

Newton Centre for Endowment Asset Management

# RESEARCH AND ENGAGEMENT ON LONG HORIZON INVESTING

At its inception in 2013, the Centre for Endowment Asset Management represented an informal research network focused on investing for foundations and endowments.

Since then, our focus has broadened. The Centre has grown into a **global research initiative** focused on **knowledge and understanding of long horizon investing**.

The following report aims to capture the contribution the Centre has made to research and engagement in the past few years and the impact it continues to have on teaching and policy in the area of investment management.

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Long-term investors – a group comprising sovereign funds, family offices, endowments, foundations, and pension funds – represent nearly half of global wealth. We recognise the increasingly important and influential role these investors play in both asset ownership and asset management.

Long-term investors are integral to societal wellbeing and their value added is inextricably linked to how they manage their investments. We strongly believe academia, and the Centre in particular, has a central role to play in developing new knowledge and learning in this field of long horizon investing

We focus our activities on several key areas: **long-run risk and return in traditional and alternative asset classes; factor investing and asset allocation; lessons from financial market history; responsible and sustainable investing; and governance of investment organisations.**

Built upon a research network developed over the past 10 years, the Centre's activities extend across departments and colleges within Cambridge and outwards to other leading global institutions, connecting an established group of specialists working in this area.

#### Dr David Chambers

Academic Director, Newton Centre for Endowment Asset Management and Reader in Finance, Cambridge Judge Business School

#### Contribution to the wider academic community

The Centre's research network has generated **53 publications in the last two years including journal articles, books and book chapters.** Our research is presented at the world's highest-rated finance conferences.

We continue to **establish and strengthen global research networks** and have initiated joint research projects with faculty from leading business schools and universities including Harvard, Yale, Oxford, LSE, and Cornell. In addition, Centre Faculty have held visiting positions at leading schools like Wharton, Harvard, and Texas and hold Fellowships or Board positions at Ohio State, Vienna University, and other centres of excellence.

We are currently **undertaking a series of on-going research projects** including building several long-run datasets in order to investigate the investment performance of UK real estate, the risk and return of currency trading, and the asset allocation strategy of perpetual endowments.

We demonstrate **leadership in encouraging research excellence** through the active role Centre Faculty have in training early stage researchers and via the support offered to post-doctoral fellows and PhD students.

#### Impact on teaching

The Centre has supported the production of **four investment case studies** currently being taught at Harvard Business School, London Business School, University of Cambridge, and other leading business schools.

Centre Faculty have completed an edited volume entitled **'Financial Market History: Reflections on the Past for Investors Today'** to be published by the CFA Institute Research Foundation.

#### Impact on policy and practice

The Centre has hosted a regular **Conference on Investing for the Long Term** attended by over 60 participants holding senior investment positions at Sovereign Wealth Funds, Foundations and Family Offices globally.

Centre Faculty have been active in the CFA Institute, International Social Security Association, World Investment Forum, Q-Group, and Inquire.

Centre Faculty are **authors or signatories to policy statements** by the Chartered Financial Analysts Institute, Financial Economists Roundtable, the Coalition for Inclusive Capitalism, the Principles for Responsible Investment, and the Strategy Council of the Norwegian Government Pension Fund Global.



Elroy Dimson

Sarah Carter

David Chambers

### Management Team

#### Sarah Carter

Executive Director, Newton Centre for Endowment Asset Management, Cambridge Judge Business School

Sarah works alongside the Academic Director to support and develop the Centre's strategy and activities. Previously, Sarah set up and managed Cambridge Judge Business School's post-experience Master of Finance degree. She has also worked in international development for organisations like Plan International and the United Nations Association, UK.

#### David Chambers

Academic Director, Newton Centre for Endowment Asset Management and Reader in Finance, Cambridge Judge Business School

David is a member of the finance and accounting group at Cambridge and holds a JM Keynes Fellowship. In 2012, he was the Thomas McCraw Fellow at Harvard Business School. He has a PhD from the London School of Economics and was a post-doctoral research fellow at Oxford University from 2005 to 2008. Prior to returning to full-time education in 2001, he worked for 20 years in investment banking. He sits on the investment committees of a number of charities and he is a member of the Editorial Board of the Financial Analysts Journal.

#### Elroy Dimson

Chairman, Newton Centre for Endowment Asset Management, Cambridge Judge Business School and Emeritus Professor, London Business School

Elroy has been a member of the finance and accounting group at Cambridge Judge Business School since 2009. He was previously Professor of Finance at London Business School. He is Chairman of FTSE Russell's Advisory and Policy Boards, is on the Steering Committee of the Financial Economists' Roundtable, and is an Advisory Council member for Financial Analysts Journal. He is an Honorary Fellow of CFA UK and of the Institute of Actuaries. His PhD is from London Business School.

