QDX: a new measure of diversification

8 September, 2020, 08:00 to 09:00

Online Seminar
United Kingdom

Diversification is a core concept in Modern Portfolio Theory. However, we have no unique measure or definition of this concept. Over the last 10-15 years, there has been a sustained growth of so-called Smart Beta strategies (SMS), some of which -- “Smart” weighting schemes such as equally weighted, inverse volatility, risk parity, minimum volatility, and maximum diversified portfolio -- aim to build a “better diversified” portfolio than the cap-weighted indices.

In this session, Dr Domenico Mignacca, Executive Director, Investment Risk at the Qatar Investment Authority and Andrea Nardon, Group Head of Quant at Sarasin & Partners, will use these SMS as a starting point to discuss how diversification can benefit investors by creating a portfolio with stable return constituents, which can create a foundation from which to build active portfolios where we can control the potential active performance.

You can watch the presentation on replay using the player below. You can also download the presentation.

Speakers

Dr Domenico Mignacca, Executive Director, Investment Risk, Qatar Investment Authority

After graduating from the University of Ancona in 1989 with a degree in Business and Economics, Domenico undertook a master’s in economics and Econometrics at the University of Southampton (U.K.). In 1994 he was named Honorary Associate Fellow of the Department of Economics at the University of Wisconsin, Madison (USA), where he studied applications of Chaos Theory in Economics. In 1995, returning to the University of Ancona, he received a Doctorate in Quantitative Economics. In the same year, he joined the Deutsche Bank's Risk Controlling Group in Milan, with the task of calculating VaR. In 1997 he was appointed Senior Quantitative Analyst by BNL Gestioni SGR, a position he held until 2001 when he joined Sanpaolo Asset Management SGR, now Eurizon Capital SGR, as Head of Risk Management until December 2016. From January 2017 he has been at the Qatar Investment Authority until March 2020 as Head of Risk Management and currently as Executive Director of Investment Risk.

Andrea Nardon, Group Head of Quant, Sarasin & Partners

Andrea has worked as a quant PM and researcher for over 20 years. He graduated in Economics from the University of Venice with a thesis on Dynamic Asset Allocation and where he spent over a year at the Department of Mathematics focusing on applications of Neural Networks and Neuro-Fuzzy Logic to financial time series. Andrea currently leads several research projects on the application of Artificial Intelligence and Machine Learning on different areas including factor investing and more broadly on systematic strategies. Andrea is a passionate quant and codes in multiple programming languages and extensively uses MATLAB.

Video

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