ROBERT R. GRAUER

Beedie School of Business August 2015

Simon Fraser University

8888 University Drive, Burnaby, BC, Canada V5A 1S6

Phone: 778 782 3722 Fax: 778 782 4920

E-mail: grauer@sfu.ca

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 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 Pacific Northwest Finance Conference, Seattle Northern Finance Association, Calgary University of British Columbia Vancouver Society of Financial Analysts 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 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 Western Finance Association, Portland Queens University University of Toronto Berkeley Program in Finance Presentation by John Herzog, FRF Conference, Banff Presentations by Nils Hakansson in Germany and Sweden University of California, Berkeley Western Finance Association, San Francisco Western Finance Association, Hawaii University of British Columbia University of British Columbia University of Toronto

1975 University of Waterloo