

## Javier Estrada

IESE Business School  
Av. Pearson 21  
08034 Barcelona  
Spain



Tel: +34 93 253 4200  
Fax: +34 93 253 4343  
Email: [jestrada@iese.edu](mailto:jestrada@iese.edu)  
Web: <https://blog.iese.edu/jestrada>

### Personal

- Nationality: Double citizenship, Argentina and European Union (Spain).

### Current Positions

- Professor, IESE Business School (Barcelona, Spain), Department of Finance.
- Partner and financial advisor, Sport Global Consulting Investments, EAF.
- Visiting Professor at:
  - HANKEN (Helsinki, Finland).
  - IPADE (Mexico DF, Mexico).
  - Torcuato Di Tella University (Buenos Aires, Argentina).
  - University of Montevideo (Montevideo, Uruguay).

### Previous Positions

- Assistant Professor, Carlos III University (Madrid, Spain), Department of Economics, Fall/1993 – Spring/1995.
- Assistant Professor, Carlos III University (Madrid, Spain), Department of Business, Fall/1995 – Spring/1997.

### Education

- B.A. (Economics), National University of La Plata (Buenos Aires, Argentina), 1988.
- M.S. (Finance), University of Illinois at Urbana-Champaign, 1992.
- Ph.D. (Economics), University of Illinois at Urbana-Champaign, 1993.

### Specialization

- Finance: Wealth Management, Portfolio Management, Investments.
- Economics: Law & Economics.

### Others

- CFA Institute: Member of the Speaker Retainer Program (2010-present).
- Emerging Markets Review: Founding editor and editor (2000-2006).
- Tennis instructor: El Molino Tennis Club (1984-1988).

### Teaching Experience

#### Undergraduate Level

- University of Illinois at Urbana-Champaign: *Economics Statistics II, Law & Economics*.
- Carlos III University (Madrid, Spain): *Financial Economics, Law & Economics, Microeconomics I, Microeconomics II*.
- HANKEN (Helsinki, Finland): *Law & Economics*.
- Torcuato Di Tella University (Buenos Aires, Argentina): *Law & Economics*.

#### Graduate Level

- Torcuato Di Tella University (Buenos Aires, Argentina), Master in Economics: *Law & Economics*.
- Carlos III University (Madrid, Spain), Master in Financial Analysis: *Securities Markets: Information & Regulation*.
- Lagos Business School (Lagos, Nigeria), Executive MBA: *Corporate Finance*.
- Nile University (Cairo, Egypt), Executive MBA: *Corporate Finance*.
- Torcuato Di Tella University (Buenos Aires, Argentina), Master in Finance: *Topics in Applied Finance*.
- University of Montevideo (Montevideo, Uruguay), Master in Finance: *Topics in Applied Finance*.
- HANKEN (Helsinki, Finland), Master in Corporate Governance: *Using Economics To Explain Human Behavior*.
- IPADE (Mexico DF, Mexico), MBA: *Topics in Applied Finance*.
- IESE Business School (Barcelona, Spain): *Personal Finance (MBA), Advanced Applied Finance (MBA), Corporate Finance (MBA), Winning Investment Strategies (MBA), The Economic Way of Thinking (MBA), Emerging Economies (MBA), Capital Markets (MBA), Corporate Finance (EMBA), Personal Finance (EMBA), Corporate Finance (GEMBA), Valuation & Investments (GEMBA), Personal Finance (GEMBA), Finance (Ph.D. in Management)*.

#### Executive Level (Non-degree)

- Buenos Aires Bar Association (Buenos Aires, Argentina): *Law & Economics for Practitioners*.
- ISEG (Ministry of Economics, Buenos Aires, Argentina): *Law & Economics for Practitioners*.
- ESE (Santiago, Chile): *Risk Assessment in Emerging Markets*.
- IESE Business School (Barcelona, Spain): A wide variety of domestic and international programs in a wide variety of countries.

