

# Andreas Brøgger

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## Academic Appointments

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Assistant Professor of Finance, Rotterdam School of Management, Erasmus University	2023 –
Research Fellow, Netspar	2024 –
Associate Research Member, ERIM, Erasmus University	2023 –
Guest Researcher, Copenhagen Business School	2023 – 2024
Visiting Scholar, University of Luxembourg	2021 – 2022
Visiting Scholar, The Wharton School, University of Pennsylvania	2019 – 2020

## Education

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Ph.D. in Finance, Copenhagen Business School	2017 – 2023
Advanced Diploma in Economics, University of Cambridge	2013 – 2014
M.Phys. B.Sc. (1st class Honours) in Physics, University of Warwick	2009 – 2013

## Research Interests

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Asset Management, Asset Pricing, Sustainable Finance

## Research Papers

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7. **FOMO in Equity Markets? Concentration Risk in (Sustainable) Investing** (with Joren Koëter and Mathijs van Dijk).

*Media mentions in De Tijd, Pensioen Pro, Financialinvestigator x2, Top1000funds.com.*

*Article on pension fund decreasing concentrated portfolio after our paper release in ipe.com.*

*Pension fund wrote reply to our paper on low number of stocks in their portfolio on their website (in Dutch).*

**Abstract:** This paper revisits the financial consequences of imperfectly diversified portfolios – in light of the trend towards concentrated (sustainable) portfolios among some institutional investors. Based on a large global sample of stocks over 1985–2023, we find that – in contrast to common beliefs and prior studies – it takes considerably more than 30–40 stocks to fully diversify idiosyncratic risk. Our second key finding is that concentrated portfolios involve a hitherto unstudied risk: FOMO (Fear Of Missing Out) – just 2% of stocks account for all stock market wealth creation and smaller portfolios have a greater probability of missing out on these top-performing stocks. We find similar diversification and FOMO effects for portfolios constructed based on ESG screens, exclusion of sin industries, and portfolio weight optimization.

6. **The Future of Emissions** (with Jules van Binsbergen).

*Presented at the AFA, EFA, and SFS Cavalcade.*

**Abstract:** We argue for the introduction of firm-level emission futures contracts as a novel way of assessing the real impact of ESG initiatives. Our measure is based on the forward-looking market-based valuation of firm-level CO<sub>2</sub> emissions. We establish both theoretically and empirically that backward-looking subjective ratings are limited to the extent that they fail to capture future re-

ductions in emissions. We show evidence that although lower emissions have predicted higher E ratings, higher E ratings have predicted higher, not lower, emissions. As such, by following these subjective ratings, investors may have inadvertently allocated their money to firms that pollute more, not less. We discuss several applications of our new measure, including executive pay and investment management.

## 5. Skills and Sentiment in Sustainable Investing (with Alexander Kronies).

*Best Paper in Finance Award, Second BFGA Conference.*

*Presented at the fourth University of Oklahoma Energy and Climate Finance Research Conference co-sponsored by the Review of Financial Studies.*

**Abstract:** We document a significant difference in the returns to sustainable investing across investor types. Investors with strict ESG mandates earn 3.1% less than flexible investors. The mechanism is that flexible investors are able to react on expected ESG improvements. Without engaging in activism, flexible investors buy stocks that subsequently experience ESG score increases. After ESG improvements have realized, demand from strict mandate investors pushes up stock prices, resulting in positive returns for flexible investors. A new climate sentiment measure shows that the performance gap is higher when accompanied by rising sentiment, as seen during the 2010s. Our channel accounts for 51% of the return difference between strict and flexible ESG investment mandates. Hence, going from backward to forward-looking ESG ratings could reduce both capital misallocation and wealth transfer from strict investors, such as pension funds, to more flexible investors, such as hedge funds.

## 4. Corporate Asset Pricing (sole author).

**Abstract:** I show the new fact that idiosyncratic volatility significantly predicts the convenience yield. This fact is hard to reconcile with current theories. I develop a new theory that reconciles this puzzle - a theory I label Corporate Asset Pricing (CAP). CAP is verified in the cross-section of firm holdings and has been an important driver at least since the 1920's. I provide causal interpretability by isolating my demand-based effect from confounders by using plausibly exogenous cross-sectional variation in corporation size and industry exposures. The results provide support for the importance of corporates as an investor class.

## 3. Macroprudential Buffers: Trading Systemic Risk for Risk Premia (sole author).

**Abstract:** I document that equity prices fall as macroprudential buffers are announced. This is consistent with macroprudential buffers leading to an increase in risk premia, from a heightened price of risk. Theoretically, I develop a model that predicts that as buffers are announced 1) The price of risk increases, 2) Systemic risk falls, and 3) Intermediaries' risky asset allocation decreases, as other agents with higher risk aversion increase their portfolio weights in the risky asset. Empirically, I find evidence consistent with the first and third prediction. The second remains a testable implication of my model. In summary, this paper sheds light on the equilibrium effects of implementing new financial regulation on asset prices and systemic risk.

