

RICHARD A. MAYO CENTER FOR ASSET MANAGEMENT

2021-22 | ACTIVITY REPORT




DARDEN SCHOOL
of BUSINESS

Richard A. Mayo
Center for Asset Management

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Richard A. Mayo Center

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OUR MISSION

The Richard A. Mayo Center for Asset Management (Mayo Center) advances the study and practice of responsible asset management globally through developing and delivering world-class research, educational programs and activities, awards, and support for student clubs and experiential learning.

PRINCIPLES

Our principles to achieving excellence include:

- Improving the global investment community through advancing responsible stewardship of wealth and inspiring citizen-leaders
- An enduring commitment to rigorous and relevant thought leadership that advances investment practice marked by the preservation and growth of wealth for investors
- Inspiring responsible servant leaders in asset management through transformational lifelong learning experiences
- An unwavering support of a collaborative and diverse global community

VENTURE CAPITAL INITIATIVE

The Venture Capital Initiative at Darden provides students with a suite of world-class curricular, experiential and professional offerings to support their educational interests and long-term career pursuits in venture capital. Degree program students seeking to establish or enhance their foundational knowledge of the VC industry or gain practical skills and experience through investing and operational roles can take advantage of several curricular and co-curricular programs during their two years at Darden.

www.darden.virginia.edu/venture-capital

REAL ESTATE INITIATIVE

The Real Estate Initiative offers students a unique suite of courses, extracurricular and career development programs to support their interests in commercial real estate finance, development, management and M&A. From an active Real Estate Fund managed by student portfolio managers to summer internships with leading firms in the industry, the Real Estate Initiative provides all Darden students with the opportunity to acquire knowledge and to form professional connections in real estate. In addition, Darden is proud to partner with UVA's School of Architecture and the McIntire School of Business to create pan-University courses, degree programs, extra-curricular programs and events in real estate. www.darden.virginia.edu/real-estate-initiative



The new real estate fund is managed by Class of 2023 students (left to right) Lins Agokeng, Jay Barden, Mercedes Lee and Troy Ziemann.

UNIVERSITY OF VIRGINIA INVESTING CONFERENCE (UVIC)

The 14th annual University of Virginia Investing Conference (UVIC) took place virtually in October 2021 and focused attention on investing following a global pandemic. The keynote session, "The Great Society: Parallels and Lessons Learned for Today's Leaders," was given by Amity Shlaes, author; Chair, Calvin Coolidge Presidential Foundation; Scholar, King's College; and Chair, Manhattan Institute's Hayek Book Prize; and moderated by Robert F. Bruner, University Professor; Distinguished Professor of Business Administration; Dean Emeritus of the Darden School of Business; and Senior Fellow of the Miller Center of Public Affairs.

Sessions included:

- "The Changing Venture Capital Landscape"
- "Opportunities for Investing in Asia Pacific"
- "Dynamic Impact of Liquidity on Markets"
- "Blockchain and Decentralized Finance"
- "Annual @Virginia Investing Challenge (DVIC)"

Program highlights and select session recordings available at www.darden.virginia.edu/mayo-center/events/uvic

MAYO CENTER FOR ASSET MANAGEMENT VIRTUAL SEMINAR SERIES

This series, launched in the spring of 2020, provides a venue for the continued sharing of ideas and insights of practical relevance in the field of asset management. Recordings of the sessions listed below are available at www.darden.virginia.edu/mayo-center/events/virtual-speaker-series

"Disrupting Personal Finance with Robo Advisors"

SPEAKER: Alberto Rossi, Provost's Distinguished Associate Professor of Finance, Director of the AI, Technology and Future of Work Initiative, McDonough School of Business, Georgetown University

MODERATOR: Pedro Matos, John G. Macfarlane Family Chair and Professor of Business Administration, Academic Director of Richard A. Mayo Center for Asset Management, University of Virginia Darden School of Business

"The State and Future of Private Equity"

SPEAKER: Tim Jenkinson, University of Oxford, Saïd Business School

MODERATOR: Robert S. Harris, C. Stewart Sheppard Professor of Business Administration, University of Virginia Darden School of Business

"Carbon Transition Risk"

SPEAKER: Marcin Kacperczyk, Professor of Finance, Imperial College London Business School and Patrick Bolton, Barbara and David Zalaznick Professor of Business, Columbia University

MODERATOR: Pedro Matos, John G. Macfarlane Family Chair and Professor of Business Administration, Academic Director of Richard A. Mayo Center for Asset Management, University of Virginia Darden School of Business

FINANCIAL PANEL

Co-hosted by the UVA Club of New York and the Mayo Center, the June 2022 panel's theme was, "Investing in a World of Rising Rates, Inflation and Geopolitical Stress." Tyler Mathisen (Col '76), co-anchor of CNBC's "Power Lunch," served as moderator for panel. Panelists discussed uncertainty in Europe, the rise of energy prices and its impact on sustainable investing, interest rates, the "cooling off" of crypto, and more. www.darden.virginia.edu/mayo-center/events/annual-financial-panel

