

Further reading

“How Can a Strategy Everyone Knows About Still Work?” — A great research article by **Cliff Asness**, CEO of AQR Capital Management. Further investigation of the effects of overcrowding on popular factor-style investing strategies (impact on profitability and on liquidity)
<https://www.aqr.com/Insights/Perspectives/How-Can-a-Strategy-Still-Work-If-Everyone-Knows-About-It>

“Who Is On the Other Side?” by **Michael J. Mauboussin**, Director of Research, Blue Mountain Capital Management. A perfect starting point in discussing sources of potential advantages to active investing.
<https://www.bluemountaincapital.com/wp-content/uploads/2019/02/Who-Is-On-the-Other-Side.pdf>

A comprehensive study of over 300 different investing factors reported in financial research papers is done by Harvey, Campbell R. and Liu, Yan and Zhu, Caroline, **“...and the Cross-Section of Expected Returns”** (February 3, 2015). Available at SSRN: <https://ssrn.com/abstract=2249314> or <http://dx.doi.org/10.2139/ssrn.2249314>

The authors argue that a much more rigorous statistical procedure for testing significance of a perceived discovery is appropriate for such studies, to account for non-reported failed discoveries and rule out data-mining, resulting in much less actual factors being statistically significant.

A similar test was done in Hou et al., **“Replicating Anomalies”**, 2017.
<http://www.nber.org/2018LTAM/hou.pdf>

Thank you for your attention

And please remember: none of this is investment advice. Investors invest at their own risk.

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