

# DEREK M. HORSTMAYER

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## Academic Appointments

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George Mason University, School of Business (current)

- *Professor of Finance, Feb 2021 - present*
- *Director of the Financial Planning & Wealth Management Concentration, July 2019 - present*
- *Co-Founder & Director of the GMU Student Managed Investment Fund, July 2017 - present*

George Mason University, School of Business (past)

- *Associate Professor of Finance, Nov 2019 - Feb 2021*
- *Assistant Professor of Finance, June 2012 - Nov 2019*

## Other Current Positions

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Washington Association of Money Managers

- *Board Member and Program Committee Chair, Feb 2022 - present*

Trade Up To Wall Street

- *Board Member and adviser, Mar 2023 - present*

## Education

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*Ph.D., Finance & Business Economics, June 2012*  
Marshall School of Business, University of Southern California

*M.S., Financial Mathematics, June 2005*  
Stanford University

*B.S., Mathematics with Specialization in Economics, June 2004*  
University of Chicago

## Publications - Popular Press (Wall Street Journal & Other Outlets)

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- WSJ: [Political Uncertainty and Your Portfolio](#) (Jan 2025)
- WSJ: [COVID Pandemic and Retail Investor Trading Inefficiencies](#) (Dec 2024)
- WSJ: [The Dwindling Number of Truly Actively Managed Mutual Funds](#) (Nov 2024)
- WSJ: [High GDP Growth and Low Country ETF Returns](#) (Oct 2024)
- WSJ: [REITs and Diversification Benefits to Renters](#) (Sep 2024)
- WSJ: [Do Inflows Predict Market Movements?](#) (Aug 2024)
- WSJ: [The S&P 500 Isn't As Diverse As It Used To Be](#) (Jul 2024)
- WSJ: [Does Sell in May and Go Away Still Hold?](#) (May 2024)
- WSJ: [Does Bond Laddering Actually Work?](#) (Apr 2024)
- WSJ: [Once a Trend is Named How Long Does it Have Left to Run?](#) (Mar 2024)
- WSJ: [Do All Money Market Mutual Funds Deliver the Same Returns?](#) (Feb 2024)
- WSJ: [Hedge Fund Like Mutual Funds Don't Perform After Fees](#) (Jan 2024)
- WSJ: [How to Use Industry ETFs to Ride Market Momentum](#) (Dec 2023)
- WSJ: [Peak Interest Rates and Your Portfolio](#) (Nov 2023)
- WSJ: [The Long Run Underperformance of Factor ETFs](#) (Oct 2023)
- WSJ: [Do Leveraged ETFs Provide Risk Adjusted Excess Returns?](#) (Sep 2023)
- WSJ: [What Commodities Act As a Hedge During Recessions](#) (Aug 2023)
- WSJ: [Complex Fund Names May Be a Warning Sign for Investors](#) (July 2023)
- WSJ: [The Underperformance of Active ETFs](#) (June 2023)
- WSJ: [When do Investors do the Most Damage to their Portfolios?](#) (May 2023)
- WSJ: [The True Cost of Trading in Options Markets](#) (Apr 2023)
- WSJ: [Does a Valuation-Based Portfolio Beat a Lazy Portfolio?](#) (Mar 2023)

WSJ: [How Much More Tax Efficient Are ETFs Over Mutual Funds?](#) (Feb 2023)

WSJ: [Which Mutual Funds Are Most Tax Efficient?](#) (Jan 2023)

WSJ: [Which Bonds Have Done the Best Over the Long Run?](#) (Dec 2022)

WSJ: [What Time of Day is Best to Hit Buy on that ETF?](#) (Nov 2022)

WSJ: [What Assets Do Best in a Recession and in the Lead-Up to the Recession](#) (Sep 2022)

WSJ: [Before the Fed Acts It Pays to Buy Stocks](#) (Aug 2022)

WSJ: [When the Barbell Strategy Works and Does Not Work](#) (July 2022)

WSJ: [Industry-level Performance During Inflation Spikes](#) (June 2022)

