



Wharton
UNIVERSITY *of* PENNSYLVANIA

**JACOBS LEVY EQUITY
MANAGEMENT CENTER**
FOR QUANTITATIVE FINANCIAL RESEARCH

Discussion: Investing in Global Equity Markets with particular Emphasis on Chinese Stocks

Jinghua Yan
Cubist Systemic Strategies

May 20, 2016

Quant + China = \$

- 2002-2015
- Portable alphas
 - Value, quality, momentum
- Portable methods
 - M-V
 - Data mining correction
- Results are strong and robust

Big Picture

- Why Quant?
 - Diversified alphas
 - Scientific risk management
 - Economical trading
- Why China?
- Is Quant right for China?
- **Is China right for Quant?**

Is China right for Quant?

- Large universe
- Diversified economy
- Good data
- Good market liquidity
- Inefficient market

Challenges

- Concentration
- Momentum
- Tail risk
- Operational risk