



**University of
Zurich** ^{UZH}

Bachelor's Thesis

Revisiting vol-of-vol:
**Has the effect changed since its publication and can
the method be improved upon?**

A thesis presented for the degree of
Bachelor of Arts UZH in Business and Economics

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Abstract

We replicated the vol-of-vol measure (VOIV) by [Baltussen et al. \(2018\)](#) and analyzed how a portfolio based on this measure performs after the initial publication of their results in 2014 ([Baltussen et al. \(2014\)](#)). We were able to qualitatively replicate most of their findings, but found no significant excess returns for the period from 1996 to 2014. For the period from 2014 to 2019, we observed, that the relationship between VOIV and portfolio returns turned from negative to positive, showing significant excess returns. We created Efficient Sorting portfolios ([Ledoit et al. \(2019\)](#)), but we were not able to improve risk adjusted returns using this methodology.