WSJ: [Which Investments Do Best When Real Interest Rates Are Negative?](#) (May 2022)

WSJ: [Divergent Central Bank Policy and Your Portfolio](#) (Apr 2022)

WSJ: [Your Manager's Home Country Matters in Your Global Portfolio](#) (Feb 2022)

WSJ: [Where Does the 'January Effect' Still Apply - the Bond Market?](#) (Jan 2022)

WSJ: [The Returns to Tax-Loss Harvesting](#) (Dec 2021)

WSJ: [Mutual Fund Manager Experience and Performance](#) (Nov 2021)

WSJ: [Should Investors Create Their Own Target Date Funds?](#) (Oct 2021)

WSJ: [The Surprising Risks of Investing in ESG Funds](#) (Sept 2021)

WSJ: [Your Fund Manager is Lending Out Shares. Should you be Concerned?](#) (Jul 2021)

WSJ: [What Should You Keep in a Market Correction: Winners or Losers](#) (Jun 2021)

WSJ: [Convertible Debt Funds - Are They Good Investments?](#) (May 2021)

WSJ: [Are Tax-Managed Funds Worth the Fees?](#) (Jan 2021)

WSJ: [Should Investors Buy a Stock After it Splits?](#) (Dec 2020)

WSJ: [Do Junk Bonds Pay Off Over the Long-Run?](#) (Nov 2020)

WSJ: [Frontier and Emerging Markets: More Risk, Lower Returns?](#) (Oct 2020)

WSJ: [The State of Your Muni Bonds](#) (Sep 2020)

WSJ: [Which Assets Have Offered Protection Against Inflation](#) (Jul 2020)

WSJ: [How Preferred Shares Have Performed Over the Past Decade](#) (Jun 2020)

WSJ: [The ETFs That Offer Protection in a Down Market](#) (May 2020)

WSJ: [The Allure and Risk of Unprofitable Companies](#) (Mar 2020)

WSJ: [Exploiting one of the NFL's Biggest Inefficiencies](#) (Dec 2019)

WSJ: [A Bigger Fund Is More Likely to Pay Off](#) (Dec 2019)

WSJ: [The Real Impact of Tax-Loss Harvesting](#) (Nov 2019)

WSJ: [Does More Mutual Fund Disclosure Hurt Your Bottom-Line?](#) (Aug 2019)

WSJ: [Where Active Management Still Dominates](#) (Mar 2019)

WSJ: [Double Whammy: High-Fee Mutual Funds Do Worse](#) (Jan 2019)

WSJ: [The Case Against Having A Bond-Heavy 401\(k\)](#) (Nov 2018)

WSJ: [Which Stocks Do Best When Interest Rates Rise?](#) (Oct 2018)

WSJ: [The Best Investments in Case of an Inverted Yield Curve?](#) (Sep 2018)

WSJ: [When to Pick a Mutual Fund Over Its ETF Version?](#) (Aug 2018)

WSJ: [What Really Matters For An Index Fund - Tax Skill](#) (Jun 2018)

WSJ: [Ethical Investing Thrives When There Is Bad News](#) (May 2018)

WSJ: [Impatient Investors Get Caught In The Return Gap](#) (Apr 2018)

WSJ: [Zero-Fee ETFs \(Or Even Negative\) Are On The Horizon](#) (Feb 2018)

**Publications - Academic** (see appendix for abstracts)

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Horstmeyer, Derek, "Beyond Independence: CEO Influence and the Internal Operations of the Board," 2019. *Quarterly Journal of Finance* (2), 1-40.

Horstmeyer, Derek, "Formation of a Student Managed Investment Fund: Risk Management and Oversight," 2019. *Managerial Finance* (45), 685-691.

Horstmeyer, Derek, and Kara Wells, "When Do Governance Mechanisms Matter Most?," 2020. *Quarterly Journal of Finance* (1), 1-52.

## Programs and Classes Created at GMU

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### FNAN 477: Student Managed Investment Fund

- Description: Created the first student managed investment fund at GMU along with the Board of Trustees. The students manage an all equity portfolio (money granted by the Board from the endowment). This class is an immersive learning experience in the world of portfolio management since the students make all decisions and trades amongst themselves, and is the first course at GMU to earn the 'MPact' designation (research accreditation).

