Strategic investment management of financial institutions

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Abstract

This article discusses data on the strategic investment management of financial institutions. The stages of the investment movement and aspects of the economic value of investments are analyzed. The issues of the application are disclosed of the main strategies used by investors engaged in investment activities in the financial sector, depending on the investment objectives, type of management, the nature of the economic situation and many other factors of various strategies, as well as their description. The role of investment activity as a necessary condition for the circulation of enterprise funds, the main stages of the movement of investments are determined. The importance of developing an investment strategy of an enterprise in the era of the development of modern digital technologies, and the effectiveness of further use is shown. The advantages of the strategic management system widely used abroad have been studied and determined. In addition, information is provided on the main factors of the investment attractiveness of the enterprise. The system of long-term goals of investment activity and ways of their implementation are explained. The stages of the development of a general strategy for the economic development of the enterprise, which are the initial condition for the formation of an investment strategy are also presented. The main strategies used by investors conducting investment activities in the financial sector are disclosed. Among the qualitative characteristics of performance, the features of investment-oriented strategies are highlighted. Types of investment strategies also focus on data on the possibility that an investor may differ from each other depending on what type of investment he is engaged in and, most importantly, what goals he pursues, as well as on portfolio strategies.

Keywords: investment, strategy, enterprise, management, capital, stocks, investor.

JEL codes: E22, G11

1 Introduction

The investment policies and strategies of any financial institution are the basis for regulating the investment process and ensuring the social and economic sustainable development of the entire financial institution. Today, the correct implementation of investment strategies by financial institutions, whose main purpose is to realise financial relations in society, increases the efficiency of organisations of various forms of ownership and contributes to production. Сонымен қатар институт бірлігіне, ұйымшылдығына, мәртебесіне әсер етеді. At the same time, it affects the unity, organisation and status of the institution. The investment strategy of a financial institution should focus on long-term goals and should be implemented in the current business process by selecting ongoing investment projects and programmes. The formation of an investment plan is a complex and creative process based on the forecasting of certain investment market conditions and conditions in general and in individual segments. This strategy always shapes the overall economic development strategy within its framework. [1]

The flow of investment passes through two main stages. The first stage, “investment resources-investment”, focuses on the economic activity associated with the investment. The feasibility of this period is determined by the return on investment resources.

The second stage of "financing - investment output" involves recovering the costs incurred as a result of using the investment and generating income. It describes the relationship and interdependence of the two necessary elements of any economic activity: costs and returns. Hence, it is possible to define the meaning of economic and investment activity as the unit of the processes of investing resources and generating income in the future.

When investing in a specific sector of the economy, the organisation of production is as follows: the flow of investment is as follows: the turnover of production assets: a finished product is created, includes an increase in the value of the capital when sold, and its income is generated.

Investment activities are a prerequisite for the turnover of a company's funds. Production activities, in turn, create the preconditions for new investments. From this point of view, any kind of entrepreneurial activity includes independent and autonomous as well as isolated processes in investment activities, as well as the most important interrelated activities as constituent parts of a single economic process.

The rapid development of the domestic stock market requires a creative search for and critical analysis of foreign experience. The experience of developed countries shows that a strategic management system is an effective tool for adapting to changes in the external environment. This is because

digital finance is fundamentally changing the traditional order of common financial services. They contribute significantly to the emergence of financial innovation and related services for consumers. Digital finance is widely used in online payments and transfers, currency exchange, and mass payment services. These technologies are actively used in consumer and business lending and crowdfunding.

Capital management, financial planning, investments, equity trading and long-term savings services are being promoted. In addition, digital finance promotes investment in high-tech sectors of the national economy, which supports widespread economic growth. The effective and secure development of digital finance requires the coordinated interaction of all business entities using financial technology. In the digital age, the first task is to develop an enterprise investment strategy, finding investment resources in order to use them effectively. However, in a complex economic environment during the digital transformation, the banking sector is undergoing significant changes and obtaining foreign investment is complicated by various factors, a company's investment strategy must consider many factors and be prepared for rapid change in order to carry out successful economic activities. [2]

2 Literature review

The report analyses and summarises the work of economists in the field of investment strategy management in financial institutions.

