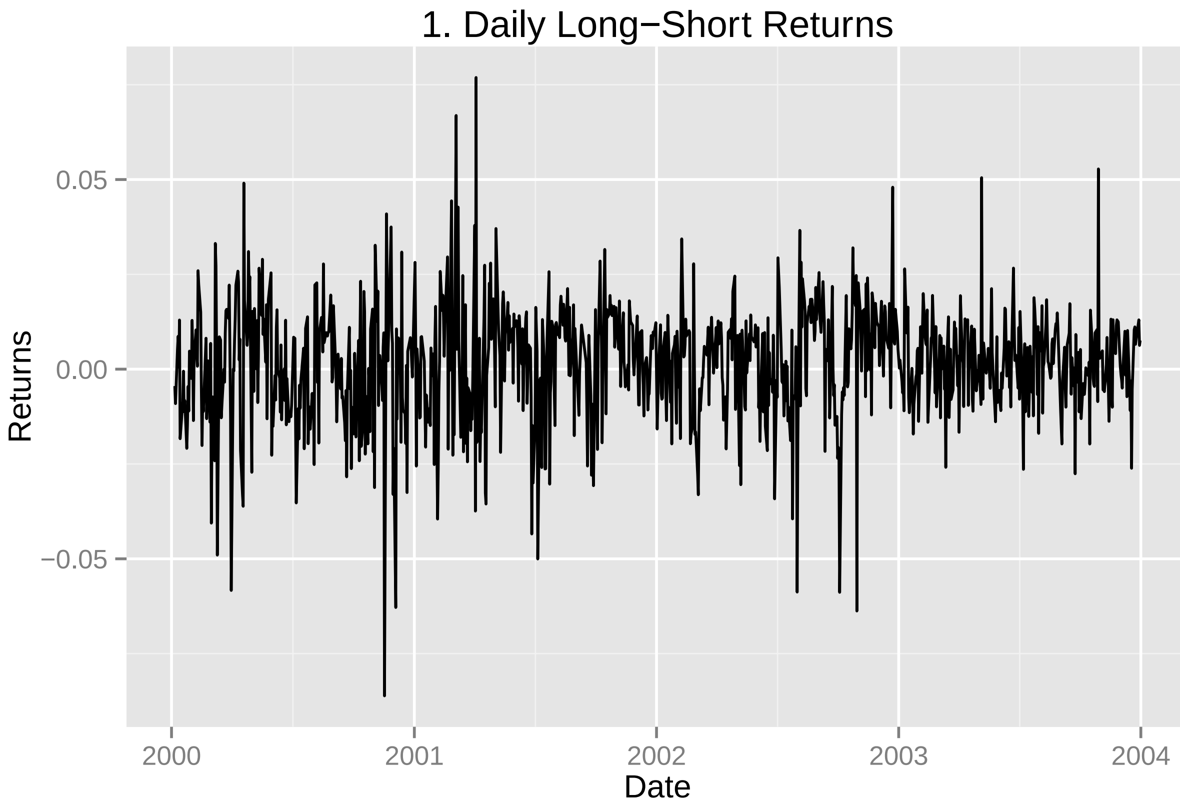
Solution Description - Part (3)

