

How-To Systematic Analysis

Ute Capital

Ryan O'Connor, Garrett Pusey, Imran Al Sabbagh, Torlif Wegener

10/27/2025

Executive Summary



Strategy

[Briefly describe strategy type (e.g., momentum), and team hypothesis]



Performance

[Summarize performance metrics (e.g., Annual return, Sharpe ratio); include relevant benchmark comparison (e.g., S&P 500)]



Recommendation

[Yes or No – If Yes, [Name of team] recommends investing \$X in this strategy]



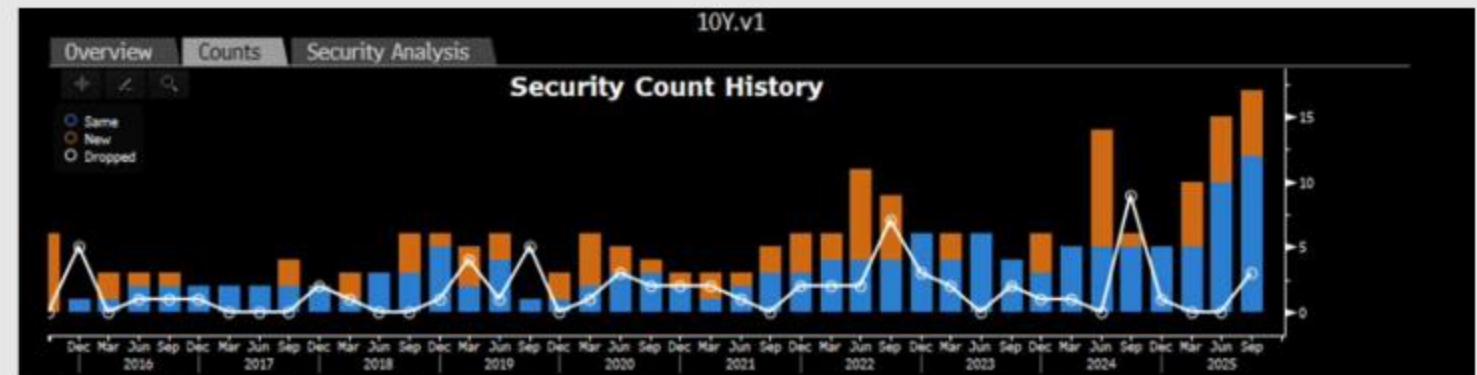
Strategy Rational

Article Title: [["Zooming In on Equity Factor Crowding"](#)]

Key Takeaways:

[Short summary or bullet points to validate strategy here]

EXAMPLE



[include visual if relevant]



Strategy Design

Description

- **Simple Explanation** - [what is your strategy and how you plan to profit from mispricings]

Origin

- **How You Identified** - [e.g., Article/Paper from a researcher/practitioner about crowded factors in large cap stock] "

Goal

- **State Hypothesis** - [e.g., Bluechip large-cap stocks with large volume will underperform over the long term]

Parameters

- **Establish Backtesting Rules** - [Set screening criteria (e.g., Market cap, industry, P/E ratio, etc.); structure backtesting rules (e.g., Test-period of 1,3,5,7,10 years, number of holdings 10-15, rebalancing quarterly, etc.)]



Backtesting Parameters

Screening Criteria

Parameter	Description	Stock Universe
[Market Cap*]	e.g., > \$10B	5,000 stocks
[Sector]	e.g., Healthcare & Tech	1,000 stocks
[Trade Volume]	e.g., Avg. monthly > 30M	500 stocks
[P/E Ratio*]	e.g., > 30	120 stocks
[Revenue]	e.g., QoQ growth > 50%	50 stocks
[Sentiment]	e.g., 2+ analyst upgrades	16 stocks



