

STRATVALUE® | Tools Guide

the obvious Front and Middle Office platform choice
for Financial Intermediaries, Asset Managers and Family Offices
only two clicks away > www.stratvalue.com > Tools

meet your future work bench, the new industry standard
check it out for free and fill in your registration online – a smart move

it just does what you need – and what big suppliers would like to offer, too
with a global perspective to serve your international clientele
process driven, intuitive, differentiating clearly common user roles
reflecting long relationship management experience
your needs in client servicing in mind
with focus on productivity, economies of scale and regulatory reporting needs
offering the most exceptional value for money in the market place
subscribe to the entire package or selected individual Tools
Web based with dedicated server technology and data recovery redundancy
autonomous from other user software with links to access support systems
complete encryption from database to end-user access
strictest password regime, Swiss hosting and legal data protection
written in PHP JavaScript and multi-browser capable

contact “support@stratvalue.com” for any question you may have or
difficulty you may encounter using your Tools

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1 Overview and an Easy Start

1.1 Quick Overview

Tools gives the subscriber solutions for **five main functions** on one platform:

- **Managing** client relationships (CRM)
- **Allocating** asset class mixes to client risk parameter choices (Asset Allocator), your top-down investment tool
- **Scoring** relative dynamics of equities for multiple markets and industry groups (Scoring Tools), your bottom-up investment tool
- **Organizing** a team of financial market professionals (CPanel)
- **Communicating** proficiently with the client base (Document Management)

Tools divides these functions among **four user roles** with different user profiles and corresponding licenses (see CPanel for additional information):

	Advisor	Analyst	Administrator	Compliance
CRM	Agenda	●	●	●
	Client Profiles	●	●	●
	Call Reports	●	●	●
	Contacts	●	●	●
Asset Allocator	●	●	●	●
Growth Scoring	●	●	●	●
Value Scoring	●	●	●	●
StratValue Scoring	●	●	●	●
CPanel	User Administration	●	●	●
	Links	●	●	●
	Document Management	●	●	●
Calculator	●	●	●	●
Encyclopedia	●	●	●	●

● ● Full or partial access
 ● View/read only
 ● No access

12 Get Started and Log In Process

Follow points 1 through 11 to get started; before doing so we recommend you read this User Guide to gain an overview of the most important features of Tools:

- **Advisors** concentrate on sections 1, 3 and 5 of this User Guide,
- **Analysts** on sections 1, 4 (the Analyst's part), 5 and 6,
- **Administrators** on section 1 to register with "Tools", then 2 and 4,
- **Compliance** on sections 1, 2, 3 and 4

The intuitive design, tooltips and extensive help functions will assist you:

- 1. Browser requirements and safety:** older Internet Explorer versions may have page layout issues as Tools adjusts to the latest version. Use Chrome or other newer browser versions without such issues for best results. Please enable pop-ups on your work station and limit your browser's data exchange and e-mail traffic to trusted websites and addressees for added user data protection. Also be aware of data security risks when using unsecure networks and use a separate device! If problems persist contact "support@stratvalue.com".
- 2. Register: open "www.stratvalue.com", "Tools" and "Register here";** whoever registers to use Tools (all fields are mandatory) holds the Administrator license by default. Include a file with your logo and/or firm name (1 MB or smaller file size) for an individualized Tools appearance. Before registering the number of required licenses check the paragraph "CPanel" for the number of licenses you need (see 2. CPanel). Consider multiple licenses for users with multiple roles if needed. A deputy license with the same privileges as the base license is offered free of charge for Advisors, Analysts, the Administrator and Compliance and is not to be included in the count (screenshot below): the minimum subscription for all Tools or packages is 4 licenses and allows for up to 8 users. Please avoid any conflict of interests:

Welcome to the first step of the user registration process.
Please provide the requested data to register with Tools. All text boxes or check box choices are mandatory cells to process your registration.
The person to register a firm will show in the user list as the user with the firm Administrator license

Subscriber's name *

Short name *

Website of regulatory authority *

Registered manager's first name *

Registered manager's last name *

Password *

Confirm password *

Subscriber's address *

Subscriber's phone *

Subscriber's fax *

Subscriber's e-mail *

Subscriber's website *

Administrator's first name *

Administrator's last name *

Administrator's phone *


Administrator's fax *

Administrator's e-mail *

Number of users *

Subscribe for ([Pricing calculator](#)) *

Logo * No file chosen

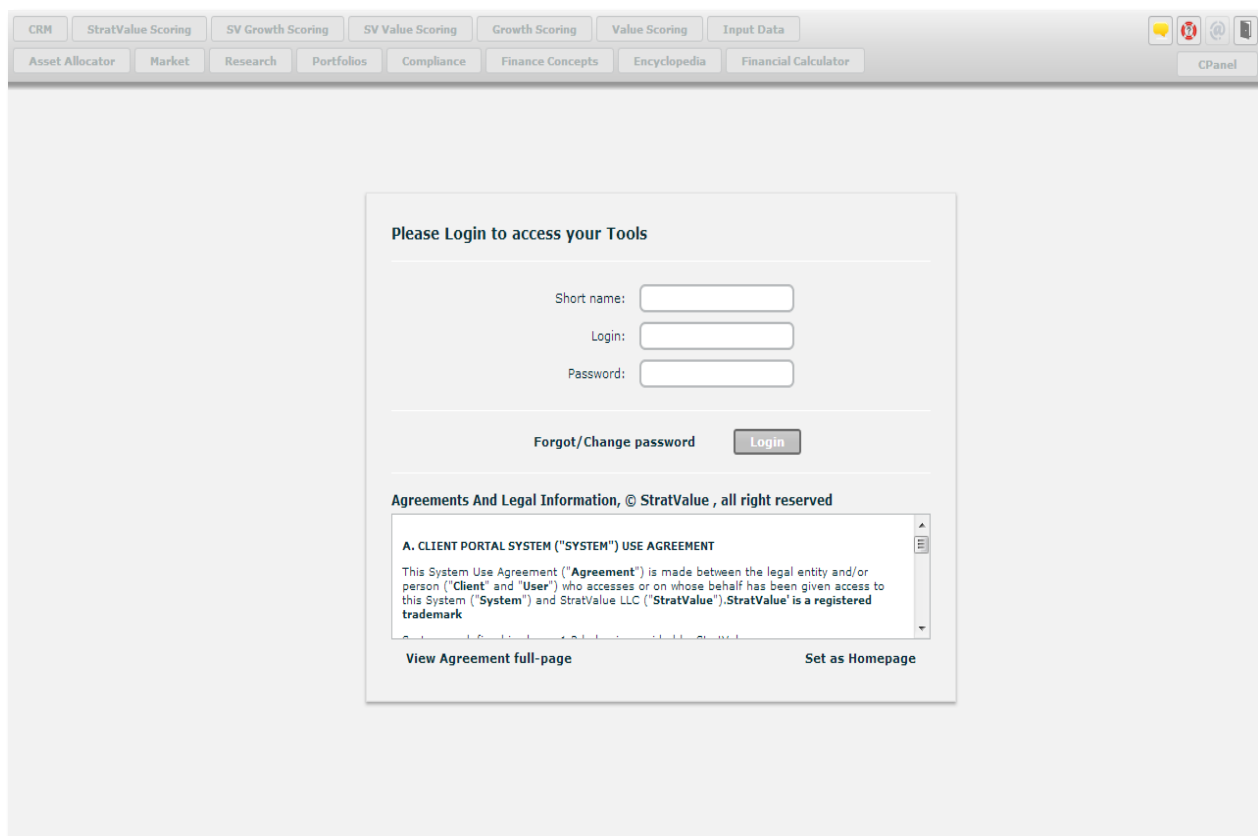


Input text for captcha:

I accept the [Agreements and Legal Information](#) including the provisions regarding data confidentiality and privacy.

an Administrator license may be compatible with all others, an Analyst possibly with an Advisor, but Compliance is probably not compatible with an Advisor or Analyst profile. This is valid for registrations that include the CRM. If you subscribe only to one Tool, i.e. StratValue Scoring, you may prefer to assign only Advisor licenses besides the Administrator license.

- 3. Tools confirms the registration to the registering Administrator** via e-mail within 48 hours and enables the use of the system for one year. The use of Tools will be automatically interrupted if the invoice for a yearly subscription is not paid within two months. This offers potential subscribers a **free testing window of two months**. The e-mail renewal notice is sent to the Administrator one month before the subscription period ends. The use of Tools will be interrupted if the renewal invoice is not paid before or on the due date.
- 4. The Administrator receives** a separate e-mail containing the **registered data (no password is ever mentioned in any communication nor can it ever be accessed by StratValue staff)**. The Administrator's user name is **"admin"** by default and his/her first registered password continues to be valid until changed through the "Forgot/ Change Password" or the "Password Log" function on the Administrator's CPanel ("strong" password with minimum 12 digits and all numbers, signs, letters, upper and lower case and no logical sequence). Make sure that your **Administrator's e-mail does not identify StratValue's e-mails as Spams!**
- 5. Log In: open "Tools" and "Log In here":** the Log In mask appears; it contains the License Agreement, the "Forgot/Change Password" process and a reminder to add the Log In mask page to your Favorites list. The Administrator is now able to log into Tools (screenshot below).



Log In: first input the firm's registered short name, then the user name (admin for the Administrator), password and click "Log In".

