

Review of Finance
Report from the Managing Editors
Franklin Allen and Alex Edmans
Mannheim, Germany 23 - 26 August 2017

1. Acknowledgements and Editorial Board Member Changes

As always, we are very grateful to all those who have helped edit the journal.

The current members are:

Editors: Thorsten Beck, Jules van Binsbergen, Andrew Ellul, Amit Goyal, Joel Peress, Amiyatosh Purnandam.

Associate Editors: Kenneth Ahern, Doron Avramov, Jonathan Berk, Patrick Bolton, Christa Bouwman, Andrea Buraschi, Joost Driessen, Ruediger Fahlenbrach, Lorenzo Garlappi, Xavier Giroud, Todd Gormley, Reint Gropp, Dirk Hackbarth, Sam Hartzmark, Marcin Kacperczyk, Ralph Koijen, Bart Lambrecht, Kai Li, Hong Liu, Lars Lochstoer, Alexander Ljungqvist, Andrey Malenko, Konstantin Milbradt, Christian Opp, Paige Ouimet, Jose-Luis Peydro Alcalde, Luke Taylor, David Thesmar, Pietro Veronesi, Paolo Volpin, Liuren Wu.

Advisory Board: Arnoud Boot, Bernard Dumas, Burton Hollifield, Steven Ongena, Vikrant Vig, Pradeep Yadav.

Advisory Editor: Bogdan Stacescu.

Special thanks go to the people who recently stepped down from their roles, namely Burton Hollifield, Salvatore Piccolo and Christopher Trolen for all their help over many years. We also thank all those who stepped down from their Associate Editor roles at the end of 2016, Suleyman Basak, Elena Carletti, Peter Christoffersen, Hans Degryse, Joseph Fan, Nicola Gennaioli, Mariassunta Giannetti, Antonio Guarino, Anthony W. Lynch, Spencer Martin, Massimo Massa, Stefan Nagel, Thomas Noe, Jun 'QJ' Qian, Joerg Rocholl, Wei Xiong and Advisory Board members who finished their terms then, Viral Acharya, Mike Burkart, Thierry Foucault, Xavier Freixas, Holger Mueller, Marco Pagano, Rafael Repullo, Neal Stoughton, Josef Zechner.

2. The Impact Factor

The 2016 official impact factor of the Review of Finance is published by Thomson Reuters InCites Journal Citation Reports. As of July 2017, the journal's two year impact factor is **1.950 (1.873 excluding self-citations)**. Although this represents a slight decrease from last year's 2.080, the Review of Finance continues ranked as a top finance journal, and notably became the 4th most influential finance journal (up from 5th in 2015) (**Table 1**). **Figures 1 and 2** show how the impact factors were calculated. The current five year impact factor is **2.827** up from 2.555 in 2015, which is an encouraging development.

Table 1: 2016 Impact Factors, Top 10 Finance Journals

2016 Impact Factor	2016 Impact Factor, Excluding Self-Citations	2016 Impact Factor
Journal of Finance	5.787	6.043
Journal of Financial Economics	4.090	4.505
Review of Financial Studies	3.416	3.689
Review of Finance	1.873	1.950
Journal of Banking and Finance	1.655	1.776
Journal of Financial and Quantitative Analysis	1.625	1.673
Journal of Financial Intermediation	1.568	1.627
Journal of Corporate Finance	1.231	1.579
Finance and Stochastics	1.216	1.550
Financial Management	1.400	1.517

Figure 1: 2016 Impact Factor Calculation for Review of Finance

Cites in 2016 to items published in:	2015 = 117	Number of items published in:	2015 = 58
	2014 = 115		2014 = 61
	Sum: 232		Sum: 119
Calculation=	$\frac{\text{Cites to recent items}}{\text{Number of recent items}}$	$\frac{232}{119}$	= 1.95

Figure 2: 2016 Impact Factor Including Self Citation Information, Calculation for Review of Finance

Total Cites	1126	Self Cites	37(3.286% of 1126)
Cites to Years Used in Impact Factor Calculation	232	Self Cites to Years Used in Impact Factor Calculation	9(3.879% of 232)
Impact Factor	1.95	Impact Factor without Self Cites	1.873

3. Editorial Statistics

3.1 All Submissions

The breakdown of the latest statistical period from 1 August 2016 to 31 July 2017 and the comparable period for last year (2015/16) is detailed in **Table 2**. This year has again seen a rise in submissions, with a total of **923**, compared with **848** received last year, and **741** in 2014/15. **Figure 3** shows the continued increase in submissions since 2008.

