



strategy description

Certain varying groups of stocks have volatility consistently larger than the index to which they belong. These groups outperform or underperform the index with mean-reverting behaviour. The Erdös strategy uses graph theory concepts and time-series analysis to exploit the ensuing arbitrage opportunities in a consistent way.

Key facts

- Currency** : USD
- Instruments** : iShares S&P100 ETF and S&P500 stocks
- Liquidity** : daily
- Risk factors** : long positions, short positions, no derivatives
- Trading** : algorithmic, with human surveillance

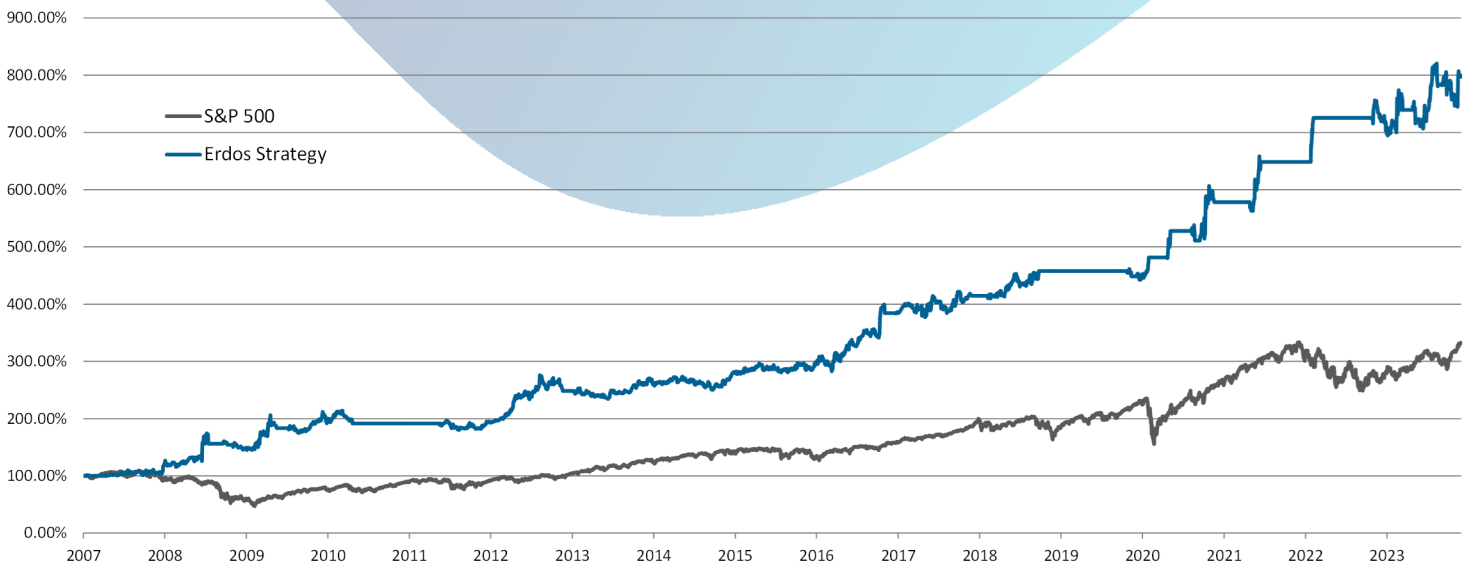
statistics (2007–2023)

- Average net return** : 13.84% (S&P500: 9.00%)
- Average volatility** : 12.57% (S&P500: 18.30%)
- Average Sharpe Ratio** : 0.75 (S&P500: 0.78%)
- Maximum draw-down** : 16.81% (S&P500: 56.78%)
- Live trading** : since November 2022

performance details

Year	Performance		Volatility		Max. draw-down	Sharpe ratio
	Strategy	S&P500	Strategy	S&P500		
2007*	4.63%	2.09%	10.67%	15.82%	7.95%	0.06
2008	43.88%	-38.49%	28.28%	40.97%	14.48%	1.48
2009	32.21%	23.45%	23.29%	27.29%	16.81%	1.36
2010	-3.83%	12.78%	10.37%	18.05%	10.48%	-0.40
2011	-2.47%	0.00%	9.86%	23.27%	15.72%	-0.27
2012	33.06%	13.32%	15.13%	12.88%	11.59%	2.17
2013	4.69%	29.73%	8.61%	10.97%	15.18%	0.53
2014	2.89%	11.41%	9.64%	11.19%	9.41%	0.29
2015	7.86%	-0.76%	10.06%	17.05%	5.53%	0.75
2016	33.13%	9.53%	14.23%	12.61%	8.55%	2.29
2017	7.92%	19.41%	11.54%	6.68%	7.30%	0.58
2018	10.42%	-6.24%	8.94%	17.06%	4.98%	0.91
2019	-2.07%	28.88%	2.51%	12.56%	2.82%	-1.64
2020	28.91%	16.26%	19.07%	34.43%	6.63%	1.50
2021	12.21%	26.89%	8.32%	13.10%	7.20%	1.46
2022	12.66%	-19.44%	7.08%	24.17%	4.01%	1.39
2023	9.17%	24.23%	16.17%	13.06%	9.21%	0.25

*starting 31.01.2007



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