**Peer review sheet**

MAFS6010Z, 2021 fall

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Group that you review:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Confidence on your assessment (1-3) | Clarity and quality of writing (1-5) | Technical quality  (1-5) | Overall rating  (1-5) |
| Score | 2 | 3 | 3 | 3 |

Summary:

This report replicates the paper – Empirical Asset Pricing via Machine Learning, which aims to predict assets’ excess return by several machine learning algorithms. The report consists of several parts – Data Preprocessing, Models of OLS-3, ENet, PLS, PCR, GBRT and RF, and Recursive Evaluation to replicate the result of the paper and identify the best-performing method by comparing out-of-sample R2.

Strengths:

The principles of the various machine learning algorithms are explained clearly.

Weaknesses:

Lack of demonstration of recursive evaluation.

Clarity and writing:

Writing is not academic enough (e.g. Reflection section)

Technical quality:

The method of recursive evaluation is not provided, which reduces the credibility of the R2. R2 of Enet, RF, GRBT is extremely far away from those in the thesis, but there is a lack of analysis or rational explanation of the reasons for this result.