The range of types and methods of creating and managing investment strategies is very large. O.A. Alekhina's work on investment activity of enterprises shows complex creative processes of forming an investment strategy plan. The works of L.I. Yuznovich investigate finance, money circulation and credit, their relation to investment. Russian economists M. Y. Geraskin and M. L. Dorofeev's research includes investment planning models, matrix methods of corporate finance management. In addition, O.V. Borisova and L.V. Bryantseva's works define the information on enterprise investment and innovation management and innovation management. V. D. Filatova on investment strategies of enterprises and T. V. Pogodina's works on investment management define the information.

3 Methodology

The methods of systematic, factor and dynamic analysis, scientific abstractions and systemic approaches were used. A brief analysis of the works of authors studying the problem has been made.

System analysis is a scientific method of cognition that expresses a sequence of actions to establish structural relationships between variables or stable elements of the system under study.

Factor analysis is a comprehensive and systematic study and methodology for measuring the impact of factors on the value of the resulting indicator. Here the investment strategy of an enterprise involves the creation of prerequisites for the formation of investment attractiveness associated with the implementation of a number of measures, the main factors of investment attractiveness of the enterprise are considered.

Dynamic analysis is a method of economic analysis that shows how one equilibrium situation is replaced by another.

The method of scientific abstraction is a method of economic theory that allows us to exclude individual, unimportant relationships between actors in the economy and to focus on several actors.

The systems approach in economic science is a methodological direction of scientific research, which consists in an integrated study of both a unified economy from the perspective of system analysis and synthesis. The most effective and well-known methods of strategic management system, which are widely spread abroad, are considered here.

4 Results and discussion

The economic value of an investment consists of the following aspects.

Investment is the source of the impact of economic activity, which can be economic and non-economic (social, environmental, etc.).

Investment is an active form of attracting accumulated capital into the economic process. The economic boundaries of capital formation are determined on the one hand by the marginal product of capital, and on the other hand by the rate of depreciation of capital.

Investment can be seen as a form of transformation of part of the accumulated capital into alternative types of assets of the enterprise. From the most universal form of money, capital becomes a material form that acts as a "factor of production".

Investments are the object of market relations, forming a special kind of market - the "investment market", characterised by the demand, supply and price of investment resources, as well as a set of defined subjects of market relations.

Investments are a business entity whose criteria are time-related economic effects, the risk of not being affected by a liquidity constraint, i.e. the ability to make an investment at a real market value.

From an economic and legal point of view, investments are property objects - ownership can be separated from the right of disposal, which leads to the "agency problem" of a mismatch of interests between investors (owners) and managers.

Investment is the investment of resources in tangible (fixed assets, intangible assets) or financial (shares and other securities) assets in order to generate income. Investment activities refer to the set of activities for making and managing investments.

Classification of investments. Several classifications are used in economic theory and economic practice to describe different types of investments.

A distinction is made between real investments and financial investments. Real investments are investments of financial resources in real assets (fixed assets, intangible assets) for the purpose of obtaining income. For financial investments, the objects of investment are financial assets (shares, bonds, options, etc.).

The investment process is divided into direct, portfolio and indirect investments. Direct investments include loans, credits, bonds and guaranteed obligations. Portfolio investments are made in the form of participation in the share capital of the object of investment - purchase of shares, making contributions. Indirect investment describes capital investments made through financial intermediaries.

According to the direction of increase, investments are divided into total, renewed and net. Total investment characterises the total amount of capital invested in the production of long-term assets. Renovation investment, equal to the amount of depreciation, characterises the amount of capital invested in the simple increase in depreciable assets. Net investment characterises the amount of capital invested in the expanded production of long-lived assets.

Investor-related investments are divided into inward and outward investments. Domestic investments characterise the investment of capital in the assets of the investing enterprise. Foreign investment is the investment of capital in real assets of other enterprises or financial investment instruments made by other economic entities.

Short-term investments are subdivided according to their maturity - usually in the form of financial investments for up to one year; long-term investments - investments made to increase long-term assets for more than one year.

By combination of implementation, investments are divided into stand-alone, interdependent and mutually exclusive. Stand-alone investments are characterised by investments of capital in objects of investment that can be made separately in the investment portfolio of an enterprise. Interdependent investments characterize capital investments in such items of investment, the sequence in which they are made or subsequently used depends on, and can only be made in conjunction with, other items of investment. Interdependent

investments tend to be similar in their objectives, the nature of the technology, the range of products and other major parameters, and require alternative choices.

Investments are divided into risk-free and speculative investments according to their level of investment risk. Risk-free investments describe the investment of capital in investment objects with no real risk of capital loss or expected return. Speculative investments are characterised by investing capital in the riskiest objects, where the highest level of income is expected.

