

Guiding the equity investment strategy of a leading European bank



- **Direct Equity Investment Strategy**
- **Portfolio Creation**
- **Risk and Return Analysis**



Business need

- A UK-based commercial bank wanted to develop a systematic strategy to make direct equity investments.
- The client followed a core-satellite approach to investing, so the percentage of direct equity investments within the total portfolio was very small.
- The bank wanted to minimise the time and resources spent analysing individual stocks.

To develop a systematic investment plan (SIP) strategy for direct equity investments.

The client outlined two key reasons for selecting RocSearch:

- Our experienced strategic and financial advisory team with wide exposure to equity investments.
- Our extensive experience in guiding investors with portfolio creation strategies.

Approach & Methodology

- We devised a strategy based on the holdings of active funds screened on the basis of their performance over a specific period. Based on this strategy, we created a hypothetical portfolio for the client for each quarter for the last decade.

RocSearch developed a strategy based on the active fund performance and created a hypothetical quarterly portfolio, which outperformed the index on risk and return.



- We then assessed the likely performance of the hypothetical portfolio versus the benchmark.
- The findings revealed that the hypothetical portfolio created through our strategy outperformed the broader index significantly over long periods on risk and return measures.

Business outcomes

- The client approved the strategy for its direct stock investments.
- The client has been deploying this investment strategy since Jan 2021 for all the direct stocks.

The client has approved the strategy for its direct stock investments and has been actively deploying it.

About RocSearch

Founded in 1999, RocSearch has been a pioneer in empowering our clients to overcome challenges and realize their goals. Our strength is delivering research and advisory solutions through managed and dedicated teams that produce the expert intelligence our clients require to gain a true competitive advantage.

We draw on proven expertise to deliver consistent value across all types of business requirements: ranging from digitization and analysis of business, financial, or customer data to the provision of 'act-on' insights for the most challenging business problems.

Our longstanding client relationships bear testament to the enduring value we create, alongside our consistent reliability and absolute discretion. We take great pride that many of the brightest global companies rely on us to help them achieve top-line growth, operational efficiency and increased profitability.

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