### Research Fellows



#### Prof William Goetzmann

Edwin J. Beinecke Professor of Finance & Management Studies, Yale School of Management

Will's research topics include asset pricing, the equity risk premium, arbitrage strategies, selecting investment managers, global investing and financial history. His academic research has been published in all of the major academic finance journals and has been featured in most of the major financial news publications. His current work focuses on endowments, financial history, operational risk securitization, credit risk and behavioural finance.



#### Dr Oğuzhan Karakaş

Senior Lecturer in Finance, Cambridge Judge Business School (from 1 July 2017)

Oğuzhan's research focuses on Corporate Governance, Ownership and Control, Corporate Social Responsibility, Private Equity, and Dynamic Investment Strategies. Prior to his appointment at Cambridge he was an Assistant Professor of Finance at the Carroll School of Management, Boston College. He received his PhD from London Business School in 2010 and he has served as a part-time consultant to a hedge fund on establishing trading strategies.



#### Dr Xi Li

Associate Professor of Accounting, London School of Economics

Xi's research focuses on Financial Reporting and Disclosure, International Accounting, Corporate Governance, Debt Contracting and Corporate Social Responsibility. Prior to her position at LSE she was an Assistant Professor of Accounting at the Fox School of Business at Temple University. She received her PhD from London Business School in 2010.

### Fellows



#### John Griswold

Founder, Commonfund Institute

John spent 24 years with Commonfund, latterly advising Commonfund's educational, market research and professional development activities. He has authored many articles and book chapters on endowment management, governance and the management of investment committees. He is a graduate of Yale University.

**Paul Warren**

Senior Bursar, Clare College, University of Cambridge

Paul joined Clare as Bursar in September 2013, prior to which he served as Bursar of Corpus Christi College for five years. Paul has a wealth of knowledge and experience derived from nearly three decades working in professional investment management, including Putnam Investments in Boston where he was CEO of Global and US Core equities.

**Dr Bradley Jones**

Senior Financial Sector Advisor, Monetary and Capital Markets Department, International Monetary Fund (IMF)

At the IMF Brad advises asset owners in the government sector and leads the IMF's portfolio stress testing analysis in the global asset management industry. He has a PhD in finance from Macquarie University. Brad's research on institutional investors, asset pricing and financial history has appeared in a range of academic journals, working papers, industry white papers and IMF reports.

**Affiliated Cambridge Faculty****Dr Jason Cen**

Post-doctoral Fellow, Newton Centre for Endowment Asset Management, Cambridge Judge Business School, University of Cambridge

Jason obtained his PhD from Cass Business School in 2015. He works in the area of international finance with a specific focus on the foreign exchange market. He has also worked at Cass Business School as a research assistant on understanding currency trading strategies in the interwar period.

**Prof Raghavendra Rau**

Sir Evelyn de Rothschild Professor of Finance, Cambridge Judge Business School, University of Cambridge

Raghu is the current Finance and Accounting subject group head at Cambridge Judge Business School and a director of the Cambridge Centre for Alternative Finance. He received his Ph.D. degree from INSEAD in 1997. His research focuses on empirical corporate finance and the economics of information, particularly within the context of market efficiency.

**Dr Pedro Saffi**

University Lecturer in Finance, Cambridge Judge Business School, University of Cambridge

Pedro is a member of the Finance and Accounting Group at Cambridge. He obtained his PhD in Finance from London Business School in 2007. His research covers topics such as security lending markets, short-selling, liquidity and how differences of beliefs among investors affect financial markets

**Affiliated researchers at other institutions****Dr Amir Amel-Zadeh**

Associate Professor of Accounting, Said Business School, University of Oxford

Prior to joining Said Business School, Amir held a position as University Lecturer at Judge Business School, University of Cambridge. He received his PhD and MPhil in Finance from the University of Cambridge. His research interests encompass the economic effects of financial accounting and disclosure as well as accounting and regulatory issues at financial institutions

**Dr Christophe Spaenjers**

Associate Professor of Finance, HEC Paris

Christophe received his PhD from Tilburg University in 2011 and his research interests include alternative investment, investor behavior, household finance and financial history. He was tenured in 2016. He has organised academic conferences in the UK, USA and Continental Europe.

**Dr Eva Steiner**

Assistant Professor of Real Estate, School of Hotel Administration, Cornell University

Prior to joining Cornell, Eva was an assistant professor at the University of Cambridge. Her recent work focuses on Real Estate Investment Trusts (REITs) and examines their capital structure decisions and performance. Eva received her PhD from the University of Cambridge. She regularly contributes to academic and industry conferences.



The spires of King's College Chapel

**Asset allocation and asset class returns over the long run**

**Long-run asset allocation of US endowment funds**

*Lead researchers:* **Dr David Chambers** (University of Cambridge), **Prof Elroy Dimson** (University of Cambridge and London Business School) and **Charakleia Kaffa** (PhD student, University of Cambridge)

*About:* This study explores the investment experience of US endowments over the long run (1920-present). Focusing on the 12 largest educational endowments, it examines the evolution of asset allocation over this long-run time period, whether there are any similarities between the move into new asset classes in the 1920s (common stocks) and after 1980 (alternative assets) and whether peer effects have influenced the cross-sectional dispersion of asset allocation changes.

