

## Investment Strategies

Investment strategy	Quantitative aspects								
<p><b>Value Investing</b></p>	<ol style="list-style-type: none"> <li>Share price should be no more than two-thirds of intrinsic worth.</li> <li>Look at companies with <u>P/E ratios</u> at the lowest 10% of all equity securities.</li> <li><u>PEG</u> should be less than one.</li> <li>Stock price should be no more than tangible book value.</li> <li>There should be no more <u>debt</u> than <u>equity</u> (i.e. D/E ratio &lt; 1).</li> <li><u>Current assets</u> should be two times <u>current liabilities</u>.</li> <li><u>Dividend yield</u> should be at least two-thirds of the long-term <u>AAA</u> bond yield.</li> <li>Earnings growth should be at least 7% per annum compounded over the last 10 years.</li> </ol>								
<p><b>Growth Investing</b></p>	<ol style="list-style-type: none"> <li>Historical Earnings Growth                     <table border="1" data-bbox="528 1608 1110 1742"> <thead> <tr> <th>Company Size</th> <th>Minimum Growth in Last 5 Years</th> </tr> </thead> <tbody> <tr> <td>&gt; \$4B</td> <td>5%</td> </tr> <tr> <td>&gt; \$400M &gt;\$4B</td> <td>7%</td> </tr> <tr> <td>&lt; \$400M</td> <td>12%</td> </tr> </tbody> </table> </li> <li>Strong Forward Earnings Growth at least 10-12%, 15% and more is ideal.</li> <li>Costs and Revenues Controlling. A good rule of thumb is that if company exceeds its previous five-year average of pre-tax profit margins as well as those of its industry, the company may be a good growth candidate.</li> <li>Can Management Operate the Business Efficiently? Efficiency can be quantified by using <u>return on equity</u> (ROE). Efficient</li> </ol>	Company Size	Minimum Growth in Last 5 Years	> \$4B	5%	> \$400M >\$4B	7%	< \$400M	12%
Company Size	Minimum Growth in Last 5 Years								
> \$4B	5%								
> \$400M >\$4B	7%								
< \$400M	12%								

	<p>use of <a href="#">assets</a> should be reflected in a stable or increasing ROE. Again, analysis of this metric should be relative: a company's present ROE is best compared to the five-year average ROE of the company and the industry.</p> <p>5. Can the Stock Price Double in Five Years?  This may seem like an overly high, unrealistic standard, but remember that with a growth rate of 10%, a stock's price would double in seven years. So the rate growth investors are seeking is 15% per annum, which yields a doubling in price in five years.</p> <p>The guiding principle of growth investing is to look for companies that keep reinvesting into themselves to produce new products and technology.</p>
<b>GARP</b>	<ol style="list-style-type: none"> <li>1. Earnings growth rate between 10-20% per year</li> <li>2. High and increasing ROE relative to the industry average</li> <li>3. GARPers like to see is positive cash flow or, in some cases, positive earnings momentum</li> <li>4. GARPers are more likely to pick companies with P/E ratios in the 15-25 range</li> <li>5. A low P/E and P/B are the two more prominent criteria with which GARPers in part mirror value investing</li> </ol> <p>GARP investor is concerned about present valuations.</p> <p>GARP investors require a PEG no higher than 1 and, in most cases, closer to 0.5.</p>
<b>Income Investing</b>	

## Investment Strategies: T1 Approach

Strategy	Measurement
<p><b>Determining Dominant Investment Style</b></p> <p>In classifying the dominant style of an institutional investor, TF employs quantitative techniques based on the key financial fundamentals of the individual stocks that constitute a given portfolio. Each position is weighted by its percentage of the total assets under management for a given institution or mutual fund. For each position in a portfolio TF compares the fundamentals of the individual stock to that of the S&amp;P 500 Index to determine if:</p> <ul style="list-style-type: none"> <li>• The forward PE of the stock is higher or lower than the S&amp;P 500 average</li> <li>• The indicated dividend yield of the stock is higher or lower than the S&amp;P 500 average</li> <li>• The 3 to 5 year projected EPS growth rate in First Call is higher or lower than the S&amp;P 500 average</li> </ul> <p>By aggregating each of the individual stock selections and looking at the percentage breakdown of total assets in the categories outlined above, TF is able to assess the interplay of growth, value, and income that drives the stock selection process of each institution and mutual fund. All three fundamentals are typically used in defining each style. To be classified in a given style, an institution must generally meet all the criteria. In some cases, however, the securities that an investor is currently buying and/or selling provide a better indication of the true investment style being employed. In these cases, TF applies its unique knowledge of the investor's behavior to accurately classify its dominant investment style.</p>	
<b>Aggressive Growth</b>	<p>Forward PE greater than S&amp;P 500 Average</p> <p>5 Year Estimated EPS Growth greater than 20%</p> <p>PEG (Forward PE/5 Year Est. Growth) greater than S&amp;P 500 Average</p> <p>Price/Sales greater than 5.0 if neither of the above exist</p>
<b>Core Growth</b>	<p>Core Growth managers typically invest in mid or large capitalization, blue chip companies that have historically performed near the top of their sector or the S&amp;P 500 in terms of profitability, earnings growth, and revenue growth. These investors are often willing to pay premium PE multiples for highly sustainable businesses, strong management and consistent growth over the long term.</p>
<b>Core Value</b>	<p>Core Value investors focus on buying companies at relatively low valuations on an absolute basis, in relation to the market or its peers, or in comparison to an individual stock's historical levels. These portfolios typically exhibit price-to-earnings, price-to-book and price-to-cash flow multiples below the S&amp;P 500. In addition, secular revenue growth rates of the</p>

