

Chapados Couture Capital

C3 ("C-cube" for short) is an emerging quantitative manager of alternative volatility and smart beta investment strategies. We focus our normative understanding of sustainable risk premiums on a search for empirically valid opportunities to capture those premiums.

Start-up	2013
Assets	\$3 million in Volatility Risk Premium strategies as of December 2015
Strategy	<ul style="list-style-type: none">• Tracking of equity style indices;• Semi-active management of factor-tilt portfolios;• Short gamma (volatility risk premium);
Philosophy	<ul style="list-style-type: none">• The Pareto principle applies to the division of labor between quantitative and qualitative investment management activities;• Capital markets are an eco-system of competing opportunities to be compensated for bearing a multitude of economic risks;• A sound theoretical understanding is a preferred way to robustify forecasts against the effects of non-stationarities;• The information content of most investment edges eventually get diffused to other market agents via trading interactions;• The market consensus is the best starting point to obtain a synthesis of the trade-off between returns, risks, and search costs.
Approach	<ul style="list-style-type: none">• Top-down analysis of risk premia calibrated by market consensus;• Rigorous statistical simulations incorporating realistic market impact assessment;• Specification and justification of the economic rationale underlying risk premia;• Advanced statistical analysis – classical or machine learning.
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