

# S&P Dow Jones Indices Announces Winners of Second Annual SPIVA Awards Program

**Winning Research Offers a New Perspective in the Active Management versus Passive Investing Debate**

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NEW YORK, March 18, 2013 /[PRNewswire](#)/ -- A team of researchers from the Netherlands have claimed first prize (USD \$30,000) for their comprehensive study on the outperformance of fund managers who have had the conviction to deviate from their portfolio benchmark in S&P Dow Jones Indices' second annual SPIVA Awards program. Second prize (USD \$15,000) in the SPIVA Awards program went to a researcher from Denmark for the impact of new regulation on fixed income market liquidity.

In its second year, the S&P Dow Jones Indices' SPIVA Awards recognizes excellence in research on the topic of index-related applications, acknowledging researchers from around the world for exploring innovative techniques that enhance the use of indices in the financial markets. Winners are selected by a jury of academics and industry experts.

The winning paper, "Information Content when Mutual Funds Deviate from Benchmarks," published by Hao Jiang and Marno Verbeek of the Rotterdam School of Management, Erasmus University and Yu Wang of Quantitative Indicator Fund of IMC Asset Management, shows that the consensus wisdom of active mutual fund managers, as reflected in their average over- and underweighting decisions relative to their benchmark indices, contains valuable information about future stock returns. Thus, in pursuit of adding long-term value, the active managers should have the conviction to take large short-term risks relative to the benchmark.

Honorable mention (second prize) was awarded to Jens Dick-Nielsen of the Copenhagen Business School in Denmark for his research paper entitled "Dealer Inventory and the Cost of Immediacy" which highlights the side-effects of new regulations aimed at investor protections and containing risks. To comply with the new regulations, the dealers have to reduce inventory, which in theory would lead to an increase in the cost of trade executions, and reduction in market efficiency.

"The ongoing popularity, success, and growth of investing with indices depends on investments in intellectual capital and research," says David M. Blitzler, Managing Director & Chairman of the Index Committee at S&P Dow Jones Indices. "We support these efforts through the SPIVA Awards as well as with our own internal research. The winning paper shows that some managers who have the courage of their convictions can outperform by holding portfolios very different from their index benchmarks. The second paper uses index rebalancing to examine the impact of new financial regulations on liquidity in the fixed income markets."

To view the complete papers, as well as the biographies of each SPIVA Awards winner, please visit:  
[www.spindices.com/spiva-awards](http://www.spindices.com/spiva-awards)

## About SPIVA

The SPIVA scorecard reveals quarterly performance data for U.S. equity, international and fixed income mutual funds benchmarked against appropriate asset class indices. More than 3500 actively managed funds are covered in the scorecard. Mutual fund data is derived from CRSP® Survivor-Bias-Free U.S. Mutual Fund Database.

The SPIVA methodology is designed to provide an accurate and objective apples-to-apples comparison of funds' performance versus their appropriate style indices, correcting for factors that have skewed results in previous index-versus-active analyses in the industry. SPIVA scorecards show both asset-weighted and equal-weighted averages, include survivorship bias correction to account for funds that may have merged or been liquidated during the period under study, and show style consistency for each style group across different time horizons.

## About S&P Dow Jones Indices

S&P Dow Jones Indices LLC, a subsidiary of The McGraw-Hill Companies, Inc., is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500<sup>®</sup> and the Dow Jones Industrial Average<sup>SM</sup>, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of institutional and retail investors. More assets are invested in products based upon our indices than any other provider in the world. With over 830,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit [www.spdji.com](http://www.spdji.com).

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