The Review of Finance continues to strive for excellence with high standards required for papers being reviewed. For the year 2016/2017, this situation is evidenced in the number of submissions which were rejected, **262** submissions were outright desk rejections (no referees consulted) and **34** were summarily rejected (referees were consulted).

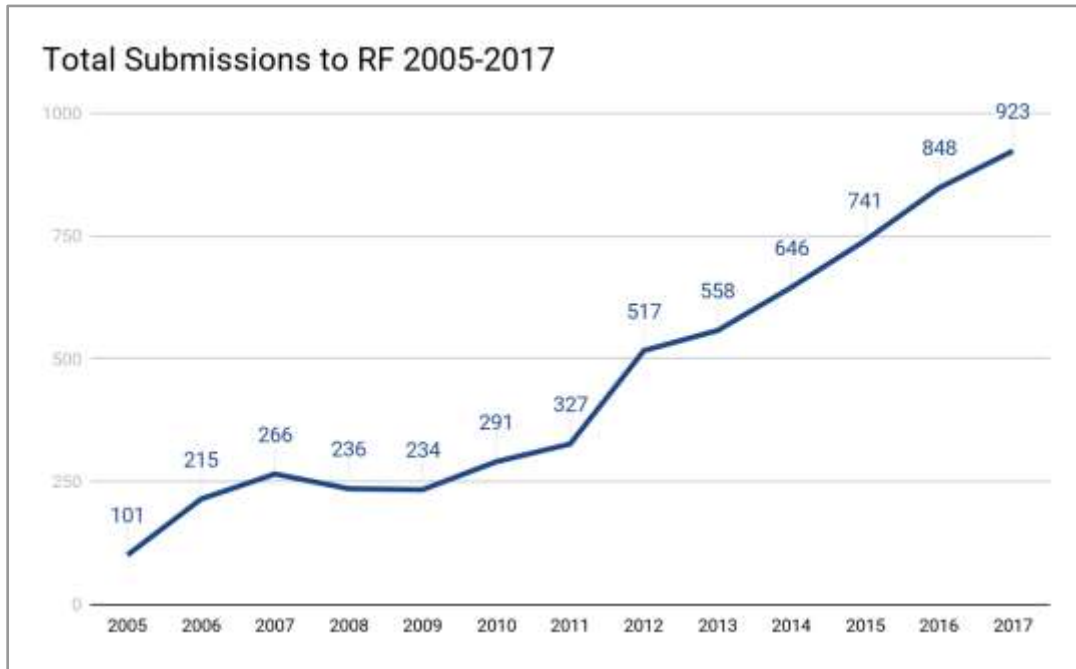
Of the 923 total submissions between August 2016 and July 2017, **833** (90%) received a decision during this period and **90** (10%) are still waiting for a decision. The average turnaround time was **38 days**. This is a marked decrease from an average of **50** days in 2015/16 and **52** days in 2014/15. We thank the editors for all their efforts in achieving these statistics.

Table 2: Editorial Statistics for All Submissions, 1 August 2016 to 31 July 2017, Compared with previous 2015/16 period

The following figures are based on all submissions and resubmissions received in the statistical period. The turnaround time is the number of days elapsed from receipt of the manuscript to notification of the editorial decision, for submissions which were received and which were notified of a decision during the statistical period.

Category	Count 2015/16	Count 2016/17
New submissions	681	762
Resubmissions	167	161
Requests for withdrawals	0	0
Total Submissions	848	923
Submissions Accepted	73	58
Submissions Conditionally Accepted	40	42
Submissions Summarily Rejected (no referees consulted)	147	262
Submissions Summarily Rejected (referees consulted)	3	34
Submissions Rejected	433	453
Submissions Withdrawn	1	3
Submissions Returned for Revision	156	87
Submissions pending at 31 July	115	94
Average Turnaround Time (days)	50	38
Acceptance Rate	8.61	6.28

Figure 3: Total Submissions Per Year, 2005-2017



3.2 Fast-track Submissions

Table 3 provides statistics for fast-track submissions for the 1 August 2016 to 31 July 2017 period, compared with the same period in 2015/16. Again, fast-track submissions have increased - **121** for this year, compared with **94** in 2015/16 and **71** in 2014/15. This total number of submissions includes the submissions accepted and conditionally accepted. Compared with 2015/16, the submission acceptance rate almost doubled from **6.38%** to **12.39%**.