## Books

- *Finance in a Nutshell – A No-Nonsense Companion to the Tools and Techniques of Finance*. FT Prentice Hall, 2005. (Available in English, Spanish, Chinese, and Italian.)
- *The Essential Financial Toolkit – Everything You Always Wanted to Know About Finance But Were Afraid To Ask*. Palgrave Macmillan, 2011.
- *The FT Guide to Understanding Finance – A No-Nonsense Companion to Financial Tools and Techniques*. FT Prentice Hall, 2011. (Second edition of the retitled *Finance in a Nutshell*.)

## Publications (Refereed Journals)

- "A Note on the Optimality of Strict Liability." *Economics Letters*, 41 (1993), 187-191.
- "Insider Trading: Regulation, Deregulation, and Taxation." *Swiss Review of Business Law*, 5/94 (1994), 209-218.
- "Insider Trading: Regulation, Securities Markets, and Welfare Under Risk Aversion." *Quarterly Review of Economics and Finance*, 35 (1995), 421-449. (Reprinted in *Essays in Law and Economics II. Financial Markets and Insurance*, edited by D. Heremans and H. Cousy, 1996, Maklu.)
- "The Temporal Dimension of Risk." *Quarterly Review of Economics and Finance*, 40 (Summer 2000), 189-204.
- "The Cost of Equity in Emerging Markets: A Downside Risk Approach." *Emerging Markets Quarterly*, Fall (2000), 19-30.
- "Empirical Distributions of Stock Returns: European Securities Markets, 1990-95." *European Journal of Finance*, 7 (2001), 1-21. (With Felipe Aparicio.)
- "The Cost of Equity in Emerging Markets: A Downside Risk Approach (II)." *Emerging Markets Quarterly*, Spring (2001), 63-72.
- "Empirical Evidence on the Impact of European Insider Trading Regulations." *Studies in Economics and Finance*, Spring (2002), 12-34. (With Ignacio Peña.)
- "Introduction to 'Valuation in Emerging Markets'." *Emerging Markets Review*, 4 (2002), 310-324. (With Robert Bruner, Robert Conroy, Mark Kritzman, and Wei Li.)
- "Systematic Risk in Emerging Markets: The D-CAPM." *Emerging Markets Review*, 4 (2002), 365-379.
- "Mean-Semivariance Behavior: A Note." *Finance Letters*, 1 (2003), 9-14.
- "The Cost of Equity of Internet Stocks: A Downside Risk Approach." *European Journal of Finance*, 10 (2004), 239-254.
- "Adjusting P/E Ratios by Growth and Risk: A Note." *Finance Letters*, 2 (2004), 4-10.
- "Mean-Semivariance Behavior: An Alternative Behavioral Model." *Journal of Emerging Market Finance*, 3 (2004), 231-248.
- "Risk and Return in Emerging Markets: Family Matters." *Journal of Multinational Financial Management*, 15 (2005), 257-272. (With Ana Paula Serra.)
- "Countries versus Industries in Europe: A Normative Portfolio Approach." *Journal of Asset Management*, 6 (2005), 85-103. (With Mark Kritzman, Simon Myrgren, and Sebastien Page.)
- "Adjusting P/E Ratios by Growth and Risk: The PERG Ratio." *International Journal of Managerial Finance*, 1 (2005), 187-203.
- "Downside Risk in Practice." *Journal of Applied Corporate Finance*, 18 (2006), 117-125.
- "The Fed Model: A Note." *Finance Research Letters*, 3 (2006), 14-22.