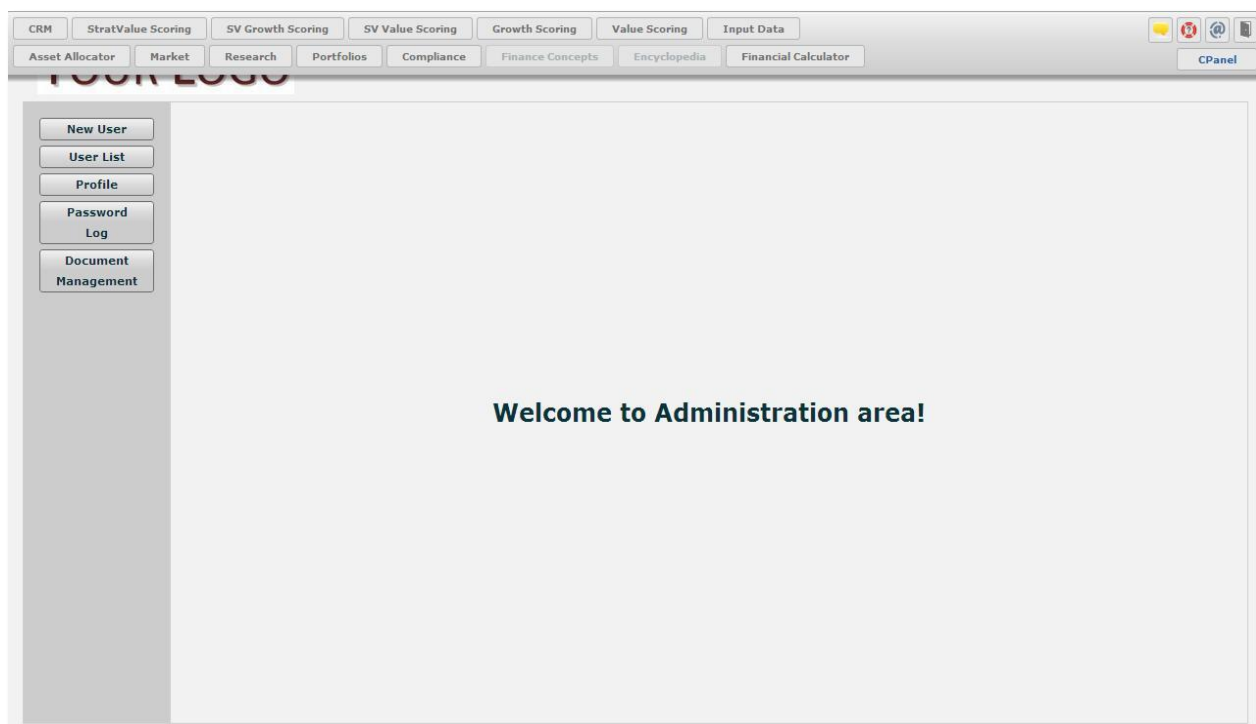
6. **The Administrator authorizes all other users** with their roles (Advisor, Analyst and Compliance and the deputies): activate the fading menu bar on top of the screen by moving the cursor to the top right and open "CPanel" (see 2. CPanel) to access the control panel of the system.
7. **Log Out: the open door icon** on the top right of the fading menu bar is the button to end a session. The session will shut down automatically after 15 idle minutes.
8. **Help: the red salvage ring** on the top right of the menu bar is the "Help" button with extensive user information. All other user issues can be addressed by searching through the user guide or contacting "**support@stratvalue.com**".
9. **Tooltips: the yellow text bubble** on the top right of the menu bar is the "Tooltips" button. Tooltips appear in the bottom right corner of your screen and can be switched on and off if necessary and desired by clicking this icon.
10. **Print:** clicking on the "**Print**" icon produces a print version of the open page; then click on "**Ctrl P**" to access the print commands on your computer. Most pages are best printed in "landscape format", for all graphs and full reports on companies in the scoring tools chose "color" printing.

A last remark on computer and network safety: if you want to check out if your digital identity has already been hacked and offered in the web please inquire through **www.leakedsource.com** or **www.haveibeenpwned.com**. Use your work station only for your trusted work related sites and e-mail contacts. Other web inquiries, general surfing or **social network contacts are better directed through an independent separate device!**

Notes:

2 Control Panel (CPanel)

Click on “CPanel” on the fading menu bar: the control panel allows the Administrator to centrally manage the use of Tools (screenshot below).



21 User Roles/Licenses

The authorization of users (see complete Administrator, Advisor, Analyst and Compliance roles diagram on page 3) happens here, including the granting of licenses to deputies for operational safety; in smaller firms also consider multiple licenses for one user who has multiple roles, but avoid possible conflicts of interest by doing so! **Don't forget to click “Save”** after finishing an input and please note the following most important role differences:

- **Administrator:** privilege – including one deputy license – to manage “CPanel”, “Document Management” editing functions and “Links”; limited access to “CRM” for his/her own agenda and private contacts and no access to “Scoring Tools” data input functions.
- **Advisor:** privilege to fully access – including all input functions – the client relationship management tool “CRM” for a defined client range; one deputy authorization with the same privilege covering the same client range is available for free; no editing access to “Document Management” and no access to “Dynamic Relative Scoring Tools” data input functions.
- **Analyst:** data input privilege for “Value” and “Growth Scoring” of the “Dynamic Relative Scoring Tools”; limited access to “Document Management” and “CRM” with his/her own agenda and private contacts. One deputy authorization with the same privileges is available for free.

- **Compliance:** read only privilege – including one deputy license – across all authorizations and licenses; release privilege for “Document Management” (templates and mailing/printing authorizations) and “Compliance Check”; limited access to “CRM” with his/her own agenda and private contacts.

Notes:

22 User Management Processes

New User: open “CPanel” and click on “New User” to authorize other users (all fields are mandatory), “Save” every new user (screenshot below).

The screenshot displays the StratValue user management interface. At the top left, there is a placeholder for 'YOUR LOGO'. The top right corner shows the user's role as 'Administrator (1. All Tools Including StratValue/SV Scoring)', the date '09/12/2013', and the input cycle 'IV QTR 2013'. Below the logo, a vertical sidebar contains buttons for 'New User', 'User List', 'Profile', 'Password Log', and 'Document Management'. The main content area features a form for creating a new user with the following fields: 'Full name: *', 'Login name:', 'User password: **', 'Confirm password:', 'E-mail address:', 'Phone:', 'Access level: ***' (with a dropdown menu set to 'Analyst'), and 'Address: ****'. Below the form are 'Save' and 'Clear' buttons. A legend at the bottom explains the asterisks: '*' for mandatory fields, '**' for a 12-character strong password requirement, '***' for access levels, and '****' for the user's address.

Deputy: click “User List” for an overview of all authorized users. Administrator, Compliance, Advisors and Analysts can have one Deputy with the same privileges for the access to the same range of functions: **click the thumbnail icon** on the bottom left to see all licenses, **click the “Profile” icon** of the user that gets a Deputy and **click the “D” icon:** authorize a user who will be recorded as “Deputy to” in the “User List”; the “D” icon will then disappear from the user's profile. “Save” to finish.

Profile: click “Profile” on the vertical main menu bar for an overview of all the data initially registered when subscribing to Tools (with the exception of the password). Send any **change** of your “Profile” to “support@stratvalue.com” to make sure to keep your Tools working properly and up-to-date.

Password changes: click “Password Log” to keep track of the frequency of user password changes without showing any password. The system will remind users monthly to change passwords through the “Forgot/Change Password” function and notify the user by e-mail on how to start the self-explanatory password change process.

23 Links Management Process

Links: the Administrator manages the “Links” within Tools: “Links” is like a mandatory favorites list to allow the quick access within Tools to **Portfolios** (access to custodians, broker/dealer platforms and their support systems),

defined **Markets** (market information systems), **Research** (research providers) and **Compliance** (providers of compliance and educational software) by outside providers. The menu navigation when **clicking on one of the “Links” in the Administrator’s CRM** is self-explanatory.

Document Management for the Administrator: click on “Document Management” (see 4. Document Management for different user roles/licenses) to edit, customize, store and distribute all firm specific texts and communication materials (i.e. contracts, reports, invoices to clients, prospects, client instructions etc.). Any distribution to clients via e-mail or regular mail must pass through the Compliance license for approval.

Notes:

3 Client Relationship Management (CRM)

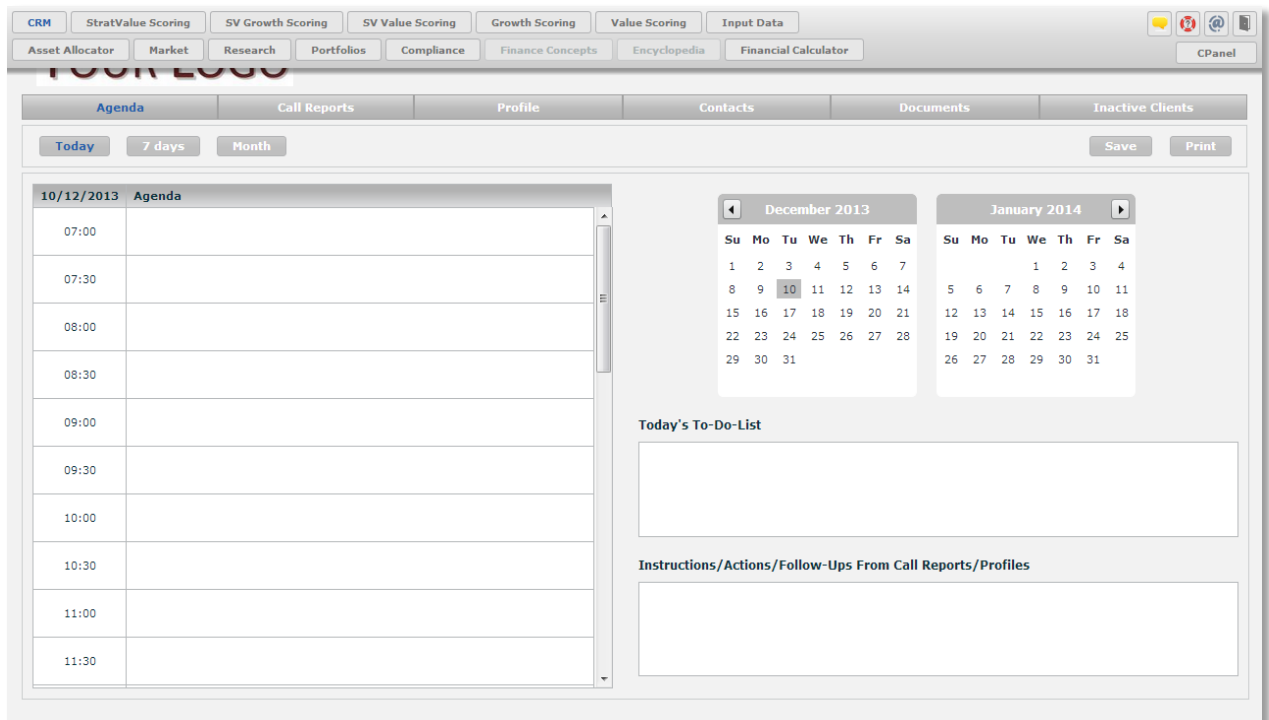
31 Quick Overview

- Find your **daily agenda** first when opening “Tools”
- Record **client profiles** and **call reports** integrating their required actualization or client instructions into your daily agenda, search for **inactive clients**
- Maintain your client profiles and automatically update your **contact data**
- **Import your clients’ strategic allocation** from the Asset Allocator Tool
- Use **document management** to handle your communication needs more proficiently, outgoing and incoming documents
- Manage your range of required documents, contracts, standard letters, invoice formats, marketing communication etc.
- Compliant with your regulator’s requirements
- Fully manageable by Advisor licenses, granting read only access to Compliance licenses and limited access to Analysts, the Administrator and Compliance for their own agenda and private contacts.

