., and L. Martellini, A survey of alternative equity index strategies: A comment, *Financial Analysts Journal*, forthcoming.
- Hitaj, A., L. Martellini, and G. Zambruno, Optimal hedge fund allocation with improved estimates for coskewness and cokurtosis parameters, *Journal of Alternative Investments*, forthcoming.
- Amenc, N., and L. Martellini, 2011, In diversification we trust?, *Journal of Portfolio Management*, invited editorial, forthcoming.
- Amenc, N., F. Goltz, L. Martellini, and P. Retkowsky, 2011, Efficient indexation: an alternative to cap-weighted indices, *Journal of Investment Management*, forthcoming.
- Martellini, L., and V. Ziemann, 2010, Improved estimates of higher-order comoments and implications for portfolio selection, *Review of Financial Studies*, 23, 4, 1467-1502.
- Amenc, N., L. Martellini, J.-C. Meyfredi and V. Ziemann, 2010, Passive hedge fund replication – Beyond the linear case, *European Financial Management Journal*, 16, 2, 191-210.
- Amenc, N., L. Martellini, V. Milhau and V. Ziemann, 2009, Asset-liability management in private wealth management, *Journal of Portfolio Management*, 36, 1, 100-120.
- Inflation-hedging properties of real assets and implications for asset-liability management decisions”, with N. Amenc and V. Ziemann, *Journal of Portfolio Management*, 35, 4, 94-110, 2009.
- “Optimal investment and consumption decisions when time-horizon is uncertain”, with C. Blanchet-Scaillet, N. El Karoui, and M. Jeanblanc-Picqué, *Journal of Mathematical Economics*, 44, 11, 1100-1113, 2008.
- “Towards the design of better equity benchmarks”, *Journal of Portfolio Management*, 34, 4, 34-41, 2008.
- “Optimal static allocation decisions in the presence of portfolio insurance”, with F. Goltz and K. Simsek, *Journal of Investment Management*, 6, 2, 1-20, 2008.
- “Passive hedge fund replication - A critical assessment of existing techniques and directions for further research”, with N. Amenc, W. Géhin, J.-C. Meyfredi and V. Ziemann, *Journal of Alternative Investments*, 11, 2, 69-83, 2008.
- “Extending Black-Litterman analysis beyond the mean-variance framework - An application to hedge fund style allocation decisions”, with V. Ziemann, *Journal of Portfolio Management*, 33, 4, 33-44, 2007.
- “A Copula approach to Value-at-Risk estimation for fixed-income portfolios, with J.-C. Meyfredi, *Journal of Fixed-Income*, 17, 1, 5-15, 2007 (lead article).
- “Hedge fund indices: reconciling investability and representativity”, with F. Goltz and M. Vaissié, *European Financial Management Journal*, 13, 2, 257-286, 2007.
- “Dynamic portfolio choice with parameter uncertainty and the economic value of analysts' recommendations”, with J. Cvitanic, A. Lazrak and F. Zapatero, *Review of Financial Studies*, 19, 4, 1113-1156, 2006 (lead article).
- “Static mean-variance analysis with uncertain time-horizon”, with Branko Urošević, *Management Science*, 52, 6, 955-964, 2006.
- “Exchange-traded fixed-income derivatives in asset management and asset-liability management”, with F. Goltz and V. Ziemann, *Journal of Fixed-Income*, 16, 1, 39-54, 2006.
- “From delivering to packaging of alpha”, with N. Amenc, and P. Malaise, *Journal of Portfolio Management*, 32, 2, 90-98, 2006.