*Support:* This has been provided by the Centre and by CJBS

**Global investment returns**

*Lead researchers:* **Prof Elroy Dimson** (University of Cambridge), **Prof Paul Marsh** (London Business School) and **Dr Mike Staunton** (London Business School)

*About:* This project continues a study of long-run global asset returns on stocks, bonds, bills, inflation, currencies and GDP since 1900. It spans 23 countries; covering over 98% of global stock market capitalisation in 1900. The dataset is updated, extended and analysed intensively and published annually in a Global Investment Returns Sourcebook. This dataset underpins a worldwide assessment of the magnitude of the equity and bond risk premia, and is used to research many different questions relevant to investment, finance and regulation.

*Support:* This has been provided by the Credit Suisse Research Institute.

**Long-run risk and return in alternative asset classes**

**A long-run study of real estate risk and return**

*Lead Researchers:* **Dr David Chambers** (University of Cambridge) and **Dr Eva Steiner** (Cornell University)

*About:* This project draws on the experience of real estate finance and financial history and makes a contribution to the understanding of the long-run performance characteristics of real estate, putting this asset class on a level playing field with stocks, bonds and collectibles where comprehensive long-run performance data already exist.

*Supporters:* This project has attracted £90k of funding including from the Isaac Newton Trust, St John's College Cambridge, the Cambridge Endowment for Research in Finance and an individual donor.

### Currency regimes, liquidity and currency risk premia

*Lead researchers:* Dr Oliver Accominotti (London School of Economics), **Dr Jason Cen** (University of Cambridge) and **Dr David Chambers** (University of Cambridge).

*About:* The main aim of this project is to construct a new dataset on exchange rates from 1919 to 1975. This period spans the floating regime of the 1920s, the managed floating regime of the 1930s and the fixed exchange rate regime under Bretton Woods from 1945–72. This new dataset will enable us to examine both (i) how foreign exchange market liquidity behaves and (ii) how currency returns, particularly carry returns, vary across different exchange rate regimes.

*Support:* This project has attracted £75k of funding including awards from the Research Infrastructure and Investment Fund at the London School of Economics and the Cambridge Endowment for Research in Finance.

### Art portfolios

*Lead researchers:* **Dr David Chambers** (University of Cambridge), **Prof Elroy Dimson** (University of Cambridge) and **Dr Christophe Spaenjers** (HEC, Paris)

*About:* Previously, risk-return characteristics of art have been studied by estimating aggregated price indexes, giving each asset the same weight as every other index constituent. The question remains how representative of investor experience such indices are. This project examines the investment performance of art *portfolios* through a detailed analysis of the long-term performance of a famous art collection – that of the economist John Maynard Keynes – supplemented by further research based on more recent art market transactions.

### Responsible and sustainable investing

#### Global active ownership

*Lead Researchers:* **Prof Elroy Dimson** (University of Cambridge), **Dr Oguzhan Karakas** (Boston College, Carroll School of Management) and **Dr Xi Li** (London School of Economics).

*About:* This empirical study will build upon the recent paper, ‘Active Ownership’, published as the Lead Article in the December 2015 issue of the Review of Financial Studies. This research received widespread recognition through receipt of the Moskowitz Prize for the Best Paper in Socially Responsible Investing, the FIR-PRI Award for the Best Published Research on Sustainable Investing, and the Investor Responsibility Research Center Institute annual Honorable Mention. The new study broadens the research to a global scale and a long sample period.

*Support:* this project has attracted awards of £40k from the Risk Institute at Ohio State University’s Fisher College of Business, Inquire Europe, the PRI, Invesco Perpetual and the London School of Economics.

The Centre has initiated and hosted the following forums bringing together practitioners and academics:

#### 2017

##### The Cambridge Investment Lectures, Cambridge, UK

*Audience:* This event provides investment practitioners with an opportunity to learn and discuss leading investment topics currently being driven by academic research.

*Purpose:* The Cambridge Investment Lectures will bring together the latest investment insights from a number of leading faculty at the University of Cambridge focused on investment. This lecture series is funded by Invesco.

*Publication:* **Elroy Dimson**, Global evidence on investing for the long term. Forthcoming in the *Journal Of Investment Management*

#### 2016

##### Conference on Investing for the long-term, Cambridge, UK

*Audience:* 60 senior representatives from sovereign wealth funds, family offices and foundations, charities and endowments with assets of between £0.1bn and £0.9tn

*Purpose:* A repeat of the successful conference model we ran in 2015, this event continued to focus on the investment approach adopted by long-horizon investors. Two questions underpinned the conference: **What is special about large long-horizon asset owners and how do they cope with a low return environment?** Support was provided by BNY Mellon and Newton Investment Management.

*Publication:* **David Chambers, Elroy Dimson** and Luis Viceira, 2016, *Models of Endowment Asset Management: King’s College, Cambridge* HBS Case 9-216-023.

