

**Capital Markets Board of Turkey
in cooperation with
Boğaziçi University -Centre for Economics and Econometrics
jointly present
the Financial Seminar Series**

**S.P Kothari, Professor,
MIT Sloan School of Management
Speaking on**

“Asset Management Industry: Recommendations for Lowering Rents”

S.P. Kothari

S.P. Kothari is Deputy Dean and Gordon Y Billard Professor of Management at the Sloan School of Management, Massachusetts Institute of Technology. Previously, he served as Global Head of Equity Research for Barclays Global Investors (BGI), responsible for research supporting BGI’s active equity strategies, from 2008-09. Prior to joining BGI, S.P. was Deputy Dean at the MIT Sloan School of Management, and earlier he was Head of the Department of Economics, Finance, and Accounting at the MIT Sloan School of Management. In 2005-06, he was Thomas Henry Carroll-Ford Visiting Professor of Business Administration at Harvard Business School. Dr. Kothari received his Ph.D. from the University of Iowa, MBA from the Indian Institute of Management, Ahmedabad, and B.E. (Hons.) from the Birla Institute of Technology & Science, Pilani. Professor Kothari’s highly-cited research focuses on financial reporting and valuation, asset allocation, explaining the diversity in international accounting practices, use of employee stock options for compensating executives and accounting for stock options, evaluating investment performance, and corporate uses of derivatives for hedging and speculation. For the past 14 years, Professor Kothari has been serving as an editor of the *Journal of Accounting & Economics*, a world-renowned academic research journal in accounting. Professor Kothari is an expert on economic policy issues in India, and has written numerous opinion-page editorials in *The Economic Times*. He served on the Board of Directors of Vicarious Visions (www.vvisions.com) from 1998-2004, and he is a Senior Consultant with Charles River Associates (www.crai.com), a business-economics and litigation support consulting firm. He has consulted with many large corporations, including leading US and international banks and asset management companies, Australian television broadcast corporations, US steel companies, E&Y, KPMG, PriceWaterhouse Coopers, and the U.S. Department of Justice. S.P. is Chairman of his undergraduate *alma mater* alumni association, BITSAA International for the past five years.

Abstract

Mutual funds are ubiquitous. They serve a very useful and important function in an economy by providing individual and institutional investors an opportunity to cheaply diversify their investments and thus reduce the risk of their investment portfolio. In exchange for their services, mutual funds charge fees from their clients, referred to as expense ratios. Expense ratios vary considerably across the spectrum of mutual funds. Academic research, however, has long shown that variation in expense ratios does not map into the mutual funds’ performance. That is, mutual funds charging higher expenses do not systematically perform better than those charging lower expenses. This is an indication of rents earned by some funds in a market that appears to have all the attributes of being perfectly competitive.

Venue: Boğaziçi University, 34342 Bebek, Istanbul
Natuk Birkan Building, Ibrahim Bodur Auditorium

Date: April 1st 2011

Time: 15:00 - 16:00 Seminar
16:00 – 16:30 Q & A

RSVP: ali.coskun@boun.edu.tr

tugba.acar@spk.gov.tr

The seminar shall be conducted in English.