

Pouya Behmaram

ASSISTANT PROFESSOR OF FINANCE

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Research Interests: Asset Pricing / Mutual Funds / Performance Evaluation / Sustainable Finance

Employment

Assistant Professor of Finance (Tenure-track)

ESG UQAM

Montreal, Canada

2024 - Present

Education

McGill University

PHD FINANCE

Montreal, Canada

2018 - 2024

London School of Economics and Political Science

MSc FINANCE AND ECONOMICS

London, UK

2016 - 2017

McGill University

BCOM FINANCE AND MATHEMATICS, WITH DISTINCTION

Montreal, Canada

2013 - 2016

Working papers

Indexing and the Elasticity of Stock Demand

The rise of passive investing has compressed stock demand elasticity, but through which stocks and by how much? I construct the Indexing Inclusion Ratio (IXI), a holdings based measure of realized passive ownership adjusted for Active Share, and embed it in a demand system. Stocks with high passive ownership are 40% less elastic than low-passive stocks, and index additions are associated with discrete elasticity declines. A partial-equilibrium counterfactual freezing passive ownership at its 2000 level implies aggregate elasticity would be 76% higher, with active investors offsetting one-quarter of the mechanical effect.

- *IFMB 2025 Best Papers*

From Realized to Expected: The Passive Investing Impact

Equity markets are now largely dominated by passive investments, this study introduces the 'Indexing Inclusion Ratio' (IXI) as a measure of passive ownership to assess its increasing impact on U.S. equity markets. The findings reveal that high-indexed stocks highly outperform their low-indexed counterparts, primarily due to the influx of passive capital flows rather than fundamental value. By analyzing the expected return both ex-ante through implied costs of capital and ex-post by adjusting for passive flows and earnings anomalies, I show that high-indexed stocks exhibit lower expected returns, indicating a potential correction when the trend toward passive investing reaches equilibrium. Additionally, I show that the recent underperformance of value and small-cap stocks is intrinsically linked to the secular passive shift.

- *FMA 2025 Best Paper Award (Asset Pricing) – Semi-Finalist*

Climate Background Risk and the Demand for Green and Brown Stocks

(with Evan Jo)

We develop a demand-system asset pricing model in which investors differ both in beliefs about climate-adjusted

returns and in perceived exposure to nontradable climate background risk. The belief channel operates through subjective expected returns. The hedging channel generates portfolio demand for climate insurance that does not respond to prices within the static model. In equilibrium, this hedging motive adds a third term to the brown-minus-green return spread beyond market risk and belief differences. The model's most distinctive prediction is cross-sectional: stocks with larger absolute climate correlation become more dominated by hedging demand, whether they are green or brown. A quantitative illustration shows that the mechanism produces economically meaningful shifts in return spreads and demand composition under plausible parameter values.

WORK IN PROGRESS

Credit Default Swap Spreads and the Ownership of Sovereign Debts: An Analysis of Determinants

This study aims to determine whether the fraction of non-resident's ownership of sovereign debts affects the sovereign credit default swap spreads. I take a structural modeling approach and conduct a panel data time-series regression analysis with the inclusion of three control variables for volatility, leverage, and risk-free rate. I show that the composition of ownership percentages has a statistically and economically significant relationship with sovereign CDS spreads. More specifically I find that having a higher non-resident ownership on average results in lower CDS spreads.

How do active funds react to the rise of passive management

(with Laurent Barras and David Schumacher)

We use a granular fund-by-fund approach to capture the heterogeneous impacts of the increase in passive investing over active investing through their exposure to three main channels of learning effects about skill, the effect of the rise of passive investing on noise traders, and the decrease in the index price efficiency. We implement this approach on the entire cross-sectional distribution of the global universe of active equity mutual funds. Our preliminary results show that the majority of the funds exhibit a positive first-dollar alpha and value-added measure despite the increasing intensity in the shift from active to passive.

Professional Publications

Behmaram, P., Flynn, C., & Van Bragt, M. (2024). *Asset Allocation and Fund Performance of Defined Benefit Pension Funds in the United States, 1998-2022*. CEM Benchmarking Inc. Research Report.