Investments are divided into highly liquid and liquid investments. Highly liquid investments are those that can be quickly converted into cash within a month without loss of market value. Illiquid investments can only be made within the entire property complex.

Private investment, public investment and mixed investment are divided according to the form of ownership of the capital invested.

A distinction is made between initial investment, reinvestment and divestment according to the nature of the use of the capital. Initial investment describes the use of newly created capital for investment purposes. Reinvestment refers to the reuse of capital for investment purposes by releasing it during the implementation of previously selected investment projects. Disposal refers to the process of withdrawing previously invested capital from the investment process.

According to the regional sources of capital attraction, investments are divided into domestic (domestic capital investments of residents) and foreign (capital investments of residents).

Regionally, a distinction is made between domestic and international investments.

Let's talk about shaping an investment strategy.

An investment strategy is understood to be a system of long-term investment objectives and how to achieve them. There are the following types of investment strategies.

Investment impact-oriented strategies can focus on current investment income, long-term capital gains and non-economic investment impacts.

Investment risk strategies are characterised by investor types: the risk-averse investor avoids making risky investments, even though he or she fairly compensates for the increased level of risk with an additional level of investment income; for the risk-neutral investor is acceptable if the investment risk is offset by an additional level of investment income; the risk-averse investor is risk-averse when the additional level of investment income is not sufficiently offset.

The type of investment behaviour is divided into: conservative strategy - investees are selected according to the criterion of reducing investment

risks; medium strategy - investees provide average market levels of return and risk; aggressive strategy - investees meet the criterion of maximising current investment income.

The starting point for shaping the investment strategy is the overall economic development strategy of the company. The related investment strategy is subordinate to it and must be aligned in terms of objectives and stages of implementation. The following stages of strategy development are distinguished.

Stage 1. Determine the implementation period of the enterprise strategy based on projected economic and investment market conditions.

Stage 2. Selection of strategic goals for investment activities based on the system of goals of the economic development strategy. These goals can be presented in the form of capital increase, increase in the level of return on investment and provision of the amount of income, changes in the proportions of forms of real and financial investments, changes in sectoral and regional orientation of investments. At the same time, the choice of strategic goals of investment activity should be linked to the stages of the life cycle and the goals of economic activity.

3 stages. Developing effective ways of carrying out investment activities. First, develop a strategic direction in the form of real or financial investments; second, develop a strategy for generating investment resources.

4 stages. Refine the investment strategy by implementation phase. It is intended to establish a sequence and timeline for achieving individual goals and strategic objectives. [3]

The advantage of the strategic management system, which has become widespread abroad, is that it allows to formulate global development goals for companies, to shape the position of top and middle managers, to quickly adapt to changes in the market environment and thereby increase the competitiveness of the organisation. The process of internal strategic management is cyclical, iterative and includes the following stages:

- a systematic analysis of the prospects, threats and opportunities for the organisation;
- develop future scenarios and analyse the impact of external factors, taking into account the likelihood of certain situations occurring;
- definition of the main objectives, comparison of objectives with future scenarios;
- selection of tasks to be addressed by strategic management;
- developing alternative strategies to achieve the objectives, selecting model strategies, planning the necessary resources;

- developing strategic programmes that implement general and individual strategies;
- implementation of strategic plans and development of a management system.

Strategy usually refers to the most general set of rules defining long-term action to ensure that the organisation's mission is achieved. In addition, the global purpose, which defines the reason for the organisation's existence, acts as the mission. The most general purpose of investing in corporate equity may be the following:

- preservation or redistribution of assets through the acquisition of controlling interests;
- providing access to rare products (services), property and non-property rights;
- participate in the management of the company by buying large or blocking stakes;
- protecting investments from inflation;
- preservation and growth of capital;
- receive a regular current income.

Thus, the type of investor needs to be defined when formulating the mission. In general, the first three of the global objectives mentioned above define the strategic type of investor.

The development of the company's investment strategy involves the following activities:

- setting investment objectives;
- prioritise areas and modalities for economic activities;
- optimising the structure of the company's investment resources for their allocation;
- development of an investment policy for the most important areas of investment activity;
- supporting relations with foreign investment environments.

The investment strategy of a company is important for a business entity and should be created with the mission of the company in mind, and is part of the strategy, coordinated with other functional strategies of the company. The investment strategy should facilitate management's responsiveness to changes in the external environment, to address their negative consequences through new investment opportunities, and to manoeuvre resources swiftly.