- “The benefits of hedge funds in asset-liability management”, with V. Ziemann, *Journal of Financial Risk Management*, 3, 2, 38-55, 2006.
- “The theory of liability driven investments”, *Life & Pensions Magazine*, 2, 5, 39-44, 2006.
- “Optimal allocation to hedge funds”, with M. Vaissié, *Risk Magazine*, 19, 3, 76-80, 2006.
- “Dynamic asset pricing theory with uncertain time-horizon”, with C. Blanchet-Scaillet and N. El Karoui, *Journal of Economic Dynamic and Control*, 29, 10, 1737-1764, 2005.
- “Exploiting predictability in the time-varying shape of the term structure of interest rates”, with F. Fabozzi and P. Priaulet, *Journal of Fixed-Income*, 15, 40-53, 2005.
- “Taking a close look at the European funds of hedge funds industry”, with N. Amenc, J. R. Giraud, and M. Vaissié, *Journal of Alternative Investments*, 7, 3, 59-69, 2005.
- “Revisiting core-satellite investing - A dynamic model of relative risk management”, with N. Amenc, and P. Malaise, *Journal of Portfolio Management*, 31, 1, 64-75, 2004.
- “Portable alpha and portable beta strategies”, with N. Amenc, P. Malaise and D. Sfeir, *Journal of Portfolio Management*, 30, 4, 204-215, 2004.
- “Evidence of predictability in hedge funds returns”, with N. Amenc and S. El Bied, *Financial Analysts Journal*, 5, 59, 32-46, 2003.
- “Tactical style allocation: a new form of market neutral strategy”, with N. Amenc, P. Malaise and D. Sfeir, *Journal of Alternative Investments*, 6, 1, 8-22, 2003.
- “Benefits and risk of alternative investment strategies”, with N. Amenc and M. Vaissié, *Journal of Asset Management*, 4, 2, 96-118, 2003.
- “An integrated framework for style analysis and performance measurement”, with N. Amenc, and D. Sfeir, *Journal of Performance Measurement*, 7, 4, 35-41, 2003.
- “Optimal allocation to hedge funds – An empirical analysis”, with J. Cvitanic, A. Lazrak and F. Zapatero, *Quantitative Finance*, 3, 1-12, 2003.
- “Competing methods for option hedging in the presence of transaction costs”, with P. Priaulet, *Journal of Derivatives*, 9, 3, 26-38, 2002.
- “Portfolio optimization and hedge fund style allocation decisions”, with N. Amenc, *Journal of Alternative Investments*, 5, 2, 7-20, 2002.
- “Efficient option replication in the presence of transaction costs”, *Review of Derivatives Research*, 4, 2, 107-131, 2000.

Working Papers

- “Capital structure choice, pension fund allocation decisions and the rational pricing of liability streams”, with J. Cvitanic, L. Goukasian and F. Zapatero.
- “Optimal allocation decisions in (asset and) liability management”, with N. Amenc and V. Milhau.
- “Capital structure choices and the optimal design of corporate debt programs”, with V. Milhau.
- “Optimal option hedging in the presence of correlation risk”.
- “Measuring the costs of inefficient portfolio strategies”, with P. Priaulet.

Books

- “Advanced bond portfolio management: best practices in modeling and strategies”, edited, with F. Fabozzi and P. Priaulet, *John Wiley*, 2005.
- “Fixed-income securities – Valuation, risk management and portfolio strategies”, with P. Priaulet and S. Priaulet, *John Wiley*, 2003. Book website: www.wiley.co.uk/martellini.

- “Fixed-income securities - Dynamic methods for interest rate risk pricing and hedging”, with P. Priaulet, *John Wiley*, 2000. Chinese version in 2001.

Chapters in Book

- “Encyclopedia of Financial Models”, edited by Frank Fabozzi, *John Wiley*, forthcoming: Chapter on “Asset Allocation and Portfolio Construction Decisions in the Optimal Design of the Performance-Seeking Portfolio (with N. Amenc, F. Goltz and P. Retkowsky).
- “The Theory and Practice of Investment Management”, edited by Frank Fabozzi and Harry Markowitz, *John Wiley*, forthcoming: Chapter on “Asset allocation and portfolio construction” (with N. Amenc, F. Goltz and V. Milhau).
- “Encyclopedia of Financial Models”, edited by Frank Fabozzi, *John Wiley*, forthcoming: Chapter on “Asset allocation and portfolio construction modeling in designing the optimal performance-seeking portfolio” (with N. Amenc, F. Goltz and V. Milhau).
- “Handbook of asset-liability management”, **Palgrave Macmillan**, forthcoming, Chapter on “Exploiting asset-liability management concepts in private wealth management” (with N. Amenc, V. Milhau and V. Ziemann).
- “Handbook series in finance”, edited by Frank Fabozzi, *John Wiley*, 2007: Chapters on “Asset allocation and portfolio construction”, “Introduction to performance analysis”, “Risk management for asset management firms” (with N. Amenc, F. Goltz and V. Lesourd).
- “Hedge funds and managed futures”, edited edited by Greg Gregoriou and Dieter Kaiser, *Risk Books*, 2006: Chapter on “The benefits of hedge funds in asset-liability management” (with V. Ziemann).
- “Hedge funds: insights in performance measurement, risk analysis, and portfolio allocation”, edited by Greg Gregoriou, Nicolas Papageorgiou, Georges Hübner, and Fabrice Rouah, *John Wiley*, 2005: Chapter on “Hedge funds from the institutional investor’s perspective” (with N. Amenc and F. Goltz).
- “The handbook of fixed-income securities”, 7th edition, edited by Frank Fabozzi, *John Wiley*, 2005. Chapter on “Hedging interest rate risk with term structure factor models” (with F. Fabozzi and P. Priaulet).
- “Commodity trading advisors: risk performance, analysis and portfolio selection”, edited by G. Gregoriou, V. Karavas, F.S. Lhabitant and F. Rouah, *John Wiley*, 2004: Chapter on “Benchmarking the performance of CTAs” (with M. Vaissié).
- “Professional risk managers’ (PRM) handbook”, edited by Carol Alexander and Elizabeth Sheedy, *PRMIA Editions*, 2004: Chapters on “General characteristics of bonds” (with P. Priaulet), “The bond markets” (with P. Priaulet and M. Choudry) and “Caps, floors and swaptions” (with P. Priaulet).
- “Intelligent hedge fund investing”, edited by Barry Schachter, *Risk Books*, 2004: Chapter on “Indexing hedge fund indexes” (with N. Amenc and M. Vaissié).
- “The handbook of European fixed-income securities”, edited by Frank Fabozzi, *John Wiley*, 2004: Chapter on “An empirical analysis of the domestic and Euro yield curve dynamics” (with P. Priaulet and S. Priaulet).

