

# Pouya Behmaram

ASSISTANT PROFESSOR OF FINANCE

DS3175-320 St Catherine St E, Montreal, QC, Canada

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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 - 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

## Working papers

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### From Active to Passive: The Consequences for Demand Elasticity

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.

- *IFMB 2025 Best Papers*

### 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.

## 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 Publications

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Behmaram, P., Flynn, C., & Van Bragt, M. (2024). *Asset Allocation and Fund Performance of Defined Benefit Pension Funds in the United States, 1998-2022*. CEM Benchmarking Inc. Research Report.

Weeda, J., Stamper, J., Vandolder, K., & Behmaram, P. (2024). *An Empirical Analysis of the Drivers of Record Keeping Cost in U.S. Defined Contribution Plans*. CEM Benchmarking Inc. Research Insights.

## Professional Experience

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2024 **Senior Research Associate**, 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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2025	<b>Multinational Finance (Undergraduate)</b> , Lecturer	UQAM
2025	<b>Financial Management (Undergraduate)</b> , Lecturer	UQAM
2023-2024	<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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2024-2026	<b>Research and Creative Activity Financial Support Program (PAFARC) Grant</b> , UQAM
2024	<b>Teaching Excellence Award</b> , Desautels Faculty of Management, McGill University
2023-2024	<b>Desmarais Finance Research Award</b> , Desmarais Global Finance Research Centre
2020-2023	<b>SSHRC Doctoral Fellowship</b> , SSHRC
2020-2023	<b>Joseph-Armand Bombardier Doctoral Scholarship</b> , SSHRC
2018-2023	<b>Doctoral Fellowship</b> , McGill University
2018-2019	<b>National Bank Financial Group Fellowship</b> , National Bank of Canada
2018	<b>Graduate Excellence Award</b> , McGill University
2013-2016	<b>Dean's Honor List</b> , McGill University
2013	<b>French Language Award Bursary</b> , Government of Quebec

## Presentations

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2025: IFMB, FMA, HEC Montreal, UQAM

2024: NFA, FMA

2023: JMP, McGill University, HEC Montreal, Concordia JMSB, IMF

2023: FMA

2023: McGill Brownbag Seminar

2022: McGill 1st FRG, Working Paper Presentations

## Media Coverage

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Marko Gränitz (2025). *Passive Gratwanderung*. Institutional Money, No. 1/2025, pp. 130-132.

Finn Øystein Bergh (2025). *A temporary lapse of gravity: Do you find a particular stock expensive? It probably has a high share of passive ownership*. Pareto Asset Management, January 13.

Joachim Klement (2025). *Index funds and the rise of mega caps, redux*. Klement on Investing, February 13.

Ted Godbout (2024). *Do Participant Account Balances Imply Lower Recordkeeping Costs?* American Society of Pension Professionals & Actuaries, September 3.

Ulrich Urbahn (2025). *The inefficient market*. Berenberg Markets - Focus, January 14.

## 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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Department of Finance  
University of Luxembourg  
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