- "Countries versus Industries in Emerging Markets: A Normative Portfolio Approach." *Journal of Investing*, Winter (2006), 2-11. (With Mark Kritzman and Sebastien Page.)
- "Mean-Semivariance Behavior: Downside Risk and Capital Asset Pricing." *International Review of Economics and Finance*, 16 (2007), 169-185.
- "Discount Rates in Emerging Markets: Four Models and an Application." *Journal of Applied Corporate Finance*, 19 (2007), 72-77.
- "Investing in the 21st Century: With Occam's Razor and Bogle's Wit." *Corporate Finance Review*, May/June (2007), 5-14.
- "Fundamental Indexation and International Diversification." *Journal of Portfolio Management*, Spring (2008), 93-109.
- "Black Swans and Market Timing: How Not To Generate Alpha." *Journal of Investing*, Fall (2008), 20-34.
- "Mean-Semivariance Optimization: A Heuristic Approach." *Journal of Applied Finance*, 18, 1 (2008), 57-72.
- "Investing in Emerging Markets: A Black Swan Perspective." *Corporate Finance Review*, January/February (2009), 14-21.
- "The Fed Model: The Bad, the Worse, and the Ugly." *Quarterly Review of Economics and Finance*, 49 (2009), 214-238.
- "Black Swans in Emerging Markets." *Journal of Investing*, Summer (2009), 50-56.
- "Black Swans, Market Timing, and the Dow." *Applied Economics Letters*, 16 (2009) 1117-1121.
- "The Gain-Loss Spread: A New and Intuitive Measure of Risk." *Journal of Applied Corporate Finance*, Fall (2009), 104-114.
- "Geometric Mean Maximization: An Overlooked Portfolio Approach?" *Journal of Investing*, Winter (2010), 134-147.
- "The Three-Factor Model: A Practitioner's Guide." *Journal of Applied Corporate Finance*, Spring (2011), 77-84.
- "Black Swans, Beta, Risk, and Return." *Journal of Applied Finance*, 22, 2 (2012), 77-89. (With Maria Vargas.)
- "Blinded by Growth." *Journal of Applied Corporate Finance*, Summer (2012), 19-25.
- "Are Stocks Riskier Than Bonds? Not If You Assess Risk Like Warren Buffett." *Journal of Asset Management*, 14 (2013), 73-78.
- "Geometric Mean Maximization: Expected, Observed, and Simulated Performance." *Journal of Investing*, 22(2013), 106-119. (With Rafael De Santiago.)
- "The Enhanced Risk Premium Factor Model and Expected Returns." *Journal of Investment Strategies*, 2 (2013), 3-21.
- "Stocks, Bonds, Risk, and the Holding Period: An International Perspective." *Journal of Wealth Management*, Fall (2013), 25-44.
- "Essential Ideas for Investors: Do Not Part With Your Money Without Them!" *Corporate Finance Review*, July/August (2013), 18-26.
- "Quantitative Investment and Risk Management: Where Does It Go From Here?" *Journal of Applied Finance*, 23, 2 (2013), 23-35. (With Andrew Chin, Michael Edleson, and Kevin Sun.)
- "Essential Ideas for Investors (II): Some Benchmark Portfolios." *Corporate Finance Review*, May/June (2014), 5-11.
- "The Glidepath Illusion: An International Perspective." *Journal of Portfolio Management*, Summer (2014), 52-64.
- "Rethinking Risk." *Journal of Asset Management*, 15 (2014), 239-259.