Panelists included:

- Jennifer Baker (MBA '10), Senior Vice President at Silvercrest Asset Management
- Kinda Hachem, Morris Plan Associate Professor of Consumer Credit at Darden
- Pedro Matos, John G. Macfarlane Family Chair and Professor of Business Administration at Darden and Academic Director of Richard A. Mayo Center for Asset Management
- Stephen Parker (COM '02), Managing Director and Head of Advisory Solutions at J.P. Morgan

ACADEMIC AND PRACTITIONER SYMPOSIUM ON MUTUAL FUNDS AND ETFs

Held in partnership with the Investment Company Institute, the annual symposium convened academics and practitioners at the intersection of climate change and asset management for a virtual program in February 2022. The keynote featured Lisa Jones, Head of Americas, President and CEO, Amundi US, with moderator Eric J. Pan, President and CEO, Investment Company Institute. www.darden.virginia.edu/faculty-research/seminars-conferences/academic-practitioner-symposium

THE DARDEN PRIVATE EQUITY CONFERENCE (DPEC)

The annual DPEC is organized by the student-run Darden Private Equity Club, with support from Darden's Mayo Center for Asset Management. Attendees included students, alumni and private equity practitioners who gathered at Darden to discuss industry hot topics, including impact investing; environmental, social, and governance (ESG) investing; the state of the private equity industry; and founding and building private equity firms. The April 2022 conference featured a keynote talk by David M. Rubenstein, co-founder and co-chairman of The Carlyle Group, a global investment firm with \$301 billion of assets under management. www.darden.virginia.edu/mayo-center/events/private-equity-conference



University of Virginia Investing Conference

Student Engagement

DARDEN CAPITAL MANAGEMENT

Darden Capital Management consists of 30 second-year students chosen to actively manage six investment portfolios for the Darden School Foundation. New in 2021-22 is the Colonnade Fund, focused on real estate. As of June 2022, Darden Capital Management's assets under management have grown to over \$28 million held across the six funds, making it one of the largest programs of its kind. The Cavalier, Colonnade, Darden, Jefferson, Monticello and Rotunda funds provide the opportunity for Darden students to develop skills in investment analysis and portfolio management. Each team formally meets on a weekly basis to discuss any updates, examine new ideas, and adjust the portfolio accordingly. www.darden.virginia.edu/mayo-center/darden-capital-management

DARDEN EMBA FUND (DEF)

The Darden EMBA Fund provides Executive MBA students with the opportunity to enhance their education in investment management, including managing an investment portfolio while also supporting their careers. The fund management program maintains connections with students and alumni and fosters relationships across the investment industry. DEF consists of eight students who together manage the Sabre Fund, a long-only equity fund with a focus on large-cap and mid-cap stocks. www.darden.virginia.edu/mayo-center/experiential-learning

RICHARD A. MAYO CENTER FOR ASSET MANAGEMENT SCHOLARSHIP



The scholarship seeks to attract students to Darden who are interested in a career in asset management and investing. In 2021-22, the scholarship was awarded to June Sun (Class of 2023). news.darden.virginia.edu/2021/10/28/scholar-follows-her-curiosity-to-asset-management/

Left: June Sun (Class of 2023), UVA Darden Mayo Scholar.

CURRICULUM SUPPORT

In 2021-22, the Mayo Center organized "Security Analysis & Valuation," a course for Executive MBA students taught by **Professor Robert Harris** and the center's executive director, **Rodney Sullivan**. The Mayo Center also provided cases for "Global Capital Markets," taught by **Professor Yiorgos Allayannis** in topic areas such as SPACs, global credit, leveraged finance, and private equity.

CAREER SUPPORT

Through its Fellowship Program, the Mayo Center supports Darden students pursuing careers in asset management by generating opportunities with leading investment firms across the industry in traditional security selection, hedge funds, venture capital, growth equity, real estate, endowments and others. www.darden.virginia.edu/mayo-center/investment-fellowship-program

Publications

ARTICLES/PAPERS

Augustin, P., Sokolovski, V., Subrahmanyam, M. G., **Tomio, D.**, (2022). "In Sickness and in Debt: The COVID-19 Impact on Sovereign Credit Risk." *Journal of Financial Economics*. 143 (3): 1,251-1,274.

Babus, A., **Hachem, K.**, (2021). "Regulation and Security Design in Concentrated Markets." *Journal of Monetary Economics*. 121: 139-151.

Binfare, M., Brown, G., **Harris, R. S.**, Lundblad, C. (2022). "How Does Human Capital Affect Investing? Evidence from University Endowments." *Review of Finance*. rfac017.

Box, T., Davis, R., **Evans, R. B.**, Lynch, A. A., (2021). "Intraday Arbitrage Between EFTs and Their Underlying Portfolios." *Journal of Financial Economics*. 141 (3): 1,078-1,095.

