

## **ROBERT R. GRAUER**

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*August 2015*

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### **EDUCATION**

PhD University of California, Berkeley 1975  
MBA University of British Columbia 1971  
BCom University of British Columbia 1970

### **EMPLOYMENT**

#### **Simon Fraser University**

Endowed University Professor, Faculty of Business Administration 1999-2014  
Professor, Department of Economics, Faculty of Business Administration 1983-99  
Associate Professor, Department of Economics, Faculty of Business Administration 1980-83  
Assistant Professor, Department of Economics and Commerce 1976-79

#### **University of Toronto**

Assistant Professor, Department of Political Economy 1975-76

#### **University of California Berkeley**

Visiting Assistant Professor, School of Business Administration 1979-80

### **ACADEMIC HONOURS**

Best Paper Award (Finance) Western Decision Sciences Institute 2005  
Graham and Dodd Scroll with Nils Hakansson, Financial Analysts Federation 1983  
Canada Council Fellowship 1972-73, 1973-74, 1974-75  
Partial Flood Fellowship, University of California Berkeley 1972-73

### **RESEARCH GRANTS**

#### **Social Science and Humanities Research Council of Canada**

Spring 2007 three years	\$74,000	Spring 2002 three years	\$68,000
Spring 1999 three years	\$82,000	Spring 1995 three years	\$61,500
Spring 1992 three years	\$52,000	Spring 1989 three years	\$51,640
Spring 1987 two years	\$42,086	Spring 1985 two years	\$34,320
Spring 1982 two years	\$17,500	Spring 1980 one year	\$7,340

## **Natural Sciences and Engineering Research Council of Canada**

Spring 1988 three years \$16,380

Spring 1985 three years \$14,266

Spring 1982 three years \$11,011

## **Canada Council**

### **Financial Research Foundation of Canada**

### **Berkeley Program in Finance Research**

### **Simon Fraser University President's Research Fund Grant**

### **University of Toronto Commerce and Finance Research Fund**

## **PROFESSIONAL ACTIVITIES**

### **Referee:**

*American Economic Review, Annals of Operations Research, Canadian Investment Review, Economic Inquiry, Emerging Markets Finance and Trade, Finance Research Letters, Journal of Banking and Finance, International Review of Financial Analysis, Financial Services Review, Journal of Economics and Business, Journal of Finance, Journal of Financial and Quantitative Analysis, Management Science, National Science Foundation, Quarterly Journal of Economics, Review of Quantitative Finance and Accounting, Review of Financial Studies, Social Sciences and Humanities Research Council of Canada*

### **Consultant:**

AGF

Huntington Advisors

United Investment Counsel

Associate Editor: *The International Review of Financial Analysis* 1990-

Associate Editor: *Management Science* 1992-97

Director: Western Finance Association 1988-90

Member: Western Finance Association Program Committee 1982, 1985, 1987, 1988

Member: Advisory Board *Canadian Investment Review* 1988-2000

Member: Editorial Board *Advances in Quantitative Analysis of Finance and Accounting* 1991-

Member: Board of Trustees Academic Pension Plan, Simon Fraser University 1995-2014

Chair: Board of Trustees Academic Pension Plan, Simon Fraser University 2001-2014

## **PUBLICATIONS**

### **Journal Articles**

Michael J. Best, Robert R. Grauer, Jaroslava Hlouskova and Xili Xhang. "Loss-Aversion with Kinked Linear Utility Functions". *Computational Economics*, 44 (June 2014), 45-65.

Robert R. Grauer. "Limiting Losses May Be Injurious to Your Wealth." *Journal of Banking and Finance*, 37 (December 2013), 5088-5100.

Robert R. Grauer and Johannus A. Janmaat. "Cross-Sectional Tests of the CAPM and Fama-French Three-Factor Model." *Journal of Banking and Finance*, 34 (February 2010), 457-470.