- "Rethinking Risk (II): The Size and Value Effects." *Journal of Wealth Management*, Winter (2014), 78-83.
- "New Frontiers in Portfolio Management." *Journal of Applied Finance*, 25, 1 (2015), 68-71. (With Rose Mary Cosio and Mark Kritzman.)
- "Multiples, Forecasting, and Asset Allocation." *Journal of Applied Corporate Finance*, Summer (2015), 144-151.
- "GHAUS Asset Allocation." *Journal of Asset Management*, 17, 1 (2016), 1-9.
- "Buffett's Asset Allocation Advice: Take It ... With a Twist." *Journal of Wealth Management*, 18, 4 (2016), 59-64.
- "The Retirement Glidepath: An International Perspective." *Journal of Investing*, 25, 2 (2016), 28-54.
- "Alternatives: How? How Much? Why?" *Journal of Wealth Management*, 19, 3 (2016), 49-61.
- "Global Asset Allocation in Retirement: Buffett's Advice and a Simple Twist." *Journal of Retirement*, 4, 2 (2016), 54-69.
- "Refining the Failure Rate." *Journal of Retirement*, 4, 3 (2017), 63-76.
- "From Failure to Success: Replacing the Failure Rate." *Journal of Wealth Management*, 20, 4 (2018), 9-21.
- "Maximum Withdrawal Rates: An Empirical and Global Perspective." *Journal of Retirement*, 5, 3 (2018), 57-71.
- "Maximum Withdrawal Rates: A Novel and Useful Tool." *Journal of Applied Corporate Finance*, 29, 4 (2018), 134-137.
- "Replacing the Failure Rate: A Downside Risk Perspective." *Journal of Retirement*, 5, 4 (2018), 46-56.
- "Toward Determining the Optimal Investment Strategy for Retirement." *Journal of Retirement*, 7, 1 (2019), 35-42. (With Mark Kritzman.)
- "The Bucket Approach for Retirement: A Suboptimal Behavioral Trick?" *Journal of Investing*, 28, 5 (2019), 54-68.
- "Managing to Target: Dynamic Adjustments for Accumulation Strategies." *Journal of Financial Planning*, 32, 8 (2019), 46-53.
- "Managing to Target (II): Dynamic Adjustments for Retirement Strategies." *Journal of Retirement*, 7, 4 (2020), 28-38.
- "Retirement Planning: From Z to A." *Journal of Retirement*, 8, 2 (2020), 8-22.
- "Target-Date Funds, Glidepaths, and Risk Aversion." *Journal of Wealth Management*, 23, 3 (2020), 50-60.
- "Factor Tilts and Asset Allocation." *Journal of Investment Consulting*, 20, 1 (2020), 30-39.
- "Sequence Risk: Is It Really A Big Deal?" *Journal of Investing*, 30, 6 (2021), 47-69.
- "The Sustainability of (Global) Withdrawal Strategies." *Journal of Financial Planning*, 34, 11 (2021), 82-98.
- "No Hedge Funds, No Cry." *Journal of Personal Finance*, 21, 1 (2022), 51-61.
- "The Gain-Pain Index: Asset Allocation for Individual (and Other?) Investors." *Journal of Wealth Management*, 25, 2 (2022), 34-48.
- "PVGO and Expected Stock Returns." *Journal of Applied Corporate Finance*, 34, 4 (2023), 109-112.
- "Multifactor Funds: An Early (Bearish) Assessment." *Journal of Asset Management*, 24, 4 (2023), 299-311.
- "Retirement Planning: Is One Number Enough?" *Journal of Financial Planning*, 36, 7 (2023), 64-81.
- "Multifactor Funds vs. Homemade Factor Diversification Strategies." *Journal of Beta Investment Strategies*, forthcoming (2023).

