



JUNE - AUGUST

# 2023 SUMMER SESSIONS

Refresh your knowledge of essential topics in investing

## 2023 State Street Summer Sessions Webinar Series

This summer we reviewed the fundamentals of finance and investing! Even the most sophisticated investors can benefit from an occasional tune-up. For our third annual State Street Summer Sessions, our team of academic and industry experts went back to basics, covering the core principles of modern investing.

Connecting theory to practice, our Global Markets research experts and academic partners covered topics such as inflation, liquidity, private markets, and much more. Replay videos are starting to get added, so check back here for updates!

CPE credit is offered for those who are CFA charterholders. You can earn 1 hour of credit for attending an hour long Summer Session. To qualify, you must attend the webinar in its entirety, answer the three polling questions throughout the webinar, and submit the Credit Request Form. Please reach out to [Insights@StateStreet.com](mailto:Insights@StateStreet.com) to request your form. We will also send out the form after the webinar. You must specify which session you are requesting credit for.

To view our APAC Region Foundations of Investing Seminar Series, [click here](#).

Thursday June 15, 2023  
11 a.m. EST

### How Carbon Emissions Connect to Investing

George Serafeim, Harvard Business School ([bio](#)) | [REPLAY AVAILABLE](#)

Presenting a framework on how carbon emissions link to growth, risk, and valuation across different sectors of the economy.



Tuesday June 20, 2023  
9 a.m. EST

### Understanding Market Liquidity

Ronnie Sadka, Boston College Carroll School of Management ([bio](#)) | [REPLAY AVAILABLE](#)

Despite having been a key determinant of asset prices for decades, liquidity is still a difficult concept to define and properly understand. In this session, we shall review the theoretical economic underpinnings of market liquidity, and discuss its multi-faceted role in determining market prices and investment strategies. Alternative measures will be introduced as well as practical applications. Further attention will be devoted to the impact of recent market trends, such as retail trading and social media on market liquidity.



Thursday June 22, 2023  
10 a.m. EST

## How Behavioral Biases Impact Markets

Alex Cheema-Fox, State Street Associates ([bio](#)) | [REPLAY AVAILABLE](#)

Sophisticated investors have long recognized that market participants are not always 100 percent rational and that behavioral biases and trends can influence markets. It is essential that investors learn to recognize these patterns — both in themselves and the markets at large — as well as how to measure and account for them when managing portfolios. In this session, Alex Cheema-Fox, Head of Investor Behavior Research at State Street Associates — reviews key principles of behavioral finance with a practical focus on implications for investment management.



Thursday June 29, 2023  
9 a.m. EST

## An Overview of Private Markets Investing

Josh Lerner, Harvard Business School ([bio](#)) | [REPLAY AVAILABLE](#)

After a historic boom leading into 2022, the private market now sits at an inflection point. Uncertainty is high, making investors' job of navigating the current private market landscape difficult. In this lecture, Harvard Business School professor Josh Lerner will discuss the major factors to consider when investing in today's market conditions. Professor Lerner will give insight on the drivers of the historic private equity (PE) boom, current trends that are impacting the direction of the market, and secular shifts that will influence the long-term outlook of PE. The content will draw from a combination of academic research, industry data, and expert insights to provide a 360-degree view of the market landscape. From this lecture, investors will develop a backdrop for positioning themselves for success amidst present and future market dynamics.



Tuesday July 11, 2023  
11 a.m. EST

## The Limits of Diversification

Will Kinlaw, State Street Associates ([bio](#)) | [REPLAY AVAILABLE](#)

To diversify is one of the fundamental tenets of investing. Yet what seems straightforward in theory is complex in practice. Correlations can be asymmetric and unstable through time. Moreover, correlations measured over shorter intervals do not necessarily extrapolate to longer intervals. This presentation will synthesize more than 10 years of published research into these questions, analyze the challenge from a new perspective, and propose actionable solutions to help investors construct more resilient portfolios.



Thursday July 13, 2023  
9 a.m. EST

## The Prospects For and Implications of Chinese Financial Liberalization

Dwyfor Evans and Yuting Shao ([bio](#)), State Street Macro Strategy | [REPLAY AVAILABLE](#)

Currency control has been a hallmark of Chinese economic policy. However, as economic development matures, the need to foster internal capital markets, policy orthodoxy and, ultimately, liberalize the capital account amid the broader prospects for renminbi internationalization becomes more pressing. We take a close look at monetary policy and interest rate liberalization over the years, including the growth of the offshore market that has enabled China to experiment with reforms. Its commitment and timing around further liberalization remains a matter of conjecture, beyond the limited scope of 'Connect' programs tied to Hong Kong. As China's economic and political influence expands, how will Chinese authorities balance their competing priorities, such as: gaining access to international markets, implementing monetary policy reforms and maintaining institutional stability? Meanwhile, how should institutional investors position themselves in Chinese asset markets and navigate through the economic and financial risks that ensue?



Tuesday July 18, 2023  
9 a.m. EST

## Introduction to Exchange Rates, Overshoots in Theory and in Practice

Michael Metcalfe, State Street Macro Strategy ([bio](#)) | [REPLAY AVAILABLE](#)

Exchange rates are fundamentally crucial for inflation, growth and international portfolios, as well as the cost of your summer vacation. Yet even though they are one of the deepest and most liquid financial markets, they remain one of the hardest to value and (sometimes) to understand. While theory suggests that exchange rates should calibrate around interest rate differentials or equalizing the prices of internationally tradeable goods or a broader set of equilibriums that produce internal and external balances in an economy. In practice, exchange rates are able to deviate substantially from such theoretical constructs as they jump between different macro drivers. With reference to ongoing correction of the US dollar's overshoot that is being seen in 2023, we offer a guide as to how currency investment processes aim to cope with such an unruly asset class.