#### 2015

##### Financial Market History Workshop, Cambridge, UK

*Audience:* 30 senior investment practitioners and 18 of the world’s leading academics in financial market history attended this two-day workshop.

*Purpose:* This event focused on the question “**What do practitioners need to know about financial market history?**” and many of the chapters published in the CFA’s Financial Market History monograph were first presented and discussed here. It was funded through the generous support of the CFA’s Research Foundation, the CFA UK, Carn Macro Advisors, Credit Suisse, Fidelity, JP Morgan and Sandaie.

*Publication:* **David Chambers** and **Elroy Dimson** (eds), 2016, *Financial Market History*. CFA Institute Research Foundation.

**Symposium for the Commonfund Research Prize, Cambridge, UK**

*Audience:* A mix of 40 practitioners and academics.

*Purpose:* Since 1996, the Commonfund Institute has awarded a prize for original research on endowment and foundation management. In 2015, the Institute collaborated for the first time with the Centre to host the prize. In total, 69 submissions were received and all were completed papers that had been accepted for and presented at competitive, high-quality international conferences. The winning paper was presented and discussed at the award ceremony.

*Winning paper:* Tim Jenkinson, Howard Jones and Jose Martinez, 2016, Picking Winners? Investment Consultants' Recommendations of Fund Managers. *Journal of Finance*, 71(5): 2333-2370

**Conference on Investing for the long-term, Cambridge, UK**

*Audience:* 60 senior representatives from sovereign wealth funds, family offices and foundations, charities, and endowments with assets of between £0.1bn and £0.9tn.

*Purpose:* Delivered by the Centre with support from BNY Mellon and Newton Investment Management, this three-day programme was designed to address the needs of asset owners, whose horizon for using their wealth is a long way into the future. The topics discussed at the event contributed to improving understanding of the increasingly complex range of asset classes and management styles. Themes included: the most appropriate investment strategies, asset allocation policies, performance measurement criteria and sustainable spending policies.

*Publication:* David Chambers, Elroy Dimson and Luis Viceira, 2016, *Clare College, Cambridge: Seeking Investment Opportunity in a Financial Crisis*. HBS Case 9-216-05.

**2014****Endowment Asset Management Conference, Vitznau, Switzerland**

*Audience:* A group of 50 leading academics and investment practitioners

*Purpose:* In collaboration with Vienna University for Economics and Business and supported by the POK Pühringer Foundation, this forum provided an opportunity to discuss and shape applied investment research for endowments and long-term investors.

*Publication:* David Chambers and Elroy Dimson, 2015, The British Origins of the US Endowment Model. *Financial Analysts Journal*, 71(2): 10-14. (Graham and Dodd Best Perspectives Award Winner)

David Chambers and Richard Smith, 2015. Perspectives on the management of university and college endowments: Asset Allocation, Spending, and Wealth. *Journal of Applied Finance*, 25(1): 31-45.

**2013****Summit on Responsible Investing, Cambridge, UK**

*Audience:* A group of 70 senior asset owners and asset managers joined global experts in responsible investing for this one-day conference. It was also streamed live on the internet to an audience of 50 people located in Norway.

*Purpose:* To develop greater clarity surrounding the purposes and outcomes of responsible investing strategies. The outcome of the Summit contributed to the development of an intellectual framework connecting investment decisions of large asset owners and managers with Environmental, Social and Governance (ESG) issues. This intellectual framework helped provide a basis for the 2013 Norwegian Strategy Council's report on responsible investing. The Summit was supported by the Norwegian Ministry of Finance.

*Publication:* Mitch Towner, 2014, Norway's Summit on Responsible Investing, *Journal of Investment Management*, 12(1):20-32

**Responsible Investing Conference, Oslo, Norway**

*Audience:* Responsible Investing Specialists and International Non-Governmental Organisations (NGOs)

*Purpose:* To encourage dialogue and debate amongst the Norwegian government, RI specialists, International NGOs and other stakeholders with the goal of exchanging ideas on ESG issues related to responsible investing. The conference was supported by the Norwegian Ministry of Finance.

*Publication:* Sarah Takaki, 2014, Stakeholders Perspectives on Norwegian Investment Responsibility, *Journal of Investment Management*, 12(1): 33-44.

**Endowment Asset Management Programme**

*Audience:* Representatives of endowments, charities and family foundations.

*Purpose:* With support from Capital Generation Partners, Newton Investment Management and Sarasin & Partners, Europe's leading specialist programme in this field ran for its 8th time in 2013. The three-day event covered such topics as: investing for the long-term, the role of leverage, alternative assets, responsible investing, fund governance, and manager selection.

*Publication:* Elroy Dimson, Paul Marsh and Mike Staunton, 2015, Responsible investing: does it pay to be bad? *Global Investment Returns Yearbook*, 17-27.