Brown, G., **Harris, R. S.**, Munday, S., (2021). "Capital Structure and Leverage in Private Equity Buyouts." *Journal of Applied Corporate Finance*. 33 (3).

Brown, G., **Harris, R. S.**, Wu, W., Jenkinson, T., Kaplan, S., Robinson, D., (2021). "Can Investors Time Their Exposure to Private Equity?" *Journal of Financial Economics*. 139 (2), 561-577.

Brown, G., Jenkinson, T., **Harris, R. S.**, Bukovec, P., Ivashina, V., Stromberg, P.J., Kinniry, F., Rogers, A. (2021). "Institute for Private Equity Oxford Private Equity Symposium: The Future of Private Equity - Academic and Practitioner Perspective." *Journal of Applied Corporate Finance*. 33 (3): 8-27.

Bruner, R. F., (2021). "Leaders and Learners: The Early American Presidents." *White House Studies*. 14 (4): 329-355.

Cohen, J. S., **Hachem, K.**, Richardson, G., (2021). "Relationship Lending and the Great Depression." *Review of Economics and Statistics*. 103 (3): 505-520.

Demirci, I., Ferreira, M. A., **Matos, P.**, & Sialm, C., (2022). "How Global is Your Mutual Fund? International Diversification from Multinationals." *The Review of Financial Studies*. 35 (7): 3,337-3,372.

Evans, R. B., Sun, Y., (2021). "Models or Stars: The Role of Asset Pricing Models and Heuristics in Investor Risk Management." *Review of Financial Studies*. 34 (1): 67-107.

Gottlieb, J. D., Townsend, R. R., **Xu, T.**, (2021). "Does Career Risk Deter Potential Entrepreneurs?" *The Review of Financial Studies*. hhab105.

Griffin, D., Li, K., **Xu, T.**, (2021). "Board Gender Diversity and Corporate Innovation: International Evidence." *Journal of Financial and Quantitative Analysis*. 56 (1): 123 - 154.

Hachem, K., Song, Z. M., (2021). "Liquidity Rules and Credit Booms." *Journal of Political Economy*. 129 (10): 2,721-2,765.

Hachem, K., (2021). "Inefficiently Low Screening with Walrasian Markets." *Journal of Monetary Economics*. 117: 935-948.

Po-Hsuan, H., Liang, H., & **Matos, P.**, (2021). "Leviathan Inc. and Corporate Environmental Engagement." *Management Science, Special Issue: Business and Climate Change*.

Sullivan, R., (2021). "Hedge Fund Alpha: What About Drawdowns?" *The Journal of Alternative Investments*. 24 (2): 137-143.

Xu, T., (2021). "Do Excess Control Rights Benefit Creditors? Evidence from Dual-Class Firms." *Journal of Financial and Quantitative Analysis*. 56 (3): 821-852.

BOOK CHAPTERS

Frank, M. M., Babineau, K., (2021). "Creating Value and Sharing Risk: The Next Frontier of Cross Sector Collaboration." in Gitterman, D. P. & Britto, N. (Eds.), in *The Intersector: How the Public, Nonprofit, and Private Sectors Can Address America's Challenges*. Washington: Brookings Institution Press.

Matos, P., Glossner, S., Gibson, R., Krueger, P., and Steffen, T., (2021). "Do Responsible Investors Invest Responsibly" (Chapter), in *Business Law and the Transition to a Net Zero Economy*. Verlag C.H.Beck Publishing.

CONTRIBUTIONS TO DARDEN IDEAS TO ACTION

For a listing of Mayo Center articles visit: ideas.darden.virginia.edu/mayo-center

MAYO CENTER IN THE MEDIA

For a listing of Mayo Center staff media interviews and the "Money Matters" series on CBS-19 with **Rodney Sullivan**, Executive Director, please visit: www.darden.virginia.edu/mayo-center/news

With successful programmatic and thought leadership activities in place, we believe that the Mayo Center is poised to continue to inspire purposeful citizen-leaders and examining the future of the asset management industry

Financials

2021-22
OPERATING BUDGET:
\$1,504,445

STUDENTS
23%

CONFERENCES
& EVENTS
14%

RESEARCH
31%

FACULTY
32%

ACKNOWLEDGMENT

We wish to extend our sincere appreciation to **Richard A. Mayo** and the many others in the Darden community who contributed to the establishment of the Mayo Center, and for their continued support for our mission and vision. We are excited about the opportunities that lie ahead to advance the study and practice of asset management through research, education and career development.

Rodney Sullivan
Executive Director

Team

ACADEMIC DIRECTOR

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John G. Macfarlane Family Chair and Associate Professor of Business Administration

POSTDOCTORAL STUDENTS

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RESEARCH FOCUS: Investment Management and Behavior of Retail Investors

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