

VITA
DOUGLAS T. BREEDEN
August, 2016

Office

Duke University, Fuqua School of Business
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Durham, North Carolina 27708
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Home

227 Oval Park Place
Chapel Hill, North Carolina 27517
Date of Birth: September 29, 1950
Married (Josie), four children

ACADEMIC APPOINTMENTS

Duke University, Fuqua School of Business, July 2001-Present

William W. Priest Professor of Finance and former Dean, July 2007-Present

Dean & William W. Priest Professor of Finance, July 2001-June 2007

Courses: Global Asset Allocation, Applied Fixed Income and Speculative Strategies

Massachusetts Institute of Technology, Sloan School of Management, 2011-2013

Fischer Black Visiting Professor of Financial Economics, July 2011-June 2013.

Courses: Finance Theory, Applied Fixed Income and Speculative Strategies

University of Chicago, Booth School of Business, 2008

Visiting Scholar, August 2008-December 2008 (crisis postponed September 2008)

University of North Carolina, Kenan-Flagler Business School

Dalton McMichael Professor of Finance, July 2000-July 2001

Duke University, Fuqua School of Business, July 1985-December 1999

Professor of Finance, December 1989-1992. Research Professor 1992-1999.

Associate Professor of Finance (with tenure), 1985-1989

Area Coordinator for Finance and Economics, 1985-1986, 1987-1988

Courses: Investments, Banking & Bond Markets, Futures & Options.

Massachusetts Institute of Technology, Sloan School of Management, 1984-1985

Visiting Associate Professor of Finance, September 1984-June 1985

Courses Taught: Finance Theory, Futures and Options Markets

Yale University, School of Organization and Management, 1981-1982

Visiting Associate Professor in Finance, Dean Witter Fellow

Stanford University, Graduate School of Business, July 1979-June 1985

Assistant Professor 1979-1981; Associate Professor of Finance 1981-1985

Courses Taught: Futures Markets, Doctoral Seminar in Finance,

Investments and executive programs in Finance. Finance Ph.D. Liaison.

University of Chicago, Graduate School of Business, 1977-1979

Assistant Professor of Finance, August 1977-May 1979

EDUCATION

Stanford University, Graduate School of Business, July 1974-August 1977

Received M.A. in Economics, 1976; Ph.D. in Finance, January 1978. Merit Fellowship.

Dissertation: Changes in Consumption and Investment Opportunities and the Valuation of Securities (Robert Litzenberger, Chair. John Cox, Edison Tse members)

Harvard University, Graduate School of Business, July 1973-June 1974

in D.B.A. Program in Managerial Economics (transferred to Stanford)

Massachusetts Institute of Technology, September 1968-June 1972

S.B. in Management Science, June 1972; Sigma Xi, Research honorary, 1972

ACADEMIC AWARDS, BOARDS AND LISTINGS

Paper with Robert H. Litzenberger on “Central Bank Policy Impacts on the Distribution of Future Interest Rates” won a Roger F. Murray Prize from the Q Group, March 2014.

Financial Engineer of the Year for 2013, elected by the International Association for Quantitative Finance.

Fischer Black Visiting Professor, Massachusetts Institute of Technology, 2011-2013.

Named an *Outstanding Teacher* at MIT Sloan, May 2012

Board of Directors, Financial Management Association, 2012-2015

Board of Directors, Global Finance Academy, University College, Dublin, Ireland, 2011-2013.

Fellow of the American Finance Association. Elected January 2010 (lifetime). The Society of Fellows has approximately 50 members worldwide, including 40 former Presidents of the American Finance Association and 12 Nobel Prize winners.

Biography and photo were in the October 2010 issue of the Journal of Finance.

Stanford Graduate School of Business Advisory Council, 2007-2010.

Board of Directors, 2005-2007, Goethe Business School, University of Frankfurt, Germany.

Honorary Professor, Chinese Academy of Sciences, Graduate University, 2006.

President’s Council, Massachusetts Institute of Technology, 2000-2001.

Dean’s Advisory Council, Sloan School of Management, MIT, 1999-2001

Visiting Committee for the Sloan School of Management, MIT, 2006-2011.

Western Finance Association, 2005 Distinguished Speaker talk on “Consumption-Based Asset Pricing After 25 Years” at the 2005 Annual Meetings, Portland, Oregon.

Article “An Intertemporal Asset Pricing Model with Stochastic Consumption and Investment Opportunities” was an “All Star Paper” on the Top 10 List of citations of articles published in the Journal of Financial Economics according to a JFE study by William Schwert in 1993. Ranked 7th in citations 1974 to 1991 with 226 citations then.