Backtesting Results – Stock Characteristics

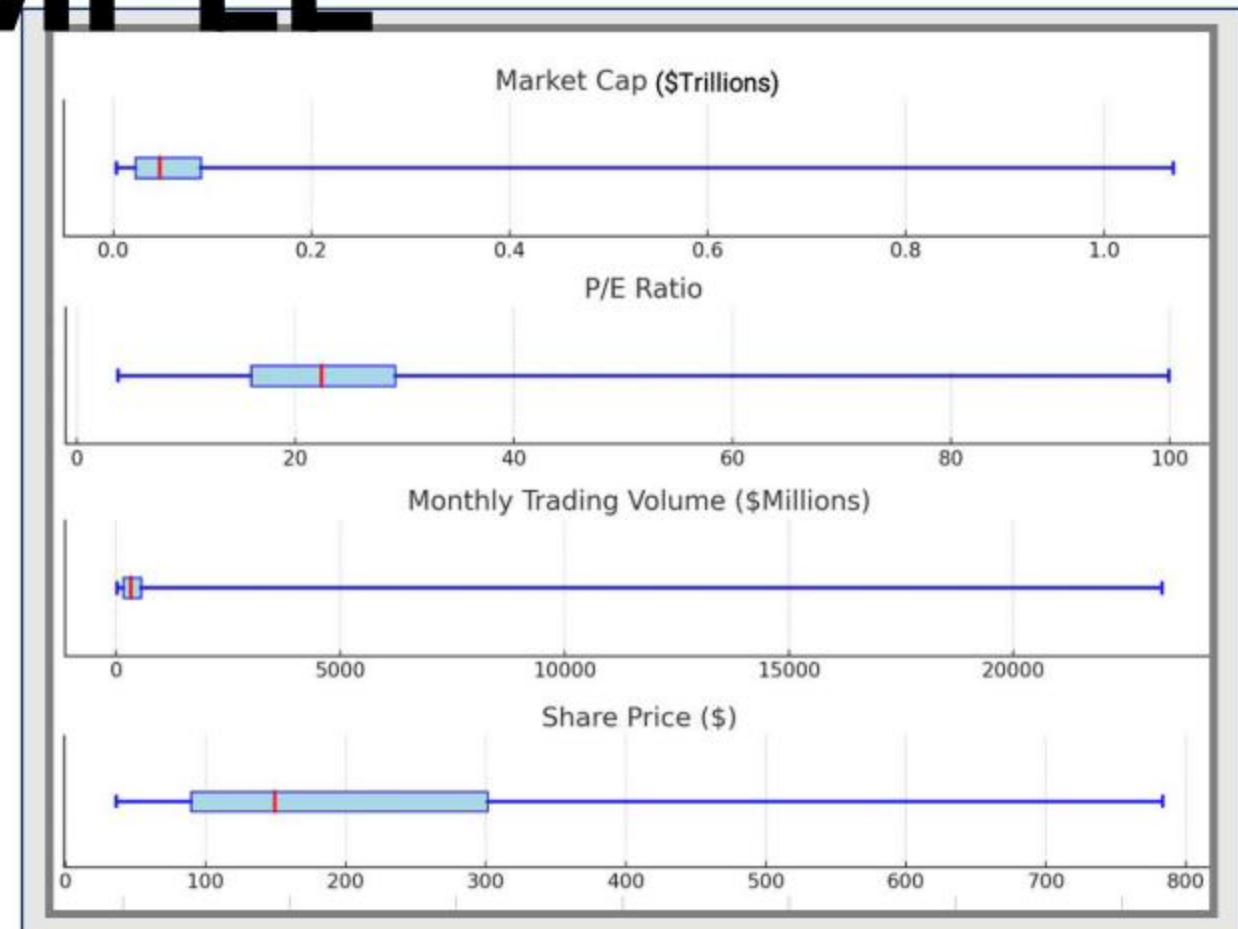
EXAMPLE

<u>10-Year Analysis</u>	Market Cap	P/E Ratio	Trade Vol (Mo.)	PPS
Mean	67,674	24.4	483.9	209.63
Min	3,140	3.8	19.3	36.28
25%	22,125	15.9	147.4	89.66
Median	46,755	22.4	323.9	149.62
75%	88,135	29.1	551.1	301.36
Max	1,070,000	99.8	23,311.1	783.26

*Mkt Cap – \$ in millions

*Trading volume - \$ in millions

The strategy mainly invests in mid- to large-cap stocks with moderate valuations and high liquidity.



Backtesting Results – Performance



Period	Return	α^*	β^*	σ^*	Max DD*	Sharpe*	Treynor*	Idio. Risk*	Info Ratio*
1yr	14.7	-0.37	0.98	20.66%	-9.99%	0.71	14.05%	0.89	-0.06
1yr SPX	16.9%	0	1	13.33%	-18.9%	0.90	12.18%	N/A	N/A
10yr	14.53	5.13	1.07	22.07%	-18.21%	0.96	18.65%	0.88	0.49
10yr SPX	12.59%	0	1	15.35%	-34%	0.7	11.68%	N/A	N/A