Weeda, J., Stamper, J., Vandolder, K., & Behmaram, P. (2024). *An Empirical Analysis of the Drivers of Record Keeping Cost in U.S. Defined Contribution Plans*. CEM Benchmarking Inc. Research Insights.

Professional Experience

2024 **Senior Research Associate**, CEM Benchmarking, Toronto, Canada

2018-2023 **Academic Consultant**, Independent, Montreal, Toronto, Dubai, London

2015-2016 **Financial Assistant**, Office of Invention Development and Entrepreneurship Assistance (IDEA), Montreal, Canada

Teaching & Research

2025-2026	Multinational Finance (Undergraduate) , Lecturer	UQAM
2025-2026	Financial Management (Undergraduate) , Lecturer	UQAM
2025	Securities Analysis I (Undergraduate) , Lecturer	UQAM
2023-2024	Research Scholar , Scholar at Desmarais Global Finance Research Centre	McGill University
2023	Applied Corporate Finance (Undergraduate) , Lecturer	McGill University
2018-2021	Mergers & Acquisitions (Graduate, MBA, Undergraduate) , TA for David Schumacher	McGill University
2018-2021	Int Corporate Finance (Graduate, MBA, Undergraduate) , TA for David Schumacher	McGill University
2018-2021	Capital Markets & Financial Institutions (Undergraduate) , TA for Laurent Barras	McGill University
2016-2018	Financial Derivatives (Undergraduate, MBA) , TA for Patrick Augustin	McGill University
2014-2015	Calculus for Finance , Instructor	MUS
2013	Mathematics for Economics , Tutor	Concordia University

Awards, Fellowships, & Grants

2024-2026	Research and Creative Activity Financial Support Program (PAFARC) Grant , UQAM
2024	Teaching Excellence Award , Desautels Faculty of Management, McGill University
2023-2024	Desmarais Finance Research Award , Desmarais Global Finance Research Centre
2020-2023	SSHRC Doctoral Fellowship , SSHRC
2020-2023	Joseph-Armand Bombardier Doctoral Scholarship , SSHRC
2018-2023	Doctoral Fellowship , McGill University
2018-2019	National Bank Financial Group Fellowship , National Bank of Canada
2018	Graduate Excellence Award , McGill University
2013-2016	Dean's Honor List , McGill University
2013	French Language Award Bursary , Government of Quebec

Presentations

2026: MFA

2025: Four Corners/FMRC, IFMB, FMA, HEC Montreal, UQAM

2024: NFA, FMA

2023: JMP, McGill Brownbag Seminar, HEC Montreal, Concordia JMSB, IMF

2022: McGill 1st FRG, Working Paper Presentations

Media Coverage

Marko Gränitz (2025). *Passive Gratwanderung*. Institutional Money, No. 1/2025, pp. 130-132.

Finn Øystein Bergh (2025). *A temporary lapse of gravity: Do you find a particular stock expensive? It probably has a high share of passive ownership*. Pareto Asset Management, January 13.

Joachim Klement (2025). *Index funds and the rise of mega caps, redux*. Klement on Investing, February 13.

Ted Godbout (2024). *Do Participant Account Balances Imply Lower Recordkeeping Costs?* American Society of Pension Professionals & Actuaries, September 3.

Ulrich Urbahn (2025). *The inefficient market*. Berenberg Markets - Focus, January 14.

Advising & Committee Membership

2025	Zakaria Elmotassadeq , Thesis Evaluator & Referee, M.Sc. in Applied Finance, ESG UQAM	<i>Montreal</i>
2025	Arushi Sood , Co-Advisor, MS of Management in Finance (MMF), McGill University	<i>Montreal</i>

Academic Service & Affiliations

2025- Present	ESG UQAM Finance Department , Brownbag Seminar Organizer	<i>Montreal</i>
2024- Present	CDPQ (La Caisse) Research Group , Permanent Member	<i>Montreal</i>

Additional Information

Programming: R, Python, SQL, SAS, MATLAB, \LaTeX

Languages: English (native), Persian (native), French (conversant)

Citizenship: Canadian

Interests: Mountain Biking, Opera, F1, Geopolitics

References

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Full Professor of Finance
Department of Finance
University of Luxembourg
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Associate Professor of Finance
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