

Guillermo Baquero

Address

ESMT Berlin
Schlossplatz 1
D-10178 Berlin
Germany

Phone: +49-30-212 31 -1287
Email: Guillermo.Baquero@esmt.org

Web Bio:
<https://esmt.berlin/person/guillermo-baquero/>

Current employment

Professor of Management Practice, 2023–present
Faculty Lead, Master's in Management Program, 2014–present
Associate Professor, 2011–2022
Assistant Professor, 2008–2011
Affiliate Scholar, 2007–2008
ESMT Berlin, Germany.

Education

PhD in Finance, Erasmus University Rotterdam, The Netherlands, 2006.
MBA (magna cum laude), Institut d'Administration et Gestion – IAG, Université Catholique de Louvain, Louvain, Belgium, 1999.
MSc in Economics, Centre for Economic Studies, Faculty of Economics, Katholieke Universiteit Leuven, Leuven, Belgium, 1998.
BS in Mechanical Engineering, Escuela Politécnica del Ejército–Quito, Ecuador, 1994.

Past employment

Assistant Professor of Finance, RSM Erasmus University, Rotterdam, 2005–2007.
Research Associate, Erasmus Research Institute of Management (ERIM), Erasmus University, 2001–2005.
Visiting Professor and Research Associate, Facultad Latinoamericana de Ciencias Sociales (FLACSO), Quito-Ecuador, 2003–present. Research on Microfinance and Development.
Research Associate, Centre for Economic Studies (CES), Katholieke Universiteit Leuven, Belgium, 1999–2001. Investigation of performance evaluation and survivorship biases of mutual funds and hedge funds.

Project Associate, Perrier Vittel Belgilux, Belgium. Cost-benefit analysis of hedging with weather derivatives, August–October 2000.

Chief Technical and Operations Officer, Automacion Ecuatoriana S.A., Quito – Ecuador, 1992–1996. Design of pneumatic systems and consulting in compressed air and automation.

Research interests

Hedge Funds, Mutual Funds, Behavioral Finance, Experimental Economics, Microfinance.

Journal publications

Baquero, G., and M. Verbeek (2022). Hedge fund flows and performance streaks: How investors weigh information. *Management Science* 68(6):4151-4172.

Baquero, G., M. Hamadi, and A. Heinen (2018). Competition, loan rates and information dispersion in nonprofit and for-profit microcredit markets. *Journal of Money, Credit and Banking* 50(5): 893-937.

Baquero, G., M. Verbeek, and J. Horst (2005). Survival, look-ahead bias and the persistence in hedge fund performance. *Journal of Financial and Quantitative Analysis* 40(3): 493–517.

Working papers

Baquero, G., and M. Verbeek (2016). Hedge fund flows and performance streaks: How investors weigh information. *ESMT Working Paper No. 15–01*.

Baquero, G., W. Smit, and L. Wathieu (2013). Fairness in sharing gains and losses: the generosity effect. *ESMT Working Paper No. 13–08*.

Baquero, G., and M. Verbeek (2009). [A portrait of hedge fund investors: Flows, performance and smart money](#). *Erasmus University Rotterdam No. ERS–2005–068–F&A (Revised: 2009–10–22)*.

Baquero, G., and M. Verbeek (2009). [Do “sophisticated” investors believe in the law of small numbers?](#) *Erasmus University Rotterdam No. ERS–2006–033–F&A*.

Work in progress

Baquero, G., and V.B. Le (2022). Financial affiliations of hedge funds: An analysis of liquidation probabilities and flows.

Baquero, G., M. Hamadi, and A. Heinen (2021). Interest rate ceilings and competition in microcredit markets: Social and financial tradeoffs.

Baquero, G., and M. Verbeek (2013). The convexity and concavity of the Flow-Performance Relationship for Hedge Funds.

Baquero, G., and M. Verbeek (2011). Implicit risk incentives and hedge fund style.

Baquero, G., and M. Verbeek (2009). Style investing: Evidence from hedge fund investors. Erasmus University Rotterdam Working Paper.

Baquero, G., W. Smit, and L. Wathieu (2009). Fairness in bilateral investment decisions in new business ventures. experimental evidence.

Baquero, G., M. Hamadi, and A. Heinen (2009). Outreach and the financing of microfinance institutions. (Grant from the Fonds National de la Recherche, Luxembourg).

Baquero, G., and M. Verbeek (2009). Funds of hedge funds: Money flows and style investing (Joint collaboration between Erasmus University and ESMT).

Baquero, G. (2009). Are hedge fund investors diversified?

Baquero, G. (2009). The flow-performance relation of hedge funds under style investing.

Baquero, G. (2008). A model of risk taking by hedge fund managers when investors differ in their evaluation horizons.