## 2. Identification and assessment of systemic risks in financial networks: Modelling fire sales from regulatory cliff effects (with Graeme Cokayne), *Danmarks Nationalbank Working Paper*, Number 117.

**Abstract:** This paper investigates fire sales triggered by regulatory cliff effects induced by the loss of Capital Requirements Regulation (CRR) compliance on covered bonds. The loss of CRR compliant status leads to banks holding these covered bonds to lose several regulatory advantages, one consequence being a lower solvency. In our analysis, following the loss of CRR compliance,

banks sell off their covered bonds in a fire sale, in an attempt to return to their initial solvency, resulting in losses of equity for the system as a whole. Further, we find that, for price impacts larger than a critical threshold, even small shocks lead to explosive fire sales and large losses of equity. While these losses can be averted if the banks allow their solvency levels to fall temporarily, other regulations, such as those relating to large exposures to other banks, could still trigger similar fire sales.

## Research in Progress

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### 1. The Market for Green Funds (with François Koulischer and Michael Halling).

**Abstract:** We derive a model that predicts the rise of green investment funds. The model further explains how green funds have higher value-added, even though their alphas are lower than brown funds after controlling for rising sentiment. We go on to document the growth of green funds from 12% of managed equities in 2013 to 56% by 2021, where we circumvent issues of greenwashing by using the actual emissions of underlying holdings. Dissecting this growth, we find stark differences between North America and Europe, both in terms of magnitude and source of growth. The results provide support for a lower expected return for green funds going forward, and raises concerns regarding the investor share of value-added in green funds.

## Co-Founder and Co-Organizer

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Dutch Financial Economics of Climate and Sustainability (FECS) Workshop	2024-
Dutch Sustainable Finance Network (DSFN)	2023-

## Media Attention

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Article on FOMO and concentration risk, CFA Society Netherlands: Is a sustainable, well-diversified equity portfolio possible?	2025
Article on FOMO and concentration risk, BlackRock: Good governance and double materiality	2025
Blog Post on FOMO and concentration risk, prof-soehnholz.com (in English)	2025
Article on FOMO and concentration risk, Pensioen Pro (in Dutch)	2025
Article on FOMO and concentration risk, De Tijd (in Dutch)	2025
Article on FOMO and concentration risk, Top1000funds.com	2025
Blog Post on Future of Emissions, Wharton Climate Center	2024
News Article on Future of Emissions, Jyllandsposten and Finans (In Danish)	2023
Podcast on Future of Emissions, Rig på Viden, Episode 79	2022
Podcast on Skills and Sentiment in Sustainable Finance, Rig på Viden, Episode 13	2020
Blog Post on Skills and Sentiment in Sustainable Finance, CAIA Association	2020
Central Bank Publication on Cliff Effects, Danmarks Nationalbank	2016
News Article on Cliff Effects, Danmarks Radio	2016
News Article on Cliff Effects, FinansWatch	2016
News Article on Cliff Effects, Finans	2016

## Honors, Awards, and Grants

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Nominated, Mariëtte Kaandorp Prize for Excellence in Thesis Mentoring	2025
€ 2 250 ERIM Conference and Workshop Grant	2025
€ 5 500 ERIM Personal Research Assistance Grant	2024
€ 25 000 Netspar Topicality Grant	2024

Research Fellow, Netspar	2024
Associate Research Fellow, ERIM	2023
Guest Researcher, Copenhagen Business School	2023
Finalist, Brandes Center Prize	2023
Best Paper Award, Behavioral Research in Finance, Governance, and Accounting Conference	2020
Travel Grant, Princeton Initiative: Macro, Money and Finance	2019
Research Fellow, Center of Financial Frictions (FRIC)	2017
PhD Scholarship Grant, grant no. DNRF102	2017
Warwick Renmin University Scholarship	2011
CEDIES Scholarship	2009

## Invited Seminars and Conferences

\* indicates select presentations by co-author. Includes scheduled.

**2025 Conferences** Netspar Anniversary Congress Pension & Science (Attended by Queen Máxima of the Netherlands)\*, SFS Cavalcade, IPE Annual Conference and Awards

**Seminars** The University of St Andrews Business School\*, Netspar After-lunch Webinar\*, CFA Netherlands\*, Rotterdam School of Management\*, ABN AMRO, Erasmus University, Stockholm School of Economics (SSE), ICPM Webinar\*

**2024 Conferences** American Finance Association Annual Meeting (AFA), Dutch Sustainable Finance Workshop, International Centre for Pension Management (ICPM) Discussion Forum co-hosted at PGGM, European Finance Association Annual Meeting (EFA),

**Seminars** Utrecht University, Erasmus University (EUR), Vrije Universiteit Amsterdam (VU), Cambridge University Judge Business School, Robeco Investment Engineers

**2023 Seminars** BlackRock\*, Copenhagen Business School, Rotterdam School of Management at Erasmus University, Universidad Carlos III de Madrid, École Supérieure de Commerce de Paris (ESCP), Instituto de Estudios Superiores de la Empresa (IESE), Tilburg University, Stockholm School of Economics (SSE), Stockholm Business School, HEC Paris, Federal Reserve Board