32 General Remarks and User Processes

Click “CRM” on the fading menu bar: **it contains the agenda, client profiles, call reports and history, client contact data, document management access for Advisors, Analysts and Compliance, and the list of inactive clients.** The client profile is the master file for all client data used in other modules of Tools (i.e. a phone number). After every input click “**Save**” before leaving the application.

- **Agenda: click on “Agenda”** for your daily tasks (screenshot below):



the two months calendar, daily, weekly, monthly planner and “To-Do-List” are complemented by “Instructions/Actions/Follow-Ups” to automatically remind

you of birthdays, yearly reviews of client profiles etc. or instructions recorded in a call report with an execution date. Agenda does not allow cross-viewing or appointment management between users, but (and only) Compliance has a read only access to every user's CRM including the Agenda.

- **Client Profile:** click on **“Client Profile”** to manage all client data (differentiating between corporates or individuals and prospects as well as execution, advisory or managed clients). The **“Client/ID”** allows for a quick reference about a client's domicile, nationality, reference currency, client type, relationship type and NCI/LEI (National Client Identifier/Legal Entity Identifier); Compliance sets the **“Compliance check”** by dialing into an advisor's client profiles once all required client data and documents are on file, and can review the list of clients that do not comply. In addition, the profile contains the client's **strategic asset allocation** imported from the Asset Allocator (see 5. Asset Allocator), a client's **asset and budget overview** with an estimate of the client's **required cash flow** the investments have to produce, **billing information** and fields for **background information, client restrictions, tax considerations etc.** as well as the **suitability check** that records the clients' **know how and experience** with the most commonly offered financial instruments.

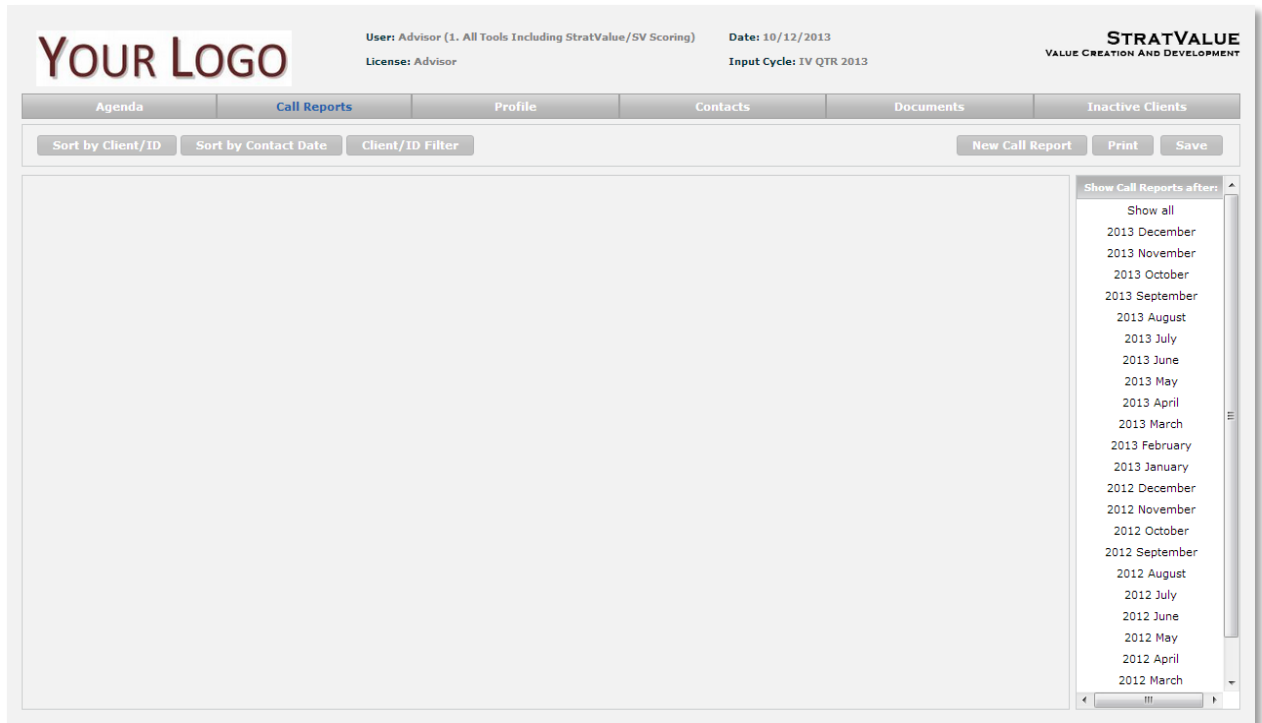
The yearly client profile review is automatically triggered by the agenda and must **include an interest rate check** to confirm cash flow requirements or projections in the strategic asset allocation (see 5. Asset Allocator).

Print the client profile to have it signed by the client or print an empty form ready to be filled in by hand before you meet a client and you have no systems access during that meeting (screenshot above).

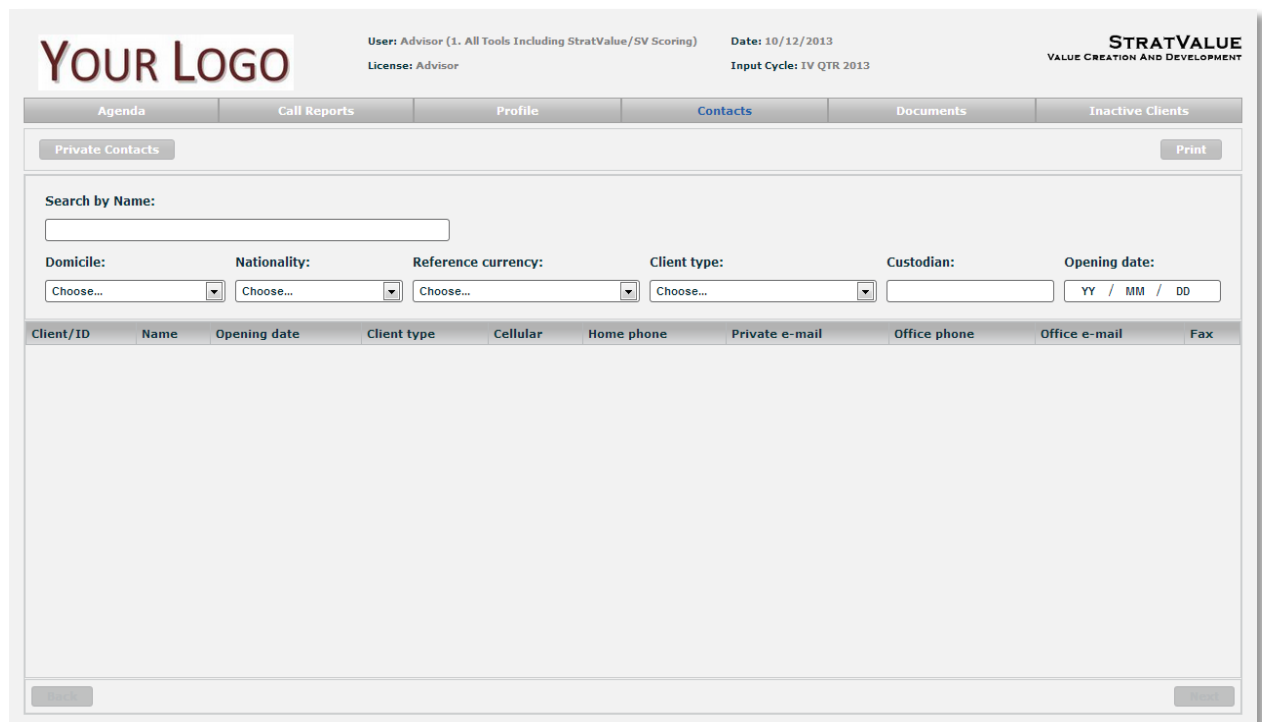
- **Call Report:** click **“Call Report”** to document any client contact (visits, incoming or outgoing calls, upload e-mails, letters etc.), search for the client

history (click on any month on the vertical list of months) or, for past information on inactive clients, click on "Inactive Clients". Tools will propose to delete inactive clients after 10 years of being coded inactive.

Register instructions with the agenda by attaching an execution date to the instruction, and upon execution, attach the effective execution date to the "Instructions/Actions/Follow-Ups" file in the call report by clicking **"Done"** in the agenda next to the respective "Instruction/Action/Follow-Ups" item.



- **Contacts:** click **"Contacts"** to view a list of the contact data of an advisor's client base. The Advisor as well as other users in their own contact list can add non-client contacts – "Private Contacts" – by hand, but client data can only be updated via the client profile (screenshot below).



- **Document Management for Advisors:** click on “**Documents**“ to gain access to your firm’s document base, print one to have it signed by a client or have the Administrator edit and Compliance approve the content of your mailing and communication needs (for the Administrator, Analysts and Compliance see below 4. Document Management).

Notes:

4 Document Management

41 Quick Overview

- Document Management offers four basic functions: **editing, customizing, printing/mailing and storing/history**.
- It spans over the entire range of document requirements you may have, from account documents to invoicing and communicating proficiently with your client base
- Fully manageable by Administrator licenses, granting sign-off privileges/duties to Compliance and limited editing privileges to Analysts as well as limited access to Advisors

42 General Remarks

- **Different user roles have specific privileges:** a very important process feature is the sharing of tasks between Compliance and all the other users; any document to be mailed out by e-mail or printed for physical mail has to be reviewed/released by Compliance.
- **The Document Management access is different for different users: the Administrator clicks on “Document Management”** on the vertical menu bar to the left of the Administrator's page, and **Advisors, Analysts and Compliance** click **“Documents”** in their CRM.
- **Click “Sent List”** and define the **“Sort”** criteria to find and view all documents mailed out to clients or printed in the past.

43 Role Specific Document Management Processes

431 Administrator's Process

The Administrator clicks “Document Management” on the vertical menu bar to open the page and view the **list of all the stored templates** with their date of creation and status, i.e. “Waiting” or “Confirmed” by Compliance (screenshot on next page). **Important:** manage and limit your template list to keep only the essentials! The page shows two template lists: the Administrator's and the Analyst's templates.

- **Click “Create Document” or highlight a document on the list and click “Edit Document” to open the document editor;** it contains everything to create or edit documents with the usual functions. The last two icons on the editor menu bar require some explaining; they allow for customizing mails that have to be sent to many recipients according to each recipient's specific information needs (i.e. the invoicing for all clients according to their specific fee arrangements).

1. **“Insert Predefined Variable”:** customize client communication by inserting

client data from the client profile into a document, i.e. client names, e-mail or mailing addresses etc. for a mailing campaign.