Chairman of the Board, Duke Corporate Education, Inc. 2001-2006

Board of Visitors member, Fuqua School of Business, Duke University, 1995-1999.

American Banker magazine's Banking on Top Bankers, 1991-1993

Board of Directors, American Finance Association, December 1988-1991
Nominating Committee, 1982.

Dean Witter Fellow in Finance, 1981-1982
Yale University School of Organization and Management

Batterymarch Fellowship Recipient, 1981-1982
Award permits 3 non-tenured faculty to pursue major research projects.
Academic Member, Batterymarch Award Selection Committee, 1988

Rotary International Graduate Fellow in Business, 1972-1973
University of Edinburgh, Edinburgh, Scotland

Who's Who in Finance and Business, (1991-Present), Who's Who in America (2005-Present), and Who's Who in the World (2007-Present)

PROFESSIONAL ACTIVITIES

Journal Editing

Editor and Founder, The Journal of Fixed Income, 1991-2001
Associate Editor, The Journal of Finance, February 1988-1991
Associate Editor, The Review of Financial Studies, 1987-1989
Associate Editor, The Journal of Financial and Quantitative Analysis, 1985-1987
Associate Editor, The Journal of Financial Economics, January 1982-1988
Associate Editor, The Journal of Money, Credit and Banking, 1980-1983

Dean Service Committees

Member, 2005, American Academy of Collegiate Schools of Business (AACSB) Accreditation Review Committee for Goizueta School of Business at Emory University.

Chair, 2006, AACSB Accreditation Review Committee for the Mason School of Business at the College of William and Mary

Chair, 2007, AACSB Accreditation Review Committee for the Haas School of Business at the Haas School of Business, University of California at Berkeley.

Selected Speeches

Speaker on “Central Bank Policy Impacts on the Distribution of Future Interest Rates” at MIT Sloan School, April 22, 2013. Also at NYU, Federal Reserve Banks of New York and Minneapolis conference, September 2013, and at the FTSE World Investment Forum at Sea Island, Georgia, May 2014, and at the Q Group, Scottsdale Arizona, October 2013. In 2014, presented at Tsinghua University in Beijing, the Shanghai Advanced Institute in Finance, and at Hong Kong University of Science and Technology. Presented June 2014 as speech for winning Financial Engineer of the Year. In 2015, paper presented at London Business School, the Bank of England, the Bank of Italy and the Bank of France. In 2016, presented at the International Monetary Fund and to New York offices of central banks from Korea, Thailand, Malaysia, and Taiwan.

Speaker on “Robert Litzenger As Financial Engineer of the Year” at International Association of Financial Engineers Awards Gala, February 8, 2013, New York City. Introduced Eduardo Schwartz as Financial Engineer of the Year in February 2016 in New York City.

Speaker on “Consumption As A Leading Indicator” at the “Finance Down Under Conference” at University of Melbourne, Australia, March 2012. Also presented at the Global Finance Academy at the University College Dublin in April 2011 and at the World Financial Conference in Rhodes, Greece, June 2011, as well as academic seminars at MIT, Boston University, Boston College, Duke, and North Carolina in 2011 and 2012.

Speaker on “A Stocks, Bonds, Consumers Leading Indicator” at the Ministry of Finance in Thailand, March 2012. Also presented at MIT Alumni Club meetings in Bangkok, Hong Kong and Tokyo, as well as at the Commonfund Institute at Yale in July 2012 and in Shanghai and Beijing in 2014. In 2016, presented this research to the International Monetary Fund in Washington, as well as central bank offices of Korea, Thailand, Malaysia and Taiwan in NYC.

Speaker on “Behavioral Decision Making and Risk Management in the Recent Financial Crisis” (with John W. Payne) at the Endowment Asset Management Conference in Vienna, Austria (Cambridge University lead), as well as at the Commonfund Institute at Yale in July 2012, 2014.

Speaker on panel (with Elroy Dimson and Robert Litterman) on the “Equity Risk Premium” at the Commonfund Forum in Orlando, Florida, February 2012.

Speaker on “The Role of Credit in the Macroeconomy and Root Causes of the Financial Panic of 2008/2009,” Duke Symposium, “The Future of Capitalism,” February 27, 2010.

Speaker on “Uses and Misuses of Models in Investment Management,” at the CFA Institute Annual Conference, Orlando, Florida, April 26-29, 2009.

Keynote Speaker on “Consumer Behavior As A Leading Indicator” at the Society of Financial

Econometrics (SoFiE) Conference at New York University, June 4-6, 2008.

Keynote Speaker on “Speculative Strategies and Credit Risk” at the University of Michigan’s 15th Mitsui Life Symposium, May 29-31, 2008.