Backtesting Results – Performance EXAMPLE

Rebalance Period: 09/30/2025									
	Ticker	Short Name	Market Cap	Weight	Return	In/Out	Previous	Next	
1) AAPL	US	APPLE INC	3.778809T	5.882353	--	In	Out		
2) AMAT	US	APPLIED MATERIAL	163.104571B	5.882353	--	Out	Out		
3) AMZN	US	AMAZON.COM INC	2.341695T	5.882353	--	In	Out		
4) C	US	CITIGROUP INC	186.851137B	5.882353	--	In	Out		
5) CMCSA	US	COMCAST CORP-A	116.009128B	5.882353	--	Out	Out		
6) CRM	US	SALESFORCE INC	225.624B	5.882353	--	Out	Out		
7) GILD	US	GILEAD SCIENCES	137.729568B	5.882353	--	Out	Out		
8) GOOG	US	ALPHABET INC-C	2.942685T	5.882353	--	In	Out		
9) GOOGL	US	ALPHABET INC-A	2.942685T	5.882353	--	In	Out		
10) JNJ	US	JOHNSON&JOHNSON	446.554194B	5.882353	--	Out	Out		
11) JPM	US	JPMORGAN CHASE	867.354858B	5.882353	--	In	Out		
12) MRK	US	MERCK & CO	209.638945B	5.882353	--	In	Out		
13) MSFT	US	MICROSOFT CORP	3.850009T	5.882353	--	In	Out		
14) MU	US	MICRON TECH	187.252012B	5.882353	--	In	Out		
15) UBER	US	UBER TECHNOLOGIE	204.308468B	5.882353	--	In	Out		
16) WFC	US	WELLS FARGO & CO	268.512442B	5.882353	--	In	Out		
17) XOM	US	EXXON MOBIL CORP	480.681102B	5.882353	--	In	Out		

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Avg
STRAT	12.47%	17.31%	25.94%	2.91%	4.91%	30.38%	49.53%	-15.30%	29.68%	38.31%	19.61%
SPX	13.69%	1.38%	11.96%	21.83%	-4.38%	31.49%	18.40%	28.71%	-18.11%	26.29%	13.12%



Effect on the Portfolio

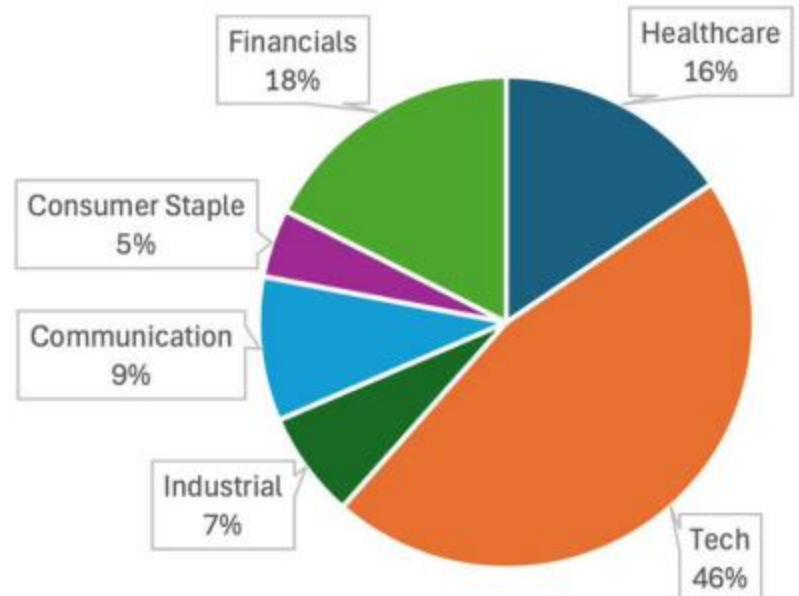
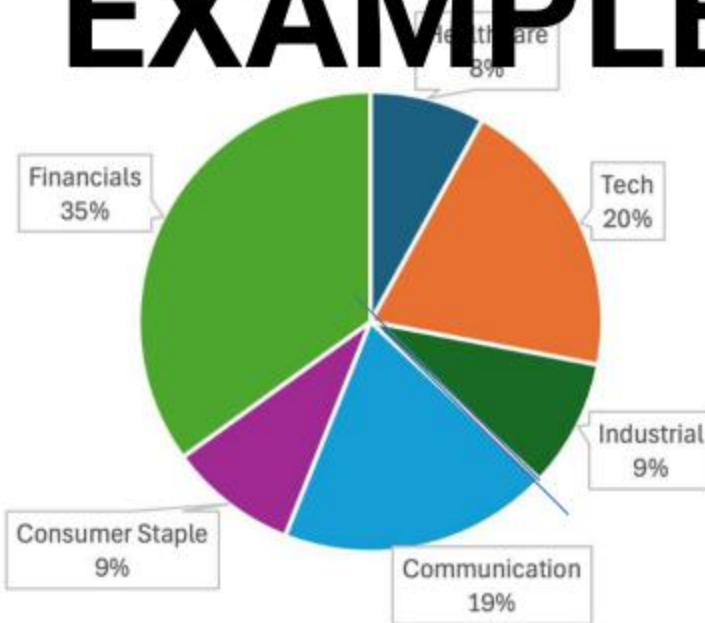
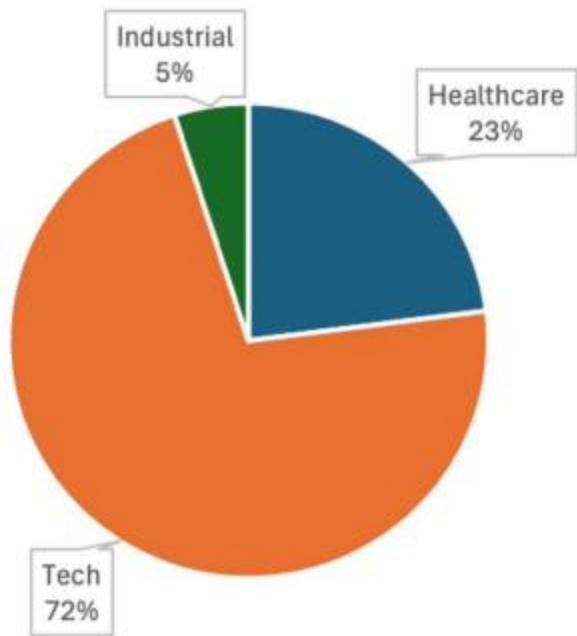