The screenshot shows the StratValue software interface. At the top left is a placeholder for "YOUR LOGO". The top right corner displays user information: "User: Administrator", "Date: 28/11/2012", "License: Administrator", and "Input Cycle: IV QTR 2012". The StratValue logo and tagline "VALUE CREATION AND DEVELOPMENT" are also present.

The main interface features a sidebar on the left with buttons for "New User", "User List", "Profile", "Password Log", and "Document Management". The top navigation bar includes buttons for "Create Document", "Edit Document", "Delete Document", "Select Addressee/s", "Sent List", and "Print".

The central area displays a table of documents:

Date	Template list	Status
02/11/2012	PTC Weekly Market Report 2/11/2012	Confirmed
13/11/2012	Asset Management Agreement	Confirmed
04/11/2012	Invoice	Confirmed

Below this table, another table shows a document from 15/11/2012 with the template "PTC Weekly Market Report 2/11/2012" and status "Confirmed".

2. **“Create Free Variable”**: See below invoice as an example (screenshot below). Choose **“Existing Free Variables”**, selecting terms used in “Tools” that need to be customized for every client, i.e. elements of an invoice like “Asset Management Fee” etc., where a different amount is due from every client or

This screenshot shows the StratValue software interface in document editing mode. The top navigation and user information are identical to the previous screenshot.

The "Template name" field is set to "Invoice". Below it is a rich text editor with a toolbar containing various formatting options like font, size, bold, italic, underline, and alignment.

The editor content shows the following text:

PTC
Presentation Test Company
Beispielstrasse 100
8032 Zürich

Invoice / Account Statement

To:
%%full_name%%
%%private_email%%

%%date%%

Re: %%client_id%%

Invoice for professional services rendered to %%full_name%%

At the bottom of the editor are "Done" and "Cancel" buttons.

choose **“Create New Variables”**, creating a new term not yet available from Tools to be inserted into a document and customized for every client, i.e. “missing documents” or “available credit line” for a print mail campaign. After finishing creating/editing the document click **“Save”** to add it to the template list with status **“Waiting”**, and to the list in Compliance’s document management page, where Compliance can view and approve (changing the document to the status **“Confirmed”**) or decline it.

3. Invoicing: Tools offers you default templates for asset based or flat fee invoices (monthly, quarterly or annual invoices) that can be adapted and stored as separate templates according to your needs and preferences. Click on **“Create Invoice”** to get started.

- **Click on “Select Addressees”** after opening a confirmed document, giving you the choice of client and relationship type/s on a pop-up window and of the Advisors in your organization to whose clients a “Confirmed” document has to be sent. **Click on the black arrow next to the Advisor name** and the system will show the list of clients of this Advisor. Check the boxes of the clients who must receive the document.

Click on “View/Customize” to open a matrix table that shows the list of all chosen addressees with all the **“Predefined Variables”** filled in automatically by the system and all the **“Free Variables”**, if any, the user has to fill in by hand (screenshot below). After completing the list click **“Send”** to e-mail or **“Print”** to send by physical mail. **This triggers the Compliance loop** for approval of the mailing or printing of the document.

<input checked="" type="checkbox"/>	Client/ID	full_name	private_email	date	client_id	Assignment Fee	Daily Fee	Days	Total Daily Fee	Portfo
<input checked="" type="checkbox"/>	FR/BR/USD/i/ZCB/22773319880	Grace Stone	ptc@stratvalue.com	28.11.2012	FR/BR/USD/i/ZCB/22773319880	0	0	0	0	
<input checked="" type="checkbox"/>	DE/DE/EUR/c/DB/88899900334	Hans Gress	ptc@stratvalue.com	28.11.2012	DE/DE/EUR/c/DB/88899900334	0	0	0	0	
<input checked="" type="checkbox"/>	DO/AU/CHF/p/DRB/00000000000	Daniel Ortega		28.11.2012	DO/AU/CHF/p/DRB/00000000000	0	0	0	0	
<input checked="" type="checkbox"/>	AT/AT/EUR/c/NBA/20030040050	Mark Schultz	ptc@stratvalue.com	28.11.2012	AT/AT/EUR/c/NBA/20030040050	0	0	0	0	
<input checked="" type="checkbox"/>	FR/FR/EUR/c/NBF/345000221987	Rene Hugo	ptc@stratvalue.com	28.11.2012	FR/FR/EUR/c/NBF/345000221987	0	0	0	0	
<input checked="" type="checkbox"/>	IT/IR/OTH/i/B1/56723456789	Alberta Fenzi	ptc@stratvalue.com	28.11.2012	IT/IR/OTH/i/B1/56723456789	0	0	0	0	
<input checked="" type="checkbox"/>	GB/GB/GBP/p/GBNB/00000000000	Robin Wilson		28.11.2012	GB/GB/GBP/p/GBNB/00000000000	0	0	0	0	
<input checked="" type="checkbox"/>	AT/DE/EUR/i/DB/1234321	Reisch Helen	ptc@stratvalue.com	28.11.2012	AT/DE/EUR/i/DB/1234321	0	0	0	0	
<input checked="" type="checkbox"/>	CH/CH/CHF/c/ZCB/25367345	Noah Meier	ptc@stratvalue.com	28.11.2012	CH/CH/CHF/c/ZCB/25367345	0	0	0	0	
<input checked="" type="checkbox"/>	LU/DK/USD/i/LNB/239082348	Adrean Ibsen	ptc@stratvalue.com	28.11.2012	LU/DK/USD/i/LNB/239082348	0	0	0	0	
<input checked="" type="checkbox"/>	DE/DE/EUR/c/GNB/39840187643	Vera Spitz	ptc@stratvalue.com	28.11.2012	DE/DE/EUR/c/GNB/39840187643	0	0	0	0	
<input checked="" type="checkbox"/>	FR/AU/USD/i/BF/223787790	Stefan Zach	ptc@stratvalue.com	28.11.2012	FR/AU/USD/i/BF/223787790	0	0	0	0	

- **Compliance loop:** every customized document leaving the firm by e-mail or printed physical mail has to pass approval by Compliance. Whenever a

document is sent by clicking on “Send” – customized or not – will the user find the document on his/ her “Document” page as a new document in the list waiting for confirmation.

Compliance goes to “CRM”, clicks “Documents” and “View” to open the waiting document with all its editing, customized variables etc., verifies its compliance with the law, regulatory requirements, firm policies and variables content and can either

click “Decline” to return the document to the sender for corrections or to be discarded – it disappears from the Compliance’s list – or

click “Confirm” to send it out or to have the Administrator print and mail it out. The accepted documents also disappear from the Compliance’s list.

- **Status of a document:** you can check the list of documents sent by clicking on **“Sent List”**; a document was either **“Printed”** for physical mail, or was **“Sent”** or is **“Waiting”** to be mailed by e-mail; the system will send e-mails in small groups over a period of time to avoid e-mails from being identified as spam mails; after finishing the mailing process the status changes to **“Sent”**. You may want to ask your clients to exclude your e-mails from their spam filter (recommended).
- **Template names:** the name of any template should include the firm’s name to make sure that the recipient of an e-mail not only recognizes the sending person (i.e. Administrator’s, Analyst’s or Advisor’s name), but also the firm’s name in the reference line of an e-mail (i.e. “PCT Management Fee” etc.).

Notes:

432 Analyst's and Advisor's Processes

- **Analyst:** an Analyst may need to write and distribute market comments etc.; Analysts can create or edit documents like the Administrator with the exception of customizing them with free variables:

Click “Documents” in your “CRM”.

Click on “Create Document” or highlight a document on the template list and

click “Edit Document” to open the document editor; it contains everything to create or edit documents with the usual functions. After finishing creating/editing the document click **“Save”** to add it to the template list (with **status “Waiting”**) and to the Compliance document management page, where it can be viewed and approved (changing to the **status “Confirmed”**), ready to be sent out or printed by the Administrator, Analysts or Advisors.

Analysts' documents typically have a short live span; the Administrator has to manage the template list accordingly to avoid excessively long template lists. The “Sent List” function still offers the possibility to view printed or mailed earlier documents.

- **Advisor:** an Advisor cannot create/edit documents, but he can print and/or mail templates from the template list:

Click “Documents” in your “CRM”.

Select a template and

click “View Template” and “Print” to print it,

or select a template and

click “Select Addressees” giving you the choice of client and relationship type/s on a pop-up window and of the clients to whom a document has to be sent. Check the boxes and then **click on “Print” or “Send”** to initiate the printing/mailling process. “Sent List” offers the possibility to view earlier printed/mailed documents.

- **Compliance requirements:** please refer to your in-house compliance rules regarding printed material handed to clients or leaving your firm.

Notes:

433 Compliance's Process

Compliance **cannot create/edit**, customize documents or select addressees, but Compliance **approves/declines** templates created by other users **and releases** the mailing process for customized templates.

Click “Documents” in your CRM to open the list of documents waiting for approval to be sent out.

Click “View” to open the document with all its customized variables, verify its compliance with the law, regulatory requirements, firm policies and intended variables content, then either

click “Decline” to return the document to the sender for corrections or to be discarded, or

click “Confirm” to allow sending it out by the users according to instructions.

Current mailing status: once a document was mailed out the system turns from status “Waiting” to status “Sent”. E-mails to multiple clients are sent in small packages to avoid rejection as spam mails.

Note regarding printouts for clients: the sensitivity regarding client data or legal constraints may require to centralize all document printing via the Compliance license holder. Alternatively, if pre-approved template printouts have to be handed to clients by Advisors or Analysts there is no need to go through the Compliance loop every time a client needs a document or form to fill out etc.

Notes:

5 Asset Allocator

51 Quick Overview

- Find suitable asset allocations with the most important strategic parameters: **reference currency** (USD, EUR, GBP, CHF), **acceptable currency diversification**, **client's budget impact** on the asset allocation, **risk capacity** measured by investment volume, investments as percentage of total assets and desirable investment horizon, and **risk propensity** measured by acceptable risk/reward and investor experience.
- Note that **strategic currency diversification** is reflected in the **equity** portion only, as international equity exposure rewards best for currency fluctuations.
- Simulate and integrate changing economic and market environments with **tactical overlays: interest rate, inflation rate and equity market trends**.
- Determine the **required cash flow** of an investor (client profile) and match the **dividend and fixed income** investments with his asset allocation; review/confirm the dividend income and interest rate applied during your annual profile review to make changes if necessary.
- Expand the traditional asset allocation by introducing alternative investments, hedges, leverage and/or deviant tactical currency diversification.
- Export your investors' strategic asset allocation to their client profiles.

