



**ABN 49 978 071 714**

**6 December 2016**

Dear Q-Group Members,

I would like to thank the Committee members for their efforts and contributions this year. We have focussed this last year on increasing the number of events and I think you will agree we have been successful. The Q Group wouldn't continue without the time and effort volunteered by Rob Trevor, Derek Condell and Roy Shackley, but I would like to especially acknowledge the hard work and contributions of Colin Bowers, Peter Vann, Laurence Irlicht and Erik Schlögl for getting so many events running so smoothly.

### **Events**

The Q Group held the following events during 2016:

- A Melbourne lunch time presentation on 25 February from Sebastian Ceria, CEO of Axioma. Sebastian spoke about Quantifying Macro Risks - A review, explanation and assessment of multiple approaches to applying macro factor stress tests to equity portfolios in a changing market environment
- The Q-Group Sydney Half-day Colloquium 2016 was held on 13 April. The topic was High frequency trading, data, and market microstructure
- On 20 October in Melbourne, Binh Do, Senior Lecturer, Monash University, spoke on Cointegration and Relative Value Arbitrage
- On 2 November in Sydney, Dan diBartolomeo, Owner and president of Northfield Information Services, spoke on Back-testing and stress-testing: Useful tools or Financial Charlatanism?
- On 24 November in Sydney, the Q Group partnered with the Finance Professionals' group from Macquarie University to present a half day seminar and panel session programme on Ambiguity Aversion and Investment Philosophies in Retirement Wealth Targets.
- The Melbourne Christmas Lunch was held on 25 November
- On 30 November in Sydney, Dr Philip Seager, Head of Alternative Beta Strategies at CFM, spoke about The Importance of Trading Cost and Execution Management to Avoid Decay in Investment Strategies
- Our AGM and Sydney Christmas dinner, to be held on Tuesday, 6 December 2016

This year we commenced a regular series of monthly lunches where a member introduces a topic on a subject of their interest and this is followed by discussion. The source of the topic may be some research/work that the member is undertaking, or a discussion of someone else's paper that is of interest, or a general question (Q Group related topics) that the member would like to discuss with colleagues. Seven Monthly Lunches have been held from May to November this year. Topics for our lunches have been:

- May - Discussion leader: Stewart Wright  
Topic: Blockchain 2030
- June - Discussion leader: Derek Condell  
Topic: Interesting Problems in the Self-Managed-Super-Funds Space
- July - Discussion leader: Colin Bowers  
Topic: Continuous-time versus discrete-time modelling in Finance: what works, what doesn't, and why?
- August - Discussion leader: Jakub Tomczyk  
Topic: Mean Field Games
- September - Discussion leader: Frank Ashe  
Topic: Smart Beta
- October - Discussion leader: Erik Schlogl  
Topic: A Consistent Stochastic Model of the Term Structure of Interest Rates for Multiple Tenors
- November - Discussion leader: Nick Wade  
Topic: Stefano Cavaglia's recent results on Factor Premia and the Value of Downside Protection

In conjunction with Sydney Financial Mathematics Workshop (SFMW), the following five events will be held:

- On 2 March, Marek Musiela, Deputy Director, Oxford-Man Institute of Quantitative Finance, University of Oxford spoke about the Analysis and Development of the SABR Framework.
- On 6 September, Thomas A. McWalter, University of Cape Town and University of Johannesburg spoke about the Recursive Marginal Quantization of Higher Order Schemes.
- On 8 and 29 November, Alan Brace, National Australia Bank spoke on A Finance Industry Quant's Perspective on the Mathematical Concepts Behind Public Key Cryptography and the Blockchain.
- On 8 December, Bok Khoo, Bok Consulting will speak on The Ethereum Blockchain, Smart Contracts, Tokens, Tokenising Fiat Currency and a Decentralised Trustless Exchange Contract Market.

### **Treasurer**

I've placed copies of Derek Condell's Treasurer's Report on the table, but in summary our expenditure exceeded income by \$1,484. This was due to having more meetings and events in Sydney during 2016. Total funds in the bank are \$70,956.

### **Membership**

We have 59 current paid members, a mix of Sydney (34), Melbourne (19), Other Cities (4) and Students (2). We also have 8 Overseas members registered.

**Stewart Wright**

**President**

## **Election**

We have nominations from:

Stewart Wright	(President)
Rob Trevor	(Vice President)
Derek Condell	(Treasurer)
Stewart Wright	(Public Officer)
Roy Shackley	(Secretary)

Other committee members:

Erik Schlögl	(SFMW)
Colin Bowers	