	companies in these portfolios are frequently below market averages and their earnings tend to be more cyclical.
<b>Deep Value</b>	Deep Value investors employ a more extreme version of value investing that is characterized by holding the stocks of companies with extremely low valuation measures. Often these companies are particularly out-of-favor or in industries that are out-of-favor. Some investors in this category are known for agitating for changes such as new management, a merger, or the spin-off of a subsidiary.
<b>GARP</b>	These securities trade at a discount to the market, but are expected to grow at higher than the market average. To be classified a GARP stock the company will have the following fundamentals:  Forward PE less than S&P 500 Average  5 Year Estimated EPS Growth greater than S&P 500 Average
<b>Growth</b>	These securities typically have above average earnings and revenue growth, and trade at a premium to the general market. To be classified a Growth stock the company must have the following fundamentals:  5 Year Estimated EPS Growth greater than S&P 500 Average but less than 20%  Forward PE greater than S&P 500 Average
<b>Income Value</b>	Income Value investors are similar to those in the Core Value category except they are as interested in the dividend yield as they are in the low valuation ratios of the stocks they purchase. As a result, Income Value portfolios typically exhibit above average current income and low PE ratios.
<b>International</b>	This style refers to those money managers investing the majority of their equity assets in stocks of companies domiciled outside of North America. In most cases, the North American portion of the portfolio is either too small or does not exist, precluding Thomson Financial/Carson from determining an accurate investment style based on the fundamentals of these companies. For "Global" investors which have more significant North American holdings, a specific style may be given which will apply primarily to the North American portion of the portfolio.
<b>Momentum</b>	Momentum institutions invest in stocks whose price, earnings, or earnings estimates are advancing at a faster rate than the market or other stocks in the same sector. Momentum investors generally look for stocks experiencing upward earnings revisions or producing positive earnings surprises. Most of the investors in this category have relatively high portfolio turnover rates due to a short-term (often quarterly) focus, and therefore will liquidate positions at the slightest hint of a disappointment or deceleration in earnings. TFCG categorizes these portfolios based on its knowledge of their

	historical investment behavior.
<b>Sector Specific</b>	Sector Specific investors have the majority of their assets in a single major industry category. Many times these investors are "forced" to own most if not all of the stocks in a given sector whether or not they are deemed appropriately valued. Since their portfolio exposure is linked to a single sector, their performance is usually measured against an index that is pertinent only to that industry. As such, tweaking the relative exposure to the companies that constitute a given sector will determine these firm's investment decisions.
<b>Specialty</b>	This category encompasses a range of styles that are not based on the financial fundamentals of the stocks in the portfolio relative to the overall market. Examples include investors that hold a particularly high concentration of a single stock or a very small set of stocks, or specialize in convertible securities. This category is also reserved for any institution or mutual fund that does not meet the criteria for any of the other investment styles. TF categorizes these portfolios based on its specific knowledge of their historical investment behavior.
<b>Value</b>	These securities trade at relatively low valuations on an absolute basis or in relation to the market or historical levels. To be classified a value stock the company will have the following fundamentals:  Forward PE less than S&P 500 Average 5 Year Estimated EPS Growth less than 10% Price/Sales less than 2.5 if neither of the above exist
<b>Yield</b>	Yield investors typically focus on buying companies with indicated dividend yields that are comfortably above the S&P 500 average and that are perceived to be able to continue making or increasing dividend payments over time. Investors that fall into this category tend to focus on income and safety more than on capital appreciation, and many have a dividend yield "hurdle rate" below which they will be either unlikely to consider owning a particular stock or forced to pare back a current position.