52 General Remarks

- **Click "Asset Allocator"** on the fading menu bar to prepare investment strategies that follow your clients' **reference currency, currency diversification needs, budget impact requirements, risk capacity/propensity, investment horizon and experience** (screenshot below) as well as relevant **tactical overlays**. See below methodology explaining these concepts further.

The screenshot displays the 'Asset Allocator' software interface. The top navigation bar includes tabs for CRM, StratValue Scoring, SV Growth Scoring, SV Value Scoring, Growth Scoring, Value Scoring, and Input Data. Below this, a secondary bar contains 'Asset Allocator', Market, Research, Portfolios, Compliance, Finance Concepts, Encyclopedia, and Financial Calculator. The main interface is divided into several sections:

- Strategic Allocation:** A sidebar on the left with input fields for Reference currency, Currency diversification, Budget impact (Investable amount, 4-10 years bond yield, Required cash flow, Fixed income portfolio), Risk capacity (Net assets, Investable amount as % of net assets), Risk propensity (Accepted risk/reward, Investment horizon), and Investment experience (Savings, Bonds, Commodities, Derivatives).
- Strategic allocation grid:** A table with columns for Currency, Cash, 1-3 years, 4-10 years, >10 years, Equity, Gold, and Total. Rows include USD, EUR, GBP, CHF, JPY, and Total.
- Tactical allocation and individual customization grid:** A table with columns for Currency, Cash, 1-3 years, 4-10 years, >10 years, Equity, Gold, Private equity, Hedge funds, Others, Total, and Hedge. Rows include USD, EUR, GBP, CHF, JPY, Other, Total, and Hedge.

Buttons for 'Calculate', 'Trends & Forecast', 'Export to CRM', and 'CPanel' are visible at the top of the main content area.

- **Strategic allocation:** fill in the strategic parameters on the left and click **“Calculate”** to fill the table with a proposed strategic asset allocation.
- **Note** that the 4-10 years bond yield cannot be 0 or negative; deduct the dividend income from the cash flow requirement in the client profile, if the client's risk capacity allows to do so.
- **Click “Export”** to export the strategic allocation table to the client profile in “CRM” (only accessible for “Advisor” licenses).
- **Tactical overlay: complement the strategic asset allocation with a tactical overlay** to obtain a tactical allocation for shorter term investment decisions; Tools gives you trend data and forecasts for selected markets on inflation, interest rates and equity market performances: **click “Trends and Forecasts”** for latest updates. **Click “Calculate”** after having chosen tactical overlay parameters to obtain the tactical allocation. The tactical allocation table also allows you to **alter and adapt the allocation result by hand** to include client restrictions, other asset classes and specific preferences or hedging requirements. If you choose to make changes in the tactical table by hand please note that **changing the tactical overlay parameters after having made changes by hand and clicking on “Calculate” will not produce a conclusive result.** You will have to start over from the strategic allocation.
- **Click “Consolidator”** to consolidate different portfolios on the asset allocation level into one matrix with an overriding reference currency. The process is self-explanatory.

Notes:

The StratValue Asset Allocator is significantly different from other similar tools. Please find below the most important features and comments on methodology:

- **The strategic allocation** is the long term asset allocation taking into account the client's most important **risk parameters that tend not to change over time**; in rule based investment decisions the portfolio value changes should not exceed the agreed upon risk/reward span of the strategic allocation (for example: 50% strategic equity allocation may mean between 42.5 and 62.5% equity quota in an agreed risk/reward span of -15 to +25%). A shorter term **tactical overlay** with changed return expectations must trigger portfolio sales in the 62.5% area to fall back to a 50% exposure or trigger purchases in the 42.5% area to reach 50% again; you may want to establish a monthly routine to monitor these deviations and to rebalance a portfolio, if your custodian can't provide a portfolio monitoring within deviation limits to support a rebalancing. **Any tactical overlay has to take the strategic allocation as a base scenario to which the allocation has to return to** (in above example 50% considering small +/- deviations due to short term portfolio volatility).
- **Reference currency**: currency in which portfolio results have to be reported; the client **thinks and predominantly spends** money in this currency. **Only the equity portion** of a proposed allocation **is diversified** into different currencies; equity investments reward best for currency risks incurred; fixed income investments are limited to the chosen reference currency unless a tactical overlay suggests to take advantage of yield and price trend differentials.
- **Currency diversification** is a complex and mostly individually valid concept. Clients can choose a degree of currency diversification according to their personal needs, lifestyle and comfort level. Choose a **lower diversification** for clients with a **strong national home bias** and/or **higher cash flow requirements** for servicing debt and/or living expenses.
- **Budget impact**: the **required cash flow** of a client defines the size of the asset allocation's **fixed income portfolio**; revenues from the equity portfolio are not considered and are primarily a proxy for portfolio charges and cash reserves. The Asset Allocator adjusts the proportions of the other asset classes to the required cash flow and fixed income quota respectively. If you complement a low interest yield with a portion of the secured dividend yield to calculate the required fixed income portfolio please note that this may increase the equity exposure beyond acceptable levels for the client's risk parameters.
- **4 – 10 years bond yield**: a proxy for what a fixed income portfolio produces over a longer time period. **Note**: you cannot input 0 or a negative interest!
- **The required cash flow** is the revenue a client needs to obtain from investable amounts; see the asset and budget overview in the client's profile for more details. If only a portion of the client's total bankable assets is considered for a portfolio in your responsibility you may want to discuss the share of the client's liabilities that has to be serviced by revenues from this portfolio.

- **Fixed income portfolio:** this is the combined result of the strategic allocation process and budget impact; the Asset Allocator adjusts the size of all other than fixed income assets to the necessary fixed income quota required to produce sufficient cash flow. **The annual client profile review must therefore also include an interest rate and dividend check** possibly leading to an adjustment of the strategic asset allocation (**budget over allocation!**).
- **Risk capacity** is an **unbiased measure** for how much risk a client can take given the size of his overall net assets and the portion in bankable assets available for a portfolio; the investable amount for an account may be a part only of a client's bankable assets, nevertheless its asset allocation has to consider the entire bankable assets.
- **Net assets:** see the asset and budget overview in the client's profile for a general concept of the components and size of net assets.
- **Bankable assets** are all the investment accounts and cash of the client; the investable amount may be a part only of these bankable assets.
- **Investable amount** is the total amount calculated in reference currency that is available for the client's asset allocation process and portfolio with you.
- **Risk propensity** is a **highly individual measure** for how much risk a client is willing to take given his accepted risk/reward expectations, investment horizon and investor experience. Budget impact, risk capacity and risk propensity strongly influence any asset allocation and particularly the latter needs to be discussed comprehensively not to expose the client to stress caused by undesired portfolio volatility.
- **Accepted risk/reward:** the accepted risk is often misinterpreted and becomes evident in view of the client's reactions to portfolio losses.
- **Investment horizon:** the accepted investment horizon, similar to the above accepted risk/reward, has to be discussed comprehensively; clients tend to take a shorter term view after portfolio losses. This "acid test" is an opportunity to question the strategic parameters and the margins for tactical overlays agreed upon with the client.
- **Investment experience:** past investor experience and a disposition to explore opportunities that go beyond traditional asset classes may indicate a higher risk propensity. Uncharted territories should, however, only be entered into after duly discussing and learning about their risk/reward profiles.
- **Total risk tolerance:** result of the amalgamation process of all the above parameters into a client specific strategic reference portfolio measure.
- **Tactical Allocation:** a framework **for 3 to 6 months market expectations** that may impact the total return of the portfolio; after changes in major trends and after three months at the latest an in-depth analysis has to result in a decision to either return to the base scenario (Strategic Allocation), to

continue with or to apply another tactical overlay to the base scenario. In most cases the base scenario is the better choice to avoid stress caused by portfolio volatility. The tactical allocation grid also allows for **inputs by hand to include additional asset classes, changes in proposed allocations according to client restrictions and preferences, or hedging positions in instruments or currencies**; the sum of instruments adds up to 100%, hedging operations must not lead to undesired leverage.

Note: choosing to make changes by hand in the tactical table prior to **changing the tactical overlay parameters will not produce valid results**. Always click “Calculate” before you plan to make changes by hand.

6 Dynamic Relative Value and Growth Scoring

61 Quick overview

- Avail yourself of analytical expertise with a proprietary scoring model that supports **sustainable medium and long-term investment performance**.
- StratValue Scoring is **not a daily news service!** But it will provide you with analytical results no other news or research service will offer.
- Enjoy results provided by StratValue with its **proprietary methodology of best-in-class unbiased and objective data processing**, or by the same process you apply by using the subscriber’s Dynamic Relative Value and Growth Scoring tools (see 64 “Reading StratValue Scoring Results” for more information).
- Choose investments with potentially high alpha; **combine this bottom-up tool with your top-down investment decision process** of the Asset Allocator.
- Get clear perspectives on a sample of companies from different angles based on important **fundamental and market factors data**, compare results under value and/or growth criteria.
- Put numbers into **visualized perspectives** for better investment decisions by positioning individual results within their industry groups and markets/indices.
- Obtain the basics for a **disciplined, systematic, consistent, structured and informed long term investment process** and enjoy a professional presentation standard.
- **Update company data on a quarterly basis** to allow for a dynamic relative scoring of the most important ratios and key figures.
- Benefit from the **Analyst Monitor function** to supervise the relevance and quality of your Analysts’ data and recommendations over time.
- **Comply with regulatory requirements** to record investment decisions for the entire advisory and asset management staff in “Comments/Decision”.
- Fully manageable by Analyst licenses, granting read only access to all other licenses.

62 General Remarks

- Tools offers access to the **proprietary “StratValue Scoring”, “SV Growth Scoring”** and **“SV Value Scoring”** and to the **subscriber’s Growth and Value Scoring Tools**.

This scoring methodology has supported the out-performance of portfolios

published in “www.stratvalue.com”. “SV Growth Scoring” and “SV Value Scoring” apply commonly accepted growth and value criteria to the same data set used in the proprietary “StratValue Scoring”.

