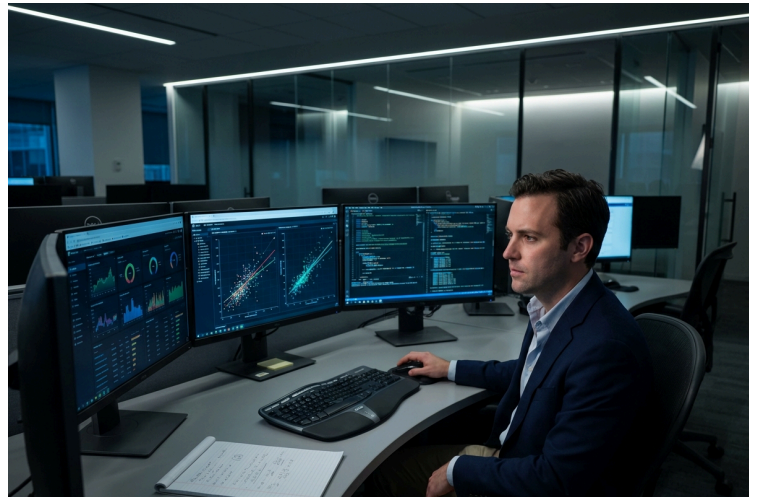


INSIGHTS

How Quantitative Techniques Are Redefining Portfolio Management



Investment markets have become increasingly data-rich, creating new opportunities to enhance disciplined and systematic portfolio management. At the same time, advances in computing power, artificial intelligence, and analytical techniques have expanded the tools available to asset managers to design, test, and implement investment strategies with greater depth and precision. These developments allow investment teams to strengthen established, research-driven investment processes through more structured and evidence-based frameworks. Quantitative techniques play an increasingly important role in transforming large volumes of data into actionable insights, supporting more consistent decision-making, portfolio construction, and risk management across market cycles.

One of the most effective applications of quantitative techniques is idea generation. Screening a broad investment universe manually can be time-consuming and resource-intensive. Quantitative frameworks enable investment teams to systematically scan markets and identify emerging opportunities at an early stage. This approach helps focus fundamental research efforts on the most promising ideas, improving efficiency while preserving analytical rigor and depth.

Risk management is another area where quantitative techniques add meaningful value. Rather than relying solely on periodic reviews, quantitative models

continuously monitor sector exposures, sensitivities, rolling correlations, and expected shortfalls. This forward-looking analysis supports earlier identification of potential risks and strengthens portfolio resilience in both regional and global market environments.

Beyond security selection and risk monitoring, quantitative techniques also play a critical role in portfolio construction. Identifying attractive investments is only one component of the investment process; determining appropriate position sizes and portfolio composition is equally important. Quantitative frameworks help refine diversification and balance risk contributions, ensuring that each holding aligns with overall portfolio objectives. The result is a more disciplined, transparent, and repeatable portfolio construction process.

Against this backdrop, SICO is preparing to launch a quantitative investment strategy that builds on its long-standing research-led investment philosophy. The strategy has been rigorously back-tested across multiple market environments, demonstrating its ability to generate superior risk-adjusted outcomes over the long term within a controlled and systematic framework. By integrating quantitative techniques with SICO's institutional oversight, research expertise, and governance standards, the strategy is designed to deliver a robust and resilient investment process suited to today's increasingly complex markets.



Hashem Alsada

Head of Equities Asset Management at SICO Capital