Thursday July 20, 2023  
10 a.m. EST

## Relevance-Based Prediction

Mark Kritzman, MIT Sloan School of Management ([bio](#)) | [REPLAY AVAILABLE](#)

This presentation describes a new mathematical system for predicting future outcomes based on a statistical concept called relevance, which gives a mathematically precise and theoretically justified measure of the importance of an observation to a prediction. It also describes fit, which measures a specific prediction's reliability, thereby offering guidance about how committed one should be to its predictions. And it shows how fit identifies the uniquely optimal combination of observations and predictive variables for each individual prediction task. This new relevance-based prediction system addresses complexities that are beyond the capacity of conventional prediction models, but in a way that is more transparent, more flexible, and less arbitrary than widely used machine learning algorithms.



Tuesday July 25, 2023  
11 a.m. EST

## Introduction to FX Options

Tim Graf, State Street Macro Strategy ([bio](#)) | [REPLAY AVAILABLE](#)

Derivative markets are one of the many drivers of spot markets for foreign currencies, but their effects are often underappreciated. In this session, Tim Graf provides a brief overview of FX option basics and focus on how flows related to option hedging can drive currency movements.



Thursday July 27, 2023  
9 a.m. EST

## Narrative Economics in Practice

Gideon Ozik, MKT MediaStats ([bio](#)) | [REPLAY AVAILABLE](#)

Empirical measures of narratives can help investors quantify attention to stories and in turn, enhance portfolio returns. The summer session will discuss how media-derived measures of narratives can explain market-wide moves and how investors may use such measures to assess portfolio exposures to (otherwise) intangible risks.

We will examine specific applications of narrative economics to improve portfolio and risk management processes using a variety of narratives including inflation, escalation of nuclear tensions and civil unrest. We will then discuss how narrative-conscious strategies may improve stress scenario analysis and asset allocation. Finally, we will review methods by which investors may gain or hedge financial exposure to emerging themes by constructing portfolios of narrative-sensitive assets.



Tuesday August 8, 2023  
9 a.m. EST

## DeFi: Important Lessons and the Path Ahead

**Antoinette Schoar**, MIT Sloan School of Management ([bio](#)) | [REPLAY AVAILABLE](#)

The fast-growing decentralized finance (DeFi) system aims to build a new financial architecture that does not rely on traditional intermediaries and reduces rents in the financial sector, but recent events have shown that it also generates formidable challenges for market participants and regulators. This talk discusses the mechanics behind DeFi and lays out potential risks and benefits of this new architecture using forensic analysis from the Terra Luna crash.



Thursday August 10, 2023  
10 a.m. EST

## Defining and Measuring Inflation

**Alberto Cavallo**, Harvard Business School ([bio](#)) | [REPLAY AVAILABLE](#)

As the global economy reemerges from the global COVID-19 pandemic and central banks raise interest rates to contain prices, inflation risk looms large in the minds of investors. In this session, Alberto Cavallo — the Edgerley Family Professor at Harvard Business School, co-founder of PriceStats, and member of the Technical Advisory Committee of the U.S. Bureau of Labor Statistics (BLS) — will discuss the fundamentals of how inflation is measured, what drives it, and how to think about the risk to investors in 2023.



Tuesday August 15, 2023  
9 a.m. EST

## Interpretable Machine Learning for Investing

**Andrew Li**, State Street Associates ([bio](#)) | [REPLAY AVAILABLE](#)

Machine learning brings exciting opportunities to investing as advanced models that process complex nonlinearity and interaction patterns are powerful for statistical predictions. Machine learning for investing also faces challenges that differ from other disciplines where machine learning has excelled. The most challenging aspect is the black box problem — the lack of trust and transparency in understanding the models. In this summer session we will discuss both the opportunities and challenges when it comes to applying machine learning to investing, and our solution that allows human users to understand how a machine learning model arrives at a prediction.



Tuesday August 22, 2023  
11 a.m. EST

## Currency Hedging and Currency Factors

**David Turkington and Megan Czasonis**, State Street Associates ([bio](#)) | [REPLAY AVAILABLE](#)

When investors seek returns in foreign markets, they inevitably gain exposure to currency risk. Efficiently managing this risk and turning it into an opportunity to enhance performance requires a well-defined currency process. In this presentation, Megan Czasonis (Head of Portfolio Management Research at State Street Associates) and David Turkington (Head of State Street Associates) will discuss how to approach currency hedging, first from the perspective of managing risk, and second from the perspective of generating active returns. In doing so, they'll discuss how to balance the risk and diversification properties of foreign currencies, show how factors — both traditional and new — can explain currency moves, and identify which factors have worked well lately and which have broken down.



Thursday, August 24, 2023

11 a.m. EST

## Central Banking Strategies and Challenges

**Robin Greenwood**, Harvard Business School ([bio](#)) | [REPLAY AVAILABLE](#)

In an increasingly interconnected world, it is impossible to succeed as an investor without a firm grasp on economic fundamentals and policy levers. In this session, Robin Greenwood — the George Gund Professor of Finance — will review the fundamental tenets of central banking with a focus on the main questions global investors should be thinking about in 2023.



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