

## New Frontier Advisors Founder Publishes Pathbreaking Investment Book

Boston, MA (January 9, 2023). Dr. Richard Michaud, President, and CEO of New Frontier Advisors LLC announced today the publication of his latest research on theory and practice in investment management: [Finance's Wrong Turns: A New Framework for Financial Markets, Asset Management, and Social Science, published by Palgrave Macmillan.](#)

There is a foundational crisis in financial theory and professional investment practice. There is little credible evidence that active investment strategies and traditional quantitative investment technologies can provide superior risk-adjusted, cost-adjusted returns over investment-relevant investment horizons. Investors often adopt minimal cost no-information index or rule-based factor fund investments. Why are investors increasingly ignoring professional asset management? Can professional asset management be justified?

Economic and financial theory has been in error for more than sixty years and is the fundamental cause of the persistent ineffectiveness of professional asset management. Mathematical axioms that claimed to define rational economic theory are now understood to be demonstrably inconsistent with persistent patterns of rational human decision-making. Essentially, finance and social science needed to back up before being set on a more productive and useful path.

A new appreciation of the sociological context of economic and financial theory via agent-based modeling, innovations in preference theory, and a new context for expected utility leads to a novel understanding of modern equity markets as a financial intermediary and uniquely appropriate framework for meeting long-term investment objectives. The end result is a more human sociological context for financial and economic theory and enhanced investment practice.

*Finance's Wrong Turns* uses the economic framework taught in most business school classrooms and in professional presentations to shed new light concerning the limitations of traditional tools of quantitative asset management. In non-technical language, Michaud argues for contemporary statistical tools and U.S. patented methodologies and innovations to redefine portfolio optimality and procedures to enhance professional money management.

### About the Author

Dr. Richard Michaud is the President, Founder, and Chief Executive Officer of New Frontier Advisors. He earned a Ph.D. in Mathematics and Statistics from Boston University and has taught investment management at Columbia University. His research and consulting have focused on asset allocation, investment strategies, global investment management, optimization, stock valuation, and trading costs. He is the author of *Efficient Asset Management* (Harvard 1998, 2nd ed. Oxford 2008 with Robert Michaud), *Investment Styles, Market Anomalies, and Global Stock Selection* (CFA Research Monograph 1999), and over 60 published journal articles, manuscripts, and white papers available at SSRN.com and Researchgate.com and on the [www.newfrontieradvisors.com](http://www.newfrontieradvisors.com) website. He is a co-holder of four U.S. patents in portfolio optimization and asset management, a Graham and Dodd Scroll winner for his work on optimization, a former editorial board member of the Financial Analysts Journal, associate editor of

the Journal of Investment Management, and former director of the “Q” Group. Dr. Michaud's research was recently profiled in *WatersTechnology* 2019: "Rebel Math." Notable press articles include *Institutional Investor* 2010: Modern Portfolio Theory's Evolutionary Road, and *Pensions & Investments* 2003 "Markowitz says Michaud has built a better mousetrap."

#### **About New Frontier Advisors**

**New Frontier** New Frontier Advisors, LLC is a privately-owned investment management firm based in Boston, MA. New Frontier optimizes investment portfolios for financial advisors and their clients, so they have the greatest probability of reaching their financial goals. New Frontier was founded in 1999 and has under management approximately \$4.5B in assets. As a leader in portfolio optimization and the first ETF strategist, New Frontier pioneered constructing portfolios using exchange-traded funds (ETFs). Using our research, patented investment technology in portfolio optimization and rebalancing, and proven investment process, we are committed to designing the most effective risk-managed portfolios for our clients.

For more information, visit [www.newfrontieradvisors.com](http://www.newfrontieradvisors.com) [www.newfrontierinstitute.com](http://www.newfrontierinstitute.com) and follow the Press Office on Twitter @NFABoston

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