

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

**2024 Annual Conference  
September 20, 2024**

***2024 Jacobs Levy Center Annual Conference Welcome Remarks***  
**Bruce I. Jacobs, Ph.D., Advisory Board Chair, Jacobs Levy Center**

Thank you Chris and Craig for your gracious remarks, and thanks to Dean James for your remarks as well.

Good morning. Welcome to the 2024 Annual Conference of the Jacobs Levy Equity Management Center for Quantitative Financial Research. I too am pleased to see so many familiar faces, including our many friends from Wharton.

Ken and I established the Jacobs Levy Center 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,” is truly appropriate for our program today. We will focus on the rise of artificial intelligence and its impact on the study and practice of quantitative finance. We are in the early stages of a technology that is poised to revolutionize our and other industries in unexpected ways. That’s why we’re grateful for today’s presenters for guiding us through the intricacies of some of the initial applications of AI.

In our first presentation, “Can ChatGPT Forecast Stock Price Movements?,” Alejandro Lopez-Lira finds that advanced large language models demonstrate proficiency in out-of-sample return prediction when analyzing news headlines. He suggests that the market may be underreacting to daily events. Winston Wei Dou will discuss Alejandro’s findings.

For our keynote address, we will present not one, but two, distinguished speakers. Nobel laureate Robert Shiller, who will be joining us remotely, and Wharton’s own Jeremy Siegel. They will discuss “The State of the Economy and the Evolution of Financial Markets.” Joao Gomes will provide the introduction and Jeremy Schwartz will moderate.

We’ll next move to the second paper presentation, “Expected Returns and Large Language Models.” Bryan Kelly delves further into large language models and news analysis. He describes how large language models represent a significant advance in comprehending the complexity and the nuance, compared to current textual analysis methods, based largely on the frequency of terms used. Sophia Li is the discussant.

After the lunch break, we will hear from a panel of experts who will discuss “Regulation and the Future of AI.” Our panelists are Warren Pennington, Tim Levin, and Dimitris Tsementzis. The moderator is Sarah Hammer, a former regulator who is well-versed in this topic

Following the panel discussion, we will award the 2024 Jacobs Levy Center Research Paper Prizes.

In our third presentation, “Moving Targets,” Lauren Cohen applies natural language processing techniques to quarterly earnings call transcripts. He finds that, on average, when corporate executives shift previously set performance targets, significantly negative returns will follow. Bradford Levy is the discussant.

We have an exciting program for today, and you are all invited to join us at a cocktail reception afterwards. 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.