Deep engagement describes a process whereby academic research builds on solving problems in organisations, society and the economy. The examples below showcase a few of the deep engagement projects undertaken by Centre Faculty:

### Responsible and sustainable investing

Norway's sovereign wealth fund – the largest in the world – seeks to be a highly ethical and sustainable asset owner. It has had a 15-year association with the Centre's faculty, who have co-authored reports including Responsible Investment and the Norwegian Government Pension Fund Global (2013) and Fossil- Fuel Investments in the Norwegian Government Pension Fund Global (2015). The Norwegian Ministry of Finance has supported the Centre's symposiums on environmental, social and governance (ESG) investing, which have had a direct impact on investment policy. In parallel work, academics at the Centre were granted access to a proprietary dataset from one of the world's leading responsible investors. Their research, the first rigorous study to document the gains from engaging with investee companies on environmental and social issues, has received multiple prizes for its depth, quality and impact. Faculty at the Centre continue to study and advise institutions on responsible and sustainable investment strategies.

*Publications: Elroy Dimson, Oğuzhan Karakas and Xi Li, 2015, Active ownership. Review of Financial Studies, 28(12): 3225–3268.*

**Elroy Dimson, 2014, A framework for responsible investing.** In Diana Fox Carney and Chrystia Freeland (Eds.), *Making Capitalism More Inclusive*, 86–92.

### Real estate investing

Cambridge and Oxford Colleges have their own endowments, independent from their respective university endowments, which support current and future generations of students and fellows. Many colleges regard real estate as an important asset class and have experience extending back several centuries, in owning and transacting properties. The Centre has worked with several colleges to understand better the role of real estate in their portfolios. This has generated two cases studies currently taught at Harvard, Cambridge, London Business School and elsewhere; a National Bureau of Economic Research monograph; and a University of Chicago Press book contribution. We are now constructing from college archival sources a new database of UK real estate returns from 1900 onward. This will improve our understanding of the long-run returns and risks of UK real estate and its place in a diversified portfolio of financial assets.

*Publications: David Chambers, Elroy Dimson, Arthur Segel and Eva Steiner, 2016, The Role of Real Estate in Endowment Portfolios: The Case of Christ Church, Oxford. HBS Case 9-216-086*

**David Chambers, Elroy Dimson and Justin Foo, 2015, Keynes, King's and endowment asset management.** In Jeffrey Brown and Caroline Hoxby (Eds.) *How the Financial Crisis and Great Recession Affected Higher Education*, University of Chicago Press, 127–150.

### Long-run stock market performance

In early research, published in *Journal of Business* and *Journal of Financial Economics*, **Elroy Dimson** and Paul Marsh, created UK stock market indices with a unique history going back to 1955. They participated in the design and launch of the FTSE 100 share index with the London Stock Exchange and, engaging with a leading bank, they published practitioner and scholarly research on the UK equity market. With the bank's encouragement and support, the team researched long-term investment performance for the five main asset classes in 16 different stock markets, and published their influential book, *Triumph of the Optimists*. That study, now expanded to cover 23 countries from 1900 to 2015, underpinned a worldwide reappraisal of the size of the equity risk premium. It informed the strategy of major investors, influenced cost of capital estimates and real investment decisions in leading corporations, and guided regulation of financial institutions, utilities, and other businesses. Their latest book updates the record to 2016, and further research is planned for the future.

*Publications: Elroy Dimson, Paul Marsh and Mike Staunton, 2002, Triumph of the Optimists. Princeton University Press.*

**Elroy Dimson, Paul Marsh and Mike Staunton, 2016, Global Investment Returns Sourcebook 2016.** Zurich: Credit Suisse Research Institute.

### Investing in wine and other collectibles

An unusual example of deep engagement is **Elroy Dimson's** study on the price of wine. In a book co-authored in 2004, Elroy described how in 1895 his viticulturist great-grandparents opened a wine shop in London's East End. Elroy was the fifth generation to be involved in producing and selling wine, and his background piqued the interest of Simon Berry, Chairman of Berry Brothers & Rudd, whose London wine business dates back to 1698. Simon made available his firm's archives for Elroy and his colleagues to research the price of fine wine over the long term. Their history of Premier Cru Bordeaux prices from 1899 to date and their analysis of the determinants of wine prices has been published in scholarly and professional journals. It has also been featured in the specialist wine press and in international media, and the authors received the Best Paper award from The American Association of Wine Economists. Their research has also extended to measuring the long-term investment performance of other collectible assets.

*Publications: Elroy Dimson, Peter Rousseau and Christophe Spaenjers, 2015, The price of wine. Journal of Financial Economics, 118(2): 431–449. (AAWE best paper award winner)*

**Elroy Dimson and Christophe Spaenjers, 2014.** Investing in emotional assets. *Financial Analysts Journal, 70(2): 18–22.*

The Centre addresses investment issues that matter to society and two-way communication is a priority. Below, we illustrate how we engage with organisations, communities, interest groups, and the general public.

