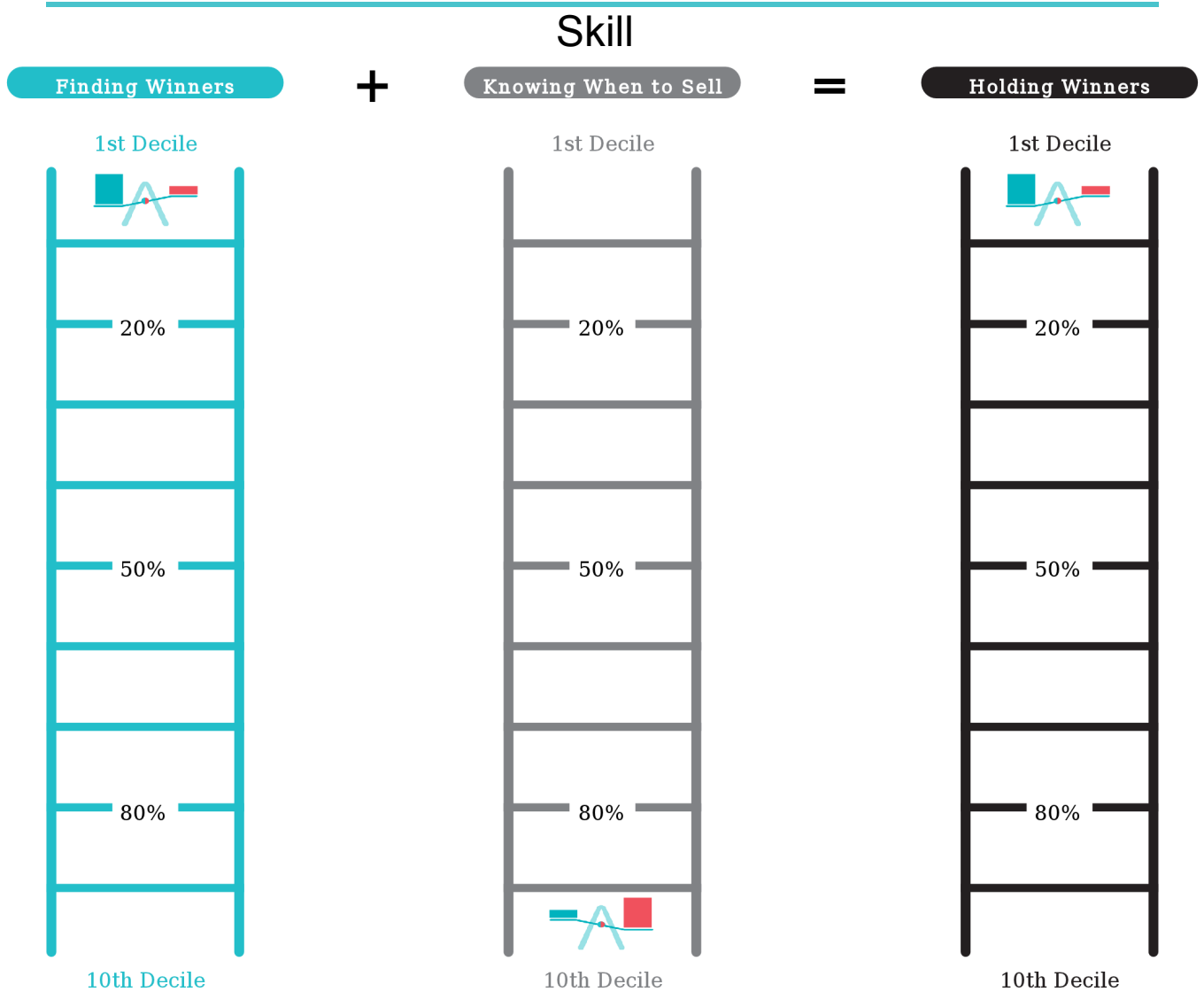


# IN<sup>A</sup>LYTICS



Sample Client  
February 2014



**Finding Winners**

- Skill at finding winners is in the 1st decile (Ladders above).
- Stocks selected outperform over the next 12 months (2).
- In the last 12M there has been consistent purchasing of previous winners (6).