Featured in the Media (Selection)

- “Inflation-linked debt offers useful inflation hedge” (with V. Milhau), *Financial Times*, August, 29, 2011.
- “Sovereign wealth funds make presence felt” (with V. Milhau), *Financial Times*, February, 20, 2011.

- “Alternative to cap-weighted indices”, (with N. Amenc), *Financial Times*, November 21, 2010.
- “A better approach to risk management”, *Financial Times*, October 25, 2010.
- “How to prepare for extreme conditions”, *Financial Times*, July 4, 2010.
- “Tweaks to improve long-term saving plans”, (with N. Amenc), *Financial Times*, April 19, 2010.
- “Back to the drawing board”, *The Wall Street Journal*, April 12, 2010.
- “Life cycle funds need to be improved” (full article, with V. Milhau), *Financial Times*, September 27, 2009.
- “Go back to basics and put efficiency first” (full article, with F. Goltz), *Financial Times*, June 28, 2009.
- “Sovereign wealth funds will benefit from a sophisticated touch”, *Financial Times*, May 19, 2009.
- “The upside to downside” (full article), *Financial Times*, May 1, 2009.
- “Short-term constraints in a long-run horizon” (full article), *Financial Times*, April 20, 2009.
- “More ways than one to hedge those risks”, *Financial Times*, March 2, 2009.
- “Novel hedging solutions for pension emerging”, *Financial Times*, February 9, 2009.
- “Investment policies for sovereign wealth funds” (full article), *Financial Times*, December 15, 2008.
- “Hedge fund clones get mixed reviews”, *Financial Times*, November 24, 2008.
- “Simple could be the best strategy”, *Financial Times*, November 3, 2008.
- “Why imperfect hedging makes sense” (full article), *Financial Times*, October 27, 2008.
- “Magic formula' defies all the rules”, *Financial Times*, September 14, 2008.
- “GTAA nose-dives in market downturn”, *Financial Times*, September 7, 2008.
- “Clones go slow but sure”, *Financial Times*, April 3, 2008.
- “The hedge fund 'clones' - Will returns match?”, *The Wall Street Journal*, July 21, 2007.
- “Hedge fund sheep in wolves' clothing”, *Financial Times*, July 2, 2007.
- “Hedge fund replication: is it for real?”, *CNBC, The Squawk Box*, June 28, 2007.
- “Hedge clones ‘jumped the gun’”, *Financial Times*, May 18, 2007.
- “Get off the fence and look at the hedge funds”, *Financial Times*, November 26, 2005.
- “Hedge fund blown overboard”, *Financial Times*, May 31, 2004.
- “Growth, value and survival”, *Financial Times*, May 23, 2004.
- “Funds of funds are falling short”, *The Wall Street Journal*, March 3, 2004.
- “When tactical is practical”, *Financial Times*, November 10, 2003.
- “Tracking hedge funds: an inexact science”, *The Wall Street Journal*, September 17, 2003.
- “Indexing in the fringe”, *Financial Times*, June 9, 2003.
- “Generating cash from chaos”, *Financial Times*, February 17, 2003.
- “Enquête sur les fonds spéculatifs accusés de déstabiliser la Bourse”, *Le Monde*, June 15, 2002

SEMINARS AND CONFERENCES

Selected Academic Conferences and Seminars (Paper Presented)

- FBF/Ecole Polytechnique/EDHEC Seminar (Paris, April 2010)
- 2009 EDHEC Institutional Days (Paris, May 2009).
- 6th Madrid Finance Workshop (Madrid, March 2009).
- University of Zürich (Zürich, March 2009).