#### Forums to which we contribute

Chartered Financial Analysts Institute, Coalition for Inclusive Capitalism, Commonfund Forum, Fiduciary Investors Symposium, Financial Economists Roundtable, INQUIRE-Europe, INQUIRE-UK, Institutional Investor Summit, International Forum of Sovereign Wealth Funds, International Social Security Association, Policy Exchange, Principles for Responsible Investment (PRI), Q-Group, World Economic Forum, and World Investment Forum.

#### Where we have engaged

Australia, Austria, Belgium, Brazil, Canada, China, Finland, France, Germany, Greece, Hong Kong, Hungary, Indonesia, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Monaco, Netherlands, Norway, Oman, Portugal, Russia, Scotland, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, UAE, USA, and Zambia.

#### Charities we have advised

Clare College, Downing College, Gonville & Caius College, Guy's & St Thomas' Charity, London Business School, London University, SAUL, The Atlantic Philanthropies, The Foundation for Social Entrepreneurs, Cambridge University Assistants' Pension Scheme, and Vienna University of Economics and Business.

#### Where we present our research

American Economic Association, American Finance Association, Economic History Association, Economic History Society, European Finance Association, European Financial Management Association, Financial Management Association, NBER Meetings, Utah Winter Finance Conference, Western Finance Association, World Finance Conference, and many other meetings.

#### Multimedia channels we use

Video/TV including BBC, Bloomberg TV, British Academy, CFA Institute, Financial Times, IFA tv, Milken Institute, Open University, PRI in Person, Sensible Investing tv, Wall Street Journal and World Investment Forum, many websites, and print media in over 50 countries.



The following is a list of publications by CEAM's faculty and affiliated researchers on topics related to the Centre's main research themes:

#### Academic journal articles

Olivier Accominotti and **David Chambers**, 2016, If you're so smart: John Maynard Keynes and currency speculation in the interwar years. *Journal of Economic History*, 76 (2): 342-386. **(Lead article)**

Gennaro Bernile, Vineet Bhagwat and **Raghavendra Rau**, 2016, What doesn't kill you will only make you more risk-loving: early-life disasters and CEO behavior. *Journal of Finance*, in press.

**David Chambers** and Ali Kabiri, 2016, Keynes and Wall Street. *Business History Review*, 90(4): 301-328

Emmanuel De George, **Xi Li** and Lakshmanan Shivakumar, 2016, A review of the IFRS adoption literature. *Review of Accounting Studies*, 21(3): 898-1004.

Peter Feldhütter, Edith Hotchkiss and **Oğuzhan Karakaş**, 2016, The value of creditor control in corporate bonds. *Journal of Financial Economics*, 121(1): 1-27. **(Lead article)**

**Xi Li** and Holly Yang, 2016, Mandatory financial reporting and voluntary disclosure: evidence from mandatory IFRS adoption. *The Accounting Review*, 91(3): 933-953.

Ethan Namvar, Blake Phillips, Kuntara Pukthuanthong and **Raghavendra Rau**, 2016, Do hedge funds dynamically manage systematic risk? *Journal of Banking and Finance*, 64: 1-15

Blake Phillips, Kuntara Pukthuanthong and **Raghavendra Rau**, 2016, Past performance may be an illusion: performance, flows, and fees in mutual funds. *Critical Finance Review*, 5(2): 351-398.

Melissa Porras Prado, **Pedro Saffi** and Jason Sturgess, 2016, Ownership structure, limits to arbitrage and stock returns: evidence from equity lending markets. *Review of Financial Studies*, 29(12): 3211-3244

Scott Richardson, **Pedro Saffi** and Kari Sigurdsson, 2016, De-leveraging risk. *Journal of Financial & Quantitative Analysis*, Forthcoming

Reena Aggarwal, **Pedro Saffi** and Jason Sturgess, 2015, The role of institutional investors in voting: evidence from changes in lendable shares around corporate votes. *Journal of Finance*, 70:2309-2346.

Ray Ball, **Xi Li** and Lakshmanan Shivakumar, 2015, Contractibility and transparency of financial statement information prepared under IFRS: evidence from debt contracts around IFRS adoption. *Journal of Accounting Research*, 53(5): 915-963

**David Chambers**, **Elroy Dimson** and **Justin Foo**, 2015, Keynes the stock market investor: a quantitative analysis. *Journal of Financial and Quantitative Analysis*, 50(4): 843-868

**Elroy Dimson**, **Oğuzhan Karakaş** and **Xi Li**, 2015, Active ownership. *Review of Financial Studies*, 28(12): 3225-3268. **(Lead article)**

**Elroy Dimson**, Peter Rousseau and **Christophe Spaenjers**, 2015, The price of wine. *Journal of Financial Economics*, 118(2): 431-449. **(AAWE best paper award winner)**

**Xi Li**, 2015, Accounting conservatism and the cost of capitalism: an international analysis. *Journal of Business Finance & Accounting*, 42(5-6):555-582.