The majority (**83%**) of fast-track submissions are processed within 14 days. However, the average turnaround time for this year was higher than last year at **12.90 days**, and **20** papers missed the 14-day deadline.

**Table 3: Fast-Track Submissions, 1 August 2016 to 31 July 2017,
Compared with previous 2015/16 period**

The following figures are based on all submissions and resubmissions received in the statistical period. The category 'submissions accepted' includes accepted and conditionally accepted submissions. The turnaround time is the number of days elapsed from receipt of the manuscript to notification of the editorial decision, for submissions which were received and which were notified of a decision during the statistical period.

Category	2015/16	2016/17
Submissions Processed	91	120
Submissions Pending	3	1
Total Submissions	94	121
Submissions Accepted	6	15
Acceptance Rate	6.38	12.39
Average Turnaround Time (days)	11	12.90
Median Turnaround Time (days)	10	9
Distribution of Turnaround Times		
On time (0-14 days)	82 (87%)	101 (83%)
15-21 days	6	8
22-28 days	1	0
More than 28 days	5	12

3.3 Geographic Scope

Submissions were received from 45 countries. **Table 4** provides a summary of total submissions by the country of origin of the submitting author. The **United States** continues to be the top submitting country with **31.2%** of the submissions. By region, the majority of submissions originate from **Europe** with around **40%** of total submissions. Compared with last year, there was an increase in submissions from the **United States, China** and **Southeast Asia**.

Table 4: All Submissions by Country, 2016/17

Country	Number of Submissions	Frequency (%)
United States	288	31.2
United Kingdom	119	12.9
Germany	75	8.1
Australia	52	5.6
China	47	5.1
Canada	36	3.9
France	32	3.5
Hong Kong	26	2.8
Switzerland	25	2.7
Italy	24	2.6
Netherlands	24	2.6
Singapore	21	2.3
Republic of Korea	20	2.2
Israel	14	1.5
Sweden	14	1.5
Spain	11	1.2
Taiwan	10	1.1
Norway	8	0.9
Portugal	8	0.9
Denmark	7	0.8
Austria	6	0.7
Japan	6	0.7
Brazil	5	0.5
Cyprus	5	0.5
New Zealand	5	0.5
Belgium	4	0.4
Finland	4	0.4
Chile	3	0.3
India	3	0.3
Russian Federation	3	0.3
Estonia	2	0.3
Ireland	2	0.2
Turkey	2	0.2
Egypt	1	0.1
Hungary	1	0.1
Kazakhstan	1	0.1
Lebanon	1	0.1
Sri Lanka	1	0.1
Luxembourg	1	0.1
Malaysia	1	0.1
Pakistan	1	0.1
Saudi Arabia	1	0.1
Tunisia	1	0.1
Uzbekistan	1	0.1
South Africa	1	0.1
Total	923	100*

*Percentages total 99.9 due to rounding

3.4 Breakdown of Submissions by Research Methodology and Area

Table 5 shows the breakdown of **research methodology** for all submissions for 2017, compared with 2016. The **Empirical** research methodology continues to be the most frequently used.

Table 5: Research Methodology for All Submissions, 2016 and 2017

Research Methodology	2016		2017	
	Number of Submissions	Frequency (%)	Number of Submissions	Frequency (%)
Empirical	689	81.25	770	83.42
Theoretical	129	15.21	118	12.78
Experimental	30	3.54	35	3.79
Total	848	100	923	100

The breakdown of research areas for all submissions is detailed in **Table 6**. This year, the research area order changed as **Corporate Finance** ousted **Asset Pricing** as the largest research area with **30.55%**. A new research area, **Mutual Funds**, entered into the order this year with **3.36%** of submissions.

Table 6: Research Area for All Submissions, 2016-2017

Research Area	2016		2017	
	Number of Submissions	Frequency (%)	Number of Submissions	Frequency (%)
Corporate Finance	203	23.94	282	30.55
Asset Pricing	266	31.37	235	25.46
Banking and Financial Intermediation	221	26.06	212	22.97
Behavioral Finance	118	13.92	114	12.35
Market microstructure	40	4.72	49	5.31
Mutual Funds	NA	NA	31	3.36
Total	848	100	923	100

3.5 Breakdown of Accepted Papers by Research Methodology and Area

For this annual report we included the Research Methodology and the Research Area for papers accepted in 2016/2017. As evidenced in **Table 7**, 71% of accepted papers are Empirical, 24% are Theoretical, and 5% are Experimental. The most common research areas, in order, are Asset Pricing, Corporate, Banking and Financial Intermediation, Behavioral Finance, Market Microstructure and Mutual Funds.