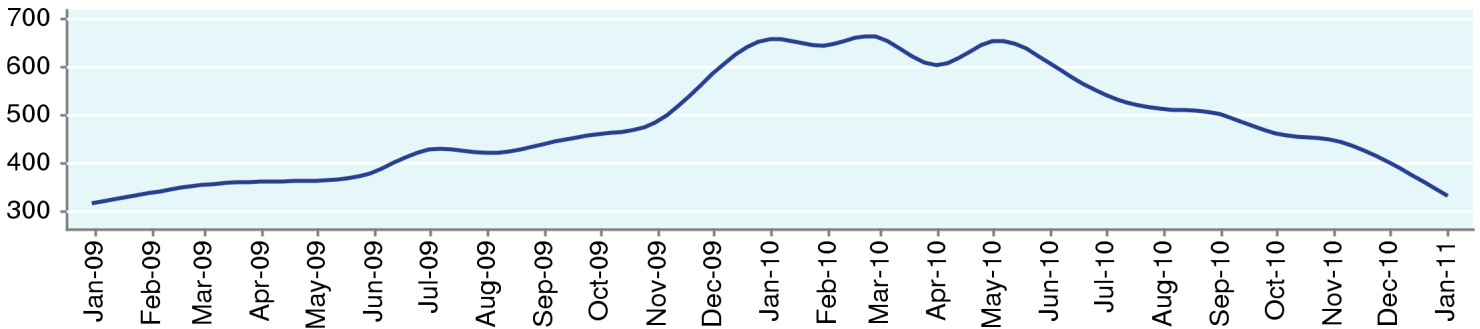
**Knowing When to Sell**

- Skill at knowing when to sell is in the 10th decile.
- Winners are persistently sold (4,6).
- Over the last 24M stocks sold persistently go on to outperform (5,7).

**Holding Winners**

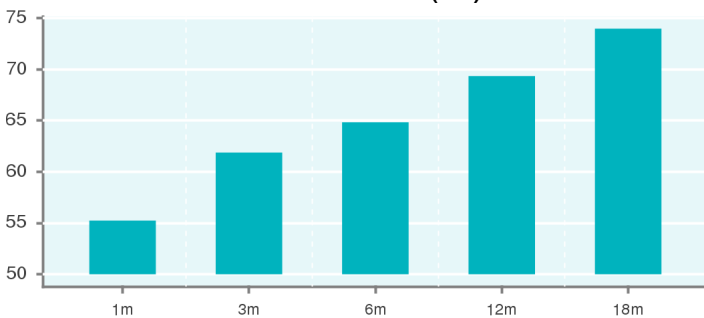
- Skill at stock picking is in the 1st decile
- Since inception decisions have been mostly strong (2).
- Stock picking skill has been the source of the outperformance

### 1 - Skill at Finding Winners



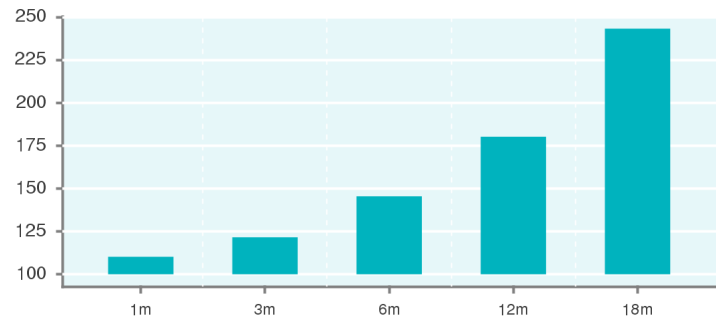
This shows the ability to find winners when buying stocks. Values above 100 indicate skill, based on the Hit Rate and Returns Ratio below.

