



Nanyang Technological University

DIVISION OF ECONOMICS

Seminar Series

The Division of Economics invites you to a seminar by Dr Te Bao

- Speaker** : **Dr Te Bao**
Assistant Professor, University of Groningen
- Topic** : **"An Experiment on Fee Structure and Mutual Fund Choice"**
- Chairperson** : **Assistant Professor He Tai-sen**
Division of Economics
School of Humanities & Social Sciences
- Date** : **Friday, 10 April 2015**
- Time** : **10.30am to 12.00pm**
- Venue** : **Meeting Room 6** (HSS-04-91)
Nanyang Technological University
School of Humanities and Social Sciences
14, Nanyang Drive
Singapore 637332

About the Speaker:

Te Bao is an assistant professor in economics at the Department of Economics, Econometrics and Finance, University of Groningen. He obtained his Ph.D in Economics in 2012 from CeNDEF, University of Amsterdam. His research interest includes experimental economics, bounded rationality, behavioral finance and real estate economics. His works have been published in European Economic Review, Journal of Economic Dynamics and Control, Journal of Economics, Real Estate Economics and Research in Experimental Economics.

Abstract:

This experiment investigates the effect of past returns and the fee structure on fund choice decisions. We find that the fund choice is heavily driven by past returns even when past returns have no predictive power on future returns, and this bias is not eliminated by experience. Subjects choose a fund with higher frequency when the fee is charged in the form of a front end load than operations expenses (management fees). A simple discrete choice model provides good description of the experimental data.

Reservation:

Admission is free. Please reply to d-egc@ntu.edu.sg to confirm your attendance.