



**The Journal of Investment Management and New Frontier Advisors Name
2017 Harry M. Markowitz Award Winners**

Top Honor Goes to Paper Entitled “Moore’s Law Vs. Murphy’s Law in the Financial System: Who’s Winning?”

Lafayette, CA—January 23, 2018—The *Journal Of Investment Management* and New Frontier Advisors today announced the winners of the 2017 Harry M. Markowitz Award as determined by a Special Selection Panel composed of Nobel Prize winners Harry M. Markowitz, Robert C. Merton, Myron S. Scholes, and William F. Sharpe.

Markowitz Award

For 2017, top recognition was awarded to Andrew W. Lo for **“Moore’s Law Vs. Murphy’s Law in the Financial System: Who’s Winning?”** Dr. Lo is Charles E. and Susan T. Harris Professor of Finance at the MIT Sloan School of Management. His paper addresses the unintended consequences of technology-leveraged finance, such as flash crashes and cybersecurity breaches and postulates that the ultimate solution is technology more capable of adapting to human behavior.

Special Distinction Awards

The two Special Distinction Awards were given this year to **“A Pitfall in Ethical Investing: ESG Disclosures Reflect Vulnerabilities, not Virtues”** by Gerald T. Garvey, a Managing Director and member of BlackRock’s Scientifically-Driven Active Equity team, Joshua Kazdin, Vice President and member of BlackRock’s Scientific Active Equity Group, Ryan LaFond, a Managing Director and Head of Research for the Asia Pacific and Emerging Markets Equity Group, Joanna Nash, a Vice President of Australian equities and Hussein Safa, a Director of Scientific Active Equity, and, **“Measuring Portfolio Performance: Sharpe, Alpha, or the Geometric Mean,”** and Dr. Moshe Levy, professor of finance and banking at the Hebrew University of Jerusalem’s School of Business Administration.

In the first paper, the authors examine the widely-believed notion that ESG (Environmental, Social, and Governance) investing reduces regulatory and reputational risks. While an ESG- friendly profile is expected to be with better social performance, they found that firms that disclose the widest range of socially responsible policies are more likely to experience ethics controversies and adverse regulatory actions in the future.

In the second paper, Moshe challenges benefits of two of the most popular portfolio performance measurements, Sharpe ratio and alpha, considering borrowing constraints, and return distributions. He finds that the geometric mean provides an alternative measure that is much better suited in than traditional measures.

“The 2017 Markowitz Award winners have focused on very relevant issues for investors, with the potential for making a fundamental impact on the investment decisions of institutions and individuals,” said Dr. Richard Michaud, President and Chief Executive Officer at New Frontier Advisors. “We are proud to support the Awards that recognize the important contributions of the winning authors.”



“Harry Markowitz gave finance its first, most significant bridge between theory and practice,” stated Robert Michaud, Chief Investment Officer at New Frontier Advisors. “The Markowitz award once again recognizes important contributions relevant to both academia and industry.”

The 2017 awards will be presented at the upcoming JOIM Conference, March 11 – 13, 2018 in Los Angeles, CA at the UCLA Campus. The conference theme will be on how the science of Behavioral Finance is evolving. <https://www.joim.com/conference-series/>

About the Harry M. Markowitz Award The Harry M. Markowitz Award (sponsored jointly by the Journal Of Investment Management and New Frontier Advisors, LLC) recognizes the seminal and transcendent impact of Dr. Markowitz’s work as a financial economist and mathematician on both theoretical finance and the practice of asset management. The award has been established to honor his legacy and to support future research and innovation in practical asset management. Candidates for the annual award are chosen from among papers published in JOIM in a calendar year. Final selection consists of Nobel laureates Harry M. Markowitz, Robert C. Merton, Myron S. Scholes, and William F. Sharpe. An honorarium of \$10,000 will be bestowed to the winning paper. Two additional finalist papers will receive a Special Distinction Award along with a \$5,000 honorarium.

About New Frontier Advisors

New Frontier Advisors (NFA) is a Boston-based institutional research and investment advisory firm specializing in the development and application of state-of-the-art investment technology. Founded in 1998 by the inventors of the world’s first broad spectrum, patented, simulation proof effective portfolio optimization process, the firm continues to pioneer new development in asset allocation and portfolio selection. Based on practical investment theory, New Frontier’s services help institutional investors across the globe to select and maintain more effective portfolios.

About JOIM The *Journal Of Investment Management* (JOIM) (established in 2003) is a high quality, fully refereed publication, which bridges the theory and practice of investment management. The JOIM offers rigorous research with practical significance, drawing from the disciplines of finance, economics and accounting. Special issues on timely topics including distinguished authors who have both impressive academic and professional experience are a highlight. Our overall goal is to be mindful of the need to present the very best quality material in a form appealing to the practitioner, student and academic.

About the JOIM Conference Series The mission of the JOIM Conference Series (founded in 2006) is to extend the mandate of the *Journal Of Investment Management* (JOIM) in bridging the theory and practice of investment management. Whereas the JOIM journal is a rigorous peer reviewed publication, the JOIM Conference Series showcases very high quality presentations and a platform for interactive discussions of current topics in the investment management arena. Prevalent throughout both activities is the highest quality material suitable for the academic, practitioner and student.