

# Pouya Behmaram

ASSISTANT PROFESSOR OF FINANCE

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Research Interests: Asset Pricing / Mutual Funds / Performance Evaluation / Sustainable Finance

## Employment

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**Assistant Professor of Finance**  
ESG UQAM

Montreal, Canada  
2024 - Present

## Education

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**McGill University**  
PHD FINANCE

Montreal, Canada  
2018 - Expected 2024

**London School of Economics and Political Science**  
MSC FINANCE AND ECONOMICS

London, UK  
2016 - 2017

**McGill University**  
BCOM FINANCE AND MATHEMATICS, WITH DISTINCTION

Montreal, Canada  
2013 - 2016

## Job market paper

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### **From Realized to Expected: The Passive Investing Impact**

Equity markets are now largely dominated by passive investments, this study introduces the 'Indexing Inclusion Ratio' (IXI) as a measure of passive ownership to assess its increasing impact on U.S. equity markets. The findings reveal that high-indexed stocks highly outperform their low-indexed counterparts, primarily due to the influx of passive capital flows rather than fundamental value. By analyzing the expected return both ex-ante through implied costs of capital and ex-post by adjusting for passive flows and earnings anomalies, I show that high-indexed stocks exhibit lower expected returns, indicating a potential correction when the trend toward passive investing reaches equilibrium. Additionally, I show that the recent underperformance of value and small-cap stocks is intrinsically linked to the secular passive shift.

## Working papers

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### **Elasticity in the Age of Passive Investing: A Demand-Based Approach**

I study the impact of the shift towards passive products on asset prices and price elasticity using both price and portfolio holding data, and apply it to the US stock market. The study finds that the price elasticity of demand has decreased significantly across all investor types and that the passive demand pressure has been primarily directed toward larger-cap stocks. The findings suggest that the rise in passive investing has contributed approximately 15% to the overall inelasticity of demand for stocks.

WORK IN PROGRESS

### **Credit Default Swap Spreads and the Ownership of Sovereign Debts: An Analysis of Determinants**

This study aims to determine whether the fraction of non-resident's ownership of sovereign debts affects the

sovereign credit default swap spreads. I take a structural modeling approach and conduct a panel data time-series regression analysis with the inclusion of three control variables for volatility, leverage, and risk-free rate. I show that the composition of ownership percentages has a statistically and economically significant relationship with sovereign CDS spreads. More specifically I find that having a higher non-resident ownership on average results in lower CDS spreads.

### **How do active funds react to the rise of passive management**

*(with Laurent Barras and David Schumacher)*

We use a granular fund-by-fund approach to capture the heterogeneous impacts of the increase in passive investing over active investing through their exposure to three main channels of learning effects about skill, the effect of the rise of passive investing on noise traders, and the decrease in the index price efficiency. We implement this approach on the entire cross-sectional distribution of the global universe of active equity mutual funds. Our preliminary results show that the majority of the funds exhibit a positive first-dollar alpha and value-added measure despite the increasing intensity in the shift from active to passive.

### **Climate Concerns and Market Dynamics: The Demand Shift in ESG Asset Pricing**

*(with Evan Jo)*

Building on the demand-based asset pricing framework, we aim to examine the potential effects of heightened climate change awareness on investment strategies. Our initial observations suggest a possible shift towards ESG-aligned assets, which could lead to changes in market elasticity and a predilection for ESG stocks. Such a transition alters investor portfolios and propels ESG-compliant stocks to command substantial premiums.

## Professional Experience

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- 2024-Present **Senior Research Associate (Hybrid)**, CEM Benchmarking, Toronto, Canada
- 2018-2023 **Academic Consultant**, Independent, Montreal, Toronto, Dubai, London
- 2015-2016 **Financial Assistant**, Office of Invention Development and Entrepreneurship Assistance (IDEA), Montreal, Canada

## Teaching & Research

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|--------------|---|----------------------|
| 2023-Present | <b>Research Scholar</b> , Scholar at Desmarais Global Finance Research Centre               | McGill University    |
| 2023         | <b>Applied Corporate Finance (Undergraduate)</b> , Lecturer                                 | McGill University    |
| 2018-2021    | <b>Mergers &amp; Acquisitions (Graduate, MBA, Undergraduate)</b> , TA for David Schumacher  | McGill University    |
| 2018-2021    | <b>Int Corporate Finance (Graduate, MBA, Undergraduate)</b> , TA for David Schumacher       | McGill University    |
| 2018-2021    | <b>Capital Markets &amp; Financial Institutions (Undergraduate)</b> , TA for Laurent Barras | McGill University    |
| 2016-2018    | <b>Financial Derivatives (Undergraduate, MBA)</b> , TA for Patrick Augustin                 | McGill University    |
| 2014-2015    | <b>Calculus for Finance</b> , Instructor  | MUS                  |
| 2013         | <b>Mathematics for Economics</b> , Tutor  | Concordia University |

## Awards, Fellowships, & Grants

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2023-2024 **Desmarais Finance Research Award**, Desmarais Global Finance Research Centre  
2020-2023 **SSHRC Doctoral Fellowship**, SSHRC  
2020-2023 **Joseph-Armand Bombardier Doctoral Scholarship**, SSHRC  
2018-2023 **Doctoral Fellowship**, McGill University  
2018-2019 **National Bank Financial Group Fellowship**, National Bank of Canada  
2018 **Graduate Excellence Award**, McGill University  
2013-2016 **Dean's Honor List**, McGill University  
2013 **French Language Award Bursary**, Government of Quebec

## Presentations

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2024 (Scheduled): NFA, FMA  
2023: JMP, HEC Montreal, Concordia JMSB, IMF, Cornerstone Research, Analysis Group  
2023: FMA, Doctoral Student Consortium  
2023: McGill Brownbag Seminar  
2022: McGill 1st FRG, Working Paper Presentations

## Additional Information

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**Programming:** R, Python, SQL, SAS, MATLAB,  $\text{\LaTeX}$   
**Languages:** English (native), Persian (native), French (conversant)  
**Citizenship:** Canadian  
**Interests:** Mountain Biking, Opera, F1, Geopolitics

## References

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Laurent Barras  
Full Professor of Finance  
Department of Finance  
University of Luxembourg  
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