Editorial

This Editorial is concerned with the benefits, real or imagined, of quantitative asset management, hereafter abbreviated as 'quant'. A practitioner of quant will be referred to as a quant. I regard myself as a quant, and some of my best friends are quants. The *Journal of Asset Management* is unashamedly quant in its approach, but the question has not been raised, to my knowledge, as to whether this is a good thing. I am not aware of studies that show that quant managers outperform non-quant managers, *ceteris paribus*. Such a study would be problematic, at best, as the distinction between quant and non-quant has become blurred in recent years, due to the increased availability of good software and the increased importance of portfolio risk management. Also, the terms of reference for such a study would be controversial. Would it be performance, unadjusted or risk-adjusted, that would be used in the assessment?

Probably the only people able to undertake this task would be the consultants, who might have access to universes of fund/manager/account data, and sufficient information to classify them accurately.

A likely finding might be that whilst performance would not differ between the two groups, risk management would be considerably improved for quants. Better brakes, however, can make you drive more recklessly, so that risk tolerance could be influenced with potentially undesirable consequences. It may be that the final decision to become a quant is an act of faith, not based on evidence, but on psychological comfort. As always, readers with evidence or opinion on this matter are most welcome to contact the Journal.

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Editor