



Alternative Data Standards “Learning Point”

Alternative Data Standards “Learning Point” Point in Time

Today we are starting our Learning Point series to explore and explain key aspects of the Alternative Data Standards.

In the FISD Vendor Tear Sheet: Let’s take a quick look at Point in Time. Why do financial firms require data in this format?

Quants develop models using time-series data to develop trading strategies. Strategies are validated through backtesting models using historical data. If the model is to accurately predict the future from the past, the history described by the data needs to reflect, at each Point-In-Time, what was known and when it was known. Issues introduced by non-Point-In-Time data include: “Look ahead bias” caused by using data that was not yet known on the date being analyzed leading to inaccurate results. “Survivorship bias” occurring when the universe of available companies only represents the present, skewing model results.

Click the link to access the FISD Vendor Tear Sheet located under publications >

<https://hubs.ly/H0nHRH40>

If you are interested in joining the Alternative Data Council or have any questions, please contact Tracey Shumpert at tshumper@siia.net