Among the sources of investment are the following:

- budget financing;
- personal savings of the company;

- private investment;
- bank loans;
- foreign investment.

When developing an enterprise's investment strategy, the first task is to find investment resources in order to use them effectively. However, in a difficult economic situation in which the economy is in a difficult position, the banking sector is undergoing significant changes, and obtaining foreign investment is complicated by political factors, the investment strategy of the enterprise must take into account many factors and be prepared to make rapid changes in order to carry out successful economic activities.

The investment strategy of an enterprise involves the creation of prerequisites for the formation of investment attractiveness associated with the implementation of a number of measures. The main factors of investment attractiveness of an enterprise are presented in figure 1. [4]

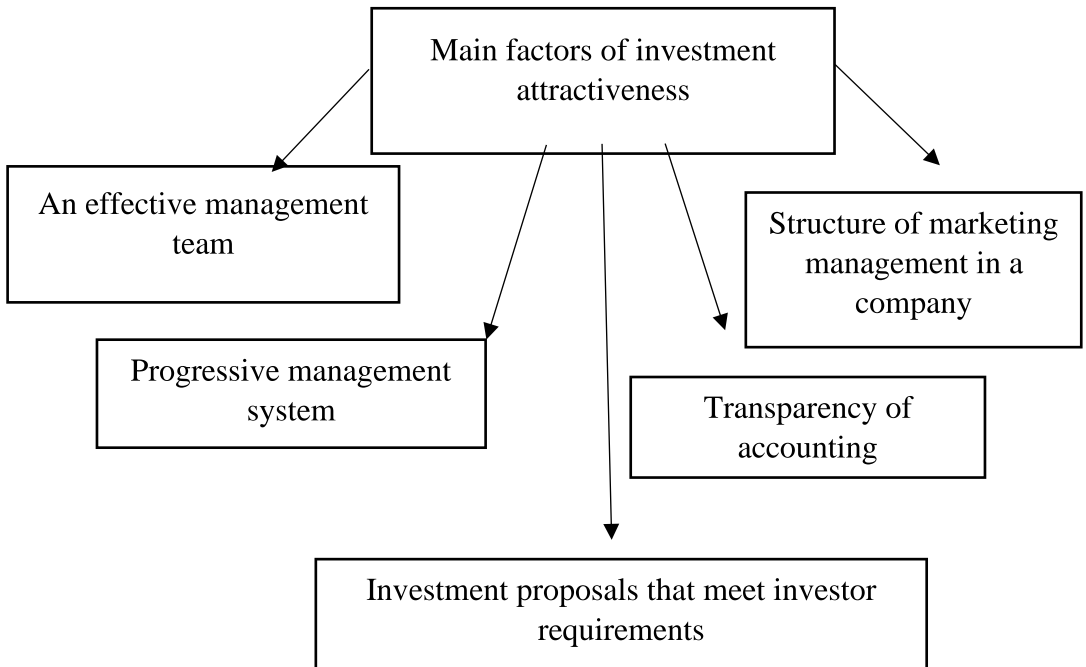

Figure - 1. Main factors of investment attractiveness of an enterprise

Based on the financial strategy formulated as an enterprise investment strategy, it is recommended to understand the systemic set of long-term investment objectives of an enterprise that determine investment decisions.

An enterprise's investment strategy belongs to the category of strategies derived from their financial block. It is at the forefront of the interaction between the strategic and tactical levels of management.

The types of investment strategies of a company are determined by the relationship between the strategic objectives of the investment activities formed in the planning process and the chosen corporate-wide strategy. Investment strategies can be classified according to their period of formation, but in fact, when the state of the economy cannot be called stable, it is better to talk about a period of 3 years or less than 5 years. Among the qualitative performance characteristics, investment-oriented strategies stand out:

1. Consistency and balance of investment objectives.
2. Compatibility and synchronisation with investment policy.
3. Consistent adherence to the corporate development strategy.
4. Compliance with the investment process in the external environment.
5. Communicating the results of financial strategic analysis and planning.
6. Compliance with the established normative values of investment risk.
7. Compatibility of production, sales, financial and social results.

Types of investment strategies can differ from one another, depending on what type of investment an investor is engaged in and, most importantly, what goals he or she is pursuing.