Table 7: Research Methodology and Area for Accepted Papers, 2016-17

Research Methodology	
Empirical	71.19%
Theoretical	23.73%
Experimental	5.08%
Research Area	
Asset Pricing	37.29%
Corporate Finance	20.35%
Banking and Financial Intermediation	18.64%
Behavioral Finance	15.25%
Market Microstructure	6.78%
Mutual Funds	1.69%

Table 8 provides similar statistics for the two previous years. Note, however, that these tables are not fully comparable since they were based on papers that were *published* in 2015-16 and 2014-15, whereas Table 7 is based on papers *accepted* in 2016-17. We have chosen to change the methodology to measure accepted rather than published papers as it is a better guide to authors for what papers the journal is currently accepting. In contrast, papers published in 2016-17 may have been accepted in previous years.

Table 8: Research Methodology and Area for Published Papers, 2015-16 and 2014-15

Review of Finance Issue 2015-2016		Review of Finance Issue 2014-2015	
Volume 19, Issue 5, August 2015		Volume 18, Issue 4, August 2014	
Volume 19, Issue 6, October 2015		Volume 18, Issue 5, October 2014	
Volume 20, Issue 1, March 2016		Volume 18, Issue 6, March 2014	
Volume 20, Issue 2, March 2016		Volume 19, Issue 1, March 2015	
Volume 20, Issue 3, May 2016		Volume 19, Issue 2, May 2015	
Volume 20, Issue 4, July 2016		Volume 19, Issue 3, July 2015	
Research Methodology		Research Methodology	
Empirical	75.00%	Empirical	68.25%
Theoretical	20.31%	Theoretical	28.57%
Experimental	4.69%	Experimental	3.17%
Research Area		Research Area	
Asset Pricing	34.38%	Banking & Financial Intermediation	31.75%
Banking & Financial Intermediation	29.69%	Asset Pricing	28.57%
Corporate Finance	23.44%	Corporate Finance	22.22%
Behavioral Finance	12.50%	Behavioral Finance	12.70%
Market Microstructure	0.00%	Market Microstructure	4.76%

4. Best Paper Prizes and Referee Awards

During the EFA Meetings, there will be two prizes awarded for outstanding papers published in the Review of Finance during this year. We have also introduced referee awards to recognize outstanding service as referees.



Spängler IQAM Invest continues to sponsor the **Spängler IQAM Prize** to award the best quality research papers on **Investments** published in the journal. The **Review of Finance** will be sponsoring the **Pagano and Zechner Prize** for the best **Non-investments** paper.

Spängler IQAM Prize Winner

Christopher S. Jones and Lukasz Pomorski, 'Investing in Disappearing Anomalies'
Review of Finance, Volume 21, Issue 1, 1 March 2017, Pages 237–267
<https://doi.org/10.1093/rof/rfv065>

Pagano and Zechner Prize Winner

David Yermack, 'Corporate Governance and Blockchains'
Review of Finance, Volume 21, Issue 1, 1 March 2017, Pages 7–31
<https://doi.org/10.1093/rof/rfw074>

Referee Awards

Taylor Begley
Jonathan Cohn
Cary Frydman

5. Appendices

Review of Finance articles published between 1 August 2016 and 31 July 2017

Volume 20, Issue 5 August 2016

[Social Capital and the Viability of Stakeholder-Oriented Firms: Evidence from Savings Banks](#)

Charlotte Ostergaard; Ibolya Schindele; Bent Vale

[Good Monitoring, Bad Monitoring](#)

Yaniv Grinstein; Stefano Rossi

[R&D Spillover and Predictable Returns](#)

Yi Jiang; Yiming Qian; Tong Yao

[Say Pays! Shareholder Voice and Firm Performance](#)

Vicente Cuñat; Mireia Giné; Maria Guadalupe

[Speculative Trading and Stock Returns](#)

Li Pan; Ya Tang; Jianguo Xu

[Foreign Investor Heterogeneity and Stock Liquidity around the World](#)

Lilian Ng; Fei Wu; Jing Yu; Bohui Zhang

[How Do Short-Sale Costs Affect Put Options Trading? Evidence from Separating Hedging and Speculative Shorting Demands](#)