<u>Portfolio</u>	Exp. Return	St. Dev*	Beta*	Sharpe Ratio*	Idio. Risk*	Info. Ratio*
Existing						
Adjusted						



Effect on the Portfolio

EXAMPLE



Portfolio	Exp. Return	St. Dev*	Beta*	Sharpe Ratio*	Idio. Risk*	Info. Ratio*
Existing						
Adjusted						



Risks

A simple summary of what can go wrong, how it would show up, and what controls have been included to decrease risks

<u>Risk Category</u>	Specific Risks	Mitigations
Model & Research	e.g. Overfitting, signal decay, etc....	Keeping model simple, small feature set, etc....
Data & Assumptions	e.g. survivorship/look-ahead bias, missing corporate actions, etc....	Point-in-time data, basic data QA checks, etc.....
Portfolio	e.g. position/sector concentration, high turnover & costs, etc....	Caps on position/sectors, exposure checks prior to recommendation, etc.....



Summary & Recommendation

Strategy Merits



- **Performance**

[Summarize return highlights and how performance compares to benchmark]



- **Risk**

[Considerations that support strategy's risk profile]



- **Effects on Portfolio**

[Impact on portfolio metrics]

Action Plan



- **Recommendation: Yes or No**

[If Yes, clearly state proposal (e.g., "Allocate \$50k to purchase x amount of xyz shares); include rebalancing details if applicable]



Appendix



Bloomberg Log *Hidden for presentation*

- Append an audit log from Bloomberg showing every screening/backtest run (screenshots in a Word doc or hidden appendix slides)
- Purpose: Ensure teams start from literature + thesis, not brute-force tuning; screening criteria should be revised only a few times, beyond that is overfitting and results aren't meaningful.

Model Name	Ticker	Status	Subd Screen	Last Access/Ran	Frequency	Actions
1) 10Y.v1		Completed	Big4	10/26/2025	Quarterly	  
2) 3YMCBS.v1		Completed	MidCapTestBS	10/23/2025	Quarterly	  
3) 5Y.v1		Completed	Big4	10/23/2025	Quarterly	  
4) 3Y.v1		Completed	Big4	10/23/2025	Quarterly	  
5) Big4 Test.v2		Completed	Big4	10/23/2025	Quarterly	  



Rebalancing Schedule *Hidden for presentation*

A written schedule for strategy rebalancing, if different than quarterly.

- Investment teams monitor their strategies
- If they identify a buy or sell they are responsible for notifying treasury, as with any other investment

