

Taking the financial initiative

By David F. Morrill
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As a teacher, Gjergji Cici knows the value of direct experience. If you want to teach someone how to swim, you get them in some water. And if you want to teach students how to invest other people's money, you provide expert guidance -- and real money.

That's exactly what Cici, an assistant professor of economics and finance, did last spring when he helped supervise a new Mason School initiative, the Student Managed Investment Fund (SMIF). Powered by \$100,000 that Dean Lawrence Pulley contributed from the School's endowment, the SMIF allowed undergraduate students to research individual U.S. stocks and help grow the School's investments.



"This is just one example of the Mason School's ability to come up with new ideas and provide best value to students," Cici says. "Not only did the SMIF bring the asset management industry directly to the students, but they had a lot of fun doing it. And they increased the endowment by more than \$10,000."

Such opportunities were hard to come by when Cici was starting out. A native of Albania, he roamed far afield in search of an American-style business education, spending two years at the American University in Bulgaria before transferring to the University of Minnesota, where he earned a B.S. in business management and a Ph.D. in finance. He then became associate director of research for Wharton Research Data Services at the University of Pennsylvania's Wharton School of Business.

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In his four years at William and Mary, Cici has done research on portfolio performance evaluation, agency issues in the mutual fund industry, and behavioral finance. One of his projects looked at how bond managers marked their positions before reporting returns to investors. "We found evidence of manipulation so they could improve their performance metrics and make their returns more attractive to investors," he explains.

More recently, Cici has studied the ways hedge fund managers manipulate their stock positions. It's research that brings satisfaction on a purely academic level, but Cici is also glad of the tangible benefits. "There is a lot of room for more disclosure and transparency in the hedge fund industry," he says. "With the industry strongly against regulation, it's nice to do something that helps investors."

Cici regularly shares his findings in his classes, including a number of Career Acceleration Modules (CAMs). Meeting every day with MBA students and sharing ideas energizes him; and guest speakers and trips to Washington, D.C. add to the richness of the experience. "We talk to regulators and visit the Securities and Exchange Commission and certain companies," he says. "It's a great way to keep in touch with what is going on in the industry."

In addition to teaching and research, Cici coaches undergraduates who compete in the CFA Virginia Investment Research Challenge. Teams from different universities prepare investment reports and do some valuation that analyzes a company in real depth. Last winter, his students were runners up in the third annual event, which focused on an investment analysis of CarMax.

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