Robert R. Grauer and Johannus A. Janmaat. "On the Power of Cross-Sectional and Multivariate Tests of the CAPM." *Journal of Banking and Finance*, 33 (May 2009), 775-787.

Robert R. Grauer. "On the Predictability of Stock Market Returns: Evidence from Industry Rotation Strategies." *Journal of Business and Management*, 14 (2008), 47-71. Best Paper Award (Finance) the Western Decision Sciences Institute, March 2005.

Robert R. Grauer. "Benchmarking Performance Measures with Perfect-Foresight and Bankrupt Asset-Allocation Strategies." *Journal of Portfolio Management*, 34 (Summer 2008), 43-57.

Robert R. Grauer and Johannus A. Janmaat. "The Unintended Consequences of Grouping in Tests of the CAPM." *Journal of Banking and Finance*, 28 (December 2004), 2889-2914.

Robert R. Grauer and Nils H. Hakansson. "Applying Portfolio Change and Conditional Performance Measures: The Case of Industry Rotation via the Dynamic Investment Model." *Review of Quantitative Finance and Accounting*, 17 (November 2001), 237-265.

Robert R. Grauer and Frederick C. Shen. "Do Constraints Improve Portfolio Performance?" *Journal of Banking and Finance*, 24 (August 2000), 1253-1274.

Robert R. Grauer. "On the Cross-Sectional Relation between Expected Returns, Betas, and Size." *Journal of Finance*, 54 (April 1999), 773-789.

Robert R. Grauer and Nils H. Hakansson. "Stein and CAPM Estimators of the Means in Asset Allocation." *International Review of Financial Analysis*, 4 (1995), 35-66.

Robert R. Grauer and Nils H. Hakansson. "Gains From Diversifying Into Real Estate: Three Decades of Portfolio Returns Based on the Dynamic Investment Model." *Real Estate Economics*, 23 (Summer 1995), 117-159.

Robert R. Grauer and Nils H. Hakansson. "On the Use of Mean-Variance and Quadratic Approximations in Implementing Dynamic Investment Strategies: A Comparison of the Returns and Investment Policies." *Management Science*, 39 (July 1993), 856-871.

Michael J. Best and Robert R. Grauer. "Positively Weighted Minimum-Variance Portfolios and the Structure of Asset Expected Returns." *Journal of Financial and Quantitative Analysis*, 27 (December 1992), 513-537.

Michael J. Best and Robert R. Grauer. "The Analytics of Sensitivity Analysis for Mean-Variance Portfolio Problems." *International Review of Financial Analysis*, 1 (1992), 17-37.

Robert R. Grauer. "Further Ambiguity When Performance Is Measured by the Security Market Line." *Financial Review*, 26 (November 1991), 569-585.

