

Andreas Brøgger

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Current Positions

Rotterdam School of Management, Erasmus University 2023 –
Assistant Professor of Finance

ERIM, Erasmus University 2023 –
Associate Research Member

Copenhagen Business School 2023 –
Guest Researcher

Education

Copenhagen Business School 2017 – 2023
Ph.D. in Finance
Thesis on [Financial Economics with Preferences and Frictions](#)
References by Jules van Binsbergen, Jens Dick-Nielsen, David Lando, Roberto Steri
Assessment committee of Ken Bechmann, Alberta Di Giuli, Zacharias Sautner

University of Luxembourg 2021 – 2022
Visiting Scholar, Sponsored by Roberto Steri

Wharton School of Business 2019 – 2020
University of Pennsylvania
Visiting Scholar, Sponsored by Itay Goldstein

University of Cambridge 2013 – 2014
Advanced Diploma in Economics

University of Warwick 2009 – 2013
M.Phys. B.Sc. (1st class Honours) in Physics

Research Interests

Sustainable Finance, Asset Pricing, Asset Management

Research Papers

6. [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.

Press: [CAIA Association](#)

Podcasts: [Rig på Viden, Episode 13 \(In Danish\)](#); [Rig på Viden, Episode 79 \(In Danish\)](#).

Presentations: 1st YSBC Sustainable Finance Conference, HEC Paris 6th Phd Workshop, CFA Meeting on ESG-Ratings and Sustainable Investing, American Finance Association Annual Meeting Poster Session (AFA 2022), University of Luxembourg Seminar 2021, The Central Bank Research Association Annual Meeting (CEBRA 2021), Nordic Finance Network Young Scholars Finance Workshop (NFN 2020), 2nd Conference on Behavioral Research in Finance, Governance and Accounting (BFGA 2020), PhD Symposium of the 32nd Northern Finance Association Conference (NFA 2020), 19th Conference on Credit Risk Evaluation (CREDIT 2020), Becker Friedman Institute Macro-Finance Research Program Summer Session for Young Scholars (MFR 2020), Wharton PhD Brown Bag Series 2020.

5. [The Future of Emissions](#) (with Jules van Binsbergen).

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 CO2 emissions. We establish both theoretically and empirically that backward-looking subjective ratings are limited to the extent that they fail to capture future reductions 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.

Presentations: American Finance Association Annual Meeting (AFA 2024), BlackRock, Copenhagen Business School FRIC Final Event.

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.

Presentations: American Economic Association Annual Meeting Poster Session (AEA 2022), 36th Congress of the European Economic Association and the Econometric Society European Meeting (EEA-ESEM 2021), Econometric Society Asian Meeting (2021), Nordic Finance Network PhD Workshop (NFN 2021), Copenhagen Business School Brown Bag PhD seminar (2021).

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.

Presentations: Wharton School at the University of Pennsylvania, PhD Nordic Finance Workshop, Poster Session at American Finance Association Annual Meeting (AFA), Copenhagen Business School.

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.

Press: [Finans](#), [FinansWatch](#), [Danmarks Radio](#), [Danmarks Nationalbank](#)

Presentations: Financial Management Association (FMA) Europe (University of Agder), RiskLab (Bank of Finland), Bank of England, Copenhagen Business School, Lund University, Nykredit A/S, Danmarks Nationalbank.

Research in Progress

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.

Invited Presentations and Seminars

* indicates presentations by co-author. (s) indicates scheduled.

2024: American Finance Association Annual Meeting (AFA), International Centre for Pension Management (ICPM) Utrecht Discussion Forum (s), Utrecht University (s)

2023: BlackRock*, Rotterdam School of Management at Erasmus University, ESCP, IESE, Tilburg University, Stockholm School of Economics, Stockholm Business School (s), HEC Paris (s), FED Board (s)

2022: American Finance Association Annual Meeting (AFA) PhD Poster Session, American Eco-

conomic Association Annual Meeting (AEA) PhD Poster Session, Review of Financial Studies (RFS) and University of Oklahoma Energy and Climate Finance Research Conference*, Chartered Financial Analyst Society Denmark (CFA), 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,

2021: University of Luxembourg, EEA-ESEM 36th Congress of the European Economic Association, Econometric Society Asian Meeting, Aarhus University Nordic Finance Network (NFN) PhD Workshop, Copenhagen Business School

2020: Wharton School at University of Pennsylvania, Chicago Becker Friedman Institute Macro-Finance Research Program, 19th Conference on Credit Risk Evaluation (CREDIT), Northern Finance Association Meetings (NFA) PhD Symposium*, Behavioral Research in Finance, Governance and Accounting Conference*, T. Rowe Price Investment Management

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

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

Press

News Article , Jyllandsposten and Finans (In Danish)	July 2023
Podcast , Rig på Viden, Episode 79 (In Danish)	July 2022
Podcast , Rig på Viden, Episode 13 (In Danish)	December 2020
Blog Post , CAIA Association	June
Central Bank Publication , Financial Stability, Danmarks Nationalbank	August 2016
News Article , Danmarks Radio	June
News Article , FinansWatch	—
News Article , Finans	—