*ЗАО «Интерфакс Бизнес Сервис».*

## **КОНТАКТНАЯ ИНФОРМАЦИЯ**

**ИНТЕРФАКС БИЗНЕС СЕРВИС**

Россия, 127006, Москва, 1-я Тверская-Ямская, д. 2

Тел. (+7 495) 251-00-50

Факс (+7 495) 250-94-57

E-mail: [ir@interfax.ru](mailto:ir@interfax.ru)

Web: [www.interfax.ru](http://www.interfax.ru), раздел Investor Relations

**"Интерфакс Бизнес Сервис"** создаёт информационно-аналитические сообщения для инвестиционного сообщества, готовит информацию для принятия решений руководством компании, предоставляет средства распространения информации и получения обратной связи.

Компания **"Интерфакс Бизнес Сервис"** является стратегическим партнером **Thomson Financial** в России и странах СНГ по содействию в развитии отношений компаний с инвесторами (Investor Relations).

«Интерфакс» обладает уникальными возможностями по оказанию услуг в области IR: ресурсами ведущего российского информационного агентства, тесной связью с российскими институциональными и частными инвесторами, опытом работы с эмитентами и инвесторами в разных областях (раскрытие информации, рейтинги, кредитные риски, аналитика).

**Thomson Financial** ([www.thomson.com](http://www.thomson.com)) - это компания с выручкой \$1,73 млрд. в год, предоставляющая информацию и технологические решения для мирового финансового сообщества. Представляя самый широкий набор продуктов и услуг, Thomson Financial помогает своим клиентам в более чем 70 странах принимать оптимальные решения, работать эффективнее и достигать более высоких результатов.

**Thomson Financial** входит в Thomson Corporation, которая является мировым лидером в предоставлении интегрированных информационных решений для более чем 20 млн. компаний и профессионалов в сфере юриспруденции, бухгалтерской отчетности, налоговой деятельности, финансовых услуг, высшего образования, справочной информации, корпоративных электронных систем обучения и оценки сотрудников, научных исследований и здравоохранения. Thomson Corporation, имеющая выручку в \$8,10 млрд., входит в листинг фондовых бирж Нью-Йорка и Торонто.

**Международная информационная Группа "Интерфакс" (Interfax Information Services Group)** создает информационные продукты и средства коммуникации для принятия решений в политике и бизнесе. Группа, основанная в 1989 г., объединяет сеть национальных, региональных и отраслевых информационных агентств, работающих в России, других странах СНГ, в Китае, Центральной Европе. В "Интерфаксе" ([www.interfax.com](http://www.interfax.com), [www.interfax.ru](http://www.interfax.ru)) входят компании и подразделения, предоставляющие новости, аналитические услуги, рыночные данные, фундаментальную информацию, разрабатывающие программные решения.

**"Интерфакс-ЦЭА"** готовит регулярные статистические и аналитические продукты по различным сегментам финансового рынка России и стран СНГ, предоставляет информацию о деятельности российских институциональных инвесторов. Среди продуктов компании - ежедневные прогнозы и отчеты о состоянии различных сегментов финансового рынка, рейтинги российских банков и страховых компаний, выпускаемые под брендом "Интерфакс-100", и а также рейтинги банков и страховых компаний стран СНГ - "Интерфакс-1000".

Партнером "Интерфакса" по рейтинговому агентству **Moody's Interfax Rating Agency**, которое занимает лидирующие позиции на российском рынке рейтинговых услуг, является международное рейтинговое агентство **Moody's Investors Service**.

Совместно с компанией **Experian**, мировым лидером в сфере информационных решений для бизнеса, создано кредитное бюро **"Экспириан-Интерфакс"**, занимающееся предоставлением информации, характеризующей своевременность исполнения заемщиками обязательств по кредитам.

Входящей в состав Группы специализированной аналитической службой **"Интерфакс-АКИ"** создана крупнейшая в России информационно-аналитическая база данных по компаниям – **СПАРК**, объединившая сведения по всем зарегистрированным в России юридическим лицам.

---

Настоящий материал является интеллектуальной собственностью компании "Интерфакс Бизнес Сервис". Все интеллектуальные права Компании охраняются в соответствии с законодательством Российской Федерации. Ни одна часть этого материала не может продаваться, воспроизводиться или распространяться без письменного согласия Компании. Вся информация, содержащаяся в настоящем материале, получена "Интерфакс Бизнес Сервис" из источников, которые Компания считает достоверными. В связи с возможностью технической ошибки или ошибки персонала, а также других факторов Компания не гарантирует абсолютной надежности представленной информации. Любые суждения, содержащиеся в материале, должны рассматриваться исключительно как мнение экспертов Компании, а не как рекомендация по покупке или продаже ценных бумаг / инвестиционных паев или по использованию каких-либо финансовых инструментов.