**David Chambers** and Rui Esteves, 2014, The first global emerging markets investor: Foreign and Colonial Investment Trust 1880-1913. *Explorations in Economic History*, 52: 1-21.

Avner Kalay, **Oğuzhan Karakaş** and Shagun Pant, 2014, The market value of corporate votes: theory and evidence from option prices. *Journal of Finance*, 69(3): 1235-1271.

Blake Phillips, Kuntara Pukthuanthong and **Raghavendra Rau**, 2014, Detecting superior mutual fund managers: evidence from copycats. *Review of Asset Pricing Studies*, 4(2): 286-321.

**David Chambers** and **Elroy Dimson**, 2013, Retrospectives: John Maynard Keynes, investment innovator. *Journal of Economic Perspectives*, 27(3): 1-18

#### Professional journal articles

**Brad Jones**, 2017, Leaning with the Wind: Long-term asset owners and procyclical investing. *Journal of Investment Management* (Forthcoming)

**David Chambers** and **Elroy Dimson**, 2015, The British origins of the US endowment model. *Financial Analysts Journal*, 71(2), 10-14. **(Graham and Dodd Best Perspectives Award Winner)**

**David Chambers** and Richard Smith, 2015. Perspectives on the management of university and college endowments: Asset Allocation, Spending, and Wealth. *Journal of Applied Finance*, 25(1): 31-45.

**Elroy Dimson** and **Christophe Spaenjers**, 2014, Investing in emotional assets. *Financial Analysts Journal*, 70(2): 18-22.

Sarah Takaki, 2014, Stakeholders Perspectives on Norwegian investment responsibility, *Journal of Investment Management*, 12(1): 33-44

Mitch Towner, 2014, Norway's summit on responsible investing, *Journal of Investment Management*, 12(1): 20-32

**David Chambers**, **Elroy Dimson** and Antti Ilmanen, 2012, The Norway model. *Journal of Portfolio Management*, 38(2): 67-81. **(Bernstein Fabozzi/Jacobs Levy Outstanding Article Award)**

**Books and monographs**

**David Chambers and Elroy Dimson** (eds), 2016, *Financial Market History*. CFA Institute Research Foundation (December).

**Elroy Dimson** and Paul Marsh, 2016, *Smaller Companies Index: Annual Review 2016*. London: Numis.

**Elroy Dimson**, Paul Marsh and Mike Staunton (eds), 2016, *Global Investment Returns Sourcebook 2016* Zurich: Credit Suisse Research Institute.

**Elroy Dimson**, Paul Marsh and Mike Staunton (eds), 2016, *Global Investment Returns Yearbook 2016*. Zurich: Credit Suisse Research Institute.

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Below is a selection of some of the press and media coverage that research from the Centre has generated. For those reading the electronic pdf of this report, each article below is hyperlinked to its source (in some cases a subscription is required).

### Financial Press

#### Wall Street Journal

John Maynard Keynes: Courage is the key to investing (October 2016)  
The New Abnormal: Coping with weirdness in bonds (July 2016)  
Sorry you're just going to have to save more money (June 2016)  
The more it hurts the more you make: Investing after Brexit (June 2016)

#### Financial Times

Herdung is a problem that starts at the top with asset owners (March 2016)  
Rising interest rates are bad for stocks (February 2016)  
Patience needed for volatile US small-caps (January 2016)  
Climate talks mark turning point for investors (December 2015)

### Daily Media

#### New York Times

John Maynard Keynes: Great economist, terrible currency trader (January 2016)  
Norway's pension fund is advised to keep fossil fuel shares (December 2014)  
Some wines are worth not drinking (May, 2014)  
Keynes's own portfolio not too dismal (February 2014)

#### The Times (London)

Seven reasons why equity markets are plunging (February 2016)  
Big Short put Keynes on the brink of bankruptcy (January 2016)  
Investors focus on the next FTSE high (March 2015)  
Wages of sin get a boost from the ethical investor (February 2015)

#### The Telegraph

How to Invest like Norway's £700bn oil fund: Special report (November 2016)  
From \$5 to \$1.22: the 200-year journey of the pound (October 2016)  
The best investment of the 20th century? Red wine (May 2014)  
How investors are tricked by star economies (March 2014)

#### TV and video

FT.com: Wine is a fine Investment (December 2015)  
CNN: This tiny piece of paper sold for \$9.5 million (June 2014)  
BBC: Keynes's Investment strategy (September 2012)  
WSJ.com: John Maynard Keynes, The Investor (March 2012)

### Weekly Publications

#### The Economist

New evidence on what drives central banks to change rates (February 2016)  
Equities haven't always produced positive long-term returns (January 2016)  
Watch what they pay: Dividend income has become harder to find (January 2016)  
Investing: Why low rates are good for equity returns (June, 2015)

#### Pensions & Investments

More firms turn to academia for a little bit extra (April 2015)  
Academics awarded prize for research on consultant recommendations (March 2015)  
Emerging markets equity underperforms with more volatility (February 2014)  
Norway mulls handing over divestment decisions on \$577bn fund (November 2013)

