Reed Douglas, CAIA

CAIA Charter Number 13120

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EDUCATION

University of Southern California   *2018 – Present*

Ph.D. (Student) in Finance and Business Economics

University of California, Los Angeles   *2010 – 2015*

B.S. in Mathematics, B.A. in Business Economics

RESEARCH AND WORKING PAPERS

The Cross-Sectional Variation of Stock Prices

Abstract: In this paper, I decompose prices over a set of 21 variables across seven categories. I estimate a firm-specific version of the Campbell and Shiller (1988) model in the cross-section and find that expected returns and change in cash-flows explain 6% or less of cross-sectional variance. An often-ignored time-series constant, which I use to refine my model, explains over 70%. As much as 30% to 50% of cross-sectional variation is explained by market frictions, while the remainder is attributed to efficient market variables. Institutional ownership and share repurchases are significant in this cross-section, while transaction costs and traditional risk-factors fail to translate well to a price setting.

Linear-Betas in the Cross-Section of Returns

(https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3522641)

Abstract: This paper evaluates a specification for conditional beta models following Fama and French (2019). In this paper, I reject the Fama and French model that assumes characteristics are conditional betas in favor of a linear conditional beta model following Shanken (1990). Model-implied zero-beta rates are particularly sensitive to the specification, and the linear conditional beta model provides a significantly lower rate. Out-of-sample tests show that the Linear-Beta Model has a significantly lower bias and Clark and West (2007) adjusted MSPE, but it may come at the cost of a larger variance than the Fama and French model.

CONFERENCES

ASSA/AFA 2020: Ph.D. Student Poster Presentation (AFA)   *January 2020*

Linear-Betas in the Cross-Section of Returns

AWARDS AND CERTIFICATIONS

UCLA William F. Sharpe Fellow

Chartered Alternative Investment Analyst (CAIA)   *October 2016*

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RESEARCH AND TEACHING ASSISTANCE

Teaching Assistant; **Professor Mete Kilic, Advanced Asset Pricing A**	*Aug. 2020 – Oct. 2020*
Teaching Assistant; **Professor Lukas Schmid, Advanced Asset Pricing B**	*Oct. 2020 – Nov. 2020*

Research Assistant; Professor W. Walker Hanlon   *October 2013 – June 2015*
Undergraduate, UCLA Economics Department
   RA for articles published in *Econometrica, The Economic Journal, Journal of Urban Economics,* and *Review of Economics & Statistics*

INDUSTRY EXPERIENCE AND ACTIVITIES

PAAMCO Prisma, LLC (Post Merger with KKR Prisma)   *July 2017 – July 2018*
Senior Analyst & Portfolio Construction Group Analyst

PAAMCO   *July 2015 – July 2017*
Analyst & Portfolio Construction Group Analyst

UC Irvine Paul Merage School of Business LifeVest and IFPY Programs   *June 2016 – July 2018*
Lecturer and Steering Committee Member

First Republic Investment Management & Securities Company   *July 2013 - September 2013*
Intern

SKILLS

- **Trading and Charting**: Bloomberg Terminal, Fundamental and Technical trading, Broad Experience with Hedge Fund Managers and Strategies
- **Programming:** Python, R, Julia, SAS, MATLAB; Project Jupyter, Vim, Emacs, Atom; High-Performance Parallel Research Computing, Cluster Computing; Cloud Services (Azure, AWS, GCP/CoCalc)