Quantitative Asset Management

The quantitative asset management process is conducted on empirical data; it eliminates the negative impacts of emotion-driven decision-making, and costs less than fundamental analysis. It also allows a small team to cover a vast universe of values. The potential for quantitative investing has not yet been fully exploited as several new developments are underway and emerging. This article gives you an introduction to quantitative investing.

Quantitative asset management uses statistical and mathematical models to analyze the behavior of stocks and other asset classes. The quantitative investment consists of two parts: research and implementation. The research may be based on internal research or published academic articles.

The research results are used to create a model that identifies actions with an above-average probability of exceeding a benchmark index. In order to implement a model, actions are assigned a score based on some factors, and after which, they will then be classified. A quantitative investment portfolio usually holds the highest-ranked stocks and then rebalances them periodically or if the models do not suit the investment objectives. Quantitative techniques can be adopted for managing long/short portfolios.

An asset manager's investment decision is usually guided by how they perceive the company's growth to be in the future, assuming that a solid business performance would lead to strong share price performance. These decisions are based on a subjective analysis of the company's management and products, as well as the market and the economic

environment in which it operates.

Actively managed funds have been compared to stock market indexes since the 1960s. Over time, it is evident that the majority of actively managed funds do not perform better than benchmarks. Technological advancements in the 1970s enabled investment analysts to be able to study very large data sets in the early 1980s. Quantitative analysis makes it possible for investors to know what types of stocks have outperformed over time.

Quantitative asset management has made three things possible: studying more stocks simultaneously, making investment decisions based on empirical evidence rather than subjective predictions, and a systematic approach to portfolio construction and management. Initial research determined that certain anomalies are present as they will explain stock prices. Value, momentum, and market value were the first factors that led to outperformance. Over time, more a combination of multiple factors have led to benchmark outperformance.

The analysis from a quantitative asset management research is also useful for asset allocation and risk management. It allows you to build or analyze a portfolio that reflects on long-term expected returns and volatility. This will enable you to create portfolios to meet the investment objectives. Most funds today use a quantitative approach for at least some aspects of their portfolio management. Even if it is not used for stock selection, the strategy will generally be used for risk management or asset allocation.

Blue Capitals Quantitative research team was established in 2016.

History of Blue Capitals Quantitative Asset Management Research
Blue Capitals Quantitative research team was established in 2016. Shortly after, their first quantitative management model was created and integrated into their alternative asset management process in order to guide its fund managers and analysts with their market analysis work.

The Quantitative strategy models were created to manage assets on behalf of private and institutional investors.
The asset management team continuously works tirelessly to improve the Quantitative management strategies to ensure an easy adaptation to changes in market conditions.

The creation of these models was followed with proper testing to help identify the strategies' strengths and weaknesses. This testing showed very convincing results as the models contributed immensely to their investment process. The research also helped to better strengthen the models to guard against failing investments/market conditions.

After rigorous conditioning/improvements, further tests revealed the model's successful performance and its ability/capacity for implementation without of class analysis.

These Quantitative asset management models gave rise to a more diversified range of products conditioned to manage funds using quantitative strategies.

Quantitative management strategies to ensure an easy adaptation to changes in market conditions.

DEVELOPMENT PROSPECTS

Blue Capitals' quantitative asset management models have proven its ability to provide stable returns on equity investing. It demonstrated its reliability in surviving market trends and its adaptive capacity to drive for successful investment results in all market conditions.

The asset management team continually researches the markets to gather data to help guide in updating these models so they can continuously deliver better performance in returns.

The Blue Capitals Quantitative Asset Management investment process and performance results have demonstrated its systematic approach to equity portfolio diversification and its capacity to thrive in any market condition, generating sustainable yield over both long & short market periods.