

Reference literature for the Low Risk factor

- Ang, A., Hodrick, R. J., Xing, Y., & Zhang, X. (2006). The cross-section of volatility and expected returns. *The Journal of Finance*, 61(1), 259-299.
- Asness, C. S., Frazzini, A., Gormsen, N. J., & Pedersen, L. H. (2017). Betting against correlation: Testing theories of the low-risk effect. *Unpublished Results*.
- Asness, C. S., Frazzini, A., & Pedersen, L. H. (2012, jan). Leverage aversion and risk parity. *Financial Analysts Journal*, 68(1), 47-59.
- Baker, M., Bradley, B., & Taliaferro, R. (2014, mar). The low-risk anomaly: A decomposition into micro and macro effects. *Financial Analysts Journal*, 70(2), 43-58. Retrieved from <http://dx.doi.org/10.2469/faj.v70.n2.2>
- Baker, M., Bradley, B., & Wurgler, J. (2011). Benchmarks as limits to arbitrage: Understanding the low-volatility anomaly. *Financial Analysts Journal*, 67(1), 40-54.
- Baker, N., & Haugen, R. A. (2012). Low risk stocks outperform within all observable markets of the world. *Unpublished Results*.
- Bali, T. G., Brown, S. J., Murray, S., & Tang, Y. (2017, dec). A lottery-demand-based explanation of the beta anomaly. *Journal of Financial and Quantitative Analysis*, 52(06), 2369-2397.
- Barberis, N., & Huang, M. (2008, nov). Stocks as lotteries: The implications of probability weighting for security prices. *American Economic Review*, 98(5), 2066-2100. Retrieved from <http://dx.doi.org/10.1257/aer.98.5.2066>
- Barroso, P., & Maio, P. (2017). Managing the risk of the betting-against-beta anomaly: does it pay to bet against beta? *Unpublished Results*.
- Black, F. (1972). Capital market equilibrium with restricted borrowing. *The Journal of Business*, 45(3), 444-455.
- Black, F. (1993, jan). Beta and return. *The Journal of Portfolio Management*, 20(1), 8-18. Retrieved from <http://dx.doi.org/10.3905/jpm.1993.409462>
- Blitz, D. (2014, Sep). Agency-based asset pricing and the beta anomaly. *European Financial Management*, 20(4), 770-801.
- Blitz, D. (2016, apr). The value of low volatility. *The Journal of Portfolio Management*, 42(3), 94-100.
- Blitz, D., & van Vliet, P. (2007). The volatility effect. *The Journal of Portfolio Management*, 34(1), 102-113.
- Blitz, D., & Vidojevic, M. (2017, sep). The profitability of low-volatility. *Journal of Empirical Finance*, 43, 33-42.