### 2 - Hit Rate (%)



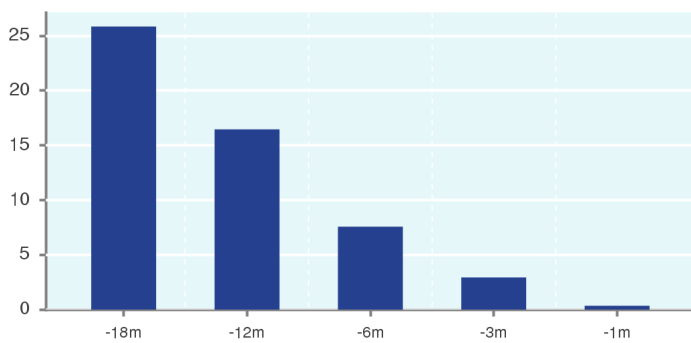
This shows the percentage of the Manager's buying decisions that outperformed. Values above 50% are good as more than half the decisions proved to be correct.

### 3 - Returns Ratio



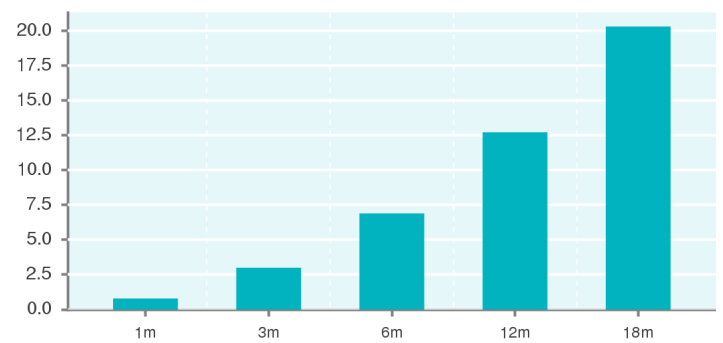
This shows whether the outperformance of the Manager's good decisions are greater than the underperformance of the losers. Values above 100 are good as the winners more than offset the losers.

### 4 - Average Return Prior to Trade (%)



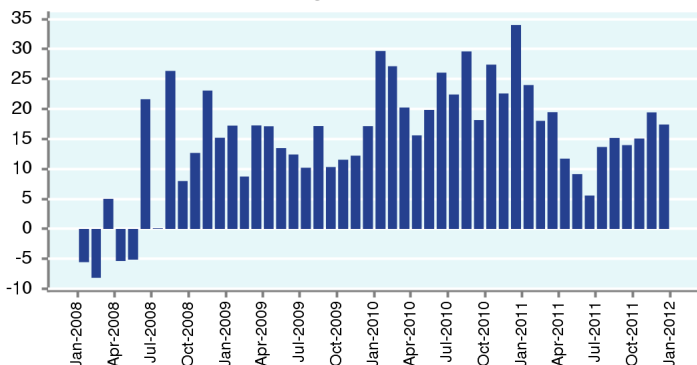
This chart shows whether the Manager's style is momentum or contrarian. Positive values indicate that stocks were prior winners and if negative, prior losers.

### 5 - Average Return Post Trade (%)



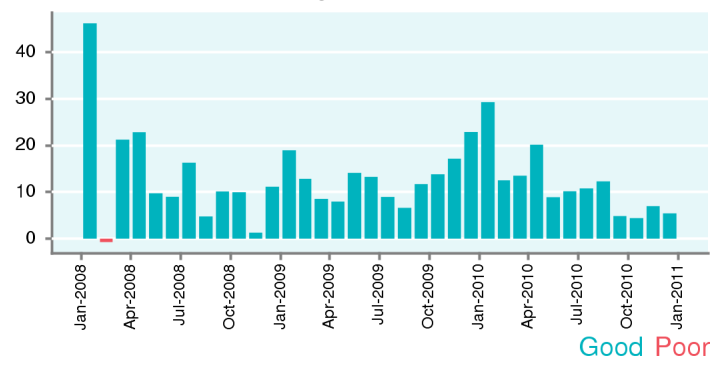
This chart shows whether the Manager has been successful at finding winners. This is indicated by positive values if the stocks outperformed the benchmark after purchase.