Baquero, G. (2008). On the fund-picking abilities of investors in funds-of-funds.

Baquero, G., and W. Marquering (2007). Superstition in financial decisions: Evidence from Asian markets.

Baquero, G. (2007). Has the rise of hedge funds increased market instability? Further evidence on the limits of arbitrage.

Books and Book Chapters

Baquero, G., and M. Verbeek (2021). Hedge fund flows. *The Oxford Handbook of Hedge Funds, Chapter 3*. Oxford University Press.

Baquero, G. (2006). On hedge fund performance, capital flows and investor psychology. PhD Thesis, Erasmus University Rotterdam.

Teaching experience in business schools and universities

ESMT Berlin

MIM Master's in Management

2015-2023: International Finance and Risk Management (MIM, ESMT Berlin)

2018-2023: Alternative Investments, (MIM, ESMT Berlin)

2019-2021: Financial Management (MIM, ESMT Berlin)

MBA

2020-2023: Finance (MBA, ESMT Berlin)

2019-2022: Financial Management (MBA Deutsche Telekom, ESMT Berlin)

2022-2023: Accounting and Financial Management (GOMBA, ESMT Berlin)

2021-2023: Financial Management (PTMBA, ESMT Berlin)

2019: Introduction to Finance (MBA, ESMT Berlin)

2008-2019: Corporate Finance (MBA, ESMT European School of Management and Technology)

2008-2019: International Finance (MBA, European School of Management and Technology)

Executive MBA

2008-2020: International Financial Markets (EMBA, ESMT Berlin)

2007–2010: Data Analysis and Forecasting (EMBA, European School of Management and Technology)

Executive Education

2011–2014: Behavioral Finance (Finance for Non-Finance Executives, European School of Management and Technology)

RSM Rotterdam School of Management

2005-2007: Investments (Master in Finance and Investments, RSM Rotterdam School of Management).

2002–2005: Behavioral Finance (International Bachelor Programme IBA, RSM).

FLASCO Facultad Latinoamericana de Ciencias Sociales, Quito, Ecuador

2003-2004: Development Finance and The Psychology of Investor's Decisions (Master in Public Policies, FLACSO).

Research grants and awards

Research grant from the German Research Foundation (DFG): *"5th conference on recent advances in mutual fund and hedge fund research,"* 2019.

Research grant from the German Research Foundation (DFG): *"4th conference on recent advances in mutual fund and hedge fund research,"* 2017.

Research grant from the Peter Curtius Foundation: *"An experimental study of exit decisions"* 2013-2015.

Research grant from the Peter Curtius Foundation: *"From unfairness to generosity: Sharing behavior in good and bad times,"* 2009-2011.

Grant from the Luxembourg National Research Foundation (Fonds National de la Recherche Luxembourg) for the project *"Outreach and the Financing of Microfinance Institutions,"* 2009-2011.

First Prize for the paper *"A portrait of hedge fund investors: Flows, performance and smart money,"* awarded to the best paper in Hedge Funds at the European Finance Association meetings, Zurich, 2006.

Second Prize for the paper *"Survival, look-ahead bias and the persistence in hedge fund performance,"* awarded to the second best paper in Hedge Funds at the European Finance Association meetings, Glasgow, 2003.

Grant from the Belgian Program *"Interuniversity poles of attraction,"* sponsored by the Prime Minister's Office, Science Policy Programming, 2000–2001.

Teaching honors and awards

Best Teacher Award, ESMT MBA, 2023.

Best Teacher Award, ESMT PTMBA, 2022.

Best Teacher Award, ESMT MBA, 2022.

Best Teacher Award, ESMT MBA, 2021.

Best Teacher Award, ESMT MBA, 2013.

Best Teacher Award, ESMT MBA, 2012.

Best Teacher Award, ESMT MBA, 2009.

President's Honor Roll for Teaching Excellence (International Finance and Risk Management), ESMT MIM 2020, 2021.

President's Honor Roll for Teaching Excellence (International Financial Markets), ESMT EMBA, 2018, 2019, 2021.

President's Honor Roll for Teaching Excellence (Finance), ESMT MBA 2020, 2022, 2023.

President's Honor Roll for Teaching Excellence (Corporate Finance): ESMT MBA 2012, 2013, 2014, 2016, 2018.

President's Honor Roll for Teaching Excellence (International Finance): ESMT MBA 2009, 2013, 2015, 2016, 2017, 2018, 2019.

