The fund’s profit depends on the results of specific positions held over time, and which number in the hundreds, not on on the corrs of a point-in-time for thousands of stocks. So the question should be reversed. They are telling us that TC is the thing, or the best approximation of it that also is workable as a score for us (using the actual portfolio doesn’t quite for a few reasons).

So what is the point of corr if we can get good TC without it? One reason is that it is not a black box like TC. The new corr scoring seems rather tougher than the old one, but maybe that’s just because no one has optimized for it, I don’t know. But maybe an even better question is how can we use corr to guide us to get better TC? With the old scoring, getting good corr was certainly no guarantee of getting decent TC also – I wonder if that relationship is more in-sync now?