### 6 - Timing History -12m



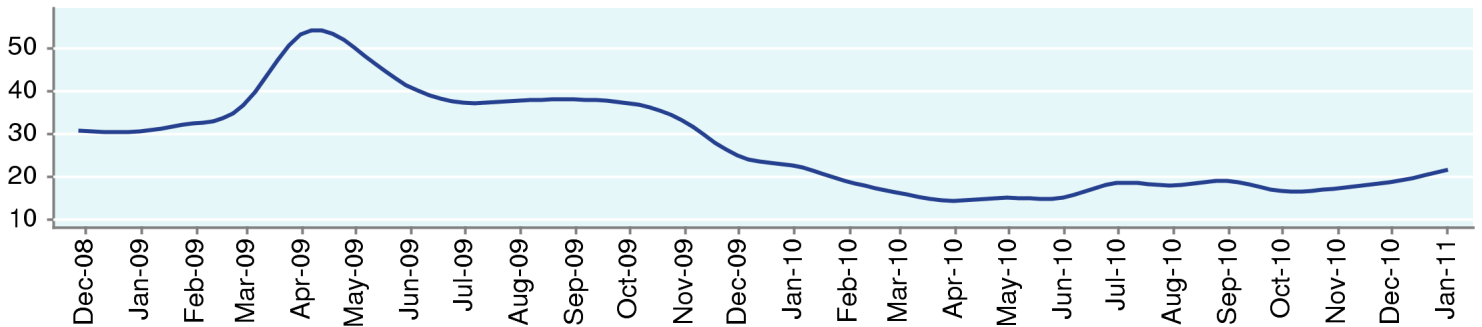
This chart drills down from Chart 4 to identify persistency in style.

### 7 - Timing History +12m



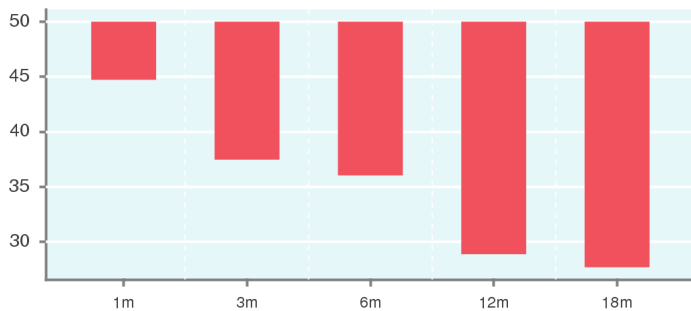
This chart drills down from Chart 5 to identify persistency in the ability to find winners.

### 1 - Skill at Knowing When to Sell



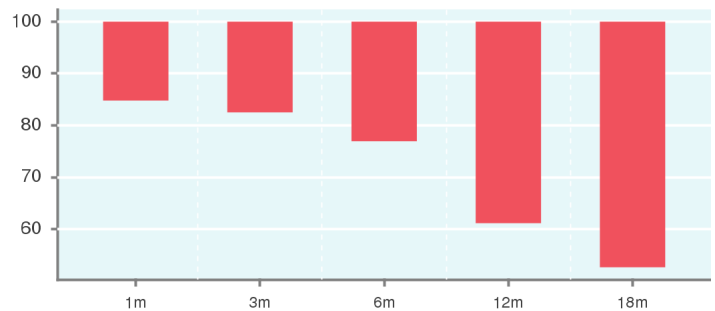
This shows the ability to know when to sell stocks. Values above 100 indicate skill, based on the Hit Rate and Returns Ratio below.

