

THE CAMBRIDGE STATISTICS DISCUSSION GROUP

Tuesday 13th October 2015 7:15 for 7:45

Large Lecture Theatre,
MRC Cognition and Brain Sciences Unit,
Chaucer Road, Cambridge, CB2 7EF

Fundamental Fallacies of Finance

Chris Rogers
Statistical Laboratory

Abstract: The Concise Oxford Dictionary defines a fallacy as "A mistaken belief esp. based on unsound argument", and the history and current practice of the finance industry provides egregious examples. This talk will fearlessly expose some of these, beat up the unsound arguments, and, unexpectedly, offer some practical suggestions on how to avoid such errors. These suggestions are unlikely ever to be adopted, for reasons that will also be explained.

Speaker: Chris Rogers has held teaching positions at Queen Mary & Westfield College (University of London), the University College of Swansea and the University of Warwick. He was Professor of Probability in the Department of Mathematical Sciences at the University of Bath before taking up the Chair of Statistical Science in Cambridge in September 2002,

Chris works in the theory of probability and its applications, particularly in quantitative finance. His work in finance includes looking at aspects of interest rates, models of stochastic volatility, the behaviour of hedge funds and the modelling of liquidity.

Chris is a past or present editor of various journals including Finance & Stochastics and Mathematical Finance. Within Cambridge, he is the instigator of [Cambridge Finance](#), and leads the [Quantitative Finance Group](#) in the Statistical Laboratory. Chris has consulted for a number of clients in the financial services industry, including the Cambridge-based hedge fund Cantab Capital Partners.

Annual General Meeting: Chris's talk will be preceded by a brief Annual General Meeting.

Directions Chaucer Road is off Trumpington Road – if you are heading away from the city centre it is the first right after the junction with Brooklands Avenue. Number 15 is at the end on the left and is a large Victorian House with a more modern extension to its right. The entrance is in the porch located in the middle of the older section on the left as you come in and is accessed by ascending a few steps from the car park. Cars may be parked there. The outside door will be locked at 7:45. Arrivals after 7:45pm can gain admittance by contacting the secretary on 07761769436. A map showing the location of the unit is at <http://www.mrc-cbu.cam.ac.uk/contact-us>.

Provisional Next Meetings:

16th November – Yoryos Lyratzopoulos (Cancer Epidemiology & Cancer Research-UK) on 'Variation in measures and markers of timeliness of diagnosis in cancer'.
8th February 2016 – Anthony Edwards (Gonville & Caius) on 'My Fisher: Memories of R.A. Fisher by his last student'.
10th March – Katie Saunders (Cambridge Centre for Health Services Research) on 'Measuring Ethnicity in the NHS'.
7th April – Ioanna Tachmazidou (Sanger Institute).
28th April – Lisa Pennells (Department of Public Health and Primary Care).
11th October – Katrina Gore (Pfizer Neusentis).

Supper: Some members eat before a talk at the University Centre meeting in the Granta Lounge at **5-45pm**. All welcome!

Secretary: Peter Watson, MRC Cognition and Brain Sciences Unit, 15 Chaucer Road, Cambridge CB2 7EF; telephone 01223 355294 Extension 801; E-mail peter.watson@mrc-cbu.cam.ac.uk

For security purposes could you please let Peter Watson know if you intend attending the talk.

Slides and .mp3 files of old talks: <http://www.mrc-cbu.cam.ac.uk/people/peter.watson/csdg.html>

TURN OVER for the Annual General Meeting agenda

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Annual General Meeting

The annual general meeting will be followed immediately by Chris's talk 'Fundamental Fallacies of Finance'.

Agenda:

0. Approval of Minutes of previous A.G.M.
(<http://imaging.mrc-cbu.cam.ac.uk/statswiki/csdg/newtalks>)
1. Treasurer's Report.
2. Secretary's Report.
3. Election of Chairman, Secretary, Treasurer, plus 3 other members of the Committee.
4. Any Other Business.

Rules for Election:

1. **FRANCISE:** All paid-up members may vote or stand for office.
2. **NOMINATIONS:** The offices to be filled are Chairman, Secretary and Treasurer and three other members of the Committee.

An outgoing Chairman will be a member of the Committee ex officio. At the end of each year the entire Committee will stand down, but may stand again for the same office as they are leaving without nomination. To be elected to a different office a candidate must be nominated by one person from the paid-up membership, not including himself. Nominations do not require a seconder to be valid, but do require the consent of the nominee. One person can be nominated for more than one office, but hold only one. If a person is elected to a higher office (according to the ordering given below) he or she automatically ceases to be a candidate for a lower office. A candidate for the post of Chairman, Secretary, Treasurer is automatically a candidate for the Committee if he or she fails to gain election to one of these three posts.

TURN OVER for directions to the Cognition and Brain Sciences Unit and abstract of Chris's talk