Tse-Chun Lin; Xiaolong Lu

[The Impact of Liquidity Regulation on Bank Intermediation](#)

Clemens Bonner; Sylvester C. W. Eijffinger

[Lend Global, Fund Local? Price and Funding Cost Margins in Multinational Banking](#)

Rients Galema; Michael Koetter; Caroline Liesegang

[International Firm Investment under Exchange Rate Uncertainty](#)

Alexandre Jeanneret

Volume 20, Issue 6 October 2016

[Home Bias, an Academic Puzzle](#)

G. Andrew Karolyi

[Non-Exclusive Financial Advice](#)

Salvatore Piccolo; Giovanni W. Puopolo; Luis Vasconcelos

[Optimal Leverage Ratio and Capital Requirements with Limited Regulatory Power](#)

Ho-Mou Wu; Yue Zhao

[The Real Costs of Financial Efficiency When Some Information Is Soft](#)

Alex Edmans; Mirko S. Heinle; Chong Huang

[Rushing into the American Dream? House Prices Growth and the Timing of Homeownership](#)

Sumit Agarwal; Luojia Hu; Xing Huang

[Banking and Trading](#)

Arnoud W. A. Boot; Lev Ratnovski

[Outsourcing and Financing Decisions in Industry Equilibrium](#)

George Kanatas; Jianping Qi

[Better than Expected: The Hidden Dynamic of Variable Annuity Funds](#)

Massimo Massa; Vijay Yadav

[“Whatever it takes”: An Empirical Assessment of the Value of Policy Actions in Banking](#)

Franco Fiordelisi; Ornella Ricci

[Savings and Consumption When Children Move Out](#)

Simon Rottke; Alexander Klos

[Intraday Share Price Volatility and Leveraged ETF Rebalancing](#)

Pauline Shum; Walid Hejazi; Edgar Haryanto; Arthur Rodier

Volume 21, Issue 1 March 2017

Corporate Governance and Blockchains

David Yermack

Relationship Lending in the Interbank Market and the Price of Liquidity

Falk Bräuning; Falko Fecht

The Role of Equity Funds in the Financial Crisis Propagation

Harald Hau; Sandy Lai

Where the Risks Lie: A Survey on Systemic Risk

Sylvain Benoit; Jean-Edouard Colliard; Christophe Hurlin; Christophe Pérignon

The Limitations of Stock Market Efficiency: Price Informativeness and CEO Turnover

Gary B. Gorton; Lixin Huang; Qiang Kang

The Great Cross-Border Bank Deleveraging: Supply Constraints and Intra-Group Frictions

Eugenio Cerutti; Stijn Claessens

Investing in Disappearing Anomalies

Christopher S. Jones; Lukasz Pomorski

Reference-Dependent Preferences and the Empirical Pricing Kernel Puzzle

Maria Grith; Wolfgang K. Härdle; Volker Krätschmer

Bank Market Power and Firm Performance

Manthos D. Delis; Sotirios Kokas; Steven Ongena

Optimal Purchasing of Deferred Income Annuities When Payout Yields are Mean-Reverting

Huaxiong Huang; Moshe A. Milevsky; Virginia R. Young

Regime-Dependent Sovereign Risk Pricing During the Euro Crisis

Anne-Laure Delatte; Julien Fouquau; Richard Portes

Does Financial Stability Matter to the Fed in Setting US Monetary Policy?

Mikhail V. Oet; Kalle Lyytinen

Intertemporal Forecasts of Defaulted Bond Recoveries and Portfolio Losses

Egon A. Kalotay; Edward I. Altman

Volume 21, Issue 2 March 2017

[Credit Ratings Across Asset Classes: A Long-Term Perspective](#)

Jess N. Cornaggia; Kimberly J. Cornaggia; John E. Hund

[Resolving the Spanning Puzzle in Macro-Finance Term Structure Models](#)

Michael D. Bauer; Glenn D. Rudebusch

[Momentum and Reversal: Does What Goes Up Always Come Down?](#)

Jennifer Conrad; M. Deniz Yavuz

[The Role of Speculative Trade in Market Efficiency: Evidence from a Betting Exchange](#)

Alasdair Brown; Fuyu Yang

[Foiled by Randomness: Investor Perception of Fund Manager Skill](#)

