



Customer Success Story: SFI Knowledge Center

## Leveraging Academic Expertise

Switzerland has a worldwide reputation when it comes to private banking. The challenges currently facing the industry and demanding investors are shifting the focus onto the value added by the investment solutions offered. Today, quantitative analysis—familiar from the science of statistics and from biology or physics—is driving the design of investment strategies and influencing portfolio management.

### Challenge

OLZ & Partners is a quantitative-based asset manager with deep roots in the academic world. As Orlacchio notes, "Being a relatively small asset management firm, we've considered it appropriate to structure our research department in a flexible way. We've been moving toward the area of non-standard quantitative analysis. The topics we address in portfolio optimization aren't just plain vanilla. This requires a broad spectrum of expertise."

### Solution

The firm decided to work with SFI because of its broad expertise and large pool of expert knowledge throughout Switzerland. A PhD student—under the supervision of an SFI professor—recently wrote the first part of his doctoral thesis on an optimization topic, using the experience to create a follow-up project. Now, the firm has launched another project, addressing how to effectively diversify and minimize risk in portfolio optimization. "There are no standard solutions to these problems. Everything needs to be elaborated. This is also interesting for the academics involved," Orlacchio adds.

### Results

OLZ & Partners have been working with SFI for the past three years in the form of several collaborative projects. The findings have tested certain commonly held academic beliefs: "While the literature suggested that a certain modelling approach worked, practice proved it didn't," Orlacchio explains. "This collaboration has enabled us to improve our modelling, while SFI academics have appreciated applying their theories to practice, thus gaining further practical insights. In SFI, we have a partner who is able to challenge our solutions and engage in a stimulating intellectual exchange."



"SFI, and specifically its Knowledge Center, can be considered an ambassador—a bridge carrying the industry's needs to academia. Thanks to its diversification and its links to many specialized research centers, it represents—for us—an ideal partner, and for the asset management industry a precious support."

Carmine Orlacchio, Partner; Chief Investment Officer, OLZ & Partners Asset and Liability Management AG.

### SFI Knowledge Catalyst

The Knowledge Catalyst is a three-way project between a Master's or PhD student, an industry partner, and a supervising SFI professor. Students are selected to conduct research projects for companies while being supervised by a dedicated member of SFI's academic faculty.

### Contact

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