### 2 - Hit Rate (%)



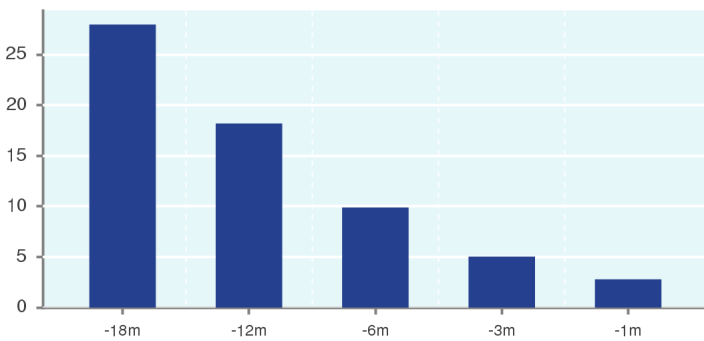
This shows the percentage of the Manager's selling decisions that proved correct by underperforming. Values above 50% are good because more than half the decisions proved to be correct.

### 3 - Returns Ratio



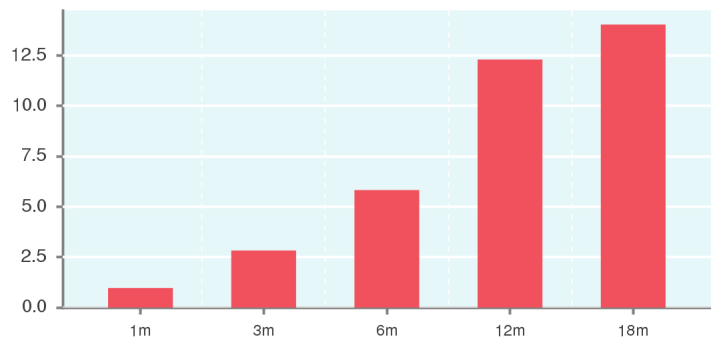
This shows whether the underperformance of the good selling decisions is greater than the outperformance of the poor ones. Values above 100 are good.

### 4 - Average Return Prior to Trade (%)



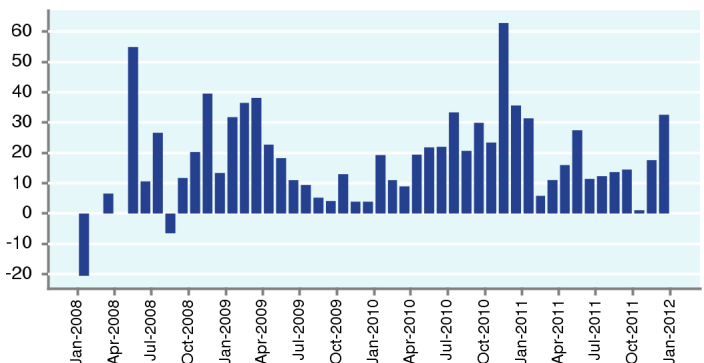
This chart shows whether the Manager is selling their winners. Positive values indicate that winners were sold.

### 5 - Average Return Post Trade (%)



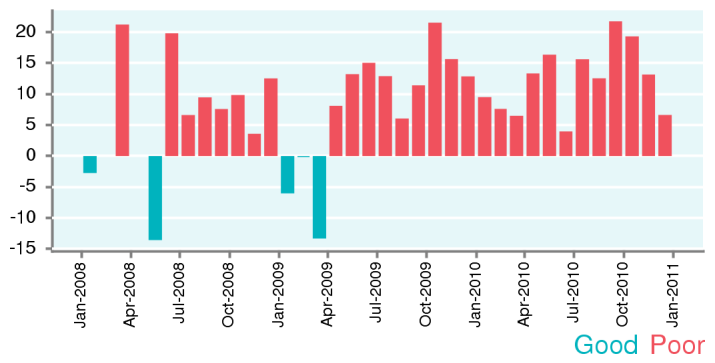
This chart shows whether the Manager has been successful at knowing when to sell. This is indicated by negative values if the stocks underperformed the benchmark after the sale.