Speaker on “Consumption-based Asset Pricing After 30 Years,” at the Econometric Society meetings at Duke University, June 2008.

Chair and Speaker, “Opportunities and Challenges in Global Partnerships” session at the AACSB’s Deans Convention in Las Vegas, 2007

“Corporate Bonds and Banking” Lecture presented at the Berkeley Program in Finance, La Jolla, California, March, 1999.

PUBLISHED ARTICLES

1. "Prices of State-contingent Claims Implicit in Option Prices," (with Robert H. Litzenberger), Journal of Business 51, No. 4, pp. 621-651, October 1978.
Reprinted in Options: Classic Approaches, *Risk Books*.
2. "An Intertemporal Asset Pricing Model with Stochastic Consumption and Investment Opportunities," Journal of Financial Economics 7, pp. 265-2966, September 1979. Reprinted in Theory of Valuation: Frontiers of Modern Financial Theory, pp. 53-84, Volume 1, (edited by S. Bhattacharya and G. Constantinides), Rowman and Littlefield press, 1989.
3. "Consumption Risk in Futures Markets," Journal of Finance, Proceedings issue, Volume 35, No. 2, pp. 503-520, May 1980.
4. "Futures Markets and Commodity Options: Hedging and Optimality in Incomplete Markets," Journal of Economic Theory, 32, No.2, pp. 275-300, April 1984.
Reprinted as Chapter 1 in Frontiers of Finance, pp. 7-32, Deborah H. Miller and Stewart C. Myers (ed.), Basil Blackwell, Ltd, 1990.
5. "Consumption, Production, Inflation and Interest Rates: A Synthesis," Journal of Financial Economics, 16, May 1986, pp. 3-39. (lead article).
6. "Intertemporal Portfolio Theory and Asset Pricing," in The New Palgrave: A Dictionary for Economics, MacMillan Press (London), 1987.
7. "An Introduction to Hedging Interest Rate Risks with Futures, Swaps and Options,"(with Michael G. Giarla), in The Handbook of Mortgage-Backed Securities, pp. 889-986, Frank J. Fabozzi (editor), 3rd edition, Probus Publishing (Chicago), 1991; 2nd edition, 1987.
Reprinted in Asset / Liability Management, pp.237-328, Frank J. Fabozzi and Atsuo Konishi (ed.), Probus Publishing Company, 1991.

8. "Bank Risk Management," in The Handbook of Modern Finance, chapter 34, pp. 1-55, Dennis Logue (ed.), Warren, Gorham and Lamont, 1989.
9. "Empirical Tests of the Consumption-Oriented CAPM," (with Michael R. Gibbons and Robert H. Litzenberger), Journal of Finance, June 1989, pp. 231-262. (lead article). Reprinted in Empirical Research in Capital Markets, pp. 413-444, G. William Schwert and Clifford W. Smith (ed.), McGraw-Hill, Inc., 1992. McGraw-Hill, Inc., 1992. Also reprinted in Dynamic Asset-Pricing Models, Andrew W. Lo (editor), Edward Elgar, 2007.
10. "Risk, Return, and Hedging of Fixed Rate Mortgages," Journal of Fixed Income, September 1991, pp. 85-107. Reprinted in The Handbook of Mortgage-Backed Securities, pp. 783-826, Frank J. Fabozzi (ed.), Probus Publishing, 1995.
11. "Strategies for Profitable Lending in the 1990s: The New Basics," in The Secondary Mortgage Market, pp. 473-491, Jess Lederman (ed.), Probus Publishing, 1992.
12. "Complexities of Hedging Mortgages" Journal of Fixed Income, December, 1994, pp. 6-41. (lead article).
13. "Pricing Bank Assets and Liabilities: A Path-Dependent Approach," (with James H. Gilkeson), Journal of Banking and Finance, June 1997.
14. "Convexity and Empirical Option Costs of Mortgage Securities," Journal of Fixed Income, March, 1997, pp. 64-87. Reprinted in Interest Rate Risk Measurement and Management, pp. 343-376, Sanjay K. Nawalkha and Donald R. Chambers (ed.), Institutional Investor, Inc., 1999.
15. "Optimal Dynamic Trading Strategies," Economic Notes, Vol. 33, pp. 55-81, 2004.
16. "The Use and Misuse of Models in Investment Management," CFA Institute Conference Proceedings Quarterly, December 2009.
17. (with Robert H. Litzenberger and Tingyan Jia), "Consumption-Based Asset Pricing, Part 1: Classic Theory and Tests, Measurement Issues and Limited Participation," Annual Reviews of Financial Economics, December 2015 (lead article).
18. (with Robert H. Litzenberger and Tingyan Jia), "Consumption-Based Asset Pricing, Part 2: Habit Formation, Conditional Risks, Long-Run Risks, and Rare Disasters" Annual Reviews of Financial Economics, December 2015.
19. (with S. "Vish" Viswanathan) "Why Do Firms Hedge? An Asymmetric Information Model", Journal of Fixed Income, Winter 2016 (lead article).
20. "Consumer Signals," in the Journal of Asset Management, July 2016.

