David Kyle Musto

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Educational Background

Ph.D.	1995	**University of Chicago, Graduate School of Business**
	Major Field:	Finance
	Dissertation:	*Year-End Forces in Securities Markets*
B.A.	1987	**Yale University**
	Major:	Economics

Employment History

Post-PhD

The Wharton School, University of Pennsylvania

1995 - 2003	Assistant Professor of Finance
2003 – 2007	Associate Professor (with tenure) of Finance
2007 – 2008	Ronald O. Perelman Associate Professor of Finance
2008 -	Ronald O. Perelman Professor in Finance
2013 - 2019	Chairperson, Finance Department
2019 -	Faculty Director, Stevens Center

Securities and Exchange Commission

2015 - 2017	Senior Financial Economist
2017 -	Consultant, Market Statistics

Earlier

Trout Trading Company, Programmer, Market Neutral Equity Group, 1993.

Roll and Ross Asset Management, Junior Systems Consultant, 1987-89

Outside Boards and Committees

Advisory Board member, Human Interest (formerly Captain401), 2016-20

Advisory Board member, Impact Investing Exchange

Member, Fintech Advisory Committee of the Milken Institute

Investment Committee, Women's Livelihood Bond II, III & IV

External Reviewer, OSU Fischer College of Business Dept. of Finance, 2021

Research Grants, Awards, Fellowships and Editorships

2018 Investment for Impact Research Award for "Contracts with Benefits: The Implementation of Impact Investing"

Teaching and Curricular Innovation Award, MBA Program 2015

Associate Editor, *Journal of Finance*, 2008-2015

Co-Editor, *Journal of Financial Services Research*, 2007-2013

Best Paper Award, Annual Conference on Market Structure & Market Integrity, McMaster University, for "Failure is an Option: Impediments to Short Selling and Options Prices"

Bank of Canada Research Award for "The Limits to Dividend Arbitrage: Implications for Cross-Border Investment"

Q Group grant awarded for "What are assets under management worth to managers?"

Q Group grant awarded for "Stocks are Special Too"

Rodney White grant awarded for "Stocks are Special Too"

Fellow of the Financial Institutions Center, 1997-

Associate Faculty of the Institute for Law and Economics, 2007-

Nomination for 2002 Smith Breeden Prize for "Leaning for the tape: Evidence of gaming behavior in equity mutual funds" as best paper published by the *Journal of Finance*

Nomination for 1997 Smith Breeden Prize for "Portfolio Disclosures and Year-End Price Shifts" as best paper published by the *Journal of Finance*

Dimensional Fund Advisors Grant, 1995

Publications in Refereed Journals (Published or Forthcoming)

The custom of all journals below is to list authors in alphabetical order

1. Musto, David K., "Portfolio Disclosures and Year-End Price Shifts," Journal of Finance 52(4), September 1997, 1563-1588.

2. Musto, David K., "Investment Decisions Depend on Portfolio Disclosures," Journal of Finance 54(3), June 1999, 935-952.

3. Carhart, Mark; Kaniel, Ron; Musto, David K. and Adam V. Reed, "Leaning for the Tape: Evidence of Gaming Behavior in Equity Mutual Funds," Journal of Finance 57(2), April 2002, 661-693.

4. Christoffersen, Susan K., and David K. Musto, "Demand Curves and the Pricing of Money Management," Review of Financial Studies 15(5), Winter 2002, 1499-1524.

5. Carhart, Mark; Carpenter, Jennifer; Lynch, Anthony and David K. Musto, "Mutual Fund Survivorship," Review of Financial Studies 15(5), Winter 2002, 1439-1463.

6. Geczy, Chris; Musto, David K., and Adam V. Reed, "Stocks are Special Too: An Analysis of the Equity Lending Market," Journal of Financial Economics 66(2-3), November/December 2002, 241-269.

7. Musto, David K., "What Happens when Information Leaves a Market? Evidence from Post-Bankruptcy Consumers," Journal of Business 77(4), October 2004, 725-748.

8. Lynch, Anthony and David K. Musto, "How Investors Interpret Past Fund Returns," Journal of Finance 58(5), October 2003, 2033-2058.

9. Musto, David K. and Bilge Yilmaz, "Trading and Voting," Journal of Political Economy 111(5), October 2003, 990-1003.

10. Christoffersen, Susan K.; Geczy, Chris; Musto, David K. and Adam V. Reed, "Crossborder Dividend Taxation and the Preferences of Taxable and Nontaxable Investors: Evidence from Canada," Journal of Financial Economics 78(1), October 2005, 121-144.

