

Title: Market Neutral Portfolios

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This work attempts to construct Market Neutral Portfolios (MNP) that present performance independent from a chosen benchmark index. There are two common approaches for a MNP, those based on minimizing the correlation from a market index and its composites and minimizing the market exposure to risk. The latter one is known as the zero-beta MNP. The constructed portfolios are all based on long-short strategies. Using the zero-beta approach we present satisfactory out-of-sample results. Performance simulations are made using market-data from Jan 2010 to Nov 2014 from NYSE, NASDAQ, LSE and BM&FBovespa.