President's Honor Roll for Teaching Excellence (Financial Risk Management), ESMT MIM, 2014-2016

President's Honor Roll for Teaching Excellence (INTOPIA Simulation), ESMT EMBA, 2011-2013

Selected conference presentations

2022: Financial Management Association, European Conference, July 12, in Lyon, France. Financial affiliations of hedge funds: An analysis of liquidation probabilities and flows. (Presented by co-author: Vu Binh Le, ESMT Berlin)

European Financial Management Association Conference, July 1, Financial affiliations of hedge funds: An analysis of liquidation probabilities and flows (Presented by co-author: Vu Binh Le, ESMT Berlin)

2018: 9th Professional Asset Management Conference, June 6, Erasmus University, Rotterdam, the Netherlands. Discussant.

2016: American Economic Association Meetings, January 4–6, San Francisco, California, USA. Hedge Fund Flows and Performance Streaks: How Investors Weigh Information?

2016 Financial Intermediation Research Society Conference (FIRS), June 1-3, 2016, Lisbon, Portugal. Discussant.

8th Conference on Professional Asset Management, June 13-14, Erasmus University, Rotterdam, the Netherlands. Discussant.

2015: Financial Management Association - Annual Meeting, October 16, Orlando, FL, USA, Competition, loan rates and information dispersion in microcredit markets (Malika Hamadi and Andreas Heinen)

Financial Management Association - Annual Meeting, October 16, Orlando, FL, USA, Competition among MFIs: Financial and social tradeoffs (Malika Hamadi and Andreas Heinen)

Joint Conference on Institutional Investors and Emerging Market Finance, September 17, Ghent, Belgium, Hedge fund flows and performance streaks: How investors weigh information (Marno Verbeek)

China International Conference in Finance, July 11, CICF, Shenzhen, China. Hedge fund flows and performance streaks: How investors weigh information (Marno Verbeek).

Financial Management Association European Conference, June 11, FMA, Venice, Italy. Hedge fund flows and performance streaks: How investors weigh information (Marno Verbeek).

2014: The Berlin Financial Economics Workshop, ESMT, November 11, Berlin. Implicit risk incentives of hedge fund managers.

European Financial Management Association 2014 Annual Meetings, June 27, Rome, Italy. The convexity and concavity of the flow-performance relationship for hedge funds (Marno Verbeek).

Financial Engineering and Banking Society (FEBS) Conference, June 22, University of Surrey, Guildford, UK. Competition, loan rates and information dispersion in microcredit markets (Malika Hamadi and Andreas Heinen).

6th International Finance and Banking Society Conference (IFBS), June 18, Lisbon, Portugal. Performance streaks and the behavior of hedge fund investors (Marno Verbeek).

7th Conference on Professional Asset Management, May 26, Erasmus University, Rotterdam, the Netherlands. The convexity and concavity of the flow-performance relationship for hedge funds (Marno Verbeek).

International, Banking, Economics, and Finance Association (IBEFA/ASSA), January 3, Philadelphia, USA. Competition, loan rates and information dispersion in microcredit markets.

2013: The 11th International Paris Finance Meeting (EUROFIDAI), December 19, Paris, France. The convexity and concavity of the flow-performance relationship for hedge funds (Marno Verbeek).

FMA Annual Meeting, Oct 16-19, Chicago, IL, USA, The convexity and concavity of the flow-performance relationship for hedge funds (Marno Verbeek).

Florence Workshop on Behavioral and Experimental Economics, May 2-4, University of Firenze, Italy. Fairness in sharing gains and losses (Willem Smit and Luc Wathieu).

2012: FMA Annual Meeting, Oct 17-20, Atlanta, GA, USA, Competition, Loan rates and information dispersion in microcredit markets (Malika Hamadi and Andreas Heinen).

Berlin Behavioral Economics-DIW workshop, February 10, Berlin Germany. Fairness in sharing gains and losses (Willem Smit and Luc Wathieu).

2011: Conference on Finance and Responsible Business Practices: Research, Practice and Policy, November 3 and 4, University of California, Berkeley. Discussant: Environmental externalities and the cost of capital (Sudheer Chava).

Econometric Society, Asian Meetings, August 11-13, in Seoul, Korea. Competition among microbanks, financial and social trade-offs.

Berlin Behavioral Economics workshop, January 21, Berlin Germany. Do hedge fund investors believe in the law of small numbers?

2010: Hedge Fund World Zurich, December 7 and 8, Zurich, Switzerland. Hedge fund regulation.

The Microfinance Week, November 29-December 3, Luxembourg. Competition of microbanks, financial and social trade-offs.

2009: European Financial Management Association Conference, June 24-27, in Milan, Italy. Style investing: Evidence from hedge fund investors.

2008: European Finance Association Meetings, August 27-30, in Athens, Greece. Do sophisticated investors believe in the law of small numbers?

2007: American Finance Association Meetings, January 5-7, in Chicago, Illinois, USA. Do sophisticated investors believe in the law of small numbers?