11. Gervais, Simon; Lynch, Anthony and David K. Musto, "Fund Families as Delegated Monitors of Money Managers," Review of Financial Studies 18(4), Winter 2005, 1139-1169.

12. Musto, David K. and Nicholas Souleles, "A Portfolio View of Consumer Credit," Journal of Monetary Economics 53(1), January 2006, 59-84.

13. Evans, Richard; Geczy, Chris; Musto, David K. and Adam V. Reed, "Failure is an Option: Impediments to Short-Selling and Option Prices," Review of Financial Studies 22(5), May 2009, 1955-1980.

14. Christoffersen, Susan K.; Geczy, Chris; Musto, David K. and Adam V. Reed, "Vote Trading and Information Aggregation," Journal of Finance, 62(6), December 2007, 2897-2929.

15. Bond, Philip; Musto, David K. and Bilge Yilmaz, "Predatory Mortgage Lending," Journal of Financial Economics 94(3), December 2009, 412-427.

16. Christoffersen, Susan; Evans, Richard, and David K. Musto, "What do Consumers' Fund Flows Maximize? Evidence from their Brokers' Incentives," Journal of Finance, 68(1), February 2013, 201-235.

17. Bond, Philip, Ronel Elul, Sharon Garyn-Tal and David K. Musto, "Does Junior Inherit? Refinancing and the Blocking Power of Second Mortgages," Review of Financial Studies, 30(1), January 2017, 211-244.

18. Musto, David K., Greg Nini and Krista Schwarz, "Notes on Bonds: Illiquidity Feedback During the Financial Crisis," Review of Financial Studies, 31(8), August 2018, 2983-3018.

19. Mitra, Debanjan, David K. Musto and Sugata Ray, "Can Brands Circumvent Marketing Regulations? Exploiting Umbrella Branding in Financial Markets," Marketing Science, 39(1), January-February 2020, 71-91.

20. Geczy, Chris, Jess Jeffers, David K. Musto and Anne Tucker, "Contracts with (Social) Benefits: The Implementation of Impact Investing," Journal of Financial Economics 142(2), November 2021, 697-718.

21. Christoffersen, Susan, Don Keim, David K. Musto and Aleksandra Rzeźnik, "Passive-Aggressive Trading: The Supply and Demand of Liquidity by Mutual Funds," Review of Finance, 26(5), September 2022, 1145-1177.

Other Publications

22. Geczy, Chris; Musto, David K., and Adam V. Reed, "Equity Loans: How to Sell what you Do Not Own," *Financial Times*, Mastering Investment #3, 2001. Reprinted in James Pickford, ed.: *Mastering Investment* (Prentice Hall, London, 2002).

23. Musto, David K., "The End of the Year Show," *Financial Times*, Mastering Finance #7, 1997. Reprinted in George Bickerstaffe, ed.: *The Complete Finance Companion* (Pitman Publishing, London, 1998)

24. Musto, David K., "The Economics of Mutual Funds," in the *Annual Review of Financial Economics* volume 3, 2011, 159-172.

25. A commentary on "Differences across Originators in CMBS Loan Underwriting," Journal of Financial Services Research 42(1-2), 135-137.

26. Christoffersen, Susan; Musto, David K. and Russ Wermers, "Investor Flows to Asset Managers: Causes and Consequences," in the *Annual Review of Financial Economics* volume 6, 2014, 289-310.

27. Geczy, Chris; Jeffers, Jessica; Musto, David K. and Anne M. Tucker, "Institutional Investing when Shareholders are Not Supreme," Harvard Business Law Review 5(1), 2015, 73-139.

28. Geczy, Chris; Jeffers, Jessica; Musto, David K. and Anne M. Tucker, "In Pursuit of Good & Gold: Data Observations of Employee Ownership and Impact Investment," Seattle University Law Review, 40(2), Winter 2017, 555-609.

29. Musto, David K., "The Role of the APT in the Hunt for Alpha: An Insight from Long Ago." Journal of Portfolio Management, 44(6), 2018, 56-58.

30. Musto, David K., "Commercial Paper", chapter in *Handbook of Fixed Income Securities, Ninth Edition*, Frank Fabozzi, editor, McGraw Hill, 2021.

31. Musto, David K., "Robo-Advisors and the Growth of Index-Fund Investing." *Financial Planning Review*, 3(3), September 2020, 1-6.

