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The center of [Research in Economics and Mathematics](#) (REM) circulates research, notably by its affiliated members, as working papers intended for professional and public discussion and comment. The papers have not been peer reviewed.

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[REM Young Researcher Award](#)

REM - Research in Economics and Mathematics, launches in 2019 the REM Young Researcher Award, with a monetary value of 1000 EUR. The prize awards the best Master thesis defended at ISEG, in the period October 2018 - December 2019, and whose supervisor is a member of REM in one ISEG Master courses. To apply, the candidates should send their thesis, together with the proof of the public defense and approval, by 31 December 2019, to rem@iseg.ulisboa.pt.

REM [Working Papers](#)

1. [The Evolution of the World's Production Fragmentation: 2000-2014, a network analysis](#)

Susana Vieira, Renato G. Flôres Jr., Maria Paula Fontoura. *REM Working Paper 086-2019*

We employ network analysis to characterise the evolution of the world's trade in value-added between 2000 and 2014. Relatively to previous studies, more recent time points are included, consolidating some of their conclusions. A small number of countries occupy central positions in the international production chains and concentration rules, along a few main production regions. Without Germany, Europe loses its pumping engine; the same for Asia without China and, in 2014, for the whole world, without the US. Will

China eventually either absorb or dominate the other hubs, becoming the new central node of the World Trade Network?

2. [The Impact of Hedge Fund indices on portfolio performance](#). Maria Teresa Medeiros Garcia, Gonçalo Liberal. REM *Working Paper 085-2019*

The purpose of this paper is to assess the combination of investable hedge funds indices with a traditional portfolio of 60% stocks and 40% bonds. The S&P 500 Index, the Barclays US Aggregate Bond Index, and three investable hedge fund indices the MEBI Maximum Sharpe Ratio L1Index, the MEBI Zero Beta Strategy L1Index, and the Eureka hedge ILS Advisers Index, were considered to conduct performance comparison, using time windows of two, five and ten years, from the 1st of January, 2006, to the 1st of February, 2016. Significant reduction of the beta of the overall portfolio is reached. The findings showed that the investable hedge fund indices under analysis can be used as an easy way to protect a portfolio during different market conditions, diversifying the risks of the traditional investment portfolios. The paper provides evidence of how investable hedge fund indices lead to an improvement in the performance results, when compared with the traditional global equity-bond portfolio alone.