First marketplace for quantitative trading algorithms

Martin Froehler
Chief Executive Officer

Quantiacs LLC
www.quantiacs.com

Contact:
Martin Froehler
+1 415 687 3731
martin@quantiacs.com

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: *Mr. Froehler, according to Quantiacs.com, "Our mission is to democratize quantitative finance." How so?*
Mr. Froehler: Quantiacs empowers anyone to earn a fortune in their spare time. We provide freelancers from all around the world with the same infrastructure that they would find at a quantitative hedge fund: comprehensive, high quality market data, open source software to create trading algorithms, and a platform to connect their algorithms to institutional investors in return for a licensing fee. With Quantiacs, anyone can become a quant from the comfort of their own home. For the first time in history, freelancers from all around the world participate in their trading algorithms' performance without giving up their intellectual property or investing their own money.

CEOCFO: *Have similar attempts been tried to bring this community together?*
Mr. Froehler: Crowdsourcing quantitative trading algorithms is a new concept. The traditional approach in quantitative finance is to employ the best researchers, scientists and engineers as quantitative analysts (aka, "quants") who constantly build new trading algorithms for their employers. We turn this traditional model upside down – we trust in the wisdom of the crowd, and we empower the crowd to compete at scale. Our freelancers have the same tools at their disposal that professional quants at large hedge funds have. In the past, large quantitative hedge funds were the only ones with the resources required to empower quants, but now the tools of the trade have been democratized, and advanced machine learning libraries like TensorFlow are available for anyone in the world to use for free.

CEOCFO: *Would you walk us through how someone would use your platform?*
Mr. Froehler: Quantiacs provides free historical data, which is the basis of quantitative research. We currently have data of fifty of the most liquid futures in the world, macroeconomic data, and the stocks in the S&P500 index. On the software side we provide backtesting frameworks in two different programming languages; Python and MATLAB. Both are open source and allow our quants to check out the inner workings of the backtesting software. With these tools, our freelancers can perform the same quantitative research that's traditionally done at major quant hedge funds. As soon as they've developed a new trading algorithm, they can submit their source code to our marketplace. We compute the backtest and evaluate the trading algorithms constantly on new market data, as it becomes available. In the industry this is called the forward test. We use the backtest, the forward test, and a couple of other proprietary checks to assess the quality and robustness of all of the trading algorithms on our platform. We invest our own money in algorithms on our platform, and we make the best of the best available to institutional investors, and we split our profits 50-50 with the freelancers.

CEOCFO: *If someone is interested in the market and interested in analysis – this doesn't necessarily mean they have the skills to develop an algorithm. Who is turning to you?*
Mr. Froehler: Every startup is built around a contrarian truth. Our contrarian truth is that there is way more quant talent out there than actually ends up working in the industry. Less than one percent of all qualified quant candidates are ever