### Patriot's Day on Wall Street

- Description: Constructed and lead GMU's first networking event with Wall Street hiring firms. Annually, 15 GMU students are selected to tour six Wall Street firms. Firms toured and visited include JPMorgan, Wolfe Research, Apollo Global, Duff & Phelps, Tiger Risk, and Kroll.

### M.S. in Finance with dual CFA and Quantitative tracks

- Description: Designed and created an MSF at Mason with two tracks: a CFA compliant track and a Quantitative track. The CFA track prepares students to sit for all three levels of the CFA exam and affords them scholarships to do so. The Quantitative track (STEM certified) prepares students for the data heavy world of today and includes topics on fin-tech, data mining, and HFT.

### B.S. in Financial Planning & Wealth Management

- Description: Designed and launched GMU School of Business' first new undergrad degree in twenty years - Financial Planning and Wealth Management. Included in the launch of this new degree program was the creation of the FPWM Advisory Board, gaining the program CFP Board approval (CFP accredited program), and creating the FPA Student Chapter at Mason.

### Mason's Alpha Challenge

- Description: Launched and created GMU's first stock pitch competition open to all GMU students. Students from around the university compete in a equity analyst pitch competition where professional money managers judge their research, data work, and overall market assessments.

### CFA Institute Curriculum Compliance

- Description: Changed the GMU Finance curriculum so that it was in compliance with CFA Institute standards. This alteration included creating a CFA Ethics class within the FNAN program and updating the content of our capstone class. This led to the seven new scholarships

for our students to take the CFA exam, CFA test materials to prep our students, and a great set of materials to market our program to potential undergrads.

**FNAN 498: Contemporary Topics in Finance**

- Description: This course was created to serve as the capstone course for the FNAN area. The course covers various contemporary issues such as the 2008 crisis and the Federal Reserve-Treasury's intervention, currency issues in emerging economies, stability of the European Union, and modern day regulation.

**MGMT 491/BENG 499: Biotechnology Commercialization**

- Description: Created with Laurence Bray (Prof. in Bioengineering). The class is designed to be a complete interdisciplinary class with students from BENG, MGMT, and FNAN. Students learn from each others' expertise in different fields to design, finance, market, and pitch a revolutionary piece of technology, competing in a 'Shark Tank' style competition.

## **Teaching Experience**

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EMBA 703: Financial Markets, George Mason University, 2015 - 2016

MBA 643: Managerial Finance, George Mason University, 2017 - 2018

MBA 706: Investment Analysis, George Mason University, 2013 - 2014

MBA 703: Financial Markets, George Mason University, 2014 - 2019

MBA 795: Global Business Perspectives, George Mason University, 2018 - 2023

MBA 796: Directed Studies in Business Administration, 2018 - 2020

MSF 777: Montano Student Managed Investment Fund, George Mason, 2022 - 2025

MBUS 308: Corporate Finance and Investments in a Global Economy, 2020 - 2021

FNAN 300: Personal Financial Management, George Mason University, 2019 - 2020

FNAN 303: Financial Management, George Mason University, 2017 - 2019

FNAN 311: Principles of Investment, George Mason University, 2012 - 2025

FNAN 321: Banking and Financial Markets, George Mason University, 2022 - 2023

FNAN 421: Money and Capital Markets, George Mason University, 2014 - 2025

FNAN 444: Sustainable and ESG Investing, George Mason University, 2019 - 2020

FNAN 477: The Student Managed Investment Fund, George Mason University, 2018 - 2025

FNAN 491: Student Managed Portfolio, George Mason University, 2017 - 2018

FNAN 499: Independent Study, George Mason University, 2017 - 2018

BENG 499: Biotechnology Commercialization, George Mason University, 2016 - 2017

P.h.D Seminar: Finance for Economists, George Mason University, 2014

BUAD 306: Business Finance, Marshall School of Business, 2009

Econ 50: Mathematics for Economists, Stanford University, 2004 - 2005

## **Honors, Awards and Memberships**

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Dean's Award for Outstanding Professional Service, 2024