#### Investors Chronicle

Bare premium (April 2016)  
Living with low growth (March 2016)  
How are sectors affected by changes in interest rates? (March 2016)  
The mystery of AIM (June 2015)

### Periodicals

#### Institutional Investor

When it comes to private equity, is smaller better? (October 2016)  
Roger Gray uses maximum flexibility to good effect at UK's USS (May 2016)  
Market timing is back in the hunt for investors (November 2015)  
Examining the contradictions of RORO (May 2013)

#### Forbes

The one stock move the nets high returns over time (October 2016)  
European blue chip stocks on sale (July 2016)  
Why currency trading is a bad idea: Keynes (January 2016)  
Are 'vice stocks' like tobacco, booze and casinos smart bets? (May 2015)

#### ESG Magazine

Best published academic article: Active Ownership (December 2016)  
Mainstreaming 'impact investing' (September 2016)  
Divestment campaigns evolve into positive impact (December 2015)  
Investigating investment materiality (September 2015)

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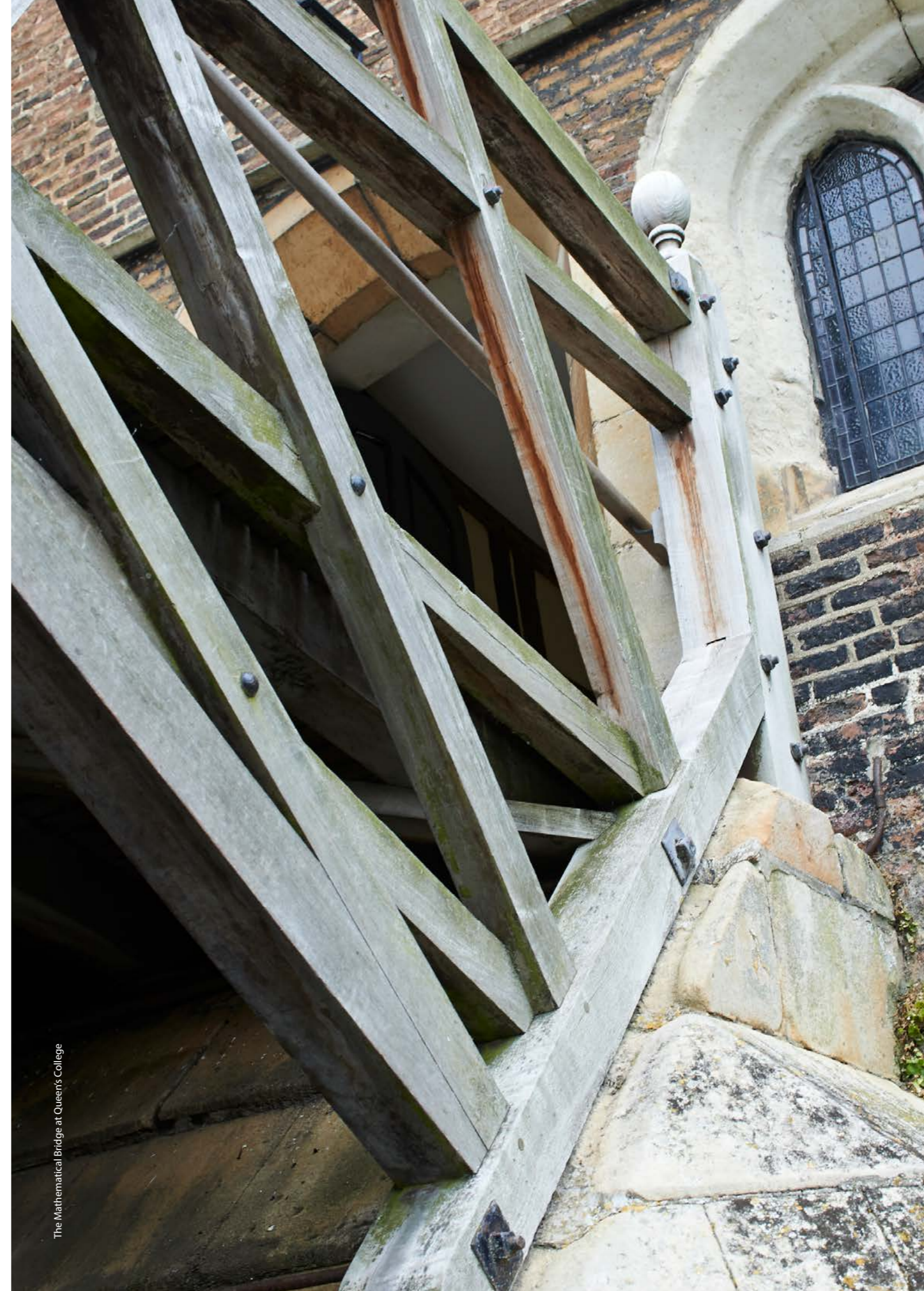
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