Honours of Grants, Fellowships, and Awards

€ 25 000 Netspar Topicality Grant	2024
Associate Research Fellow, ERIM	2023
Guest Researcher, Copenhagen Business School	2023
Prize Finalist, Brandes Center	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)	2017-2023
PhD Scholarship Grant, grant no. DNRF102	2017-2023
Warwick Renmin University Scholarship	2011
CEDIES Scholarship	2009-2014

Referee and Reviewer

Journal of Banking and Finance; 6th Annual GRASFI Conference at Yale University; 2nd Confer-

ence on Sustainable Finance at University of Luxembourg; Journal of Environment, Development and Sustainability; Journal of Commodity Markets

Other Service

<i>Session Chair</i> Econometric Society, Asian Meeting	2021
<i>Discussant</i> Bonelli, Briere, and Derrien: Altruism or self-interest? ESG and participation in Employee Share Plans. 1st YSBC Sustainable Finance Conference. Discussion .	2022
<i>Discussant</i> FMA Europe, Risk and Vulnerabilities of Bank Networks	2018
<i>Examiner</i> Sustainable Finance, Copenhagen Business School	2023 <i>PhD Reading Group</i>
Sustainable Finance, RSM	2024
<i>PhD Brown Bag Coordinator</i>	2017-2019
<i>Supervisor</i> Business Projects	2021
<i>Supervisor</i> Masters' Theses	2019-2023
<i>Supervisor</i> Bachelors' Theses	2018-2023

Teaching

Financial Modelling, Rotterdam School of Management

Lecturer and course coordinator, Master level core course (500+ students)
Textbook: Investments by Bodie, Kane, and Marcus 2023-2024

Sustainable Finance, Rotterdam School of Management

Lecturer and course coordinator, Master level 2023-2024

Course in Financial Economics of Climate and Sustainability, Global

Local course coordinator at Rotterdam School of Management, PhD Level 2023-2024

Sustainable Finance Reading Group, Rotterdam School of Management

Active participant 2023-2024

Financial Intermediation, Copenhagen Business School

Lectured tutorials and assisted David Lando, Master Level 2018-2021

Financial Derivatives and their Applications, Copenhagen Business School

Teaching assistant to Rasmus Tangsgaard Varneskov, Bachelor Level 2017-2019

Corporate Finance, Copenhagen Business School

Teaching assistant to Thomas Geelen, Masters Level 2018-2019

Industry Experience

National Bank of Denmark

Systemic Risk and Financial Stability, Head of Section 2015 – 2017
Banking and Markets, Trainee 2014 – 2015

Sparinvest, Denmark

Investment Fund, Risk and Compliance, Intern 2014

Eden McCallum, London, United Kingdom

Strategy Consulting, Intern 2014

Other Education

Stanford Graduate School of Business

Stanford Big Data Initiative in International Macro-Finance 2020
 Selected by Matteo Maggiori, Brent Neiman, and Jesse Schreger

University of Oxford

Tools for Macroeconomists: Essentials and Advanced, Department of Economics 2020

University of Chicago

Macro Finance Research Program Summer Session for Young Scholars (MFR), Becker Friedman Institute 2020
 Organised by Lars Peter Hansen, Fernando Alvarez, John H. Cochrane, Douglas Diamond, Wenxin Du, Zhiguo He, John C. Heaton, Anil Kashyap, Ralph S.J. Koijen, Yueran Ma, Thomas Sargent, Amir Sufi, and Harald Uhlig

Princeton University

ECO529: Macro, Money and International Finance, Bendheim Center for Finance 2019
 Taught online by Markus Brunnermeier

Princeton University

Princeton Initiative: Macro, Money, and Finance, Bendheim Center for Finance 2019
 Selected by Markus Brunnermeier and Yuliy Sannikov
 Nominated by Lasse Heje Pedersen

Wharton School of Business

Topics in Asset Pricing, Jules van Binsbergen; 2019 – 2020
 Corporate Finance and Financial Institutions, Itay Goldstein;
 Empirical Corporate Finance, Michael Roberts

London School of Economics

Advanced Microeconomics, Advanced Macroeconomics 2012

Renmin University, Beijing, China

Chinese Political Strategy, Chinese Language (Oral, Written) 2011

Other

Volunteering: Increasing Access to Local Investments Startup (2018), Huset-Kbh Cultural Assistant (2014-2018), TEDxWarwick Speakers Coordinator (2012), Students in Free Enterprise Project Manager (2013), Girton College Cambridge MCR Committee (2014), Sofar Copenhagen Organiser (2016), Girton College Cambridge Rowing Team (2014), Maths and Physics Society Treasurer (2012), Warwick University Handball Team (2010).

Languages: Danish (Native), English (Fluent), French German Swedish Norwegian (Conversational)

Citizenship: Danish, Luxembourgish

Miscellaneous: Runner up in Copenhagen Business School Department of Finance Fantasy Football League (2021)