QUANTITATIVE
FINANCE
SOCIETY

QUANTITATIVE FINANCE SOCIETY KICK-OFF

January 23, 2018

BRAINTEASER

- You have 100 balls (50 black balls and 50 white balls) and two buckets.
- How do you divide the balls into the two buckets so as to maximize the probability of selecting a black ball if 1 ball is chosen from one of the buckets at random?
- For clarification: one of the two buckets will be randomly chosen, from which you will randomly choose a ball from that bucket

Brainteaser - Answer

- You want to put 1 black ball in 1 of the buckets and all of the other 99 balls in the other bucket.
- This gives you just slightly less than a 75% change of having a black ball chosen.
- There's a 50% chance of selecting the bucket containing 1 ball with a 100% chance of selecting a black ball from that bucket. And a 50% chance of selecting the bucket containing 99 balls with a ~49.5% (49/99) chance of selecting a black ball from that bucket.
- Total probability of selecting a black ball is: (50% * 100%) + (50% * 49.5%) = 74.7%.

What is QFS?

QFS is a markets-focused, multi-asset class and multi-strategy investment club

We aim to provide platforms for members to share knowledge and learn about markets, investing, and trading

- General Meetings
- Mentorship Program
- Portfolio Team

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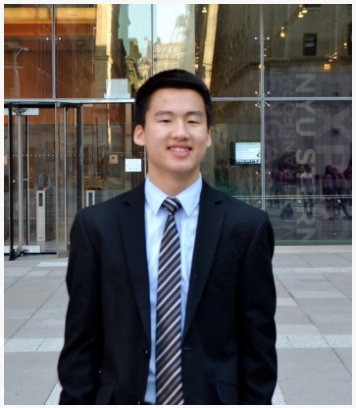
EXPECTATIONS

1. Intellectual Honesty
   - Raise your hand if you don't know what's going on – it's okay!
2. Participation
   - The tangent conversations we have from your comments can be more valuable than our scripted content
3. Less Math / More Intuition
4. Call us out
   - We'll respect you more if you try to prove us wrong
5. Purposeful Approximation
6. Take Notes
   - You're going to forget

Meet Our Executive Board



Andy Le
Class of 2018
Co-President

Sashank Parigi
Class of 2018
Co-President

Glenda Chan
Class of 2018
Vice President

David Friedman
Class of 2019
Head of Portfolios

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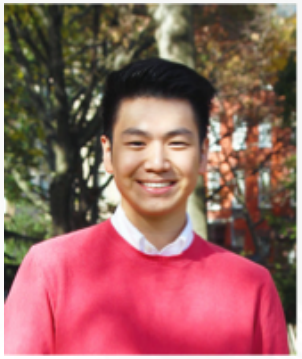
Meet Our Executive Board

Apurva Gundaria
Class of 2019
Events Chair

Kevin Li
Class of 2021
Marketing Chair



Max Xue
Class of 2020
Secretary

Leandro De Los Reyes
Class of 2020
Treasurer

Jimmy Xiao
Class of 2019
Operations Chair

Nelson Urdaneta
Class of 2020
Webmaster

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WHY QFS?

Learn

- Teaching different trading and investing strategies
- Solely dedicated to educating students

Practice

- Gain experience in pitching cross-asset ideas at general meetings, to all portfolios, and to alumni
- Be exposed to individuals with a wide variety of investing backgrounds and career paths

Results

- Strong recruiting ties to markets-focused jobs and buy-side firms
- Extensive alumni network across the finance industry

General Meetings

Tuesday, 12:30 - 1:45 PM

Tisch Hall Room 201

All students invited, free food and good knowledge always served

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Upcoming General Meeting Topics

1. Cryptocurrencies
2. Options 101
3. Options 201
4. Credit Investing
5. Volatility
6. Central Banks
7. Poker
8. High-Frequency Trading and Market Making
9. Quantitative Investing

Want to see specific topics/have suggestions? Let us know!

Special Events

Guest Speakers and Panels

- GS Research Panel
- IEX
- Nobel Prize Winner: Robert Engle

Interactive Activities

- Open Outcry Trading Competition
- Hands-on market-making games
- Trivia Game

Charity Poker Tournament (4/21/18)

- Enjoy playing poker with QFS members and alumni, with entrance fee proceeds donated to MFA

Annual Alumni Mingle & Alumni Q&A Panel

- Great networking opportunity for invited members

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Professional Network

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Quantitative Portfolio Team

- Building models and quantitative strategies
- Backtesting
- Data-driven: *Where's the proof?*

Akaash Mohan
Portfolio Manager

Kevin Leung
Portfolio Manager

<u>Past Ideas</u>

1. Equity factor model
2. Systematic commodities pairs trading
3. VIX regression model
4. Systematic volatility-skew selling strategy

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Long-Short Equity Portfolio Team

- Fundamental and intensive bottom up analysis to find cheap stocks
- Research focus includes the quality of the management team, notably their abilities, backgrounds, and desire to generate shareholder value

Jainam Shah
Portfolio Manager

Josh Raj
Portfolio Manager

<u>Past Ideas</u>

1. Long Saber
2. Long USA Technologies
3. Long Quorum Health
4. Long Twinkie warrants
5. Short Macy's

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Macro Portfolio Team

- Follow economic and political trends to develop global, cross-asset trades
- Members enjoy economics and following current events

Apurva Gundaria
Portfolio Manager

Jimmy Xiao
Portfolio Manager

<u>Past Ideas</u>

1. Long inflation breakevens
2. Short USD/INR
3. Long EM (Russia, Brazil, Argentina) bonds

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Multi-strategy Portfolio Team

- U ng s to
  d mispr ruments
- thematica tilize
  rent asset clas s
  press views on tre
  evelopments
  mbers are well-v
  al trading sty ca
  o maximi ts

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io Mana

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1. Short CHF, long basket of European EM's
2. Long USAT
3. Franco – German credit spreads
4. Short inverse VIX, long OTM Calls
5. Palladium/Platinum pairs trade

QFS Portfolio Team Open House

- A unique opportunity to experience the portfolio teams firsthand by listening to Quantitative, Long/Short Equity, and Macro pitches.
- You will also be able to ask questions to different members in the portfolio teams after the open house session to learn more about their experience.
- Food will be served!

When? February 1st @ 6:30pm

Where? T-201 (here)

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Winter Markets Recap

- Bull market in US equities
- Tax Cuts and Jobs Act
  - Repatriation (Apple)
  - Trickle-Down
- Europe
  - Regional economic growth
  - ECB & the Euro
- Hawkish Fed
  - Jerome Powell
- Bitcoin

CME Trading Competition

- Registration for the 2018 CME Trading Competition is open until 2/15
- Teams of 3-5 students compete in a simulated trading environment using live data
- More information and registration can be found at: cmegroup.com/education/trading_challenge.html or in our most recent email

General Announcements

- Make sure to swipe in
- Let us know if you are not receiving our emails
- Portfolio Team Applications will be released soon
  - Open House: 2/1
  - Application Deadline: 2/5

- Next Week: Intro to Cryptocurrencies
- quantfsnyu.com