The main strategies used by investors with financial investment activities:

- an aggressive strategy - always aiming to maximise profits in the shortest possible time;
- a conservative strategy does not aim at rapid enrichment, on the contrary, its main objective is to keep the amount of assets at the current level (preservation) ;
- a normal strategy aims to preserve the investor's investment capital and normal growth, all other things being equal. [5]

Many different strategies can be distinguished depending on the investment objectives, the type of management, the nature of the economic situation and many other factors. For example, for a strategic investor whose main mission is to expand its sphere of influence and participate in the management of an enterprise, it is possible to distinguish between strategies of effective ownership and speculative merger.

An effective owner strategy. If this strategy is used, the investor's mission is not only to provide access to certain products and control financial flows, but also to improve the scientific, technical and sales potential and the financial recovery of the issuing company. The main income received by the

investor is long-term and is generated by the business operations of the company. Accordingly, the implementation of this strategy requires significant resources, not only for the purchase of a controlling stake, but also for the development of the issuer. At later stages, the beneficial owner may "advertise" the shares of the controlled company, including in international markets. Finally, when the company becomes very profitable and its shares have risen significantly in value, the investor using this strategy can make a profit by selling his share. Abroad, such a strategy is used by venture capital funds that finance the development of innovative businesses.

The prerequisite for this strategy is not only the availability of significant financial resources, but also experience, connections, and knowledge of the production technology, markets and other features of the controlled enterprise.

A speculative merger or acquisition strategy. The main mission of this strategy is to acquire a controlling stake in order to gain access to scarce products (services), financial resources or to acquire profitable real estate, other property and non-property rights.

Applying this strategy to large companies allows significant financial flows to be channeled to their subsidiary brokerage firms, offshore companies and banks. Investors using this strategy can make a profit by selling a stake to the ultimate investor or by managing the company's cash flows. The purpose of applying this strategy to small businesses may be to buy profitable land in prestigious areas to use for offices, warehouses and new buildings.

Thus, the main feature of this strategy is not business development, but access to property and non-property rights. As a prerequisite for the use of the strategy under consideration, the investor's affiliation with a financial and industrial group, banking or commercial brokerage structures with the necessary resources to acquire a controlling interest can be considered. This strategy can usually be used at the initial stage of privatisation, when the struggle for the redistribution of property in the enterprise begins.

When investing in a portfolio, the choice of strategy is often determined by the type of management. There are usually 2 types of management: *passive* and *active*. Passive management is typical for conservative and moderately aggressive investors.

The main objectives of passive management are to protect investments from inflation and to generate guaranteed returns with minimal risk and low management costs. This type of management involves building a well-diversified portfolio of securities that can calculate returns, risk and liquidity with a high degree of accuracy. Passive management is based on the fact that the portfolio configuration is not reviewed over a long period of time. This

allows the important advantage of passive management to be realised - low management costs.

Active management involves carefully monitoring the market, rapidly acquiring financial instruments that meet the investment objectives, and rapidly changing the structure of the portfolio. The main feature of active management is the investor's desire to outperform the market and obtain higher returns than the market average.

This type of management requires significant costs related to information and analytical preparation of decisions, purchase or development of own software and hardware and methodological support. Significant costs inherent in the active management type include the provision of trading activities and access to stock exchange and OTC trading systems, transaction costs, creation of a share purchase network, etc. This type of management can only be chosen by participants who have their own capital, highly professional staff, and significant experience in managing their own securities portfolio and trust management of client portfolios.

Let's look at a few examples of portfolio strategies. The most common passive management strategy for investing in corporate stocks is the *"buy-and-hold"* strategy. Keep in mind that the effectiveness of this strategy depends largely on the level of undervaluation of the stock and the time period chosen. In a bear market, any other strategy will obviously beat the buy-and-hold strategy. The greatest safety and profitability is achieved over long investment horizons when using a buy-and-hold strategy.

Another type of passive management strategy is the *index fund strategy*. It is based on the fact that the portfolio structure should reflect the movement of the chosen stock index, which characterises the state of the entire securities market (or its important segments). The types of securities and their proportions are determined in the same way as when calculating the index. An investor's main task is to update the market structure of his portfolio with periodic adjustments from six months to a year. It is managed according to the deviation of the portfolio structure from that of the index.

With this strategy, real returns are usually guaranteed when the investment term is at least one year. The main return is generated by the appreciation of the lowest-priced stock.