- Scoring results represent **unbiased, objective data processing that fully depends from the quality of the data providers and inputs. They are not recommendations or timing advice and can never replace the professional judgment of the user.** Given best data and input quality, and under the assumption of mostly efficient markets, StratValue Scoring offers the potential for better investment decisions based on best-in-class data views and analysis (see 64. “Reading StratValue Scoring Results” for more information).
- Scoring results of Fundamentals and Market Factors always represent **relative data and forced rankings of companies’ data and their dynamics.** The system works with quarterly input cycles, puts trends of company fundamentals and market factors into perspective with each other and relies on relative inter-company data trends that usually change little on a quarterly basis.
- Therefore, **scoring tools are not market timing tools; they are fundamental bottom-up stock selection tools** that define the sample of companies you want to consider to include in or exclude from your portfolio, depending on how you decide to apply the scoring results to your investment process (see 64. “Reading StratValue Scoring Results” for more information).
- **Subscriber’s “Growth Scoring” and “Value Scoring”:** Tools puts the same growth and value criteria methodology at the disposal of its users: “Growth Scoring” and “Value Scoring” give Analysts an opportunity to apply the same criteria to a wider range of companies of their own choice.
- **Click “Input Data”** on the fading menu bar to manage your data pool for the companies of your choice (see process further below).

63 Scoring Tools Parameters, Methodology and Reporting

- **Ranking Fundamentals: within any scoring tool click “Ranking Fundamentals”** to obtain best-in-class rankings of top and bottom line growth data for a sample of companies, as tables or – for individual companies – as graphs. The data cover 5 years including estimates for the present and the following two years:
 1. **Gross Revenue**
 2. **EBITDA**
 3. **Net Income**
 4. **Earnings per Share**
 5. **Dividends per Share**
 6. **Dividend Yield**

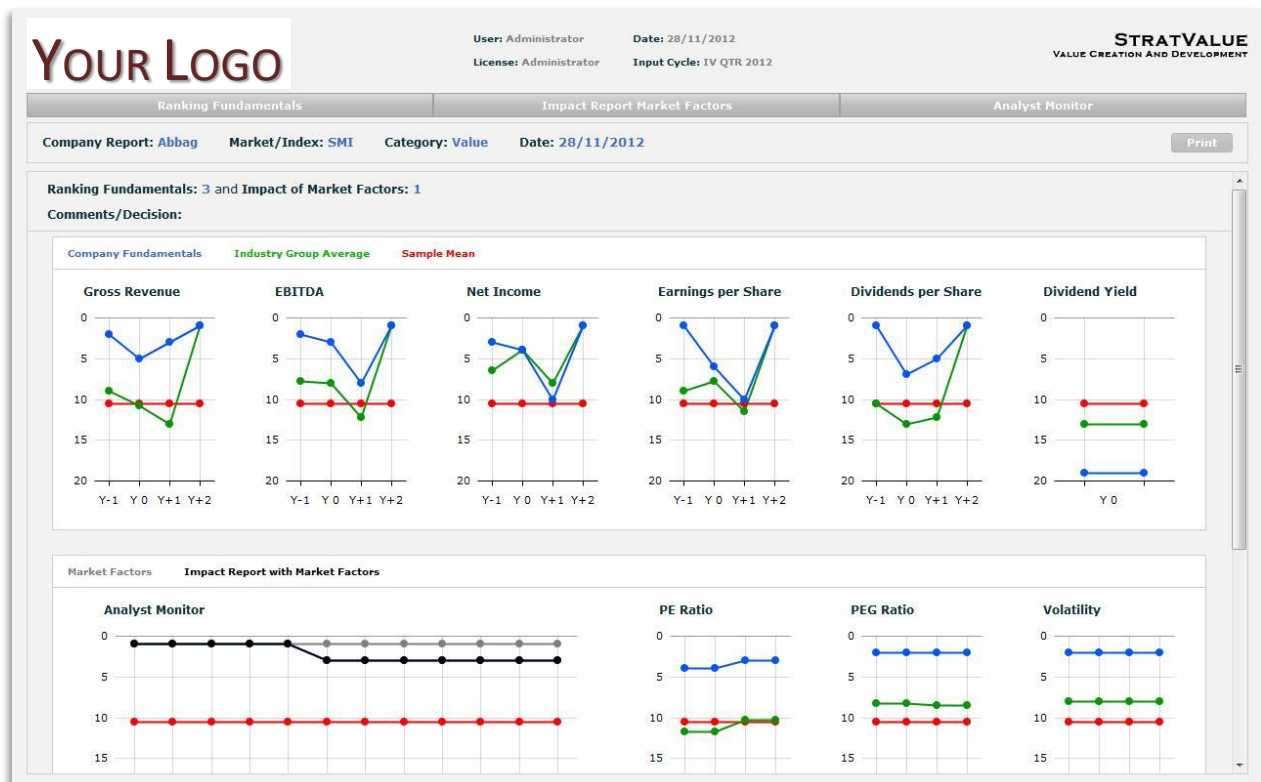
To obtain consistent scoring results always and only the same data across the entire sample of companies must be considered.

- **Impact of market factors:** click “**Impact Report Market Factors**” to consider additional analysis including “Market Factors” based on current market data (see “Input Data” further below). The number in brackets behind a company name in the table shows the fundamental ranking (see above) as reference and comparison to the “Impact Report” ranking.
- **Market Factors** are criteria that do not primarily reflect fundamentals but rather the market conditions for a company's share price:
 1. **Independent Consensus Opinion** about the price trend of a share.
 2. **1 over 5 Years Momentum** of a share price **vs. Market Momentum**.
 3. **Industry Group Rotation** showing the industry group cycle momentum independently from the general economic cycle.
 4. **PE vs. Market/Index** showing the ratio between current price and earnings estimate of a share versus the market's ratio.
 5. **PEG vs. Market/Index** showing the ratio between current PE ratio and the estimated earnings growth of a share versus the market.
 6. **Volatility** of a share price relative to the market volatility.
- The scoring of these more technical aspects complements the fundamental analysis. Users choose the factors most relevant to their analysis; factors 1, 2, 4, 5 and 6 are the standard used in StratValue Scoring. Any significant discrepancy between fundamental rank and market factors impact may raise doubts regarding the current valuation of a share. **Note: for consistent scoring results always and only the same factors across the entire company sample** must be considered. The default value for factors not considered is “not applied” (see 65 “Input Data” for more details).
- **Analyst Monitor:** click “**Analyst Monitor**” to obtain a record and gain control over how the analyst rated a company within its sample during a longer period of time (maximum 12 input cycles or 3 years). Rising/horizontal/sinking blue trend line for fundamentals, gray line for market factors and black line for both combined as impact report, indicate an Analyst's opinion about the potential of a share price to outperform/market perform/underperform relative to the entire sample. Under the assumption of mostly efficient markets and high quality of Analysts' data reflecting reality closely, these trend lines may confirm the share price trend over a longer time period.
- **Click any company** in the ranking tables and get a “**Full Report**” that shows all data and corresponding ranking graphs including its overall ranking and the Analyst's “Comments/Decision” that scoring has to offer (screenshot on next page).

64 Reading StratValue Scoring Results

- StratValue Scoring is a unique tool offering you **research results like no other provider and setting the stage to answer additional questions into company specific qualitative factors** like business model development, competitive position, management quality, product cycles etc.

- Select stocks with more dynamic fundamentals or exclude weaker ones. Screen the sample for top or bottom-line data, PE or PEG ratio, volatility, momentum or analysts' recommendations over a longer time period etc.
- The sample of companies in StratValue and SV Scorings also includes smaller markets. Complement this selection with your own wider sample using your scoring tools access with the same relative dynamic growth and value methodology. If you choose to **analyze company data across markets** be aware that small markets have particular dynamics that may make them less comparable to larger more efficient markets; also, the nature of the scoring methodology allows for best comparisons among larger or smaller markets.
- **Scoring results are based on comparative and consensus data** of several research firms and rank company fundamentals and dynamics within industry groups and markets. Rankings show best-in-class comparisons across all used parameters for companies, industry groups and markets. **Note** that all tables and graphs (see slide below) **rank first the highest fundamentals growth rates and the highest result in considered market factors**; i.e. the highest PEG ratio ranks first, although a PEG ratio below industry average and market mean indicates better long-term potential. Group Rotation data are not applied as not available across all markets and are left for the subscribers to apply in their own scoring tool and selected sample of choice.
- The subscriber's scoring tools rank companies according to accepted **growth and value criteria** and offer the users the same methodology for their sample of choice as SV Scorings. **StratValue Scoring** uses a **proprietary selection and weighting** of company data and also **includes acceleration dynamics** the market identifies as drivers for market outperformance.



- Tools provides listings with details of individual scoring criteria. The **Full Report** slide on the previous page shows all scoring criteria in one report for each company in any sample processed by any scoring module.

On top of the report you find the company name and scoring category, the overall rankings and your analyst's/investment committee's comments/ decision for the advisory and asset management staff. **Note** that StratValue itself does not provide any comments or decision for the benefit of users, it does not offer recommendations or advice on securities transactions.

The center section shows the fundamentals' growth rankings, quantified market factor rankings and the Analyst Monitor that offer a wide range of possible interpretations. Some examples:

- above mean top-line growth, volatility and below mean dividend yield and PEG ratio will likely show a top ranked **growth** company; are the cyclical market conditions calling for a selection of growth stocks?
- a typical **value** company will rank above mean in net income growth and dividend yield and below average in volatility and PE ratio; what value stocks should form the long term and solid basis of your equity portfolio?
- bottom ranks in **PEG ratio** with a higher earnings per share growth rate in % than their PE ratio may be undervalued; will you look at those and combine this criterion with price momentum and volatility to select your choices?
- the **Analyst Monitor** is a proxy for the quality and accuracy of the data that are being processed in the scoring modules: improving rankings over the last twelve quarters, i.e. ascending lines, indicate a tendency towards best-in-class status in operational qualities and market perception of a company and vice versa (assuming efficient markets and true data). This **graph always reflects scorings of a company according to the category chosen (StratValue, Value or Growth scoring)**, whereas the other graphs and tables in the Full Report are the same for all categories.
- Does a different Market Factor Ranking than Fundamentals Ranking indicate a discrepancy between market perception and fundamental facts? Is the company's stock **overvalued or undervalued**?
Note that the StratValue Scoring results can never substitute the user's own judgment and are neither a recommendation nor a timing advice to take direct action in an investment portfolio.
- The market factor graphs for **PE, PEG ratio and Volatility** show trend lines that are based on the last four quarterly inputs.

The bottom tables contain the raw data used for the last input cycle and the market factor qualifications based on the data input of the analysts.

Note that market factors not qualified by the analysts show a default rating of "not applied". StratValue and SV Scorings do not qualify Industry Group Rotation due to an insufficient internationally comparable data availability.

Also note for your own analysis that industry group and country/market rankings of some companies of a specific industry group and market may seem to be inconsistent due to a much wider amplitude of detail ranks of one company vis-à-vis another in the market analysis.

