

Taisiya Sikorskaya

PhD Candidate in Finance

London Business School ♦ Regent's Park, London, NW1 4SA United Kingdom

tsikorskaya@london.edu ♦ +44 (0)74 2751 5240

Research Interests	Asset Pricing, Financial Intermediaries, Asset Management
Education	London Business School (LBS), United Kingdom PhD in Finance, 2017 - present University of St. Gallen, Switzerland MA in Quantitative Economics and Finance, 2017 Chelyabinsk State University, Russia Diplom (MSc equivalent) in Mathematical Methods in Economics and Operations Research, 2013
Working Papers	Benchmarking Intensity (with A. Pavlova) Benchmarking incentivizes fund managers to invest a fraction of their funds' assets in their benchmark indices, and such demand is inelastic. We construct a measure of inelastic demand a stock attracts, benchmarking intensity (BMI), computed as its cumulative weight in all benchmarks, weighted by assets following each benchmark. Exploiting the Russell 1000/2000 cutoff, we show that changes in stocks' BMIs instrument for changes in ownership of benchmarked investors. The resulting demand elasticities are low. We document that both active and passive fund managers buy additions to their benchmarks and sell deletions. Finally, an increase in BMI lowers future stock returns. Two APs Are Better Than One: ETF Mispricing and Primary Market Participation (with E. Gorbatikov) Exchange-traded funds (ETFs) depend on arbitrageurs to correct deviations between a fund's price and its fair value. ETFs have designated brokers, or authorized participants (APs), who have a unique right to create and redeem ETF shares, and who can thus trade on ETF mispricing without risk. Using novel regulatory filings, we provide the first description of the US ETF-AP network. It has a dense core and a sparse periphery, and the observed creation/redemption volumes are highly concentrated. The level of mispricing in a US equity ETF is negatively related to the fund's network diversity, especially during times of high market volatility. Funds that share more APs exhibit stronger mispricing comovement. We theoretically show that diverse networks help mitigate the effect of shocks to AP-specific arbitrage costs. We highlight the importance of AP balance sheet usage costs in ETF markets by exploiting ETF short-selling halts and the Federal Reserve's purchases of bond ETFs in 2020. Retail Trading in Options and the Rise of the Big Three Wholesalers (with S. Bryzgalova and A. Pavlova) This paper documents rapid increases in (i) retail investor trading in options and in (ii) payment for order flow (PFOF) for options transactions received by the U.S. retail brokerages. PFOF comes from so-called wholesalers/internalizers – market makers who execute order flow for a retail brokerage. Exploiting new reporting requirements and transaction-level data, we propose a novel measure of retail investor trading, using trades that were executed by wholesalers. We find that retail traders prefer cheaper, weekly options, the average bid-ask spread for which is a whopping 28.1%. The inflow of retail investors coincides with an increase in call option contracts left suboptimally unexercised on cum-dividend dates. Market makers can exploit these mistakes via 'dividend play' trades, producing (virtually) riskless arbitrage profits. Puzzlingly, market makers forgo some of these opportunities, leaving money on the table for option writers. Our findings suggest that market makers behave non-competitively and that the Big Three wholesalers, whose share in PFOF for options surpassed 85%, seem to benefit disproportionately from the growth in retail trading.
Academic Presentations	2022: AFA (2x), London Business School 2021: Adam Smith Workshop*, ASSA Meetings, EFA, European Winter Finance Conference, FMA*, INSEAD Finance Symposium*, London Business School, MFA, NBER Behavioral Finance*, NFA, SFS Cavalcade North America, University of Bath, Vienna Graduate School of Finance*, WSIR. 2020: London Business School <i>* Presentations by co-authors.</i>

Teaching Experience	LBS Empirical Asset Pricing, PhD Assistant to Prof. Svetlana Bryzgalova, 2019-2021 LBS - MBA Finance II, Assistant to Prof. Howard Kung, 2020-2021 Finance I, Assistant to Prof. Anna Pavlova, 2018-2020 LBS - Masters Personal Finance, Assistant to Prof. Francisco Gomes, 2019-2021 FinTech and the Financial Services Industry Transformation, Assistant to Prof. Narayan Naik, 2018 LBS - Sberbank Executive Education Program Project Appraisal and Corporate Valuation, Assistant to Prof. Anna Pavlova, 2018-2020 Financial Statements Analysis, Assistant to Prof. Alastair Lawrence, 2018-2020 Macroeconomics, Assistant to Prof. Andrew Scott and Prof. Elias Papaioannou, 2018-2020	
Additional Research Experience	London School of Economics Research Assistant to Prof. Dimitri Vayanos, 2020-2021 London Business School Research Assistant to Prof. Svetlana Bryzgalova, 2020	
Work Experience	ThirdYear Capital GmbH, Munich, Germany Global Macro Analysis Intern, 2017 Deutsche Asset Management, Deutsche Bank Switzerland and UK Assistant Portfolio Manager, Credit and ETF Portfolio Management, 2014-2016	
Professional Service	Organization of Finance PhD seminars and reading groups at LBS, 2019-2021 Organization of Finance Junior Faculty and PhD Students reading group at LBS, 2019-2021 Organization of the Trans-Atlantic Doctoral Conference 2019, London	
Awards and Honours	Professor Sir James Ball PhD Award, London Business School, 2021 Fellowship for Doctoral Students, London Business School, 2017-2022 The STARR International Foundation Grant, Switzerland, 2013-2014 The President of Russia Award for Outstanding Students (awarded twice), 2012 The City Administration Award (Chelyabinsk, Russia), 2010	
Other	Languages: Russian (native), English (proficient), German (intermediate) Programming: R, SAS, Python, Stata, MATLAB, Julia, VBA, SQL Certifications: Completed Level III of CFA examination in 2016	
References	Anna Pavlova (advisor) Professor of Finance London Business School +44 (0)20 7000 8218 apavlova@london.edu	Svetlana Bryzgalova Assistant Professor of Finance London Business School +44 (0)20 7000 8292 sbryzgalova@london.edu