Working Papers

32. "Understanding Fee Structures in the Asset Management Business," joint with Anthony W. Lynch

33. "High Water Marks in Competitive Capital Markets," joint with Susan Christoffersen and Bilge Yilmaz.

34. "Who Benefits from Bond Market Modernization?" joint with Jill Popadak.

35. "Profit and Loss Sharing in the IPO Market," joint with Xingyi Chen and Martin Cherkes.

36. "Why Do Institutions Delay Reporting Their Shareholdings? Evidence from Form 13F", joint with Susan Christoffersen and Erfan Danesh.

37. "Concentration in Mortgage Markets: GSE Exposure and Risk-Taking in Uncertain Times," joint with Ronel Elul and Deeksha Gupta

38. "The Effect of NAV Flotation on the Management of Prime Money Fund Portfolios," joint with Su Li and Wei Liu.

39. "A Simple Role for Complex Options," joint with Su Li and Neil Pearson.

40. "Costs of Executing Complex Options Trades," joint with Su Li and Neil Pearson.

Wharton Cases

"The Relationship Between the Board and Stockholders: Air Products' Takeover Bid for Airgas," joint with Jillian Popadak.

Service

Friday lunchtime seminar coordinator, 2000-1
Doctoral Admissions Committee, 1998 – 2012
Director of PhD Admissions, 2003-6
Micro Finance Seminar Coordinator, 1995-6, 2007-8, 2012-13
Co-organizer (w/Roger Edelen), May 2002 WFIC Mutual-Fund Conference
Co-organizer (w/Russ Wermers), May 2004 WFIC Mutual-Fund Conference
MBA Curriculum Committee, 2003-4
Junior Faculty Recruiting Committee, 2003-5
Co-head, Junior Faculty Recruiting Committee, 2007-8, 2011-12
Senior Faculty Recruiting Committee, 2011-12
Diversity Search Advisor, 2021-22
Wharton Personnel Committee, 2009-11
Q Review, Health Care Management Dept, 2007-8
Q Review, SEI Center, 2012-13
Department Chair, 2013-19
Wharton Executive Committee, 2018
Referee for numerous finance and economics journals

Doctoral Students

Chair or co-chair: Adam Reed, Sugata Ray, Indraneel Chakraborty, Jillian Popadak (Business Economics and Public Policy), Christine Dobridge, Jessica Jeffers, Xingyi Chen, Marco Giometti, Ipek Yavuz

Committee: Eitan Goldman, Yuval Bar-Or, Javier Gil-Bazo (Univ. of the Basque Region), Farshad Mashayekhi, Klaas Baks, Lily Fang, Cesar Orosco (Econ Dept), Rich Evans, Lei Hua (Econ Dept), Zhaohui Chen, Omer Brav, Pavel Trisch, Hind Sami (Université Lumière Lyon 2), Krishna Kamath, Qingyi Song (Insurance and Risk Management), Jian Hua (Econ Dept), Michael Bulboff (Insurance and Risk

Management), Xin Wu (Carrie) Mahaney-Walter, Deeksha Gupta, Ali Aram, Hongxun Ruan, Ewelina Zurowska

Invited Presentations

Regular University Seminars:
University of Illinois, Champaign-Urbana, Spring 1995
University of Michigan, Spring 1995
University of Pennsylvania, Spring 1995
Northwestern University, Spring 1995
Washington University in St. Louis, Spring 1995
Columbia University, Spring 1995
Yale University, Fall 1998
McGill University, Fall 1998
University of Washington, Fall 1998
London Business School, Fall 1998
Temple University, Fall 1998
University of Southern California, Fall 1999
University of Iowa, Fall 1999
University of Texas, Spring 2000
University of Pennsylvania Econ Dept., Fall 2000
New York University, Spring 2001
University of North Carolina, Fall 2001
UC Berkeley, Fall 2001
Northwestern University, Spring 2002
University of Illinois, Champaign-Urbana, Fall 2002
Columbia University, Fall 2002
University of Oregon, Spring 2003
Virginia Tech, Spring 2004
Notre Dame, Spring 2004
INSEAD, Fall 2004
City University of New York, Fall 2005
Louisiana State University, Spring 2006
University of Maryland, Spring 2007
Duke University, Fall 2007
Copenhagen Business School, Fall 2007
University of Minnesota, Fall 2007
Boston University, Spring 2008
University of California, Irvine, Spring 2008
University of Wisconsin, Fall 2008
Vanderbilt University, Fall 2008
Vienna University of Economics and Business Administration, Spring 2009
University of Texas at Dallas, Spring 2010
University of Utah, Spring 2010
Georgia State University, Spring 2010
Ludwig Maximilians University, Munich, Germany, Spring 2010
University of Oxford, Spring 2011