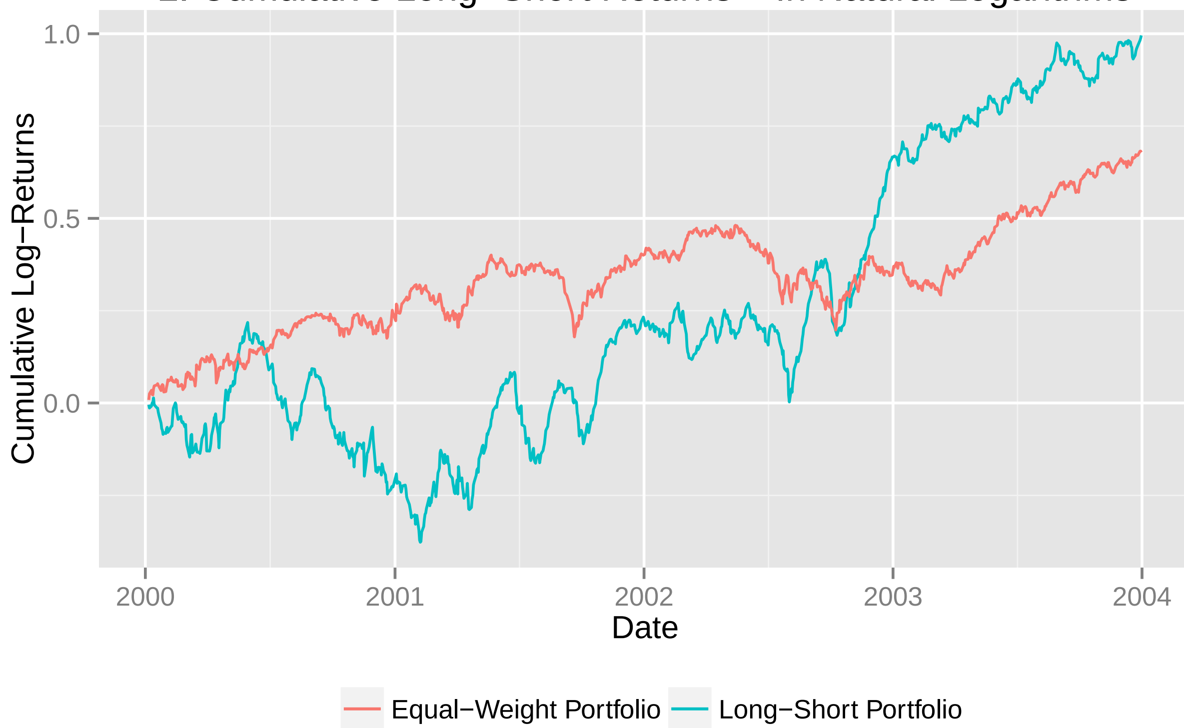
Team A - Mufan Li, Mengye Ren, Tian Xia

March 19, 2016

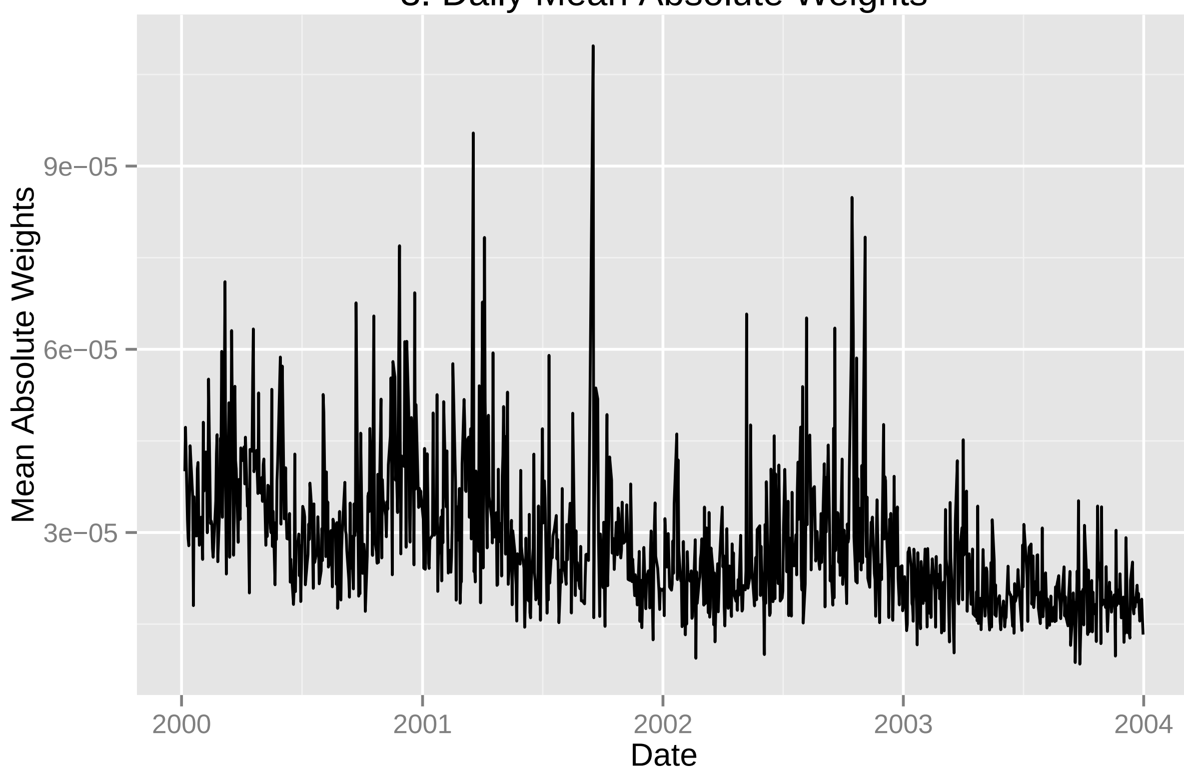
We first display the four time series plots.