Eastern Finance Association Meetings, April 18-21, in New Orleans, Louisiana, USA. Style investing: Evidence from hedge fund investors.

Financial Management Association Meetings, October 17–20, in Orlando, Florida, USA. Style investing: Evidence from hedge fund investors.

European Finance Association Meetings, August 22–25, Ljubljana, Slovenia. Discussant.

2006: European Finance Association Meetings, August 23–26, in Zurich, Switzerland. A portrait of hedge fund investors: Flows, performance and smart money.

European Economic Association Meetings, August 24–28, in Vienna, Austria. Do sophisticated investors believe in the law of small numbers?

Eastern Finance Association Meetings, April , in Philadelphia, Pennsylvania, USA. A portrait of hedge fund investors: Flows, performance and smart money.

2005: Northern Finance Association Meetings, September 30–October 2, in Vancouver, Canada. A portrait of hedge fund investors: Flows, performance and smart money.

European Financial Management Association Conference, June 29–July 2, in Milan, Italy. Do sophisticated investors believe in the law of small numbers? and A portrait of hedge fund investors: Flows, performance and smart money.

Financial Management Association, European Conference, June 8–11, in Siena, Italy. A portrait of hedge fund investors: Flows, performance and smart money.

Spring Meeting of Young Economists, April 22–24, in Geneva, Switzerland. Do sophisticated investors believe in the law of small numbers?

2004: European Investment Review Fourth Annual Conference, September 9–10, in London, England. The dynamics of hedge fund flows and performance.

2003: European Finance Association (EFA) 2003 Annual Meeting, August 20–23, in Glasgow, Scotland. Survival, look-ahead bias and the persistence in hedge fund performance.

European Financial Management Association's 11th Annual Meeting, June 26–29, in London, England. Survival, look-ahead bias and the persistence in hedge fund performance.

Invited presentations

(2014). Implicit risk incentives: The convexity and concavity of the flow-performance relationship for hedge funds. Paper presented at Universität Münster and at ESMT, Berlin.

(2011). Do sophisticated investors believe in the law of small numbers? Paper presented at DIW-Berlin.

(2010). Do sophisticated investors believe in the law of small numbers? Paper presented at the University of Luxembourg.

(2009). Style investing: Evidence from hedge fund investors. Paper presented at the University of Maastricht.

(2009). Style investing: Evidence from hedge fund investors. Paper presented at the University of Luxembourg.

(2007). A portrait of hedge fund investors: Flows, performance and smart money. Paper presented at the University of Warwick.

(2006). A portrait of hedge fund investors: Flows, performance and smart money. Paper presented at the London Business School, Paribas Hedge Fund Research Centre's seminar series.

(2006). A portrait of hedge fund investors: Flows, performance and smart money. Paper presented at the University of Exeter's seminar series.

(2006). A portrait of hedge fund investors: Flows, performance and smart money. Paper presented at the Federal Reserve Bank of Atlanta. Capital Markets Conference on Hedge Funds.

(2006). A portrait of hedge fund investors: Flows, performance and smart money. Paper presented at HEC Montreal, Department of Finance's seminar series.

(2005). A portrait of hedge fund investors: Flows, performance and smart money. Paper presented at the Universität zu Köln, Center for Financial Research (CFR) Seminar Series.

(2005). Mitigating biased decisions in the selection of hedge funds. Guest Speaker at Hedge Funds for Nordic Pension Funds, Stockholm, Sweden.

(2005). Do sophisticated investors believe in the law of small numbers? Paper presented at the 4th Tilburg Symposium in Economics and Psychology, Tilburg University, The Netherlands.

(2005). Do sophisticated investors believe in the law of small numbers? Invited presentation at the Max Planck Institute of Economics, Jena, Germany.

(2004). The psychology of investing and divesting. Paper presented at the Facultad Latinoamericana de Ciencias Sociales, FLACSO-Quito, Ecuador.

Academic service

Academic director (faculty lead), Master's in Management, ESMT Berlin (2014 to present)

Conference organization: Recent Advances in Mutual Fund and Hedge Fund Research, ESMT Berlin (2014, 2015, 2017, 2019)

Finance seminar coordinator, ESMT Berlin (2010 to present)

Member of the finance recruiting committee, ESMT Berlin (2009-2012)

Memberships: American Economic Association (AEA), American Finance Association (AFA), European Economic Association (EEA), European Finance Association (EFA), European Financial Management Association (EFMA), Financial Management Association (FMA)

Selection of media appearances

The Economist, The Wall Street Journal, Deutsche Welle (TV), Global Network Perspectives.

Languages

Spanish (native). Fluent in English, Portuguese and French.

September 1, 2023