- Michael J. Best and Robert R. Grauer. "Sensitivity Analysis for Mean-Variance Portfolio Problems." *Management Science*, 37 (August 1991), 980-989.
- Michael J. Best and Robert R. Grauer. "On the Sensitivity of Mean-Variance-Efficient Portfolios to Changes in Asset Means: Some Analytical and Computational Results." *Review of Financial Studies*, 4, 1991, 315-342.
- Robert R. Grauer, Nils H. Hakansson, and Frederick C. Shen. "Industry Rotation in the U.S. Stock Market: 1934-1986 Returns on Passive, Semi-Passive, and Active Strategies." *Journal of Banking and Finance*, 14 (August 1990), 513-535.
- Michael J. Best and Robert R. Grauer. "The Efficient Set Mathematics When Mean-Variance Problems Are Subject to General Linear Constraints." *Journal of Economics and Business*, 42 (May 1990), 105-120.
- Robert R. Grauer and Nils H. Hakansson. "Gains from International Diversification: 1968-85 Returns on Portfolios of Stocks and Bonds." *Journal of Finance*, 42 (July 1987), 721-739.
- Robert R. Grauer. "Normality, Solvency, and Portfolio Choice." *Journal of Financial and Quantitative Analysis*, 21 (September 1986), 265-278.
- Robert R. Grauer and Nils H. Hakansson. "A Half Century of Returns on Levered and Unlevered Portfolios of Stocks, Bonds, and Bills, with and without Small Stocks." *Journal of Business*, 59 (April 1986), 287-318.
- Robert R. Grauer. "Beta in Linear Risk Tolerance Economies." *Management Science*, 31 (November 1985), 1390-1402.
- Robert R. Grauer and Nils H. Hakansson. "Returns on Levered, Actively Managed Long-Run Portfolios of Stocks, Bonds and Bills, 1934-1983." *Financial Analysts Journal*, 41 (September-October 1985), 24-46.
- Michael J. Best and Robert R. Grauer. "Capital Asset Pricing Compatible with Observed Market Value Weights." *Journal of Finance*, 40 (March 1985), 85-103.
- Pao L. Cheng and Robert R. Grauer. "An Alternative Test of The Capital Asset Pricing Model: Reply." *American Economic Review*, 72 (December 1982), 1201-1207.
- Robert R. Grauer and Nils H. Hakansson. "Higher Return, Lower Risk: Historical Returns on Long-Run, Actively Managed Portfolios of Stocks, Bonds, Bills, 1936-1978." *Financial Analysts Journal*, 38 (March-April 1982), 39-53.
- Robert R. Grauer. "A Comparison of Growth Optimal and Mean Variance Investment Policies." *Journal of Financial and Quantitative Analysis*, 16 (March 1981), 1-21.
- Robert R. Grauer. "Investment Policy Implications of the Capital Asset Pricing Model." *Journal of Finance*, 36 (March 1981), 127-141.
- Pao L. Cheng and Robert R. Grauer. "An Alternative Test of the Capital Asset Pricing Model." *American Economic Review*, 70 (September 1980), 660-671.
- Robert R. Grauer. "The Inference of Tastes and Beliefs from Bond and Stock Market Data." *Journal of Financial and Quantitative Analysis*, 13 (June 1978), 273-297.
- Robert R. Grauer. "Generalized Two Parameter Asset Pricing Models: Some Empirical Evidence." *Journal of Financial Economics*, 6 (March 1978), 11-33.

## **Book Chapters**

Robert R. Grauer and Frederick C. Shen. "On Estimation Risk and Power Utility Portfolio Selection." In *Handbook of Quantitative Finance and Risk Management*, edited by Cheng-Few Lee, Alice C. Lee and John Lee, Springer: Norwell, MA, USA, 2010.

Robert R. Grauer. "Extreme Mean-Variance Solutions: Estimation Error versus Modeling Error." In *Applications of Management Science on Financial Optimization, 13 Financial Modeling and Data Envelopment Applications*, edited by Kenneth D. Lawrence and Gary Kleinman, Emerald Group Publishing Limited, United Kingdom, 2009.

Robert R. Grauer. "Introduction" to *Asset Pricing Theory and Tests*, Volumes I and II, The International Library of Critical Writings in Financial Economics, edited by Robert R. Grauer, Elgar Publishing: Cheltenham U.K., Northampton, MA, USA, 2003.

Robert R. Grauer and Nils H. Hakansson. "On Naive Approaches to Timing the Market: The Empirical Probability Assessment Approach With an Inflation Adapter." In *World Wide Asset and Liability Modeling*, edited by William T. Ziemba and John M. Mulvey, Cambridge University Press, 1998, 149-181.

Robert R. Grauer and Frederick C. Shen. "A Quarter Century of Returns Generated from Industry Rotation Strategies in the Canadian and U.S. Stock Markets." In *Advances in Investment Analysis and Portfolio Management*, Vol. 3, edited by Cheng-Few Lee, JAI Press, Greenwich, Connecticut, 1995, 193-221.