65 Company Data Management Process “Input Data”

Click **“Input Data”** on the fading menu bar to manage “Growth Scoring” and “Value Scoring” data pools (the exclusive privilege of Analyst licenses), the same input is applied to both scorings. This requires a disciplined and consistent use of research data. Take your own proprietary data or draw on data of one research provider with consistent analytical tool sets across the entire range of analyzed companies (see also 66 Operational Advice for Company Data Management). Alternatively, if available and as applied in “StratValue Scoring”, choose market consensus data for a less biased approach.

651 Initial Scoring Tools Data Pool

The following instructions sound more complicated than they are in practice! **Start “Input Data” by recording 4 quarters (“Input Cycles”)** as the initial data pool. Alternatively you may input 4 times the same data into these 4 “Input Cycles”. However, this simpler approach will result in all companies having the same scoring result due to the lack of dynamic data and will postpone the full effect of the dynamic design of the scoring tools to recordings of future “Input Cycles”. **Note** that numbers between 1 and 0 are to be recorded with **“0.”** (i.e. **0.51** and **not .51**), negative numbers with a **“-“** (i.e. **-325** and **not (325)**).

Initial 4 Input Cycles: when initializing the data pool **first click “Input Data”** on the fading menu bar **and then “Market/Index”** on the horizontal menu bar to define the markets or indices of your sample of companies; the **“Industry Groups”** are predefined ; then **click “Company”** and **“Create Company Record”** to register your sample of companies. After having done so **click “Input Cycle”** on the horizontal menu bar to open the input page. The system provides you with four previous quarters to be filled in with company research data; follow these steps:

YOUR LOGO

User: Administrator Date: 28/11/2012
 License: Administrator Input Cycle: IV QTR 2012

STRATVALUE
 VALUE CREATION AND DEVELOPMENT

Input Data
Market / Index
Industry Group
Company

Last updated company: Adoceco
Last updated input cycle: IV QTR 2012

Market/Index:

ALL

Industry group:

ALL

Company:

Abbag

Input cycle:

IV QTR 2012

Previous Cycle
Present Cycle
Next Cycle

Description \ Year	2010	2011	2012	2013	2014
Gross Revenue	24412	28388	31673	34419	34419
EBITDA	3150	4279	4954	5437	5437
Net Income	1389	2362	2772	3090	3090
Earnings per Share	0.75	1.1	1.29	1.44	1.44
Dividend per Share	0.19	0.32	0.37	0.42	0.42
Dividend Yield			1.6		
Current Share Price			27.8		
Volatility			29.18		

Independent consensus opinion: *

5 years price trend vs. market trend: *

Industry group rotation: *

PE vs. market/index, no negative PE: *

PEG vs. market/index, no negative PEG: *

Volatility (historic volatility 180 is suggested): *

Comments/Decision:

* -- see "Help" for more operational advice. To obtain a meaningful scoring result over the entire sample of analyzed companies the same choice of Fundamentals and

1. Before beginning the data input prepare your sources for your fundamental and market factor data (see the **1st worksheet** example in the Appendix):

Take the **same day closing data** for your entire sample. Consider to do this over a weekend if your sample is larger than what you can process in the above worksheet after one day's market closing or if you cannot download these data in one go.

For every market factor **apply one of the five qualitative choices** the system provides: the sample of companies must either be distributed evenly among the five value choices (PE Ratio, PEG Ratio and Volatility) or according to individual specifics of each company, disregarding an even distribution (Consensus Opinion, 5 vs. 1 Year Momentum and Industry Group Rotation).

Then input the fundamental data in your worksheet (see the **2nd worksheet** example in the Appendix); for easier data processing and input you may want to transcribe the results of worksheet one to worksheet two.

2. Then start the input choosing the first (oldest) input cycle or quarter on the dropdown list of the four initial input cycles or quarters on the vertical left menu bar and finish with the fourth one (youngest).

3. Start with the input of company research data **by alphabetical order or by "Market/Index"** and alphabetical order, according to your preference. The system will always tell you your last company input you **saved**.

4. Then fill in the table with the company's fundamental data and the chosen **market factors**. Open the **"Help"** function or this **"User Guide"** for operational advice (see also below): the currency in which companies report and the absolute size of the amounts are not relevant for the result, as "Scoring" relies exclusively on the relative dynamics of company ratios and trend data. Inputs for "Year 0(e)" (current year data estimates) are current year data, but spanning from the 2nd quarter of the current year to the 1st quarter of the next year, as companies usually report their results during the 1st quarter. You can disregard different reporting cycles of companies, as scoring relies on quarterly data estimates.

If not choosing companies in an index you may create your "Markets/Index", i.e. assigning mid or small cap market samples to reflect different dynamics of different size companies (i.e. "U.K. small cap" etc.) and to complement the StratValue Scoring that covers only the largest companies per market. Disregard any input for **"Comments/Decision"** at this point.

Press **"Save"** at the bottom right and proceed to the next company data input until the entire sample of companies and all four initial quarters are recorded. Saving data depends on the speed of your internet connection: **continue Input Data only when your input was saved completely**; this will avoid loss of data.

5. Choose the next quarter: choose the "Company" from the dropdown list, and then **click "Input Cycle"** to choose the next quarter from the dropdown list. The data recorded for the previous quarter will appear in the table (except Dividend Yield, Current Price and Volatility); complete missing data or alter

data in the table that changed since the last quarter and **“Save”** when done. Proceed until the entire sample and all four initial quarters are input.

6. **2nd Calendar Quarter**: whenever a new input cycle corresponds to the **2nd calendar quarter, the fundamentals data table will shift one year ahead** to add a new year to the table and to drop the oldest year. This reflects the Analysts' usual cycle to expand their estimates by another year after the current year's final results have been reported.
Choose a “Company”, fill in the data for the added year and alter previous years' data if your data source suggests doing so, then press **“Save”** and proceed to the next quarter or company input.
7. **After all initial 4 quarters for the entire sample have been recorded you can click “Initial Release”**. Before doing so you may want to check your input again to make sure all data and quarters were saved. The initial data base is now established and the system is ready to accept subsequent quarterly inputs starting with the next quarter after the last “Initial Release” quarter.
Important: you will only see scoring results after the first subsequent cycle input and not after the Initial Release. You do not need to go through an “Initial Release” process when adding a new company to the existing sample during later input cycles.

652 Subsequent Scoring Tools Data Input

8. **Subsequent “Input Cycles”**: after the system was initialized as above you will note that the system automatically adds the new current quarter and that there is a new button **“Add a new input cycle”** on the left vertical menu bar. You can now continue recording quarterly data for your entire company sample and the new input cycle as above.
9. **Add “Comments/Decision”** text on the bottom below the other data input fields only after having analyzed the scoring result of the entire released Input Cycle. The system **holds a maximum of 12 quarters**; older quarters will be dropped from the database. The users will still see the “old” scoring results as long as you have not released a “new” quarterly input cycle.
10. **“Reset”**: if for any reason you need to start over with “Input Data” you can do so by clicking on “Reset”; this will give you a choice to erase your currently processing input cycle or all input cycles except the initial release or, alternatively, all the data fed into the system including the initial release.

653 “Comments/Decision” Management Process

Recording/Changing “Comments/Decision”: the Analyst can post comments, opinions and investment decisions for every company in the tool, independently from the current input cycle, according to market developments, company specific events and/or investment policy decisions. You may want to create your firm specific format for this text field.

Click “Company” in the vertical menu bar on the left of the “Input Data” page and choose the company to input your text in the “Comments/Decision” field.

Click **“Save”** to save the text in the current data pool and click **“Release”** to show the text to all other users.

66 Operational Advice for Company Data Management

For operational advice also see the **“Help”** function with guidance regarding data quality (missing company data) and differences in data reporting for different industries (i.e. Banking and Insurance, Oil and Gas), and how to bridge these challenges. Find below our recommendations:

- 1. Banks:** choose Operating Profit and/or EBIT if Gross Revenue and/or EBITDA are not available. Use the same method for all Banks.
- 2. Insurance:** choose Gross and/or Net Written Premiums, if Gross Revenue and/or EBITDA are not available. Use the same method for all Insurances.
- 3. Oil & Gas:** choose Production and/or EBIT instead of Gross Revenue and/or EBITDA, if they are not available. Use the same for all Oil & Gas.
- 4. Missing data:** extrapolate a trend of existing data, assuming that the company's fortunes follow in the same direction and validate this assumption with additional research and opinions.
- 5. Corporate actions:** if the capital structure of a company changes due to a corporate action (i.e. mergers etc.) delete the old company from your sample and start a new company scoring process. You may want to keep a “Full Report” on the deleted company for your records. Splits don't require a start over: only adjust the “per share” data in your next data input process.

Establish a forced ranking for market factors among the companies (relative to their market). The sample of companies must either be distributed evenly among the five qualitative choices (Volatility, PE Ratio and PEG Ratio) or according to the specifics of each company without even distribution (Consensus Opinion, 5 vs. 1 Year Momentum and Industry Group Rotation). See the suggested worksheet in the Appendix. The following list shows the choice of market factors; factors 1, 2, 4 and 6 are the parameters used for StratValue Scoring and SV Scoring:

- 1. Independent Consensus Opinion** on the trend of a share price: if common rating choices are buy-hold-sell or 1-2-3, assume it to be
 - buy/1 = positive, hold/2 = neutral, sell/3 = negative.
 - Alternatively, if 5 rating choices are reported, use the 5 choices system.
 - Alternatively, if consensus ratings are reported as fractions of 1-2-3 assume
 - 1<1.4 = positive, 1.4<1.8 = positive-neutral, 1.8<2.2 = neutral,
 - 2.2<2.6 = neutral-negative, 2.6 - 3 = negative.
- 2. 1 vs. 5 Year Share Price Momentum vs. Market Momentum**, assume
 - 5 years trend of a market is neutral if its performance is +/- <15%,
1 year trend of a market is neutral if its performance is +/- <5%, etc.
 - 5 years share price trend is neutral if its performance is +/- <15% of market,

1 year share price trend is neutral if its performance is +/- < 5% of market,
 - 5 years share price trend is positive-neutral or neutral-negative if +/- 15-45%,
 1 year share price trend is positive-neutral or neutral-negative if +/- 5-15%,
 - 5 years share price trend is positive or negative if beyond +/- 45% of market,
 1 year share price trend is positive or negative if beyond +/- 15% of market.
 Momentum is the change of 1 over 5 years share price trend vs. the change of 1 over 5 years market trend; see Appendix for details.

