



MANIFOLD
PARTNERS

CONTACT: Andrew Putnam
Manifold Partners LLC
(415) 339-2488
APutnam@manifoldpartners.com

Manifold Partners' Scientific Advisor Dr. Terry Marsh Featured in The Wall Street Journal

February 2017

SAN FRANCISCO--**Manifold Partners LLC** is pleased to announce that one of the firm's Scientific Advisory Board members, **Dr. Terry Marsh**, had his academic study featured in the *Wall Street Journal* (WSJ). The newspaper article published on February 9th, "["Sell in May and Go Away": Mostly a Myth, but Not Entirely,](#)" provides a summary review of the original study published in the *Social Science Research Network* (SSRN). The study was co-authored by **Dr. Kam Fong Chan**, a senior lecturer in finance at the University of Queensland Business School.

"Sell in May and Go Away" discusses the findings of the study regarding the "Halloween Indicator," an economic folklore that if investors sell by May 1st and reinvest after October 31st they can increase the return on their investment. While the study found no statistically significant seasonal difference as a whole, they discovered the phenomenon does exist in winter-pre-election year premiums. In other words, winters tend to be slightly better for stocks in U.S. markets, but only significantly so in the third year of U.S. presidencies. This observation is separate from the January anomaly and independent of political party.

The conclusions of the study were further supported when the researchers found the trend in several other countries: Canada, France, Germany, Italy, Japan, Britain, Australia, and Singapore. As the WSJ article notes, the professors only offer conjecture on why this pattern exists. Citing a 2013 University of Chicago study on uncertainty surrounding economic policy, they reason "that the market may be providing a higher return during those times to compensate investors for greater uncertainty."

The original study is available at the SSRN website: [No matter the winning Presidential candidate, "buying at Halloween and selling in May" has been attractive for equities in pre-election years, with the opposite for Treasuries](#). In addition to his advisory position at Manifold, Dr. Marsh is Emeritus Professor of Finance at the **University of California, Berkeley**, and CEO of **Quantal International**, a risk management firm for institutional investors.

About Manifold Partners LLC

Manifold Partners LLC is a San Francisco-based multi-discipline portfolio management firm specializing in quantitative investment methodologies for institutional and retail clients. Manifold's primary method of security analysis is statistical in nature. The firm's science teams from multiple fields of study have deep backgrounds in quantitative research, machine learning, mathematics, portfolio theory, and advanced software development.

About Quantal International Inc.

Quantal International Inc. offers a suite of advanced portfolio-analytics solutions to meet the needs of clients from the investment management industry. Their core financial technology consists of global "hybrid" multi-factor models for equities and government bond returns. The hybrid model combines the accuracy of a latent factor specification with the explanatory power of a model in which risk exposures are attributed to observable cross-sectional characteristics and macro factors.

RELATED LINKS

manifoldpartners.com

quantal.com

###