**2022 Conferences** American Finance Association Annual Meeting (AFA) PhD Poster Session, American Economic Association Annual Meeting (AEA) PhD Poster Session, Review of Financial Studies (RFS) and University of Oklahoma Energy and Climate Finance Research Conference\*, Copenhagen Business School FRIC Final Event, HEC Paris 6th Finance PhD Workshop, BI Norwegian Business School and Nordic Finance Network (NFN) Young Scholars Workshop, Università di Bologna 1st YSBC Sustainable Finance Conference

**Seminars** Chartered Financial Analyst Society Denmark (CFA)

**2021 Conferences** EEA-ESEM 36th Congress of the European Economic Association, Econometric Society Asian Meeting, Aarhus University Nordic Finance Network (NFN) PhD Workshop

**Seminars** University of Luxembourg, Copenhagen Business School

**2020 Conferences** Chicago Becker Friedman Institute Macro-Finance Research Program Summer Session for Young Scholars (MFR), 19th Conference on Credit Risk Evaluation (CREDIT), Northern Finance Association Meetings (NFA) PhD Symposium\*, Behavioral Research in Finance, Governance and Accounting Conference (BFGA)\*

**Seminars** Wharton School at University of Pennsylvania, T. Rowe Price Investment Management

**2019 Conferences** American Finance Association Annual Meeting (AFA) PhD Poster Session, Aalto University and Nordic Finance Network (NFN) PhD Nordic Finance Workshop, **Seminars** Wharton School at University of Pennsylvania (PhD Event)

**2018 Conferences** Copenhagen Business School PhD Day, Bank of England Fire Sale Workshop\*, Bank of Finland RiskLab\*, Financial Management Association (FMA) Europe **Seminars** Danmarks Nationalbank, Nykredit Realkredit A/S, Lund University\*

## Invited Discussions and Session Chair

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**2025** Broeders, Dmitrov, and Verhoeven: Climate Linked Bonds, International Pension Workshop (Discussion)

**2022** Bonelli, Briere, and Derrien: Altruism or self-interest? ESG and participation in Employee Share Plans, 1st YSBC Sustainable Finance Conference ([Discussion](#))

**2021** Econometric Society, Asian Meeting (Session Chair)

**2018** FMA Europe. Vodenska, Aoyama, Becker, et al. Systemic Risk and Vulnerabilities of Bank Networks (Discussion)

## Organized Workshops and Conferences

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<i>Co-organizer</i> Dutch Sustainable Finance Workshop	2025
<i>Co-organizer</i> Dutch Sustainable Finance Workshop	2024
<i>Paper selection committee</i> 6th Annual GRASFI Conference at Yale University	2023
<i>Paper selection committee</i> 2nd Conference on Sustainable Finance at Luxembourg University	2022

## Teaching

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**Sustainable Finance, Rotterdam School of Management** 2023-2025  
Lecturer and course coordinator, Master level (100+ students)

**Financial Modelling, Rotterdam School of Management** 2023-2024  
Lecturer and course coordinator, Master level core course (500+ students)

**Course in Financial Economics of Climate and Sustainability, Global** 2023-2024  
Local course coordinator at Rotterdam School of Management, PhD Level

**Financial Intermediation, Copenhagen Business School** 2018-2021  
Lectured tutorials and assisted David Lando, Master Level

**Financial Derivatives and their Applications, Copenhagen Business School** 2017-2019  
Teaching assistant to Rasmus Tangsgaard Varneskov, Bachelor Level

**Corporate Finance, Copenhagen Business School** 2018-2019  
Teaching assistant to Thomas Geelen, Masters Level

## Referee

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*Review of Financial Studies; Journal of Banking and Finance; Journal of Environment, Develop-*

*ment and Sustainability; Journal of Commodity Markets*

## Service

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<i>PhD Reading Group Sustainable Finance, RSM</i>	2024
<i>Examiner Sustainable Finance, Copenhagen Business School</i>	2023
<i>Supervisor Masters' Theses</i>	2019-2025
2x Nominations (out of 3 total nominations between 350 theses) for REmagine Award 2025 for outstanding master's theses that demonstrate both academic excellence and significant social impact	
<i>Supervisor Bachelors' Theses</i>	2018-2023
<i>Supervisor Business Projects and Internships</i>	2021, 2024-2025
<i>PhD Brown Bag Coordinator</i>	2017-2019

## Industry Experience

### National Bank of Denmark

Systemic Risk and Financial Stability, Head of Section	2015 – 2017
Banking and Markets Trainee	2014 – 2015
<b>Sparinvest</b> , Copenhagen (DK), Investment Fund, Risk and Compliance Intern	2014
<b>Eden McCallum</b> , London (UK), Strategy Consulting Intern	2014

## Other

*Languages* English (Fluent), French German Swedish Norwegian (Basic), Danish (Native)

*Citizenship* Danish, Luxembourgish

## References

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### Roberto Steri

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