## **Conference Proceedings**

Robert R. Grauer. "Abstract of Tests of Whether the Market Portfolio is Mean-Variance Efficient." In Decision Sciences Institute Proceedings, 2015.

Robert R. Grauer. "On the Predictability of Stock Market Returns." In Decision Sciences Institute Proceedings, 2005, 22731-22736.

Robert R. Grauer and Nils H. Hakansson. "Historical Returns on Portfolios of Stocks, Bonds, and Bills, With and Without Small Stocks." In *Geld, Banken und Versicherun II* (eds. Hermann Goppl and Rudolf Henn), Karlsruhe: VVW, 1985, 885-900.

Robert R. Grauer and Nils H. Hakansson. "Long-Run Investment Theory with Application to Pension Funds." In *Geld, Banken und Versicherun I* (eds. Hermann Goppl and Rudolf Henn), Konigstein: Athenaum, 1981, 417-429.

## **Other Publications**

Robert R. Grauer. "Field Notes: Is the CAPM Testable?" *Canadian Investment Review*, 12 (Summer 1999), 64-66.

## **WORK IN PROGRESS**

Michael J. Best and Robert R. Grauer. "Prospect Theory and Portfolio Selection." November 2010, current version March 2015.

Michael J. Best and Robert R. Grauer. "Prospect-Theory Versus Power-Utility and Mean-Variance Portfolios." July 2011, current version November 2014.

Robert R. Grauer. "Is the Market Portfolio Mean-Variance Efficient?" November 2013, current version June 2015

### **UNPUBLISHED PAPERS**

Robert R. Grauer. "On the Power of Multivariate Tests of Mean-Variance Efficiency." March 1993.

Robert R. Grauer. "On Meaningful Tests of Different Capital Asset Pricing Models." May 1986.

Robert R. Grauer and John P. Herzog. "Arbitrage and the Strange Case of Royal Dutch/Shell." September 1984.

Robert R. Grauer. "A Correlations Test of the Capital Asset Pricing Model." September 1983.

Michael J. Best and Robert R. Grauer. "Capital Asset Pricing Model Variables Compatible With Observed Market Value Weights: The Theory." January 1983.

Michael J. Best and Robert R. Grauer. "Estimates of Minimum Shifts in Mean Returns to Make the 'Market Portfolio' Mean-Variance Efficient." October 1981.

Robert R. Grauer and John P. Herzog. "The Oil Crisis: Changing Risk and Market Efficiency." October 1981.

Robert R. Grauer. "Tests of the Capital Asset Pricing Model Focusing on Mean-Variance Efficiency and the Security Market Line." July 1979.

Robert R. Grauer. "Belief Reinforcement in Capital Asset Pricing, With Implications for Empirical Testing." August 1979.

Robert R. Grauer. "Capital Asset Pricing With Heterogeneous Tastes and Beliefs." February 1979.

### **PRESENTATIONS**

2015 Western Decision Sciences Institute, Lahina Hawaii

2014 Western Decision Sciences Institute, Napa California

2013 Simon Fraser University, Beedie School of Business

2011 Simon Fraser University, Beedie School of Business  
Northern Finance Association, Vancouver  
Simon Fraser University, Department of Economics  
University of Toronto  
Wilfrid Laurier University

2010 Northern Finance Association, Winnipeg

2009 Simon Fraser University

2008 2008 Hawaii International Conference in Business, Honolulu  
McGill University

