

Marco Elia

CONTACT INFORMATION

Queensland University of Technology
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EDUCATION

Drexel University, Philadelphia, PA (USA)

Ph.D. Business Administration, Finance

2013 - 2018

Dissertation Committee: Naveen D. Daniel (Chair), Ralph A. Walkling, Kose John,
Daniel Dorn, and Gregory Nini

University of Torino, Torino (Italy)

Doctorate (Dottorato di Ricerca), Business Administration

2003-2006

M.S., Business Administration

1998-2003

B.S., Business Administration

1998-2003

RESEARCH

Interests: Empirical Corporate Finance, Hedge Fund Activism, Behavioral Finance

Working Papers:

“What Causes Passive Hedge Funds to Become Activists?”

About 20% of the total activist hedge funds’ positions are initiated as passive holdings, that is without the intention of changing or influencing the control of the target firms. At some point, however, the hedge funds change their filing status and switch to activism. My paper investigates what triggers this switch. I hypothesize and find that hedge funds see the purchase price of their passive positions as a reference point. When hedge funds are suffering losses on these positions, they are more likely to switch to become activists, even after controlling for the firms’ underperformance. This study presents new evidence about what causes hedge fund activism.

Presentations:

China International Conference in Finance (CICF)

2019

Annual Meeting

University of Technology Sydney

2019

American Finance Association (AFA)

2019

Annual Meeting

American Finance Association (AFA)

2018

PhD Poster Session

Financial Management Association (FMA)

2017

Doctoral Consortium & Special PhD Student Paper Presentation

European Finance Association (EFA)

2017

Doctoral Tutorial

Financial Management Association (FMA)

2017

European Conference

Drexel University

2016

Brown Bag Seminar

Working Papers:

“Coordination by Activist Hedge Funds” (with Naveen D. Daniel)

If the frequency with which an institution (say, T. Rowe Price) invests in firms targeted by a given activist hedge fund (say, Starboard) is much higher than the frequency with which it invests in firms targeted by other activists (non-Starboard), we label the institution as coordinating with the activist. Using this procedure, we identify all institutions that coordinate with every activist. Our contribution is to document that such coordination is pervasive and is mutually beneficial. In nearly two-thirds of the campaigns, there is coordination between the activist and institutional investors. Coordination is more likely in large firms where the activists would not have sufficient capital to build a large stake. Activist hedge funds that coordinate with other institutional shareholders are more successful in their activism as reflected in higher abnormal returns over the duration of the campaigns. We attribute causation by instrumenting for coordination with the geographic proximity between the activist and the institutional investors.

“Opportunistic Activism” (with Naveen D. Daniel)

The average announcement return to hedge fund activism is around 5%. Thus, activists that want to inflate their reported returns have incentives to initiate activism in target firms before the end of the reporting period. Our contribution is to document that activists engage in such opportunistic activism. Consistent with this, we find that activists are more likely to start their campaigns just before the end of the quarter. This heightened activity cannot be explained by increased news flow at the end of the quarter. In contrast to the typical positive market reaction to activist initiation, reaction to opportunistic activism is virtually zero. This is suggestive of activists initiating campaigns without completing their research on firms, which were potentially targeted for activism in the following quarter. We find evidence consistent with such pulled-forward activism

TEACHING EXPERIENCE

Drexel University, Philadelphia, PA

Instructor, FIN 302: Intermediate Corporate Finance (Undergraduate)

Spring 2016: 1 section, Student Evaluations: 3.71 / 4.00

Winter 2016: 2 sections, Student Evaluations: 3.68 / 4.00 and 3.41 / 4.00

Teaching Assistant:

Prof. Naveen Daniel (2014-present): Risk Management (Graduate); Advanced Financial Management (Graduate)

Prof. Eliezer Fich (2013-2014): Introduction to Finance (Undergraduate); Corporate Financial Management (Graduate)

University of Torino, Torino (Italy)

Instructor:

Derivatives (2012, 2013; Executive Education)

The New Capital Accord (Basel II) (2008, 2009; Executive Education)

Trading Strategies (2010, 2011; Graduate)

Financial Markets and Institutions (2008-2011; Graduate)

Foreign Exchange Trading (2012, 2013; Undergraduate)

International Training Center (ITC-ILO) of the United Nations, Torino (Italy)

Instructor:

Risk Management (2012, 2013; Graduate)

Microfinance (2009, 2010; Graduate)

OTHER ACTIVITIES

Consultant for Intesa-Sanpaolo Bank, Unicredit Bank, and CRT Foundation (2010-2012)

Academic coordination and development of teaching material on microfinance for EU-Funded Projects in North Africa, Middle East, Latin America, and Tajikistan (2003-2009)

AWARDS AND GRANTS

LeBow Award for Dr. John J. Clark Outstanding PhD Economics Research Paper, 2017

European Finance Association (EFA) Doctoral Tutorial Travel Grant, 2017 Annual Meeting

American Finance Association (AFA) Doctoral Student Travel Grant, 2017 Annual Meeting

International Travel Award (ITA), Drexel University, 2017

Franca and Diego de Castro Foundation Graduate Fellowship, 2013 - 2015

Progetto Alfieri Scholarship, CRT Foundation, 2007

Dissertation Scholarship, School of Management and Economics, University of Torino, 2003

DISCUSSIONS

European Finance Association (EFA) Doctoral Tutorial (Student discussant), 2017

Financial Management Association European Conference, 2017

PROFESSIONAL ASSOCIATIONS

Member of the European Finance Association, 2017 – present

Member of the Financial Management Association, 2016 – present

Member of the American Finance Association, 2015 - present

PROGRAMMING SKILLS

SAS, Stata, Python

REFERENCES

Dr. Naveen D. Daniel (Chair)

Denis O'Brien Research Scholar in Finance

Drexel University, Department of Finance

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Dr. Ralph A. Walkling

Stratakis Chair in Corporate Governance

Drexel University, Department of Finance

Phone: 215-895-1468

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Dr. Daniel Dorn

Associate Professor

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