Dean's Award for Outstanding Professor in Finance, 2023

Master's in Finance Award for Outstanding Professor, 2023

Dean's Teaching Faculty Fellow Award, 2022

Outstanding Professor in Finance for Teaching, 2021

Dean's Award for Outstanding Professor in Finance, 2020

Dean's Faculty Fellow Award, 2019

OSCAR Mentoring Excellence Award, 2019

GMU Career Connection Service Award, 2017

Recipient of GMU Summer Research Grant Award, 2015

Dean's Award for Outstanding Professor in Finance, 2015

Dean's Award for Outstanding Teaching in Finance, 2014

GMU School of Business Service Award, 2015

Recipient of the Best Poker Player award at the Financial Research Association Annual Meeting, 2014 (successfully defended title in 2015)

Dean's List, University of Chicago, 2001-2004

Referee for journals including Management Science, Quarterly Review of Economics and Finance, etc

Work cited in the Wall Street Journal (monthly article in publication), CNBC, the Washington Post, PBS Newshour, Bloomberg, NPR, Connecticut Financial News, Washington Examiner, Fox Business, LA Times, Washington Times, FA Magazine, Virginia Public Radio, International Business Times, NY Post, US News & World Reports, CNN, Forbes, Fortune, USA Today, the Handbook of the Economics of Corporate Governance, Financial Times, and International Finance Law Review

## **Invited Conferences and Presentations**

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GAME Forum in NYC, "Macro Environment and Student Managed Investment Funds" 2023

Financial Expert Network Consortium, “Portfolio Allocation in the Face of Inflationary Pressure” 2022

Portfolio Summits Institutional Convention, “Combating COVID-19’s Effects on Institutional Assets” 2020

Presented at DCMV Private Equity Summit, “Valuation in the Time of COVID-1” 2020

Presented at DCMV Private Equity Summit, “Macro Economic Projections and Fed Policy” 2019

Plan Sponsor Council of America Board of Directors, “Finance & Investment Transparency,” 2019

International Conference on Financial Management and Economics, “The Career Consequences of Being a Dissident Director,” 2019

Financial Management Association, “A Dissident Among Us,” 2019

DCMV Private Equity Summit, “The Career Consequences of Being a Dissident Director,” 2018

Financial Management Association Annual Meeting, “The Career Consequences of Being a Dissident Director,” 2018

Southern Finance Association Annual Meeting, “The Career Consequences of Being a Dissident Director,” 2018

The Federal Reserve - Washington DC, “The Career Consequences of Being a Dissident Director,” 2017

International Atlantic Economic Society, “The Career Consequences of Being a Dissident Director,” 2017

International Conference on Economics, Finance and Management, “The Career Consequences of Being a Dissident Director,” 2017

American University, “The Career Consequences of Being a Dissident Director,” 2017

European Accounting Association, “When Do Governance Mechanisms Matter Most?,” 2016

University of Texas at Arlington, “When Do Governance Mechanisms Matter Most?,” 2015

Southern Methodist University, “When Do Governance Mechanisms Matter Most?,” 2014

Corporate Governance Conference at Drexel, “Beyond Independence: CEO Influence and the Internal Operations of the Board,” 2012

Western Economic Association Annual Meeting, “Beyond Independence: CEO Influence and the Internal Operations of the Board,” 2012

Financial Management Association Annual Meeting, “Beyond Independence: CEO Influence and the Internal Operations of the Board,” 2011

Simon Fraser University, “Beyond Independence: CEO Influence and the Internal Operations of the Board,” 2011

USC Marshall School of Business, “Beyond Independence: CEO Influence and the Internal Operations of the Board,” 2011

Center for Corporate Governance at London Business School Doctoral Summer School, “Beyond Independence: CEO Influence and the Internal Operations of the Board,” 2009



## Other Professional Experience

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*The Brattle Group*, San Francisco, CA