SELECTED WORKING PAPERS AND NOTES

(with Robert H. Lizenberger), "Central Bank Policy Impacts on the Distribution of Future Interest Rates," April 2013 mimeo, MIT Sloan School of Management.

"Consumption As A Leading Indicator," April 2012, MIT Sloan School of Management mimeo.

"A Stocks, Bonds, Consumers Leading Indicator," working paper, Duke University, September 2010 and revised at MIT, April 2012.

"Consumption and Market Risks of Corporate Cash Flows", Working paper, Duke University, September 1991.

"Capital Budgeting with Consumption," Working paper, Duke University, Fuqua School of Business. Presented at the French Finance Association in June 1989.

PUBLISHED NOTES AND COMMENTS

"Equilibrium Term Structure Models: Discussion", Journal of Finance, May 1980.

BUSINESS ACTIVITIES

Chairman and largest shareholder of Community First Financial Group, Chapel Hill, North Carolina, 1986-2014.

A commercial bank holding company that owned Community First Bank (1986-2009) in Corydon, Indiana, Bay Cities National Bank (1994-2012) in Palos Verdes, California, and Harrington Bank (1999-2014) in Chapel Hill, North Carolina.

Manager of Leavenworth Properties, LLC, Leavenworth, Indiana.

Owned the Leavenworth Inn, which Breeden founded in 1997.

Amundi Smith Breeden LLC, Durham, North Carolina.

Co-founded Smith Breeden Associates in 1982 with Gregory L. Smith. After 33 years, manages over \$10 billion for institutional clients -- pensions, endowments, central banks. Purchased by Amundi Asset Management, Paris, France, in 2013.

Chairman of the Board and Co-founder, 1982-2005. Smith Breeden Mutual Funds Board members included Nobel Laureates William F. Sharpe and Myron S. Scholes, 1992-2000.

Co-founder and Chairman Emeritus, 2005-present.
Senior Research Consultant, April 2012 to present

Harrington Financial Group (ticker HFGI) 1988-2002, an Indiana thrift.
. Chairman and Principal Shareholder. IPO 1996, sold in January, 2002.

Roosevelt Financial Group (RFED), a \$9 billion Missouri thrift.
Director from 1990-1997. Chairman, 1995-1996. Bank merged with Mercantile Bancorporation Inc. in July, 1997.

EXECUTIVE TEACHING

Nomura School of Advanced Management, Tokyo, Japan.
Lead Professor in the Portfolio Management Program, 1987, 1989-1992.

International Management Institute - Stanford University, Geneva, Switzerland.
Taught in Investment Management Program, 1984, 1985.

COMMUNITY AND PHILANTHROPIC ACTIVITIES

Chairman, Breeden Family Foundation. Major gifts: Breeden Memorial Library, Leavenworth Community Center, Leavenworth Town Hall renovation, Corydon Public library renovation.

Chairman and principal owner, Wyandotte Community Corporation, 1989-2009, in hometown of Leavenworth, Indiana. Purchased and did major renovations of the Overlook Restaurant, the Dock Restaurant, Old Capital Golf Course in Corydon, IN, the Leavenworth Inn, and Annabelle's Gift Shop, Gallery and ArtsCenter. Over \$30 million invested in community businesses over 20 years from 1989 to 2009.

Lead donor, Breeden Hall, at the Fuqua School of Business, Duke University. Grand Opening August 9, 2008.

Former Board Member, Center for the Advancement of Social Entrepreneurship (CASE) at Duke University's Fuqua School of Business. 2006-2007.

Lead donor, Breeden Theater, Episcopal High School, Alexandria, Virginia.

Principal donor: Smith Breeden Prizes for best articles published in the Journal of Finance, 1989-2005. Amundi Smith Breeden has continued these to the present.

Endowed professorship donor, 2002, Douglas and Josie Breeden Doctoral Professorship at Duke University's Fuqua School of Business.

Member of Founding Grant Society for Stanford University, the Charter Society at the Massachusetts Institute of Technology and a Braxton Craven Fellow at Duke University.

Elected Member, Chapel Hill-Carrboro Public School Board 1989-1993

Member, Chapel Hill-Carrboro Public School Foundation 1987-1989

Former Board Member, Fund for Human Possibilities, Chapel Hill
a foundation that supports education of at-risk students.