University of Nottingham, Spring 2011
New York University, Spring 2011
Georgetown University, Spring 2011
Northwestern University, Spring 2011
University of Florida, Spring 2012
Indian School of Business, Summer 2012
Hong Kong Polytechnic University, Summer 2012
Southern Methodist University, Fall 2012
York University, Spring 2013
Laval University, Spring 2014
University of Toronto, Spring 2014
University of Arizona, Spring 2014
Queen's University, Fall 2014
Aalto/Hanken School of Economics, Spring 2015
BI Norwegian Business School, Spring 2015
University of Miami, Spring 2016
Vanderbilt University, Spring 2016
University of Oregon, Fall 2016
City University of Hong Kong, Spring 2017
Chicago Booth, Spring 2017
University of Alabama, Fall 2017
Norwegian School of Economics, Spring 2019
Brandeis University, Fall 2019
Hong Kong University, Fall 2019
SAIF, Fall 2019
Shanghai University, Fall 2019
Case Western University, Fall 2021

Other:
Western Finance Association, Summer 1998 (discussant)
Western Finance Association, Summer 1999 (presenter)
Securities Exchange Commission, Spring 2000
Western Finance Association, Summer 2000 (presenter)
Investment Company Institute, Fall 2000
Fund Democracy, Fall 2000
Q Group, Fall 2001
Goldman Sachs Asset Management, Fall 2001
Federal Reserve Bank of Philadelphia, Fall 2001
American Finance Association, Spring 2002 (discussant)
Federal Reserve Bank of Atlanta, Spring 2002
Quantitative Research Group, Palm Springs CA, Spring 2003
AIM Conference on Mutual Funds at UT Austin, Spring 2003
Federal Reserve Bank of Philadelphia, Spring 2003
Western Finance Association, Summer 2003 (discussant)
Inquire Europe, Barcelona Spain, Fall 2003 (keynote speaker)
American Finance Association, Spring 2004 (discussant)
Rodney L. White Annual Seminar, Spring 2004 (discussant)

WFIC Venture Capital Conference, San Francisco, Spring 2004 (discussant)
Western Finance Association, Summer 2004 (discussant)
JFE/Oregon Conference, Fall 2004 (discussant)
Investment Company Institute, Fall 2004 (panelist)
NBER Behavioral Finance Working Group, Spring 2005 (discussant)
Western Finance Association, Summer 2005 (discussant)
NBER Market Microstructure Meeting, Fall 2005 (discussant)
Q Group, Fall 2005
Federal Reserve Bank of Chicago / De Paul, Fall 2005
American Finance Association, Spring 2006 (chair and discussant)
Weil, Gotshal & Manges Roundtable at Yale Law School, Spring 2006
American Enterprise Institute Conference, Spring 2006 (panelist)
Institute for Law and Economics Roundtable on Corporate Law, Spring 2006
Securities Exchange Commission, Spring 2006
Western Finance Association, Summer 2006 (chair)
International Atlantic Economic Conference, Fall 2006 (discussant)
3^{rd} Annual Conference on Corporate Finance (WUSTL), Fall 2006 (chair)
17^{th} Annual CFEA Conference, Georgia State, Fall 2006 (chair)
NYU/Penn Conference on Law & Finance, NYU, Spring 2007
Society of Quantitative Analysts, NYNY, Spring 2007
Ninth Annual Texas Finance Festival, Spring 2007 (discussant)
Institute for Law and Economics Corporate Roundtable, Spring 2007 (panelist)
Caesarea Center 4^{th} Annual Conference, IDC Herzliya, Spring 2007
Western Finance Association, Summer 2007 (chair and presenter)
Federal Deposit Insurance Corporation, Summer 2007
University of Texas Institutional Investors Conference, Fall 2007 (discussant)
Financial Research Association, Las Vegas, Fall 2007 (discussant)
Conference in Memory of Shmuel Kandel, Tel Aviv, Fall 2007 (discussant)
Law and Economics of Consumer Credit, UVa, Spring 2008 (discussant)
SPDR University, NYNY, Summer 2008 (panelist)
Western Finance Association, Summer 2008 (discussant)
RMA/UNC Academic Forum on Securities Lending Spring 2009 (panelist)
FIRS Conference in Prague, Summer 2009 (presenter, chair and discussant)
Cambridge Finance / Wharton Seminar, Summer 2009 (presenter)
Financial Crisis Conference, Yale, Summer 2009 (discussant)
FDIC/JFSR Bank Research Conference, Fall 2009 (discussant)
American Finance Association, Spring 2010 (discussant)
Caesarea 7^{th} Annual Conference, IDC Herzliya, Summer 2010 (discussant)
Western Finance Association, Summer 2010 (discussant)
FDIC/JFSR Bank Research Conference, Fall 2010 (chair and discussant)
Yale Law, Conference on Empirical Legal Studies, Fall 2010 (discussant)
Institute for Law and Economics Corporate Roundtable, Fall 2010
American Finance Association, Spring 2011 (chair)
Conference to Honor Marshall Blume, Spring 2011 (discussant)
Symposium on Financial Institutions, UC Davis, Spring 2011 (discussant)
Kepos Capital, Summer 2011
Recent Developments in Consumer Credit, Philly Fed, Fall 2011 (discussant)

