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ANNOUNCING THE SOA INVESTMENT SECTION'S 2013 INVESTMENT CONTEST

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“Once more unto the breach, dear friends, once more” –
Henry V, III.i.1

Thankfully, the market turbulence that accompanied the 2008 Financial Crisis has subsided just a little. However, current conditions are such that one might not wish to “cancel yellow alert” quite yet. The Federal Reserve’s various quantitative easing programs have set the price of short-term money to zero, effectively skewing the trade-off between risks and returns for many investors. Even though there are signs of recovery in some developing nations, the dismal prospect of continued low economic growth and stubborn unemployment closer to home continues to cloud the horizon. And best not to entirely discount the persistent threat of any *unknown unknowns* that may be lurking about.

Yet, given the steadfast and resolute nature of most investment actuaries, undeterred by the present economic climate, what better time to dust-off an old idea with a new twist—an investment contest!

Section members are once again invited to submit their contest picks in the spirit of friendly competition. What’s new this time is the 2013 Investment Contest’s emphasis on taking market volatility into account when making asset allocation decisions. Hence, the challenge posed by the 2013 Investment Contest will be for members to assemble an asset portfolio which will prevail in one of the following three metrics:

- Highest cumulative total return;
- Lowest weekly volatility (measured as standard deviation of weekly total returns); or
- Highest Sharpe Ratio, measured using the arithmetic average of weekly total returns, and the standard deviation of weekly total returns.

So, prepare to gaze deeply (not *too* deeply!) into your crystal ball, and remain alert for the email message we will send to all section members in early March soliciting your

entry. The message will include information about the list of eligible assets, portfolio constraints, the time period over which returns will be measured, and the submission deadline too. If your SOA Directory email address is not current, now is a good time to update it.

Incidentally, the prize for attaining the top ranking in each category will be an iPad mini. We will announce the 2013 Investment Contest winners at the Investment Section Hot Breakfast at the 2013 SOA Annual Meeting to be held in San Diego in October—and very much look forward to seeing you there!

The fine print: the 2013 Investment Contest is open to SOA Investment Section members only (if you are not currently a member, please consider joining us); one submission per entrant; and only one prize per entrant; and Section Council members may participate in the contest but are not eligible to win a prize. See the forthcoming email message for additional details regarding other contingencies. ☛



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