

Nomura Securities Co Ltd, Tokyo
Global Quantitative Research

NOMURA

**Global Quantitative Investment Strategies
Conference 2008**

**Paradigm Lost? The Future for Quants
after the Golden Era**
Roundtable Discussion

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Value remains strong in Japan

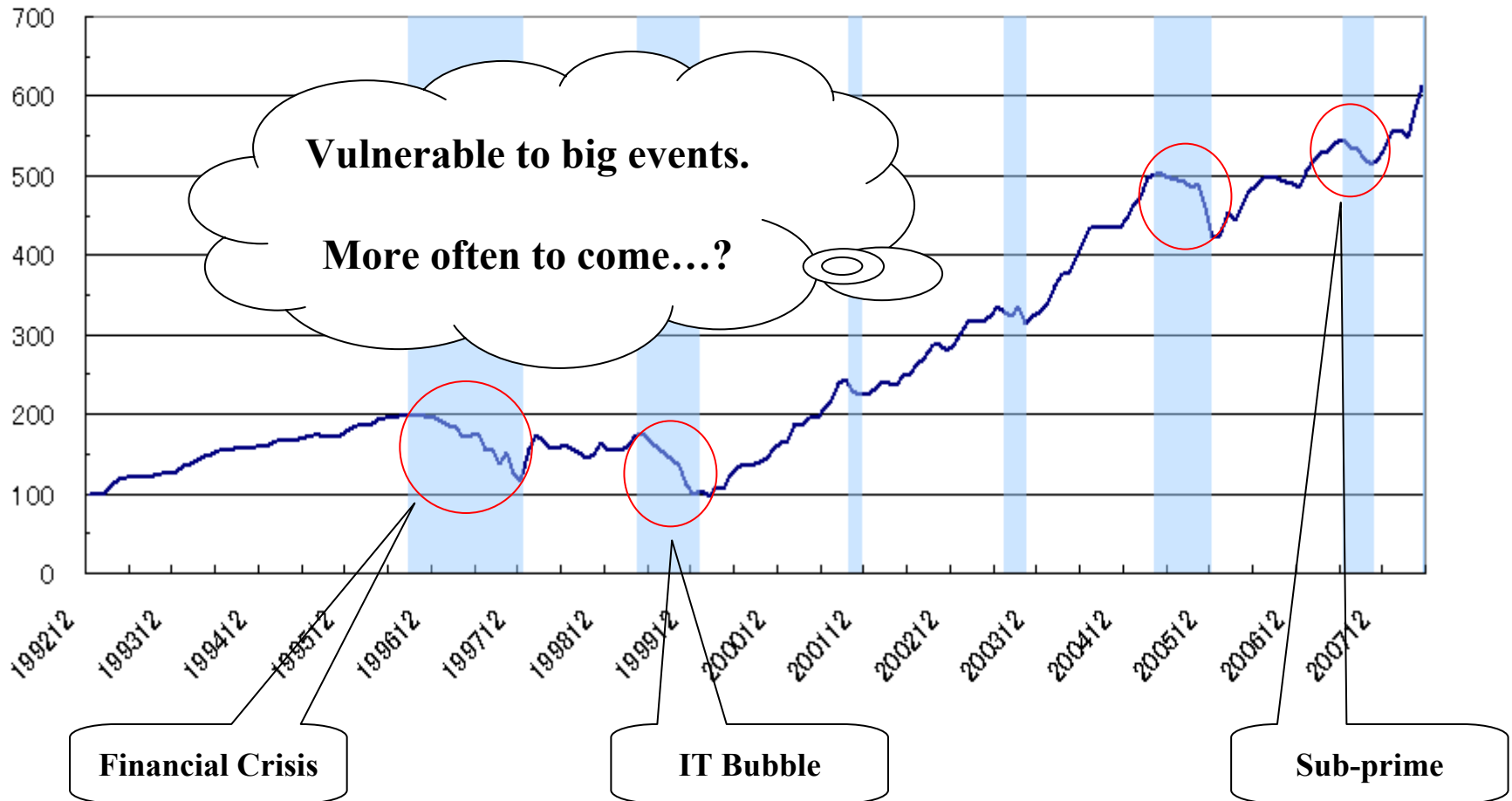
- Periodic Table of Japanese Equity Style -

