
Public Lecture
Conférence populaire

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The Mathematics of Silly Investment Strategies, or How to Win the Globe and Mail's Stock Picking Contest

During the year 2002, 2003 and then again in 2004, I won a national stock picking contest organized by the investments editor of the Globe & Mail. This presentation focuses on some of the mathematical issues surrounding this (dubious) achievement. More specifically, in the presentation I will discuss joint-work with Tom Salisbury on the optimal strategy for playing such a stock market game. Oddly enough, the way to win such a contest is by doing the exact opposite of what one should do with their own personal portfolio. In addition, I will provide some general insights on investment management in a random environment and I will discuss some common mistakes investors make when allocating their personal wealth. And, while the mathematics underlying stock picking is quite beautiful and elegant, the practical implication is that you shouldn't pick stocks and investments for your own portfolio based on what you read in the newspaper.