



**100 women in
hedge funds®**

Education Session No. 237:

On Alpha and Randomness in Financial-Markets: a night with Jasmina Hasanhodzic

December 1, 2010 at 6:30 PM
Paris

A fundamental question that arises when analyzing financial-market returns is the extent to which they can be forecasted. Measuring alpha, which can be thought of as an unforecastable component of returns, is a crucial task in this regard. In this talk we suggest that transparent, algorithmic portfolios can serve as benchmarks against which alpha contribution of active strategies can be measured, and propose a framework for constructing such benchmarks for 130/30 funds and hedge funds.

Another aspect of forecastability of returns is the extent to which they are perceived as non-random. In this talk we also report on an experiment aimed to establish whether human subjects can distinguish actual market returns from their random permutation. Our experiment, implemented as an online video game (<http://arora.ccs.neu.edu>), yields overwhelming statistical evidence that human subjects learn to distinguish between the two types of time series, thereby refuting the widespread belief that financial-market returns look random to human beings.

Participants

Jasmina Hasanhodzic, AlphaSimplex Group, LLC

Event Details

Date: December 1, 2010

Time: 5:30 PM Registration.

We will begin *promptly* at 6:30 PM; please arrive early. Since it is disruptive to everyone when latecomers enter the session, those arriving after an education session has begun will only be admitted at the discretion of 100WHF and the host. Please note the start time on this invite and plan to arrive early.

Networking and cocktails will follow.

Host: COGITAM

Location: The American University of Paris

6, rue du Colonel Combes, Conference rooms C-12 and C-136, Paris, 75007, France

(Please see below for directions.)

RSVP: http://www.100womeninhedgefunds.org/pages/event_registration.php

This event is NOT FOR ATTRIBUTION.

Admission to this event is free, but there is a 20 Euro charge if you register and do not attend (even if you cancel in advance). No-show proceeds will be donated to our 2010 beneficiary.

Space is limited. No walk-ins will be permitted.

Biographies

Jasmina Hasanhodzic, Ms, AlphaSimplex Group, LLC
AlphaSimplex Group, LLC and Senior Researcher at MIT

Jasmina Hasanhodzic is a researcher at the MIT Sloan School of Management and AlphaSimplex Group, LLC, where she develops quantitative investment strategies and benchmarks. She received her Ph.D. from MIT's Department of Electrical Engineering and Computer Science. Her works on alternative market betas and technical analysis have appeared in leading publications such as the Journal of Investment Management, and she is the co-author with Andrew Lo of the books: "The Heretics of Finance" (Bloomberg Press, January 2009) and "The Evolution of Technical Analysis" which just came out. In addition, she is a board member and treasurer of the Market Technicians Association Educational Foundation. A summa cum laude graduate of Yale, Jasmina is a recipient of a number of awards for academic excellence, and a member of several honor societies, such as Sigma Xi.

Directions

Alma Marceau metro station

Please note that this event is in a different part of the University than last time.

[Click here for more directions](#)

About COGITAM

Our gracious sponsor for the event is:

COGITAM, a French, high-frequency (one minute) systematic, quant fund (UCITS) not only diversifying, but providing alpha without beta. Founder of Quant Valley.

About 100 Women in Hedge Funds (www.100womeninhedgefunds.org)

100 Women in Hedge Funds is a global, practitioner-driven non-profit organization serving over 10,000 alternative investment management investors and professionals through educational, professional leverage and philanthropic initiatives. Formed in 2001, 100 Women in Hedge Funds has hosted more than 200 events globally, connected more than 150 senior women through Peer Advisory Groups and raised in excess of \$17 million for philanthropic causes in the areas of women's health, education and mentoring. For more information about 100 Women in Hedge Funds, please visit www.100womeninhedgefunds.org.

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