In our view, active portfolio investment strategies are promising. These strategies can be differentiated according to various classification criteria. The classification allows us to identify the most comprehensive set of strategies and thereby expands the range of activities of an organisation in the dynamic stock market.

The peculiarity of investor activity is that stock market participants can access and select different segments of the stock market: stock exchanges,

retail market (purchase of shares from the public), large wholesale market (e.g. purchase of shares in the process of privatisation). Other sectors of the over-the-counter market. Depending on the focus on a particular market segment, the following types of strategies can be distinguished: *auction, speculative competitor, arbitrage, "hoovering"*.

Auction strategies are used when buying at the time of initial sale in cheque, cash and bond auctions held during the share privatisation process. These types of strategies are determined by the conditions of the auction. In particular, the strategies in question were used in the early stages of privatisation. With the right investment targets, shares bought at auctions generated returns through annual price increases of hundreds or thousands of per cent.

The risk inherent in this strategy is that the auction price may be too high because of the demand for the most "tasty" pieces of state property. Another risk is that an investor wants to hedge against a price increase and may not find a price, so he will not be able to buy the shares and his investment will be frozen for a month and a half or two months. If one of the bidders buys a controlling stake in the auction, the investor's expectations may not be realised because of the share price increase resulting from the struggle for control of the company. In the event of a lucky break, one of the companies representing the speculative bidder takes first place and withdraws its bid, while the second-placed bidder is declared the winner. This allows the last investor who did not 'find' the price to make a profit by reselling the shares. [6]

The speculative bidder strategy is often used in investment tenders and closed cash auctions in the privatisation process. The interests of this investor are represented by several firms that try to quote such prices in bids in order to be one of the two winners. On the one hand, this helps to insure the bid in case of improper execution or non-participation of other investors. On the other hand, if one investor is represented by several affiliated firms, there is a high probability of "predicting" the price. One of the prerequisites for the success of this strategy in investment tenders is close contact with the big banks and the ability to establish contact with the sales promoters and the company administration. The main risks of this strategy are related to the fact that in case the bid is rejected (signing of a protocol, conclusion of a contract) the deposit is not returned, so if the parties fail to reach an agreement, the speculator will suffer a loss.

Arbitrage strategy was actively used both at the beginning of privatisation (voucher trading) and nowadays. It consists in exploiting the fact that the same asset can have a different price in two different, including geographically distant, markets. An investor who uses this strategy (arbitrage)

makes a profit by simultaneously buying and selling the same securities on different stock markets. The strategy allows you to profit with minimal risk and high speed of settlement and does not require a significant investment.

The "hoovering" strategy is used by the largest investment companies conducting massive purchases of shares in the regions at the request of (predominantly foreign) investors. The power of "consolidation" and the speed of cash and securities movement are determined by the end investor's objectives, the volume of funds, the level of organisation of the procurement process and other specifics. One of the main problems is that increased demand and concentration of large packages does not lead to significant price increases. [7]

If the method of portfolio formation is chosen as a systematic factor in classifying portfolio strategies, examples of such strategies include *optimisation strategies, rating strategies, flexible action strategies and outperformance strategies* in the market.

Optimisation strategies are based on the creation of economic and mathematical models of the portfolio. The best portfolio structure is selected by modifying the optimisation criteria and carrying out multi-dimensional simulations. The use of optimisation techniques helps to determine the portfolio configuration that meets the individual requirements of the investor in terms of a balanced combination of risk, return and liquidity of the investment. Classical examples are usually the Markowitz, Sharpe, Tobin optimisation models. One problem is that the investment strategy selection process cannot always be sufficiently formalised, sometimes qualitative rather than quantitative indicators are important. Therefore, managers and analysts are now using methods based on genetic algorithms, fuzzy logic, as well as expert systems and neural networks, in addition to traditional optimisation methods (e.g. linear or dynamic programming).

Rating strategy - the formation and updating of the securities portfolio is based on the results of the rating table. The rating is calculated by groups of indicators describing a participant's main investment advantages. The portfolio includes stocks of companies with the best ratings. Accordingly, securities ranked at the bottom of the rating table are removed from the portfolio. Depending on investment objectives, both aggregate ratings and individual ratings reflecting the most important characteristics from an investor's point of view can be used. For example, for a conservative or moderately aggressive investor, securities with the worst liquidity rating are removed from the portfolio in the first stage. In the next stage, stocks with the highest rating of the most liquid securities or growth prospects can be included in the portfolio. The advantage of this strategy is that it allows the portfolio to be managed with key investment objectives in mind. The

disadvantages are mainly related to the need to do a lot of information and analytical work by the investor himself.