- 2007 Canadian Operational Research Society, London Ontario  
Simon Fraser University  
Northern Finance Association, Toronto  
INFORMS, Seattle
- 2005 Western Decision Sciences Institute, Vancouver (two papers)  
2005 Hawaii International Conference in Business, Honolulu  
Northern Finance Association, Vancouver  
22nd Canadian Econometrics Study Group Conference, Vancouver  
Decision Sciences Institute, San Francisco
- 2004 University of Washington  
University of British Columbia  
University of Toronto
- 2003 Simon Fraser University  
Northern Finance Association, Quebec City
- 2002 Simon Fraser University
- 2001 University of Victoria  
Pacific Northwest Finance Conference, Seattle  
Northern Finance Association, Halifax  
The 9th Conference on Pacific Business, Economics & Finance, Rutgers University
- 2000 Northern Finance Association, Waterloo  
Simon Fraser University
- 1999 Pacific Northwest Finance Conference, Seattle  
Northern Finance Association, Calgary  
University of British Columbia  
Vancouver Society of Financial Analysts
- 1998 Northern Finance Association, Toronto  
University of California, Berkeley  
The 6th Conference on Pacific Business, Economics & Finance, Hong Kong  
VII International Conference on Stochastic Programming, Vancouver (two papers)  
Presentations by Nils Hakansson at the 6th Conference on Pacific Business, Economics & Finance, Hong Kong, VII International Conference on Stochastic Programming, Vancouver, and at the European Finance Association Meetings, Fontainebleau, France
- 1997 President's Lecture Series, Simon Fraser University  
Northern Finance Association, Winnipeg, Manitoba (two papers)  
Euro Working Group on Financial Modeling, Venice, Italy (with Nils Hakansson)  
Simon Fraser University
- 1995 Pacific Northwest Conference, Seattle  
Northern Finance Association, London, Ontario  
University of British Columbia  
Presentations by Nils Hakansson, Isaac Newton Conference, Cambridge, TIMS/ORSA meetings, Singapore
- 1994 Northern Finance Association, Vancouver

- University of British Columbia
- 1993 American Finance Association, Anaheim  
Pacific Northwest Finance Conference, Seattle
- 1992 Northern Finance Association, Toronto  
Presentations by Nils Hakansson, American Finance Association, New Orleans,  
European Finance Association, Lisbon, University of Michigan  
Presentation by Fred Shen, Northern Finance Association, Toronto
- 1991 Northern Finance Association, Montreal  
Presentation by Nils Hakansson, European Finance Association  
Presentation by Fred Shen, Northern Finance Association, Montreal
- 1990 University of Alberta  
McGill University  
Western Finance Association, Santa Barbara  
Northern Finance Association, Banff  
University of Waterloo  
Conference on Financial Economics and Accounting at Rutgers  
Presentation by Nils Hakansson, European Finance Association
- 1989 Western Finance Association, Seattle  
Northern Finance Association, Ottawa (Two Papers)  
University of British Columbia  
York University  
Berkeley Program in Finance  
Presentations by Nils Hakansson, the Wharton School and European Finance Association
- 1988 Western Finance Association, Napa  
American Finance Association, New York  
Presentation by Nils Hakansson, European Finance Association
- 1987 Western Finance Association, San Diego (Two Papers)  
Presentation by Nils Hakansson, European Finance Association
- 1986 Western Finance Association, Colorado Springs (Two Papers)  
University of British Columbia  
University of Washington  
Presentations by Nils Hakansson, Denmark, France, Great Britain, Israel, and the  
American Finance Association, New Orleans
- 1985 Western Finance Association, Scottsdale  
Berkeley Program in Finance  
University of Alberta  
Presentations by Nils Hakansson, Berkeley Program in Finance, Australian Graduate  
School of Management, Macquarie University, Southern Methodist University, Duke  
University, and University of Southern California
- 1984 University of British Columbia  
University of California, Berkeley
- 1983 Western Finance Association, Long Beach



- University of Waterloo
- 1982 Western Finance Association, Portland  
Queens University  
University of Toronto
- 1981 Berkeley Program in Finance  
Presentation by John Herzog, FRF Conference, Banff  
Presentations by Nils Hakansson in Germany and Sweden
- 1980 University of California, Berkeley
- 1979 Western Finance Association, San Francisco
- 1978 Western Finance Association, Hawaii
- 1977 University of British Columbia
- 1976 University of British Columbia  
University of Toronto
- 1975 University of Waterloo