

# QIS Emerging as Core Building Block in Portable Alpha Strategies

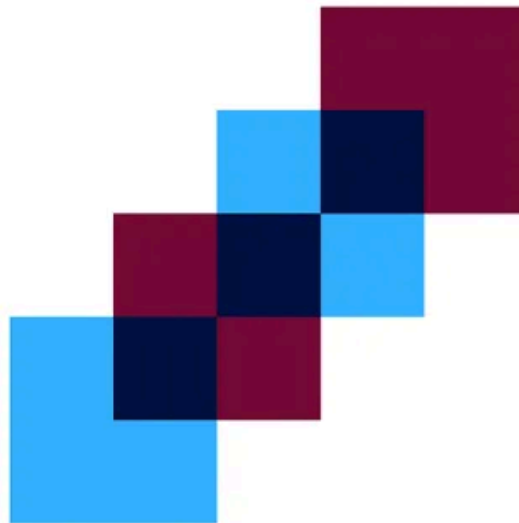
Quantitative investment strategies are emerging as core building blocks within portable alpha frameworks as recent volatility exposed implementation gaps.



Charles Ayitey, reporter  
MAY 13, 2026

 Share

 0



## MAIN TAKEAWAYS

- Broad pure factor baskets, such as equity cross sectional momentum, compared favorably against some portable alpha structures during the vol episode
- The next phase of institutional adoption will favor transparent pure factor and QIS exposures as the “core” portable alpha engine

Quantitative investment strategies are emerging as core building blocks within portable alpha frameworks as recent volatility exposed implementation gaps.

The recent vol episode showed dispersion across systematic approaches. Premialab's Dylan O'Connell said in a quarter where dispersion was high and macro conditions were complex, broad factor baskets and QIS portfolios held their own. Premialab data show simpler factor implementations and momentum-oriented strategies outperformed more complex carry and portable alpha approaches during the quarter. Equity cross sectional momentum returned 7.69% in the U.S. and 7.6% globally, while U.S. value gained 5.61%. Commodity trend advanced 5% and commodity backwardation rose 4.75%. By contrast, commodity carry lost 6.26% and commodity short volatility fell 14.77%, O'Connell said.

Tom Ciszewski, portfolio manager at USD5 billion Ellerston Capital in Sydney, said broad pure factor baskets compared favorably against some portable alpha structures during the vol episode. "You look at the portable alpha comparison of March, they haven't been outstanding," Ciszewski said during a recent Premialab webinar.

Ciszewski said the vol event exposed the importance of implementation, diversification and liquidity management within systematic portfolios. "Success ultimately came down to diversification and the ability to adjust positioning quickly," he said.

Portable alpha strategies have gained a lot of attention over the past year, fueled by rising interest rates and an increasing demand for diversification. In early 2025, as investors started to rediscover these approaches, Russell Korgaonkar, chief investment officer at USD60 billion Man AHL in London, warned that they are not without risks. He said investors must stress test their strategies for extreme market scenarios, helping to ensure that losses do not compound during downturns. "Not all alpha strategies are equal. What appears uncorrelated in normal conditions may become highly correlated during a crisis, so active monitoring is essential," he said, adding, "Trend following has historically tended to do well in crises, so could potentially pair well with a beta investment." An approach that is proving attractive in 2026.

Ciszewski suggested the next phase of institutional adoption will favor transparent pure factor and QIS exposures as the "core" portable alpha engine.

"In practice, this means using QIS strategies as systematic building blocks, with investment banks providing outsourced execution of clearly defined risk premia and alpha exposures rather than assessing portable alpha through opaque and illiquid multi strategy allocations," Ciszewski said, adding active management remains essential to adjust risk, manage concentration and respond to changing market conditions.