

Conclusions

- there exist a **variety of successful investment strategies** that are well known and publicly available, yet are unsuitable for some or even most investors
- a **winning strategy** possesses an “**edge**” due to either:
informational, **analytical**, **behavioral** or **technical** advantages over other market participants
- **skewness** and **sensitivity to tail risk** scenarios explain some of the potential payoffs for following such a strategy
- a need to **survive volatility** are also obstacles an investor must tackle. Not all investors manage to do so
- **behavioral biases and overcrowding trends** can lead to fluctuations between the profitability of a known strategy. When a strategy “falls out of favor” and is less widely adopted, it can regain it’s previous potential of higher profitability

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- ...which explains how **a popular, widely known strategy can survive and continue to be profitable.**