- Inflation-Indexed Securities and Inflation Risk Management Conference (New-York, February 2009).
- University of Paris-Dauphine (Paris, November 2008).
- Bachelier Math Finance Seminar (Paris, October 2008).
- 2008 EDHEC Alternative Investment Days (London, November 2008).
- Bloomberg Finance Seminar (New-York, July 2008).
- 2008 EDHEC Institutional Days (Paris, June 2008).
- 2007 EDHEC Alternative Investment Days (London, November 2007).
- Columbia University, Seminar in Financial Engineering (New-York, October 2007).
- University of Toronto & Bank of Canada, Advances in Portfolio Management (Toronto, July 2007).
- EDHEC Asset Management Days (Geneva, March 2007).
- 2006 EDHEC Institutional Days (Paris, November 2006).
- Bank of Italy, Research Seminar Series (Roma, September 2006).
- University of Bologna, Frontiers in Financial Markets Mathematics (Bologna, September 2006).
- EFM Meetings, Special Session on Hedge Funds (Madrid, June 2006).
- EDHEC Hedge Fund Days (London, February 2006).
- 8eme Journées d'Analyse Numérique et d'Optimisation (Rabat, December 2005).
- NYU, Mathematical Finance Seminar at the Courant Institute (New-York, October 2005).
- FMA Meetings (Zürich, June 2004).
- EDHEC Hedge Fund Day (London, May 2004).
- HEC (Paris, January 2003).
- MSRI Conference on Credit and Event Risk (New-York, November 2002).
- INSEAD (Paris, September 2002).
- Ecole Polytechnique, Quantitative Methods in Asset Management Seminar (Paris, June 2002).
- UCLA (Los Angeles, April 2002).
- University of Southern California, Mathematical Finance Seminar (Los Angeles, April 2001).
- University of British Columbia (Vancouver, April 2001).
- University of California at Irvine (Irvine, April 2001).
- University of Southern California, Marshall School of Business (Los Angeles, February 2000).
- University of Madison-Wisconsin (Madison, February 2000).
- HEC (Paris, February 2000).
- Mc-Gill University (Montreal, January 2000).
- University of California at Berkeley, Haas School of Business (Berkeley, November 1999).
- French Finance Association (Aix-en-Provence, June 1999).
- Southern Finance Association (Florida, November 1998).
- University of Nice-Sophia-Antipolis (Nice, January 1998).
- Quantitative Methods in Finance (Sydney, August 1997).
- Conference on Non Standard Analysis in Finance (Nice, July 1997).
- University of Western Australia (Perth, July 1997).
- CNRS-GREQAM (Marseille, June 1997).
- INRIA (Sophia-Antipolis, March 1997).
- ESSEC Graduate School of Business (Cergy, November 1996).
- French Finance Association (Geneva, June 1996).

Selected Professional Conferences and Seminars (Invited Speaker)

- Derivatives & Risk Management Europe (Monaco, June 2006).
- European Institutional Investor Institute Conference (Venice, April 2006).

- Eurex Investor Advisory Committee (London, November 2005).
- Conseil Scientifique de l'AMF (Paris, October 2005).
- Asset Allocation Summit (London, June 2005).
- Quantitative Conference, Citigroup Smith Barney (Barcelona, June 2005).
- Investor Symposium Funds of Hedge Funds (Zürich, June 2005).
- European Hedge Fund Workshop (London, April 2005).
- Super Hedge 2005 (Frankfurt, February 2005).
- Hedge Fund World Germany (Frankfurt, February 2005).
- Generating Absolute Returns for Pension Funds (London, February 2005).
- Hedge Fund Symposium Europe (Marbella, November 2004).
- GAIM Funds of Funds (Geneva, November 2004).
- Hedge Funds World (Zürich, November 2004).
- Hedge 2004 (London, October 2004).
- European Alternative Investment Summit (Nice, October 2004).
- European ETF Summit (London, September 2004).
- Hedge Fund Symposium (London, September 2004).
- Fund Forum (Monaco, July 2004).
- GAIM Funds of Funds (Geneva, November 2003)
- Quant ' 03 (London, September 2003).
- Fund Forum (Nice, June 2003).
- Conseil Scientifique de la COB, Les hedge funds déstabilisent-ils la Bourse?, (Paris, June 2002).

CONSULTING ACTIVITIES

Consulting assignments for various investment banks, asset management firms, institutional investors and exchanges on various aspects related to risk management, alternative investment strategies, and asset allocation decisions in the absence and in the presence of liability constraints and performance benchmarks: 2002-onward.

INTERESTS

- Finance, *un peu*.
- Tennis, *beaucoup*.
- Poetry, *passionnément*.
- Daphné, *à la folie*.