3. **Industry Group Rotation**, showing the industry group cycle momentum that may develop differently from the general economic cycle.
4. **PE vs. Market/Index**, showing the ratio between current price P and earnings E of a share versus the market; in the case of 0 or negative earnings input PE = 1000 in your worksheets, as P divided by 0 or a negative E does not give a useful result. "Negative" PE below refers to the cases of PE with 0 or negative earnings per share.
5. **PEG vs. Market/Index**, showing the ratio between "PE" and next year's earnings growth per share "G" versus the market:
 - with positive PE and 0 or negative EPS growth, input PEG = 100,
 - with "negative" PE and 0 or negative EPS growth, input PEG = 100,
 - with "negative" PE and positive EPS growth, input PEG = 1.
 The system calculates the PEG ratio and ranking automatically itself, but your own PEG calculation and input of one of the five value choices is still required if you want PEG to be included in the overall scoring process.
6. **"Volatility"** of a share price relative to the market volatility (historic volatility 180 days is suggested). The system ranks volatility automatically, but your input of one of the five choices for each company's volatility is still required, if you want it to be included in the overall scoring process.

67 Change Process for a Company Profile or Sample

Changes in the sample of companies are made for the current quarterly input cycle only (except editing a company name, see 1. below); follow these steps:

1. **Edit a company name** by clicking "**Company**" in the top menu bar of "Input Data", click the "**Edit**" icon and edit the "Market/ Index", choose "Industry Group" and input the "Company" name independently from the current input cycle. **Changes to the company's other data must only be made upon input of a "New Input Cycle"**.
2. **Add a company** by defining the "Market/Index", "Industry Group" and "Company" name and then enter all company data including "Comments/ Decision" like any other company during the "New Input Cycle" process. There is no Initial Release of 4 quarters for added companies. Use the exact same data set for this company like for all previously recorded companies. **Important: only add companies upon input of a new "Input Cycle"**.

3. **Delete a company by clicking “Company”** in the top menu bar of the “Input Data” page and click the **“Cross”** icon on the far right of the company line. This will delete the data in the table of the current quarter.
Important: only delete a company upon input of a new “Input Cycle”.

7 Calculator

The calculator gives you all the finance calculation capability you'll ever need. View the entire manual under the **“Help”** function.

8 Encyclopedia

Find the most commonly used **terms and definitions in finance** with links to synonyms and related terms.

9 Links

The Administrator manages the content of the links function available to the users:

“Market” for market information,

“Research” for research providers,

“Compliance” for providers of compliance and educational software,

“Portfolios” to access your custodians' operational systems, broker/dealer platforms and their support systems. The menu navigation when **clicking on one of the “Links” in the Administrator’s CRM** is self-explanatory.

The screenshot displays the STRATVALUE CRM Administrator interface. At the top, there is a header with "YOUR LOGO" on the left, user information "User: Administrator (1. All Tools Including StratValue/SV Scoring)" and "License: Administrator" in the center, and date "Date: 09/12/2013" and "Input Cycle: IV QTR 2013" on the right. The STRATVALUE logo with the tagline "VALUE CREATION AND DEVELOPMENT" is in the top right corner. Below the header, there are three tabs: "Market provider link", "Support e-mail", and "Support phone number". The main content area is currently empty. At the bottom, there is a form with the following fields: "Provider Name", "Provider Link", "Support E-mail", and "Support Phone Number". Each field has a corresponding input box. There are also "Cancel", "Add provider", and "Clear" buttons.

Tools offers **no interface** to other operational systems; this offers added client data security, keeps the system complexity and costs to the user at a moderate level and also allows for independence to adapt and develop Tools as and when needed.

Appendix: Examples for Market Factor and Input Data Worksheets

The Analyst's task requires some preparatory numbers crunching to allow for an expedient data input process: for Market Factors rankings either

- divide the entire sample of companies of one market/index **evenly** into five groups according to their ranking and assign to these groups one of the following values:

“high”, “high-average”, “average”, “average-low” or “low” for

- **PE Ratio vs. Market/Index**
- **PEG Ratio vs. Market/Index**
- **Volatility**

- or assign to the entire sample of companies vs. the respective market/index one of the following values (**not considering an even distribution** among the five values):

“positive”, “positive-neutral”, “neutral”, “neutral-negative” or “negative” for

- **Independent Consensus Opinion**
- **1 over 5 Years Share Price Momentum vs. Market Momentum**

“before trough”, “acceleration”, before top”, “slowdown” or “no trend” for

- **Industry Group Rotation**

- **Example** for XYZ-Company in a market/index of 60 companies:

PE Ratio: for a current price of 64, earnings per share of 2, a PE Ratio of 32 and rank 3 of a sample of 60 companies assign the value “high” in your worksheet.

Instead of PE = 0 or a negative PE input a PE = 1000 in your worksheet.

PEG Ratio: for a PEG Ratio of 0.6 and rank 53 of a sample of 60 assign “low”.

If positive PE and 0 or negative EPS growth input a PEG = 100 in your worksheet,
if “negative” PE and 0 or negative EPS growth input a PEG = 100,
if “negative” PE and positive EPS growth input a PEG = 1.

Volatility: for a volatility of 16 and rank 15 of a sample of 60 assign “high-average” in your worksheet. Historic volatility 180 days is suggested.

Independent Consensus Opinion: Research producers give ratings to their recommendations, mostly differentiating three to five levels of attractiveness between i.e. “buy”, “hold” and “sell” with some intermediate attributes to signal a rather positive or cautious position. Assign the value that fits these levels best; if your research (or your provider) only produces three basic recommendations, assign only three values, buy/1 = positive, hold/2 = neutral, sell/3 = negative.

Alternatively, if 5 rating choices are reported, use the 5 choices system proposed from positive to negative.

Alternatively, if consensus ratings are reported as fractions of 1-2-3 assume
1<1.4 = positive, 1.4<1.8 = positive-neutral, 1.8<2.2 = neutral, 2.2<2.6 = neutral-negative, 2.6-3 = negative.

1 over 5 Years Momentum: compare the share price momentum with its market/index momentum; Assume as

neutral +/- <15% market performance over 5 years, +/- 5% over 1 year
positive-neutral or neutral-negative +/- 15-45% over 5 years, +/- 5-15% over 1 year
positive or negative beyond +/- 45% over 5 years, beyond +/- 15% over 1 year.
The difference of 1 over 5 years of a share vs. the 1 over 5 years of a market is the momentum: i.e.

- if the 5 year market trend is positive and the 1 year market trend as well, the momentum is neutral
- if the 5 year market trend is negative and the 1 year market trend neutral-negative, the momentum is positive-neutral
- if the 5 year market trend is positive and the 1 year market trend neutral or worse, the momentum is negative, etc.

The same applies to the share price trends, but in relation to the market: i.e.

- if the market momentum is neutral and the share price momentum is neutral, the 1 over 5 years momentum of the share vs. the market is also neutral
- If the market momentum is neutral-negative and the share price momentum is positive-neutral, the 1 over 5 years momentum of the share vs. the market is positive
- If the market momentum is positive and the share price momentum is neutral-negative, the 1 over 5 years momentum of the share vs. the market is negative, etc.

Industry Group Rotation: the cyclicity of various industries may impact the positive or negative outlook of specific shares in the context of the entire market momentum.

Any "Market Factor" not considered in your worksheet and "Input Cycle" is to be qualified as **not applied**. This is the default value.

1. Market Factors Worksheet

Market/Index

Input Cycle

low																						
average-low																						
average																						
high-average																						
high																						
Rank																						
Volatility																						
low																						
average-low																						
average																						
high-average																						
high																						
Rank																						
PEG Ratio (7)																						
Earnings p. S. Growth																						
low																						
average-low																						
average																						
high-average																						
high																						
Rank																						
PE Ratio (6)																						
Price																						
Dividend Yield																						
Dividend																						
Rotation no trend																						
Rotation slowdown																						
Rotation before top																						
Rotation acceleration																						
Rotation before trough																						
negative moment.																						
neutral-negative m.																						
neutral momentum																						
positive-neutral m.																						
positive momentum																						
1 Y Tr (5) vs market																						
5 Y Tr (5) vs market																						
negative																						
neutral-negative																						
neutral																						
positive-neutral																						
positive																						
Consensus (4)																						
Company Name																						

2. Input Data Worksheet

Company Name

Market / Index

Industry Group (1)

Input Cycle

Gross Revenue / Sales (3)

EBITDA (3)

Net Income

Earnings per Share

Dividend per Share

Current Dividend Yield

Current Share Price

Current Volatility

Independent Consensus Opinion Rating Choice (4)

1 over 5 Years Share Price Momentum vs. Market momentum (5)

Industry Group Rotation Choice

PE Ratio Ranking Choice (6)

PEG Ratio Ranking Choice (7)

Volatility Ranking Choice

	Year -2	Year -1	Year 0(e)(2)	Year +1(e)	Year +2(e)

Comments / Decision

Input Data Worksheet Comments

- (1) MSCI Industry Groups: Energy, Materials, Industrials, Consumer Discretionary, Consumer Staples, Health Care, Financials, Information Technology, Telecommunications Services, Utilities.
- (2) Year 0(e) data for this tool are the current year data, but spanning from the 2nd quarter of the current year to the 1st quarter of the next year.
- (3) For Banks choose another available top line number, if Gross Revenue and/or EBITDA are not available (i.e. Operating Profit and/or EBIT).
For Insurance companies choose Gross and/or Net Written Premiums, if Gross Revenue and/or EBITDA are not available.
For Oil & Gas choose Production and/or EBIT if Gross Revenue and/or EBITDA are not available.

Market Factors Worksheet Comments

- (4) For Consensus Opinion assign either three values, 1=buy=positive, 2=hold=neutral, 3=sell=negative, or alternatively, if 5 rating choices are reported, use the system proposing 5 choices from positive to positive-neutral, neutral, neutral-negative and negative.
Alternatively, if consensus ratings are reported as fractions of 1-2-3, assume
1<1.4 = positive, 1.4<1.8 = positive-neutral, 1.8<2.2 = neutral, 2.2<2.6 = neutral-negative, 2.6-3 = negative.
- (5) Neutral trend = +/- <15% of market trend over 5 years, +/- 5% over 1 year
positive-neutral / neutral-negative = +/- 15 - 45% of market trend over 5 years, +/- 5-15% over 1 year
positive / negative = beyond +/- 45% of market trend over 5 years, beyond +/- 15% over 1 year.
For 1 over 5 years momentum determination of shares vs. market see examples above in Appendix.
- (6) Instead of 0 or negative earnings calculate the rating with PE = 1000.
- (7) If positive PE and 0 or negative EPS growth calculate the rating with PEG ratio = 100,
if "negative" PE (= 1000) and 0 or negative EPS growth calculate the rating with PEG ratio = 100,
if "negative" PE (= 1000) and positive EPS growth calculate the rating with PEG = 1.