### 6 - Timing History -12m



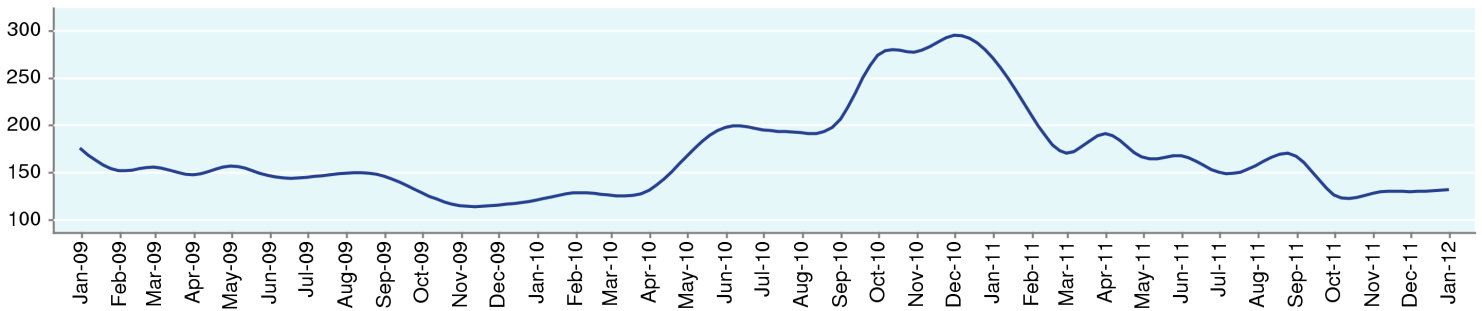
This chart drills down from Chart 4 to identify persistency in style.

### 7 - Timing History +12m



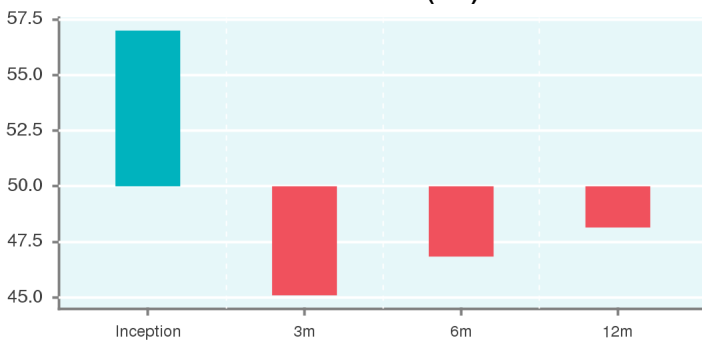
This chart drills down from Chart 5 to identify persistency in the ability to know when to sell.

### 1 - Skill at Holding Winners



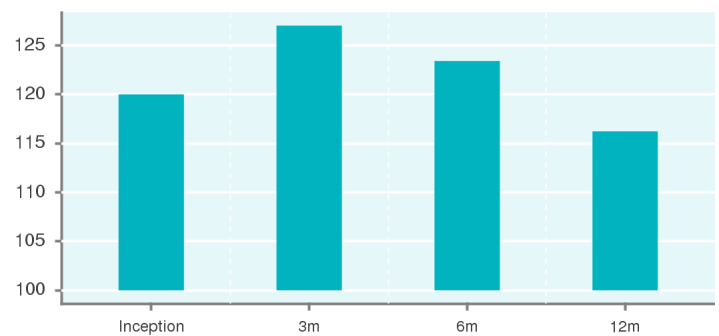
This captures the Manager's ability to add value from their overweight decisions. A value above 100 indicates skill, based on the Hit Rate and Contribution Ratio below.

### 2 - Hit Rate (%)



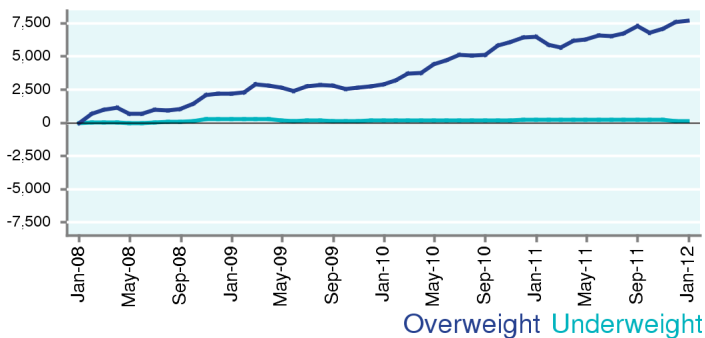
This shows the percentage of the overweights that added value. A value above 50% is good.

