

Systematic

Each team will complete at least one systematic pitch during the year. A systematic pitch proposes a rules-based investment strategy that uses quantitative factors to identify mispriced securities or repeatable market patterns. Your presentation must clearly define the strategy rules. Explain which inputs are used (e.g., valuation ratios, momentum indicators, quality screens), how securities are selected or ranked, and what conditions trigger a buy or sell decision.

Step one of this process is to identify and select an academic paper or high-quality industry research publication that presents a well-documented systematic investment strategy. Your goal is to replicate and evaluate this strategy using real market data to assess how it performs in practice. A good reference to find such papers can be found at

<https://www.openassetpricing.com/>

Avoid data mining. Do not rely on patterns that only appear to work in hindsight. Instead, provide a clear economic or behavioral explanation for why the strategy should work overtime. Identify what inefficiency it aims to exploit and why that inefficiency is likely to persist. Support your strategy with a historical backtest. Include results over at least a 10-year period to capture multiple market cycles, but also show shorter timeframes (e.g., 1-, 2-, and 5-year windows) to evaluate consistency. The goal is not to maximize past returns, but to test how the strategy performs across different environments.

Portfolios should typically hold between 10 and 15 stocks to balance concentration and diversification. Specify your rebalancing frequency (quarterly is preferred) and clearly define the rules for re-entry or removal. Use a benchmark that aligns with your strategy and investment universe. Evaluate performance using key metrics such as annualized return, volatility, Sharpe ratio, and beta.

Finally, assess how sensitive the strategy is to its inputs. Identify which factors drive most of the performance and discuss how changes in inputs or thresholds might impact results. A strong systematic pitch shows not just historical performance, but a well-reasoned, repeatable process built on sound logic.