- Analyst: Economic modeling for development, energy, and health cases, 2005

*Financial Consultant*, Washington, DC

- GrowthPoint Technology Partners: 401(k) repositioning and transition, 2014-2016
- Churchill Capital and Various Sovereign Wealth Funds: Advised on arbitrage issues related to Dell tracking stock, the persistent spread between DVMT and VMW, & reverse mergers, 2018
- Optim TCR and another retirement focused startup: Structured a tax efficiency optimization tool for non-qualified supplemental retirement plans, 2018-2019
- Digital Swiss Gold: Developed an optimal tax-loss harvesting protocol for gold and other precious metals, 2021-2022
- Buffer and leveraged ETFs: Helped on back-testing and feasibility of dynamic multi-factor ETF implementation, 2022-2023
- Transparency ETFs: assisted on data testing of transparency based company screeners for ETF construction, 2022-2023

*The Washington Association of Money Managers*, Washington, DC

- Board Member: Academic liaison for DC money manager association, 2022-present

## Computer Skills

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Languages and Packages: Matlab, SAS, Stata, Scheme, R, S-Plus, Java, SQL, Python, HTML

Platforms and Software: Bloomberg, CRSP, I/B/E/S, SDC, COMPUSTAT, VBA, Morningstar, ExecuComp, Thomson, Windows, Linux and Mac environments

## Appendix: Abstracts

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Horstmeyer, Derek, “Beyond Independence: CEO Influence and the Internal Operations of the Board,” 2019.

Using a detailed dataset on the meeting sub-structure of the board, this paper investigates the time trends and cross-sectional determinants of internal boardroom control. First, I document that the principal governance reform following Sarbanes-Oxley was the removal of the CEO as a participating member in board monitoring and investment decisions. Consistent with this being against the preferences of the CEO, I find that CEO power is negatively related to monitoring work handled outside of the CEO’s presence and positively related to board-time spent in the executive committee. Together the results highlight internal operations as governance concerns of the modern board.

Horstmeyer, Derek, “Formation of a Student Managed Investment Fund: Risk Management and Oversight,” 2019.

The creation and formation of a Student Managed Investment Fund (SMIF) is a risky proposition for all stakeholders involved in the process. These risks include reputational risks for the individuals involved, fiduciary risks for the school’s Board of Trustees, and monetary risks for the university itself. This paper serves to explain and detail how these risks can be mitigated through specific oversight committee construction, distributional/benchmarking requirements for the fund, and detailed trading rules (exit points, short sale constraints, loss provisions, etc) for fund managers, which can all be codified in the bylaws of the SMIF.

Horstmeyer, Derek, and Kara Wells, “When Do Governance Mechanisms Matter Most?,” 2020.

We examine the interaction of internal and external firm-level governance mechanisms with industry-specific economic conditions to assess when they best serve current shareholders. We find that external governance (shareholder rights) is most valuable during industry upturns, with no differential benefit during downturns. For internal governance, we find that small boards are incrementally more valuable during upturns but that this result weakens/reverses during downturns, and inconclusive evidence regarding the state dependent value of institutional ownership. Contributions include showing: governance mechanisms have industry economic state dependent values; small boards may not always be optimal; and managers do not capture these inefficiencies through aggressive policy decisions, nor excessive compensation.

Horstmeyer, Derek, “The Career Consequences of Being a Dissident Director,” 2020.

This paper explores the career consequences of the decision to ally oneself with an activist investor/hedge fund in a proxy contest. Using 102 observations where an existing director reveals themselves to be a ‘dissident director’ (i.e. agrees to help an activist in a proxy contest against an unrelated firm), I find weak evidence over the 2011-2015 time period that such a decision results in a loss of board seats or lower director compensation. Yet, over the earlier time period of 2006-2010, evidence persists of negative career consequences to the dissident director. The directors who suffer a loss in board seats over this period come from firms with high CEO ownership, more entrenched directors, and fewer women on the board. Similar results persist for CEOs/officers who reveal themselves to be dissident directors. In total the results highlight the changing cultural attitudes within the board to activist interventions.