## Other Publications

- "Monkey Business: Contest Ignores Risk." The Wall Street Journal Europe, Jan/10/95.
- "Why Investing in Emerging Markets?" Expansión (Spanish business newspaper, in Spanish), Mar/23/98.
- "Emerging Markets: A Good Shelter for Investments." Expansión (Spanish business newspaper, in Spanish), Apr/30/98.
- "The 'Risk' of Investing in Emerging Markets." Expansión (Spanish business newspaper, in Spanish), May/16/98.
- "Methods of Relative Valuation." Expansión (Spanish business newspaper, in Spanish), Sep/22/00.
- "A Step Ahead: Reverse Valuation." Expansión (Spanish business newspaper, in Spanish), Sep/29/00.
- "Pricing Internet Stocks." European Business Forum, Autumn 2000, 56-59.
- "Another Tulip Bulb, Another Dotcom." Connectis, April 2001, 24-25.
- "The Crisis in Argentina and Its Impact on Spain." Expansión (Spanish business newspaper, in Spanish), Feb/2/02.
- "Google: To Buy or Not to Buy?" Expansión (Spanish business newspaper, in Spanish), Jun/24/04.
- "Focus on the Downside." Financial Times, Mastering Risk, Sep/16/05.
- Book review: *The Undercover Economist* (by Tim Harford). Journal of Investment Management, 4, 2 (2006), 82-83.
- Book review: *The Future for Investors* (by Jeremy Siegel). Journal of Investment Management, 4, 2 (2006), 83-85.
- "Farewell from the Founding Editor: A Brief History of the EMR (So Far)." Emerging Markets Review, 8 (2007), 2-3.
- "Investing for the Long Term: Technique and Perspectives for the European Market." European Business Forum, Autumn 2007, 40-45.
- "Investing for the Long Term: Technique and Perspectives for the Spanish Market." Bolsa (in Spanish), October 2007, 74-77.
- Book review: *Fortune's Formula* (by William Poundstone). Journal of Investment Management, 5, 4 (2007), 131-132.
- "What Should Investors Do? Nothing! Just Sit Tight." Financial Times, Jan/31/08.
- "Black Swans in Stock Markets." El Economista (Mexican business newspaper, in Spanish), Feb/5/08.
- "Black Swans in Stock Markets." Expansión (Spanish business newspaper, in Spanish), Feb/7/08.
- Book review: *The Little Book of Value Investing* (by Christopher Browne) and *The Little Book of Common Sense Investing* (by John Bogle). Journal of Investment Management, 6, 1 (2008), 81-82.
- "Investing in a Volatile Environment: A Black Swan Perspective." QFinance – The Ultimate Resource (Bloomsbury, 2009), 312-313.
- Book review: *The Logic of Life* (by Tim Harford). Journal of Investment Management, 7, 3 (2009), 103-104.
- "How To Hold Your Nerves in Volatile Markets: Think About (Black) Swans." MWorld, Summer/Fall 2009, 26-29.
- "No Gain Without Pain." Quantum, 10 (2010), 50-55.
- Book review: *The Little Book of Safe Money* (by Jason Zweig) and *The Little Book of Bulletproof Investing* (by Ben Stein and Phil DeMuth). Journal of Investment Management, 8, 4 (2010), 87-89.
- Book review: *The Big Short* (by Michael Lewis). Journal of Investment Management, 9, 1 (2011), 101-102.
- Book review: *On the Brink* (by Hank Paulson). Journal of Investment Management, 10, 4 (2012), 118-120.
- Book review: *The Most Important Thing* (by Howard Marks). Journal of Investment Management, 11, 2 (2013), 110-111.
- Book review: *The Behavior Gap* (by Carl Richards). Journal of Investment Management, 11, 4 (2013), 75-76.
- Book review: *The Undercover Economist Strikes Back* (by Tim Harford). Journal of Investment Management, 12, 3 (2014), 120-121.
- "Target-Date Funds: The Good, the Bad, and the Ugly." European Financial Review, Feb-Mar (2015), 54-57.
- "Low Rates? Ten Ideas to Consider." El Periódico (Spanish newspaper, in Spanish), Feb/24/15.
- Book review: *Think Like a Freak* (by Steven Levitt and Stephen Dubner). Journal of Investment Management, 13, 2 (2015), 115-116.
- "Valuation's Usefulness for Forecasting and Setting Asset Allocation." American Association of Individual Investors Journal, July (2015), 29-31.
- "The Retirement Glidepath: A Vote for Static Asset Allocations." CFA's Investment Risk and Performance, 2015, 1, 1-4.
- Book review: *Global Asset Allocation* (by Mebane Faber). Journal of Investment Management, 14, 1 (2016), 101-102.
- Book review: *Misbehaving* (by Richard Thaler). Journal of Investment Management, 13, 3 (2016), 75-76.
- Investing: How Alternatives May Help Your Portfolio? Forbes Online.  
(<https://www.forbes.com/sites/iese/2017/05/19/investing-how-alternatives-may-help-your-portfolio/#3e98190ec909>)
- "An Approach for Asset Allocation." IESE Alumni Magazine, Oct-Dec, 2017, 16-19.
- Book review: *The Index Revolution* (by Charles Ellis). Journal of Investment Management, 15, 3 (2017), 81-82.
- Book review: *The Fifth Risk* (by Michael Lewis). Journal of Investment Management, 17, 2 (2019), 91-92.
- Book review: *The Man Who Solved the Market* (by Gregory Zuckerman). Journal of Investment Management, 18, 3 (2020), 127-129.
- Book review: *The Premonition* (by Michael Lewis). Journal of Investment Management, 19, 3 (2021), 99-100.
- Book review: *Trillions* (by Robin Wigglesworth). Journal of Investment Management, 21, 3 (2023), 79-80.