### 3 - Contribution Ratio



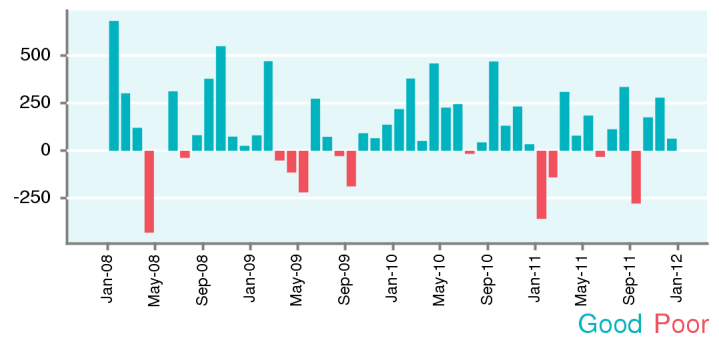
This shows whether the added value from the good decisions offsets the negative contribution from the poor ones. Values above 100 are good because the value from the winners are more than offsetting the losers.

### 4 - Total Adding Value



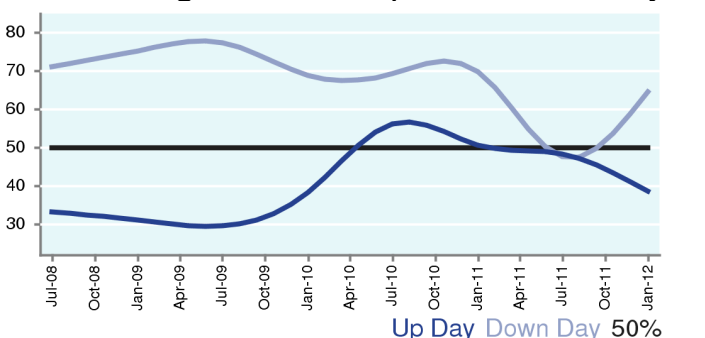
This shows the cumulative added value from the overweight and the underweight stocks.

### 5 - Persistency



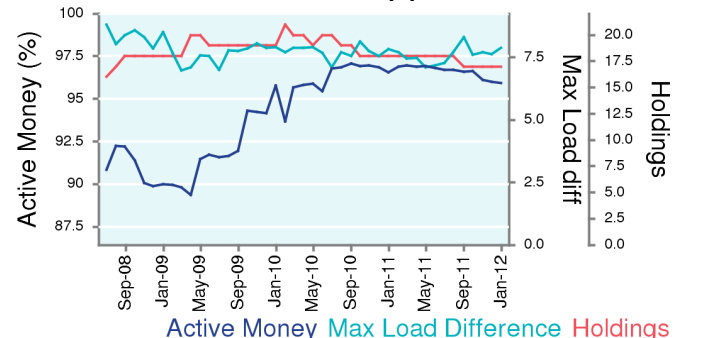
This shows the historical monthly contributions from the overweight stocks.

