

# Crowd-sourced Alpha: The Search for the Holy Grail of Investing



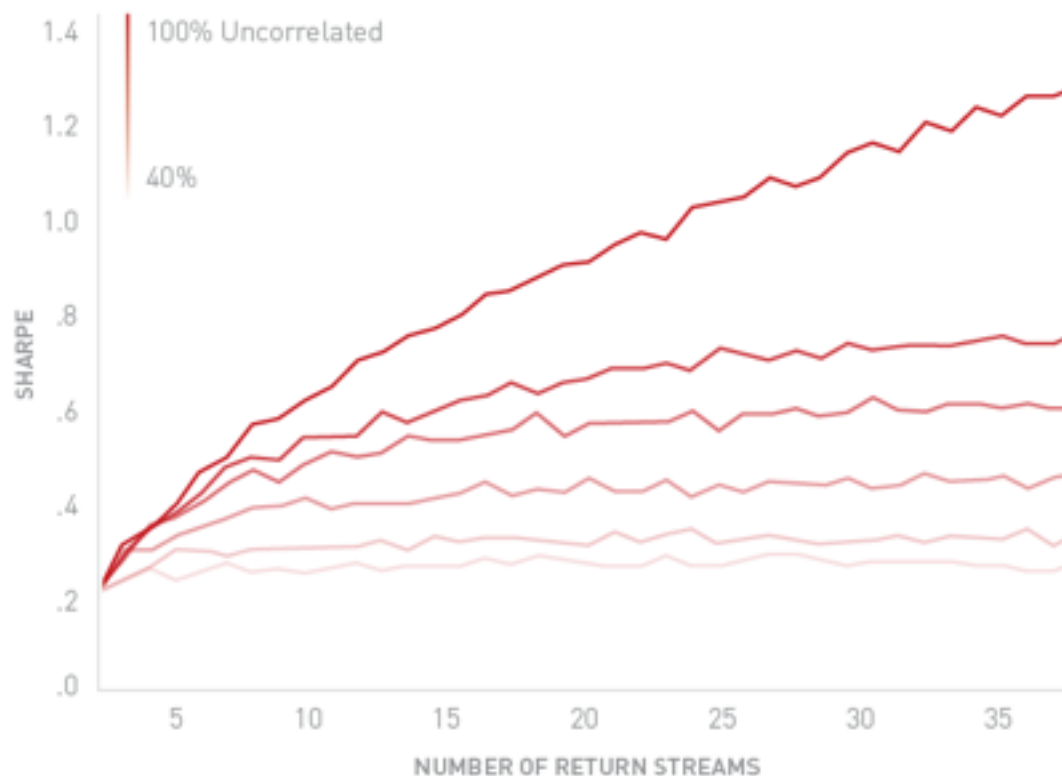
Quantopian

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# Uncorrelated returns streams are the Holy Grail of investing. – Ray Dalio\*



\*<http://www.scribd.com/doc/134432415/Ray-Dalio-Whats-Going-on-in-the-World-Presentation-pdf#scribd>

# Why is it so hard to find the Holy Grail?

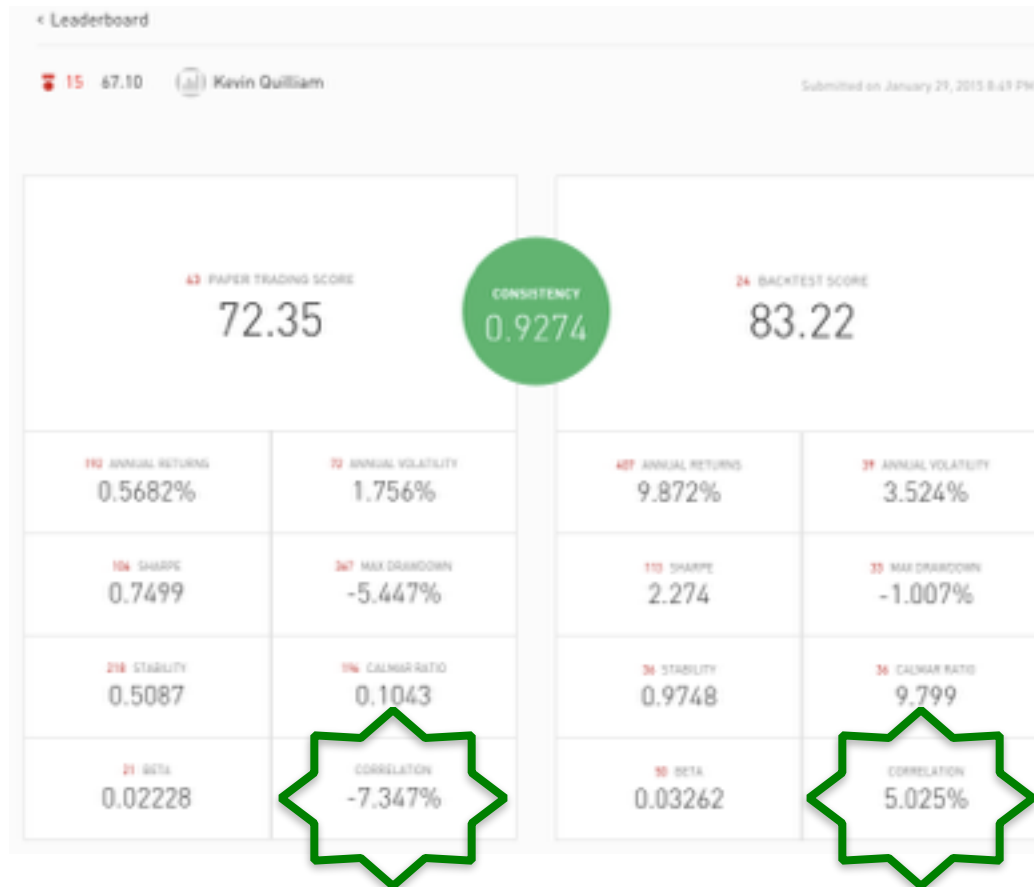
- Positive Sharpe returns streams are a moving target – requires ongoing research efforts to keep finding the holy grail over and over.
- Most investment teams are ‘narrow and deep’ in terms of expertise, making it challenging to surface new uncorrelated strategies.
- Large multi-manager firms can be extremely successful (Millenium, Highbridge, Barclays nQuants), BUT...
- The barriers to entry with a traditional model are high.

Quantopian has a non-traditional model: crowdsourcing.

# What we look for:

## Low Correlation to Peers

We look for algorithms with between -30% and +30% average pairwise correlation with the other algorithms in our portfolio.



To help you better analyze your algo and get into the fund...

We'll give you the same tear sheet analysis we built in-house to evaluate our own portfolio.