## Cases and Technical Notes

- "The Modigliani-Miller Propositions: A Simple Example." IESE, FN-414-E.
- "Risk in European Securities Markets (I)." IESE, FN-436-E. (With teaching note)
- "Risk in European Securities Markets (II)." IESE, FN-437-E. (With teaching note)
- "A (Very) Brief Introduction to Shazam." IESE, FN-438-E.
- "Stock Pricing: Coca-Cola." IESE, F-678-E. (With teaching note)
- "The Pricing of Internet Stocks." IESE, FN-467-E.
- "Telefónica: The Dividend Decision." IESE, F-890-E. (With teaching note)
- "The Pricing of Internet Stocks (II)." IESE, FN-475-E.
- "Hilton Hotels, Corp." IESE, F-711-E. (With teaching note)
- "Repsol-YPF: Valuation in Emerging Markets." IESE, F-723-E. (With teaching note)
- "Atlas Investment Management." IESE, F-727-E. (With teaching note)
- "Project Evaluation in Emerging Markets: Exxon Mobil, Oil, and Argentina." IESE, F-803-E. (With teaching note)
- "The Essential Financial Toolkit. Tool 1 – Returns." IESE, FN-552-E.
- "The Essential Financial Toolkit. Tool 2 – Mean Returns." IESE, FN-553-E.
- "The Essential Financial Toolkit. Tool 3 – Risk: Standard Deviation and Beta." IESE, FN-555-E.
- "The Essential Financial Toolkit. Tool 4 – Diversification and Correlation." IESE, FN-558-E.
- "The Essential Financial Toolkit. Tool 5 – Required Returns and the CAPM." IESE, FN-559-E.
- "The Essential Financial Toolkit. Tool 6 – Downside Risk." IESE, FN-560-E.
- "The Essential Financial Toolkit. Tool 7 – Risk-Adjusted Returns." IESE, FN-561-E.
- "The Essential Financial Toolkit. Tool 8 – NPV and IRR." IESE, FN-562-E.
- "The Essential Financial Toolkit. Tool 9 – Multiples." IESE, FN-563-E.
- "The Essential Financial Toolkit. Tool 10 – Bonds." IESE, FN-564-E.
- "The CAPM, the Cost of Capital, and Project Evaluation." IESE, FN-567-E.
- "Boeing and the 777: The Cost of Capital & Project Evaluation." IESE, F-864-E.
- "Beta, Leverage, and the Cost of Capital." IESE, FN-616-E.
- "Hertz and Dollar Thrifty." IESE, F-906-E. (With teaching note)
- "Is the U.S. Market Cheap or Expensive?" IESE, F-917-E.
- "Hertz and Dollar Thrifty – An Introduction to DCF." IESE, F-940-E.
- "Modern Portfolio Theory: Essential Concepts and Messages." IESE, FN-640-E.
- "The Boeing 787: Cost of Capital and Project Evaluation." IESE, F-944-E.
- "Atlas Financial Advisors." IESE, F-954-E. (With teaching note)
- "The Arithmetic of Active Management: An Example." IESE, FN-643-E.
- "Stealth Sports." IESE, F-976-E. (With teaching note)
- "Garmin – Finding An Optimal Capital Structure." IESE, F-977-E. (With teaching note)
- "Dividend Policy – Four Decisions." IESE, F-989-E. (With teaching note)