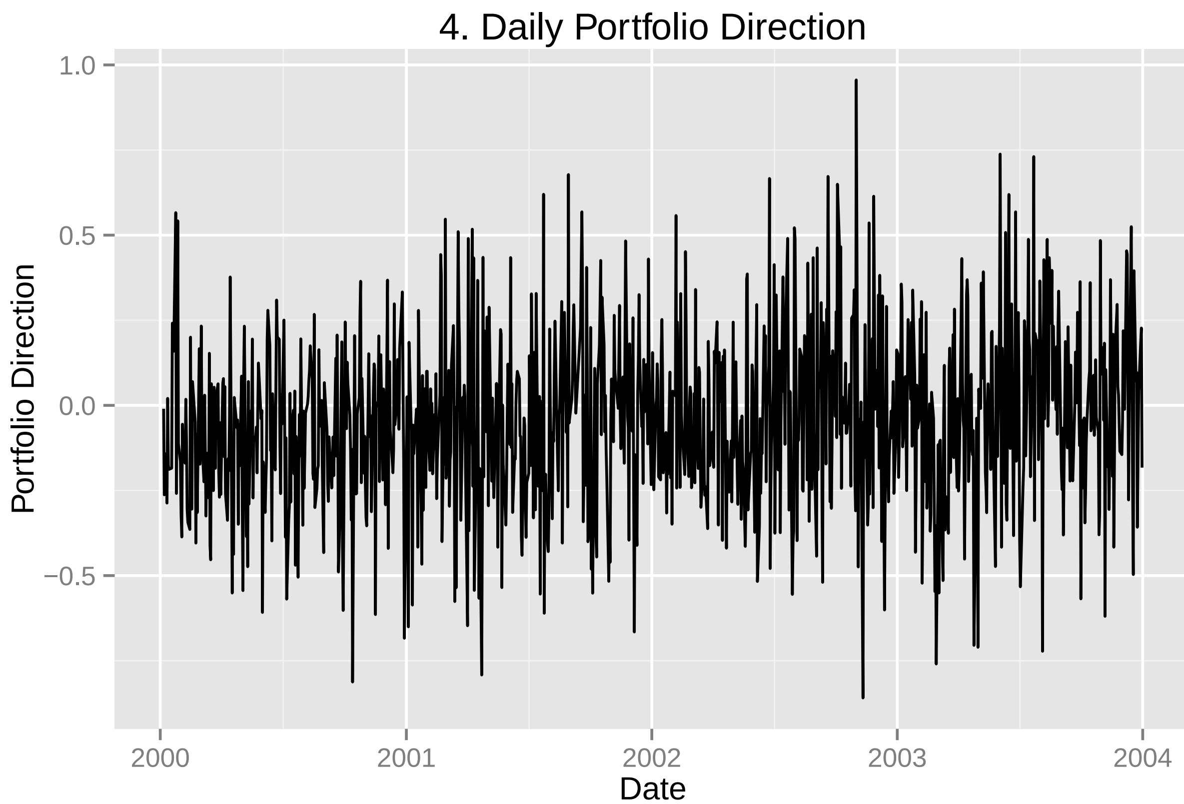


2. Cumulative Long−Short Returns − In Natural Logarithms



3. Daily Mean Absolute Weights





We can also look at the relevant statistics below.

	Names	Values
1	Average Daily Log Returns	0.0010
2	Standard Deviation of Daily Log Returns	0.0153
3	Annualized Sharpe Ratio	1.0334
4	Skewness	-0.4864
5	Kurtosis	3.2123
6	Maximum Drawdown - Number of Days	175.0000
7	Maximum Drawdown - Return	-0.4485
8	Correlation with Equal Weighted Returns	-0.0425

Table 1: Summary Statistics