American Finance Association, Spring 2012 (discussant)
Minnesota Corporate Finance Conference, Spring 2012 (discussant)
Stanford Law, Conference on Empirical Legal Studies, Fall 2012
Mid-Atlantic Research Conference, Villanova U., Spring 2013 (discussant)
FDIC/JFSR Bank Research Conference, Fall 2013 (chair and discussant)
Bank for International Settlements, Fall 2013
HBLR Benefit Corporations Conference, Spring 2014 (moderator)
Institute for Law and Economics Corporate Roundtable, Spring 2014
SFS Finance Cavalcade, Georgetown U, Summer 2014 (discussant)
Anthos Roundtable on Exits in Impact Investing, Fall 2014 (presenter)
Impact Capitalism Summit, Chicago, Spring 2015 (presenter)
Conference on Financial Regulation, SEC, Spring 2015 (discussant)
ICI/UVA Conference on Mutual Funds and ETFs, Fall 2015 (discussant)
Chancery Court Program, Penn Law School, Spring 2016 (panelist)
Berle VIII Conference, Seattle Univ Law School, Summer 2016 (presenter)
AIM Investment Conference, UT Austin, Fall 2016 (discussant)
Benefit Corporation Bar Association, Fall 2016 (presenter)
Corporate Social Impact Conference, IDC Herzliya, Fall 2016 (presenter)
Penn-Wharton Club of Arizona & Turnaround Management Association, AZ Chapter, Spring 2017 (presenter)
Phoenix Rotary 100, Spring 2017 (speaker)
Wharton Social Impact Conference, Spring 2017 (panelist)
Western Finance Association, Summer 2017 (discussant)
Wharton Raising the Bar (WSII), Fall 2017 (presenter)
BlackRock Applied Research Award, Fall 2017 (judge)
FOCUS Seminar, Perelman School of Medicine, Spring 2018 (presenter)
Conference on Financial Market Regulation, SEC, Spring 2018 (discussant)
Multinational Finance Society, Budapest, Summer 2018 (presenter, discussant and session chair)
PCRI/HBS Rise of Impact Investing, Harvard, Fall 2018 (panelist)
Economics of Social Sector Organization, Chicago Booth, Fall 2018 (presenter)
Finance Bergen, Spring 2019 (speaker)
Office of Financial Research, Spring 2019
Duke/UNC Corporate Finance Conference, Spring 2019 (discussant)
Chicago Financial Institutions Conference, Spring 2019
Penn Club of Bucks County, Spring 2019
Wharton Club of Japan, Summer 2019
CFA Society of Philadelphia, Summer 2019
Fearless in Fintech, Summer 2019 (panelist)
Federal Reserve Bank of New York, Fall 2019
American Finance Association, Spring 2020 (presenter and discussant)
CFP Academic Research Colloquium, Spring 2020, keynote speaker
Wharton Hackathon: Covid and the Economy, Fall 2020, keynote speaker
MFA Conference, Spring 2021, session chair
NFA Conference, Fall 2021, discussant
3rd Shanghai Intl Forum on Financial Technology, Fall 2021, keynote speaker
American Finance Association, Spring 2022 (discussant)

SXSW, Spring 2022 (panelist)
Cato Institute's 40th Annual Monetary Policy Conference, speaker
Fels Institute, Spring 2023