

## CASE STUDY

# Manager of managers leverages eVestment to quickly identify finalists for a quick-turnaround search with unique requirements

\$5.8B  
AUM

1976  
YEAR ESTABLISHED

Saudi-based SEDCO Capital develops a shortlist of Global Small Cap managers using eVestment, then collects additional data from those managers for deeper due-diligence and identifies finalists within 30 days.

SEDCO Capital is the investment arm of the family-owned SEDCO Holding Group. It manages approximately \$5.8B on behalf of different Clients across a wide range of asset classes in both public and private markets. SEDCO determines the strategic and tactical asset allocations appropriate for each client, then finds the right managers to implement the model.

## Challenged to select a manager quickly with limited resources

SEDCO had a time-sensitive search open for a Global Small Cap Sharia-compliant manager. According to Njara Rakotonanahary, Head of Research & International Liquid Assets, SEDCO realized its team would struggle to meet the deadline for manager selection if it conducted manager outreach internally, so they turned to eVestment for a solution.

## Finding the right asset manager, wherever they may be in the world

As an eVestment user at a prior firm, Rakotonanahary was already familiar with the breadth and depth of the eVestment database and saw it as a “one-stop shop” for identifying Global Small Cap managers from different world regions.

“This is the first way eVestment really helps. Because of the global coverage of the eVestment database, we could

be sure we were including all possible managers out there with solid track records. Then we could use the same platform’s analytic capabilities to dig deeper and develop our list of managers for consideration.”

After screening the full Global Small Cap universe, SEDCO defined the performance and track-record criteria that would lead it to a list of 32 managers for deeper consideration. Next, it set out to collect data from these managers individually on Sharia-compliance, with the help of eVestment technology.

“The peer-group analysis we conduct in eVestment is essential to our process. It helps us form our initial list of managers of interest for a particular search.”

## Using eVestment to request, collect and analyze additional data from managers at scale

By developing a custom RFP and pushing it to the 32 managers through the eVestment platform, SEDCO was able to collect additional data for its next level of due diligence, particularly with respect to Sharia-compliance. Through this process, the manager list was further culled to 12 contenders.

“With eVestment, we were able to conduct this critical manager search in a month, far less time than the two

to three months it would’ve taken if we had attempted to collect data on Sharia-compliance ourselves.”

## Deconstructing returns to understand how managers deliver alpha

SEDCO’s Sharia-compliant manager search included investment guidelines with respect to certain sectors, so it was important for the firm to validate that managers were generating alpha in those specific sectors. “We were looking for a manager that was quite active and very far from the benchmark,” said Rakotonanahary.

“High concentration and low turnover were also important, because we’re looking for long-term alpha generation. With eVestment Holdings Analysis, we were able to assess managers on these considerations, ultimately leading us to five finalists.” Critical to this time-sensitive search, the SEDCO team was also able to conduct this analysis quickly, all within the same eVestment platform.

“For us, eVestment Holdings Analysis has really been a breakthrough. We’re going beyond looking at the track record and doing regression to get a full picture of how a manager generates alpha through style-, country- and sector-allocations – and how those have changed over time.”