- Cederburg, S., & O'Doherty, M. S. (2016, mar). Does it pay to bet against beta? On the conditional performance of the beta anomaly. *The Journal of Finance*, 71(2), 737-774.
- Christoffersen, S. E. K., & Simutin, M. (2017, apr). On the demand for high-beta stocks: Evidence from mutual funds. *The Review of Financial Studies*, 30(8), 2596-2620.
- Cornell, B. (2009, aug). The pricing of volatility and skewness: A new interpretation. *The Journal of Investing*, 18(3), 27-30. Retrieved from <http://dx.doi.org/10.3905/JOI.2009.18.3.027>
- Driessen, J., Kuiper, I., & Beilo, R. (2017). Does interest rate exposure explain the low-volatility anomaly? *Unpublished Results*.
- Eraker, B., & Ready, M. (2015, mar). Do investors overpay for stocks with lottery-like payoffs? an examination of the returns of OTC stocks. *Journal of Financial Economics*, 115(3), 486-504. Retrieved from <http://dx.doi.org/10.1016/j.jfineco.2014.11.002>
- Fong, W. M. (2016, feb). Time horizon and the beta anomaly. *The Journal of Investing*, 25(1), 46-58.
- Frazzini, A., & Pedersen, L. H. (2014). Betting against beta. *Journal of Financial Economics*, 111(1), 1-25.
- Haugen, R. A., & Heins, A. J. (1972). On the evidence supporting the existence of risk premiums in the capital market. *Unpublished Results*.
- Haugen, R. A., & Heins, A. J. (1975). Risk and the rate of return on financial assets: Some old wine in new bottles. *Journal of Financial and Quantitative Analysis*, 10(5), 775-784.
- Hong, H., & Sraer, D. A. (2016, may). Speculative betas. *The Journal of Finance*, 71(5), 2095-2144. Retrieved from <http://dx.doi.org/10.1111/jofi.12431>
- Hou, K., & Loh, R. K. (2016, jul). Have we solved the idiosyncratic volatility puzzle? *Journal of Financial Economics*, 121(1), 167-194.
- Hsu, J., Kudoh, H., & Yamada, T. (2013). When sell-side analysts meet high-volatility stocks: An alternative explanation for the low-volatility puzzle. *Journal of Investment Management*, 11(2), 28-46.
- Hsu, J., & Li, F. (2013, aug). Low-volatility investing. *The Journal of Index Investing*, 4(2), 67-72. Retrieved from <http://dx.doi.org/10.3905/jii.2013.4.2.067>
- Jong, J. D., & Palkar, D. D. (2016, aug). Risk and the volatility anomaly. *The Journal of Investing*, 25(3), 17-28.
- Kolokolova, O., Courtois, O. L., & Xu, X. (2018). Is it efficient to buy the index? a worldwide tour with stochastic dominance. *Unpublished Results*.
- Kudoh, H., Miazzi, A., & Yamada, T. (2015, nov). The low-correlation enhancement: How to make alternative beta smarter. *The Journal of Investing*, 24(4), 81-91.
- Li, X., Sullivan, R. N., & Garcia-Feijóo, L. (2016, jan). The low-volatility anomaly:

- Market evidence on systematic risk vs. mispricing. *Financial Analysts Journal*, 72(1), 36-47. Retrieved from <http://dx.doi.org/10.2469/faj.v72.n1.6>
- Liu, J., Stambaugh, R. F., & Yuan, Y. (2018, apr). Absolving beta of volatility's effects. *Journal of Financial Economics*, 128(1), 1-15.
- Maguire, P., Kelly, S., Miller, R., Moser, P., Hyland, P., & Maguire, R. (2017, jan). Further evidence in support of a low-volatility anomaly: Optimizing buy-and-hold portfolios by minimizing historical aggregate volatility. *Journal of Asset Management*, 18(4), 326-339.
- Novy-Marx, R. (2016). Understanding defensive equity. *Unpublished Results*.
- Piotroski, J. D. (2000). Value investing: The use of historical financial statement information to separate winners from losers. *Journal of Accounting Research*, 38, 1-41.
- Rezgui, B. (2017). Low volatility factor - analysis of the anomaly in different interest rate environments. *Unpublished Results*.
- Schmielewski, F., & Stoyanov, S. (2017, apr). Defensive portfolio construction based on extreme value at risk. *The Journal of Portfolio Management*, 43(3), 42-50.
- Shefrin, H., & Statman, M. (1985). The disposition to sell winners too early and ride losers too long: theory and evidence. *The Journal of Finance*, 40(3), 777-790.
- Walkshäusl, C. (2013, nov). The high returns to low volatility stocks are actually a premium on high quality firms. *Review of Financial Economics*, 22(4), 180-186. Retrieved from <http://dx.doi.org/10.1016/j.rfe.2013.06.001>
- Walkshäusl, C. (2014, oct). International low-risk investing. *The Journal of Portfolio Management*, 41(1), 45-56. Retrieved from <http://dx.doi.org/10.3905/jpm.2014.41.1.045>
- Wang, X. (2017, mar). Will firm quality determine the relationship between stock return and idiosyncratic volatility? a new investigation of idiosyncratic volatility. *Journal of Asset Management*, 18(5), 388-404.