### 6 - Adding Value on Up and Down Days

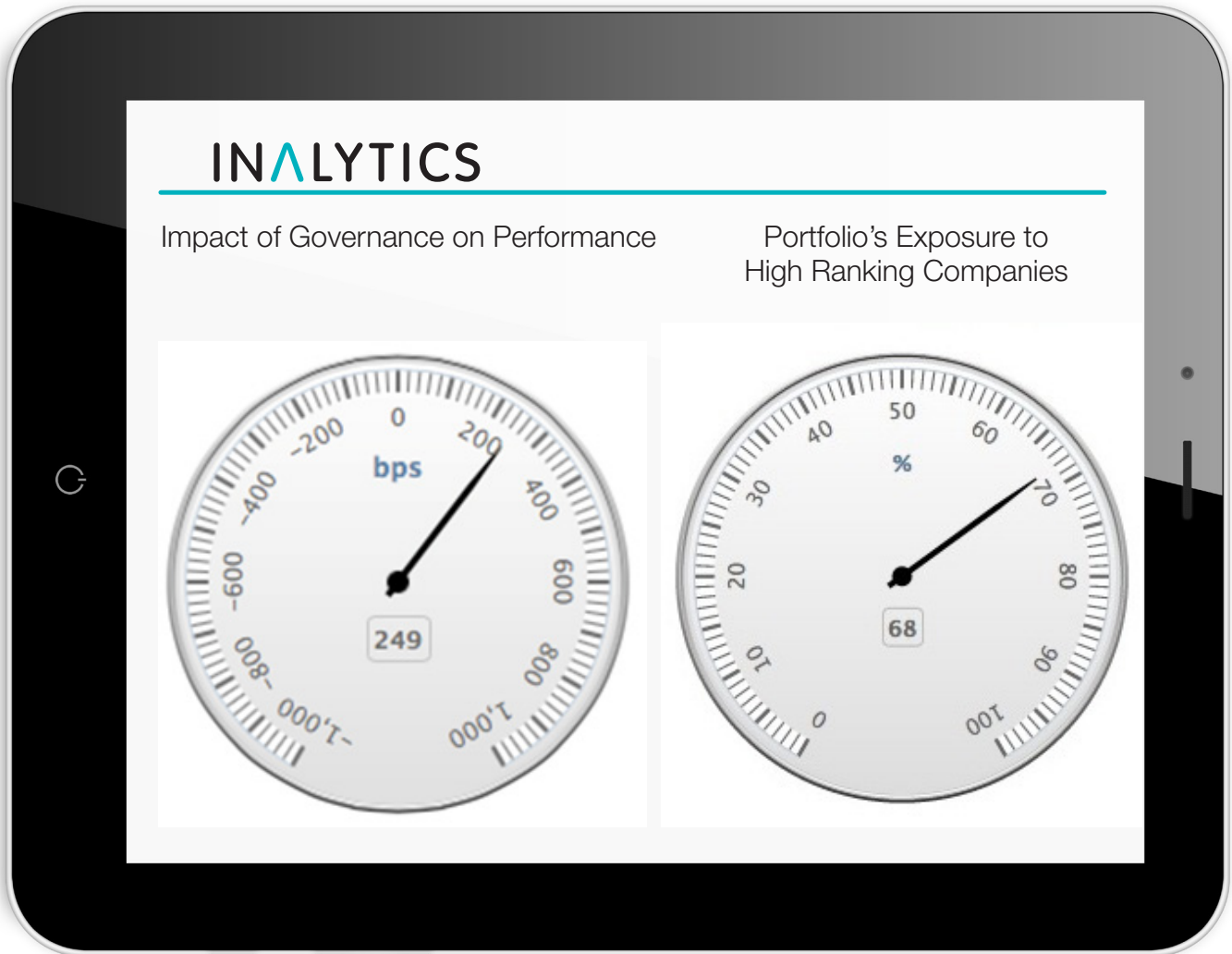


This shows the performance of the days that the Manager out (under) performed on up (down) days.

### 7 - Risk Appetite



The chart shows the Active Money, the number of holdings and the largest active position.



### How it helps you

It allows you to assess the risks presented by the governance profile of the companies your Portfolio Managers are investing in.

### How it is done

We use PIRC's Governance Risk Ratings which assess companies based on a range of different governance criteria (the details of which are shown in Inalytics Research Paper 08).

### How we convey the rankings

**Speedometer** – A greater weight of stocks with a superior governance rating moves the dial to the right, while stocks with an inferior ranking moves the dial to the left.