Nearly 10 years after its nadir, quantitative investing is again the hottest trend in finance. By Robin Williamse

Goldman Sachs’ lessons from the ‘quant quake’

I was a typical New York summer vacationer. In the mid-1990s at Goldman Sachs’ perfectly air-conditioned offices. After the dot-com bubble burst in 2000, I was a blip of a blip from the financial world until the crash. Gary Gensler upset me to be the one to point me in this direction.

Mr. Gensler worked at Goldman’s mortgage finance unit. A lot of Quantitative Investment Strategies, a division staffed by mathematicians, computer scientists and physicists. Even at Goldman, the quants were considered intellectual superstars. They have been the dominant voice in financial markets since the unit man-...