Justus Heuer; Christoph Merkle; Martin Weber

[Do Financial Advisors Provide Tangible Benefits for Investors? Evidence from Tax-Motivated Mutual Fund Flows](#)

Gjergji Cici; Alexander Kempf; Christoph Sorhage

[The Impact of Security Trading on Corporate Restructurings](#)

Konstantinos E. Zachariadis; Ioan F. Olaru

[Why Do Dealers Buy High and Sell Low? An Analysis of Persistent Crossing in Extremely Segmented Markets](#)

Vladimir Atanasov; John J. Merrick, Jr.; Philipp Schuster

[News Dissemination and Investor Attention](#)

Romain Boulland; François Degeorge; Edith Ginglinger

[Empirical Tests for Stochastic Dominance Optimality](#)

Thierry Post

[Jump and Volatility Dynamics for the S&P 500: Evidence for Infinite-Activity Jumps with Non-Affine Volatility Dynamics from Stock and Option Markets](#)

Hanxue Yang; Juho Kannianen

[Expectation Errors in European Value-Growth Strategies](#)

Christian Walkshäusl

[The Impact of Financial Advice on Trade Performance and Behavioral Biases](#)

Daniel Hoechle; Stefan Ruenzi; Nic Schaub; Markus Schmid

[Managerial Performance Incentives and Firm Risk during Economic Expansions and Recessions](#)

Tanseli Savaser; Elif Şişli-Ciamarra

Volume 21, Issue 3 May 2017

Macro-Finance

John H. Cochrane

Bond Variance Risk Premiums

Hoyong Choi; Philippe Mueller; Andrea Vedolin

Incidence of Bank Levy and Bank Market Power

Gunther Capelle-Blancard; Olena Havrylchyk

Hole in the Wall: Informed Short Selling Ahead of Private Placements

Henk Berkman; Michael D. McKenzie; Patrick Verwijmeren

Fund Performance and Equity Lending: Why Lend What You Can Sell?

Richard Evans; Miguel A. Ferreira; Melissa Porras Prado

A Theory of Bank Illiquidity and Default with Hidden Trades

Ettore Panetti

Commodity Markets, Long-Run Predictability, and Intertemporal Pricing

Adrian Fernandez-Perez; Ana-Maria Fuertes; Joelle Miffre

Add-on Pricing in Retail Financial Markets and the Fallacies of Consumer Education

Michael Kosfeld; Ulrich Schüwer

Abusing ETFs

Utpal Bhattacharya; Benjamin Loos; Steffen Meyer; Andreas Hackethal

To What Extent Are Savings–Cash Flow Sensitivities Informative to Test for Capital Market Imperfections?

John D. Tsoukalas; Serafeim Tsoukas; Alessandra Guariglia

CEO Age and Stock Price Crash Risk

Panayiotis C. Andreou; Christodoulos Louca; Andreas P. Petrou

No Guts, No Glory: An Experiment on Excessive Risk-Taking

Kristoffer W. Eriksen; Ola Kvaløy

Volume 21, Issue 4 July 2017

[What Are the Best Liquidity Proxies for Global Research?](#)

Kingsley Y. L. Fong; Craig W. Holden; Charles A. Trzcinka

[Recovery with Unbounded Diffusion Processes](#)

Johan Walden

[The Revolving Door for Financial Regulators](#)

Sophie A. Shive; Margaret M. Forster

[The Disturbing Interaction between Countercyclical Capital Requirements and Systemic Risk](#)

Bálint L. Horváth; Wolf Wagner

[Global Banking: Recent Developments and Insights from Research](#)

Stijn Claessens

[The Trend Is Your Friend: Time-Series Momentum Strategies across Equity and Commodity Markets](#)

Athina Georgopoulou; Jiaguo (George) Wang

[Financial Development and Patterns of Industrial Specialization: Evidence from China](#)

Qing He; Chang Xue; Chenqi Zhu

[Investment Financing and Financial Development: Evidence from Viet Nam](#)

Conor O'Toole; Carol Newman

[Cross-Ownership: A Device for Management Entrenchment?](#)

Marc Levy; Ariane Szafarz

[Characterizing the Asymmetric Dependence Premium](#)

Jamie Alcock; Anthony Hatherley

[Banks' Exposure to Rollover Risk and the Maturity of Corporate Loans](#)

Teodora Paligorova; João A. C. Santos

[Hedge Fund Replication: A Model Combination Approach](#)

Michael S. O'Doherty; N. E. Savin; Ashish Tiwari