



The Journal Of Investment Management (JOIM) and New Frontier Advisors Announce the 2025 Harry M. Markowitz Award Winners

Prizes Recognize Outstanding Contributions to Contemporary Investment Research Published in JOIM

Lafayette, CA – March 24, 2026 – The Journal of Investment Management (JOIM) and New Frontier Advisors proudly announce the recipients of the 2025 Harry M. Markowitz Award, named in honor of Dr. Harry M. Markowitz, a seminal figure in modern portfolio theory and practice.

This award recognizes exceptional research in contemporary investment management. Sponsored jointly by JOIM and New Frontier Advisors, the prize celebrates Dr. Markowitz's enduring legacy in advancing both fundamental research and practical applications in finance.

The top Markowitz Award includes a \$10,000 honorarium for the most outstanding paper published in JOIM during the prior calendar year. In addition, a Special Distinction Award, each accompanied by a \$5,000 honorarium, recognizes papers of significant merit that contribute meaningfully to the advancement of financial theory and practice.

These awards will be presented at the JOIM conference on Tuesday, March 24, 2026.

Spring 2026 Conference / March 22 – 24, 2026
Haas School of Business, UC Berkeley, CA

2025 Markowitz Award Winner

“The CAPM, APT, and PAPM” by Thomas M. Idzorek, Paul D. Kaplan and Roger G. Ibbotson.

This paper proposes a generalization of the Capital Asset Pricing Model (CAPM) and Arbitrage Pricing Theory (APT), incorporating popularity as a determinant of multiple price characteristics. While CAPM and APT remain dominant textbook asset pricing models, both rely on restrictive and unrealistic assumptions. Building on the insights from Fama and French (2007), who identify “tastes” and “disagreement” as impacting asset prices, the PAPM framework incorporates heterogeneous investor risk and non-risk preferences (tastes) and divergent beliefs regarding expected returns and risk (disagreement). In aggregate, these factors influence equilibrium prices, offering a more flexible and realistic pricing model.

Special Distinction Awards

“Forecasting and Managing Volatility: An S&P 500 Case Study,” by Wei Dai, Xing Hong, Robert C. Merton, and Mathieu Pellerine.

Using daily and intraday data from 1997 to 2023, the authors evaluate strategies designed to stabilize volatility around a target by rebalancing between the S&P 500 and Treasury bills based on a broad set of volatility forecasts. Somewhat counterintuitively, lower forecasting errors do not necessarily result in more stable strategy volatility. Simpler forecasting approaches, including models with fewer parameters and implied volatility combined with historical return estimators, demonstrate effective volatility control with lower turnover. The authors show that target volatility strategies studied are viable in the presence of realistic trading costs, delays between forecasting and rebalancing, or constraints on rebalancing frequency. Their findings provide practical guidance for improving portfolios with constant target weights (e.g., a 60/40 portfolio) in achieving and maintaining investors’ desired volatility exposures over time.

“The Risk Matters Hypothesis,” by Victor Haghani, James White, Vlad Ragulin and Jeffrey Rosenbluth.

The advent of commission free trading and low-cost ETFs empowered retail investors but also introduced new behavioral risks. While fees have significantly decreased, hidden costs related to increased risk have emerged. This article explores Warren Buffett’s critique of “casino-like” investor behavior and introduces the “Risk Matters Hypothesis” (RMH), a corollary to John Bogle’s “Cost Matters Hypothesis” (CMH). The RMH posits that active portfolios often assume greater average risk than the market portfolio, leading to a lower return-to-risk ratio (Sharpe ratio) for concentrated stock portfolios than diversified index funds. The paper argues that excessive risk-taking functions similarly to fees that reduce expected risk-adjusted returns. By examining both explicit and implicit costs, the authors advocate for a disciplined, risk-aware investment approach.

Robert Michaud, Co-Founder and Chief Investment Officer of New Frontier Advisors, congratulates the winners: “These contributions help advance investment research and offer meaningful insights for both academics and practitioners. We are proud to support research that strengthens the intellectual foundations of modern portfolio management.”

About New Frontier Advisors

New Frontier Advisors is a research-driven investment technology and advisory firm delivering advanced portfolio optimization solutions since 1999. Our Michaud Optimization™ process, validated through rigorous academic research and recognized with four patents, powers market-adaptive, risk-managed portfolios designed to align with investor objectives. With deep quantitative expertise and robust technology, New

Frontier equips institutions and financial advisors to navigate market uncertainty and pursue more consistent, reliable investment outcomes. As an ETF strategist pioneer, we have a 21-year track record of constructing ETF portfolios designed to deliver consistent, long-term value to clients.

The firm also sponsors the New Frontier Institute, a scholarly repository and resource for academics, investment professionals, and investors interested in the evolution of quantitative asset management including Dr. Richard Michaud's long-term research bridging theory and practice.

About the Journal Of Investment Management (JOIM)

Founded in 2003, JOIM is a peer-reviewed journal that bridges the gap between investment theory and practice. Featuring rigorous research from leading academics and practitioners, JOIM provides insights that are both analytically sound and practically relevant to investors worldwide.

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