PROPOSITIONS

for the doctoral thesis

ASSESSING ASSET PRICING ANOMALIES

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I. The value and momentum effects are also present in the new emerging equity markets, the so-called frontier emerging markets, which reduces the possibility that they can be explained by data mining (Chapter 2).

II. The short-term reversal premium is high and significant net of trading costs, once the universe is limited to larger cap stocks and more sophisticated trading rules are applied (Chapter 3).

III. While value stocks are associated with distress risk, the value premium is priced beyond distress risk (Chapter 4).

IV. Once corrected for distress risk, a significant small-cap premium can be observed even after the early 1980s (Chapter 4).

V. Tournament behavior can go a long way towards explaining the low-risk anomaly (Chapter 5).

VI. Investors who consider only the general commodity market premium in the strategic allocation process, may conclude that commodities deserve little or no role at all in the portfolio and thereby also miss out on the other factor premiums available to commodity investors, such as momentum, carry and low-risk.

VII. A commodity momentum strategy that invests in contracts on the futures curve with the strongest momentum earns significantly higher risk-adjusted returns than a traditional momentum strategy, which only invests in the nearest contracts.

VIII. Empirical research into investment strategies with the aim to manage assets based on its findings, has a lower chance of being falsified than comparable research with the objective to end up in a high-quality academic journal.

IX. Index investing is not the same as passive investing, since most indices are active strategies.

X. It is easier to sell a complex, black-box investment strategy than a robust, transparent and uncomplicated investment strategy.

XI. Proposition XI is not true.