

**Jacobs Levy Equity Management Center
For Quantitative Financial Research**

**2023 Annual Conference
September 22, 2023**

2023 Jacobs Levy Center Annual Conference Welcome Remarks
Bruce I. Jacobs, Ph.D., Advisory Board Chair, Jacobs Levy Center

Thank you Chris, Craig, and Dean James for your gracious remarks.

Good morning. Welcome to the 2023 Annual Conference of the Jacobs Levy Equity Management Center for Quantitative Financial Research. We're delighted to have you with us here today. I am pleased to see so many familiar faces from our previous conferences and so many new faces.

Ken and I established the Jacobs Levy Center in 2011 in honor of our firm's 25th anniversary. Our goal was to spur the creation of ideas and innovations that make a real impact on the practice of finance and investing.

The theme of the conference, "Frontiers in Quantitative Finance," can be interpreted as a quest to extend our knowledge beyond the horizon of what is known. Worthwhile breakthroughs can emerge from taking something we have been doing for a long time and discovering how to do it better.

Our first presentation, "Reversals and the Returns to Liquidity Provision," is an excellent example. Robert Novy-Marx will detail for us strategies to improve expected security returns by paying greater attention to the role of liquidity in the strength and persistence of short-run reversals. Winston Wei Dou will discuss Robert's findings.

We will then move on to our second topic of the morning, "Circuit Breakers, Illiquidity, and the COVID-19 Crisis." Claudia Moise will propose adjustments to circuit-breaker mechanisms in U.S. markets that could help reduce unproductive trading halts and thereby improve market quality. Chester Spatt is the discussant.

After the lunch break, we will award the 2023 Jacobs Levy Center Research Paper Prizes.

Then, our third paper presentation will be "The Statistical Limit of Arbitrage." Dacheng Xiu will explain how we can see through the noise of statistical uncertainty to achieve an "all-weather" arbitrage strategy with an optimal Sharpe ratio. Yao Zeng is the discussant.

Following the paper presentations, we will hear from a panel of distinguished experts who will discuss “Advances in Market Microstructure.” Our panelists are Itay Goldstein, Paul Schultz, and Michail Steliaros, and the moderator is Larry Harris.

We will cap off this year’s conference with the presentation of the 2023 Wharton-Jacobs Levy Prize for Quantitative Financial Innovation. It will be presented to Albert S. Kyle, better known to all as Pete, for his groundbreaking research on market microstructure. Ken and I will present the Prize medal.

You are all invited to join us at a cocktail reception following today’s program. Ken and I look forward to chatting with you. And now, I will turn it back over to Chris, who will introduce today’s first speaker.

Thank you.