A "flexible response" strategy - a professional participant uses its capabilities to pick up market signals indicating the interest of large foreign or domestic investors in the shares of a particular issuer in order to get ahead of competitors and start buying massively from smaller investors in advance.

This strategy is often chosen by regional firms, which gain additional local market advantages through close links to the centre. Reacting quickly to market interest from large players allows these firms to quickly mobilise resources and acquire large shareholdings, increasing the likelihood of "guaranteed" sales. The disadvantages of this strategy are that the organisation using it does not create demand, but rather follows the situation quickly. It is forced to follow the leader who sets its terms and "takes the cream".

The strategy "Ahead of the Market" implies that the investor tries to forecast the market condition on his own and use it to take profits. This strategy can be used in both bearish and bull market periods. In the first case, the company identifies the most promising stocks that should be in demand in the market in the near future. Once a company has identified a set of such shares, it will gradually repurchase them in on- and off-exchange trading without "dumping" the price. The investor using this strategy will then be actively involved in the demand creation and "movement" of the shares. When other participants enter the market and demand arises, he can buy a sufficiently large stake and to some extent dictate his terms to the final investors.

In the second case, anticipating a market downturn, a firm using a "market leadership" strategy can sell shares at a sufficiently high price. Thus, the main advantage of this strategy is that by getting ahead of competitors, the firm can buy large quantities of securities at low prices or sell them at prices close to the maximum. The disadvantages of this strategy are the high risk and low return on investment and possible losses in the event of an incorrect forecast.

Depending on the time horizon of the capital invested, short-, medium- and long-term investment strategies, as well as combinations thereof, can be distinguished. For the corporate stock market, a short-term investment period of a few hours to 3-6 months is usually taken. Medium-term investments have a 6-12 month payback period and long-term investments have a one-year payback period or longer. A short-term investment strategy can be described as *a "short-term fluctuation catch-up" strategy.* This is because share prices are subject to frequent fluctuations which do not always correspond to actual changes in the performance of the

issuing companies. Therefore, there are always securities on the market with high or low prices. Some stock market participants take advantage of these short-term conditions and try to "lock in" short-term profits.

Companies using this strategy try to profit from stock price fluctuations that occur over the course of a week, a month and a single trading session. Their activities are based on the development of short-term macro and microeconomic forecasts and the use of technical analysis methods.

One type of this strategy is the *"Scalping" strategy*, which is often used in stock trading and consists of executing trades on a single issuer in a single trading session. In doing so, one of the objectives is to provide a guarantee on the trades. Another prerequisite for the successful use of this strategy is a high speed of settlement.

Other classifications may also be used when formulating and selecting strategies. For example, if the basis of classification is income generation, strategies abroad are traditionally divided according to: capital gains; obtaining regular current income; a combination of capital gains and current income. Strategies related to the manipulation of the yield curve can also be included in this group.

If the ability to reduce investment risk is used as a classification attribute when *choosing strategies, diversification, consolidation, immunisation and hedging strategies* can be chosen to achieve this objective.

The formation of an enterprise's investment strategy takes place in several stages:

- a period of goal setting;
- a period of goal selection;
- a period of external environment assessment;
- a period of development of the investment policy of the enterprise;
- a period of organizing investment activities;
- a period of investment decisions evaluation.

All stages of investment strategy development are carried out sequentially over a certain period of time, which is chosen on the basis of the periodicity of updating the enterprise's overall strategy. This period depends on the predictability of current general economic processes and the predictability of changes in the chosen market segment. The more volatile the market conditions, the shorter the strategy planning period.

5 Conclusion

Thus, the investment strategy of a company is one of the most important of its overall strategies. The efficient use of investment resources increases the efficiency of a company's operations, which improves its

competitiveness, ensures the growth of its asset value and increases its financial results in the long term. The effective implementation of a company's strategy is linked to the selection of investment targets and the optimisation of risks and returns. In doing so, each company forms an investment strategy based on its own investment opportunities and needs, taking into account the return on investment in terms of ensuring profits and improving economic performance.

The investment strategy of an enterprise should be created by professionals - investment managers - and implemented by the relevant structural divisions of the enterprise, which, in addition to the general management structures of the enterprise, should include specialised structures for strategy formation and implementation. in the enterprise.

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