2000	2001	2002	2003	2004	2005	2006	2007	2008 Jan-May
Value -3.97	Small -7.90	Small -10.38	Small 36.60	Small 21.82	Small 57.67	Core 11.67	Value -8.90	Value -3.66
Small -6.44	Value -17.17	Value -15.38	Value 32.07	Value 15.54	Growth 45.99	Value 8.28	Core -9.90	Small -3.97
Market -21.87	Market -18.02	Market -17.09	Market 24.51	Market 11.50	Market 45.90	Growth 4.55	Market -10.47	Market -4.00
Core -29.24	Growth -19.70	Core -20.13	Growth 15.41	Core 8.77	Value 42.59	Market 4.19	Growth -10.67	Core -4.07
Growth -37.30	Core -21.02	Growth -20.24	Core 15.40	Growth 5.24	Core 42.33	Small -13.51	Small -16.02	Growth -4.37

Note: Universe consists of stocks covered by Nomura analysts (approximately 600 stocks).
Source: Nomura

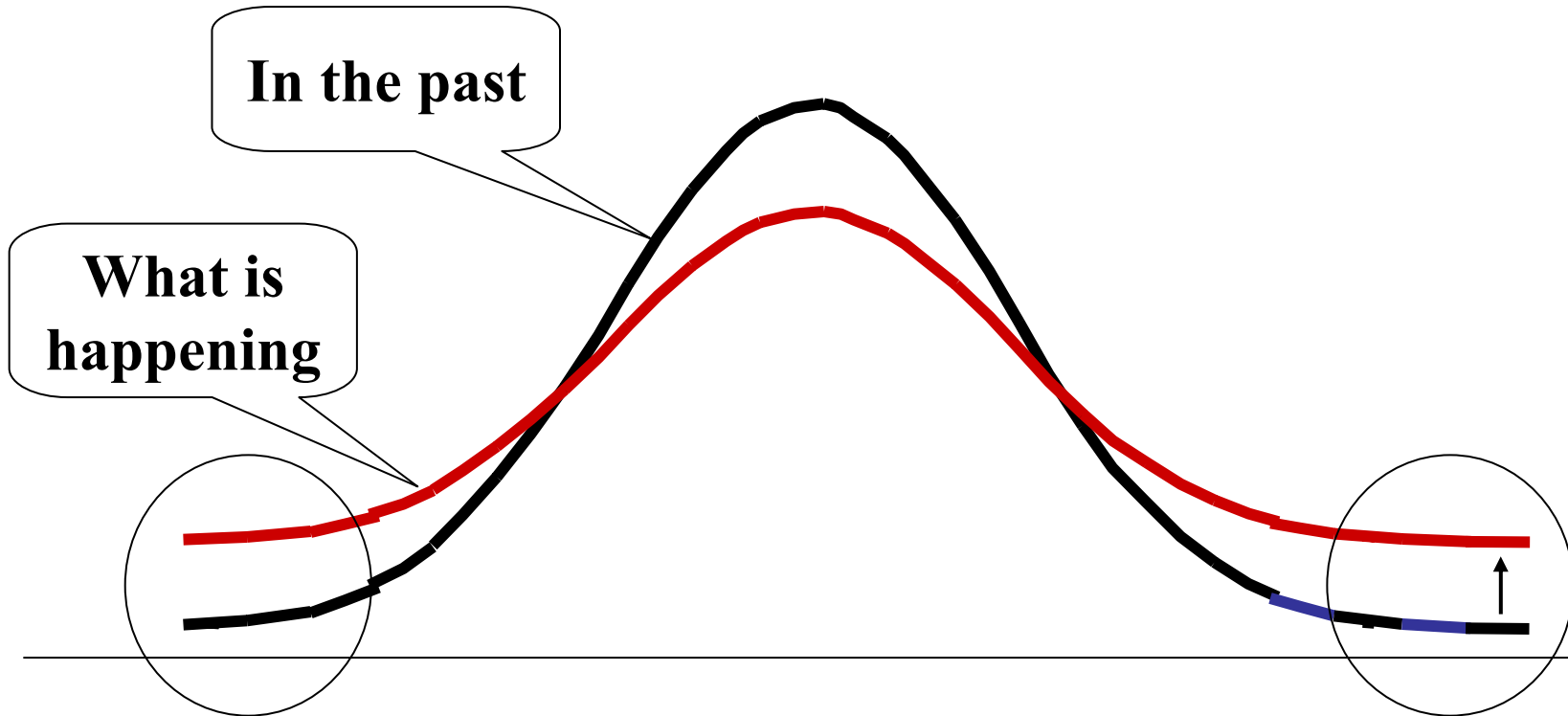
Punctuated by big events

The Performance of Quants Factor



The Era of Risk Management

- How to live with Fat Tails -



Derivatives pricing model approach ?

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