A beta neutral approach to equity investing

Stockholm (HedgeNordic.com) – Juliette Chevalier, Senior Sales Manager for the UK and Nordic countries at RAM Active Investments UK, explains how a systematic approach to analyzing fundamental data can generate consistent alpha, without carrying the inherent equity market risk. Headquartered in Geneva and with offices in London, RAM today runs approximately 3.7 billion USD of client assets, with over 3 billion allocated to its equities strategies. The company has a strong institutional footprint and has won several top-tier international awards. In the Nordics, RAM has been running institutional mandates for several years.

RAM's equities strategies are based on a systematic and proprietary bottom up stock-picking methodology which focuses on company fundamentals. The funds are All-Cap with no bias in terms of capitalisation, country or sector and optimal allocation is based on three uncorrelated underlying strategies (Value, Defensive and Momentum), each capturing excess return at different stages of an investment cycle.

All equities strategies follow the same philosophy and process and are run by the same team. "A discretionary manager might monitor a universe of around 200 equities, allocating 10% of its portfolio to a single stock targeting double capital appreciation over the medium to long term. The RAM approach however, aims to compare and contrast an investible universe of thousands of individual equities, building a highly diversified portfolio. Small levels of alpha are then extracted from this very large number of stocks and through a blend of uncorrelated strategies," Juliette Chevalier explains.

To read the whole interview in the HedgeNordic Special Report on market neutral strategies, please click here: Market Neutral Strategies