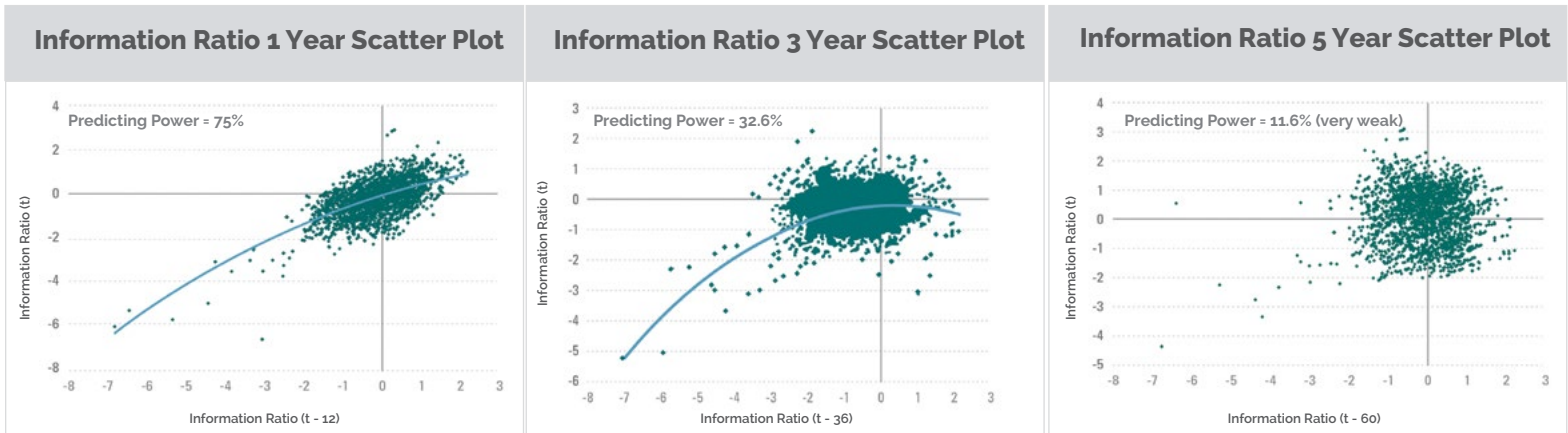## Why Aapryl: Because we can leverage your time, expertise and resources to improve performance by:
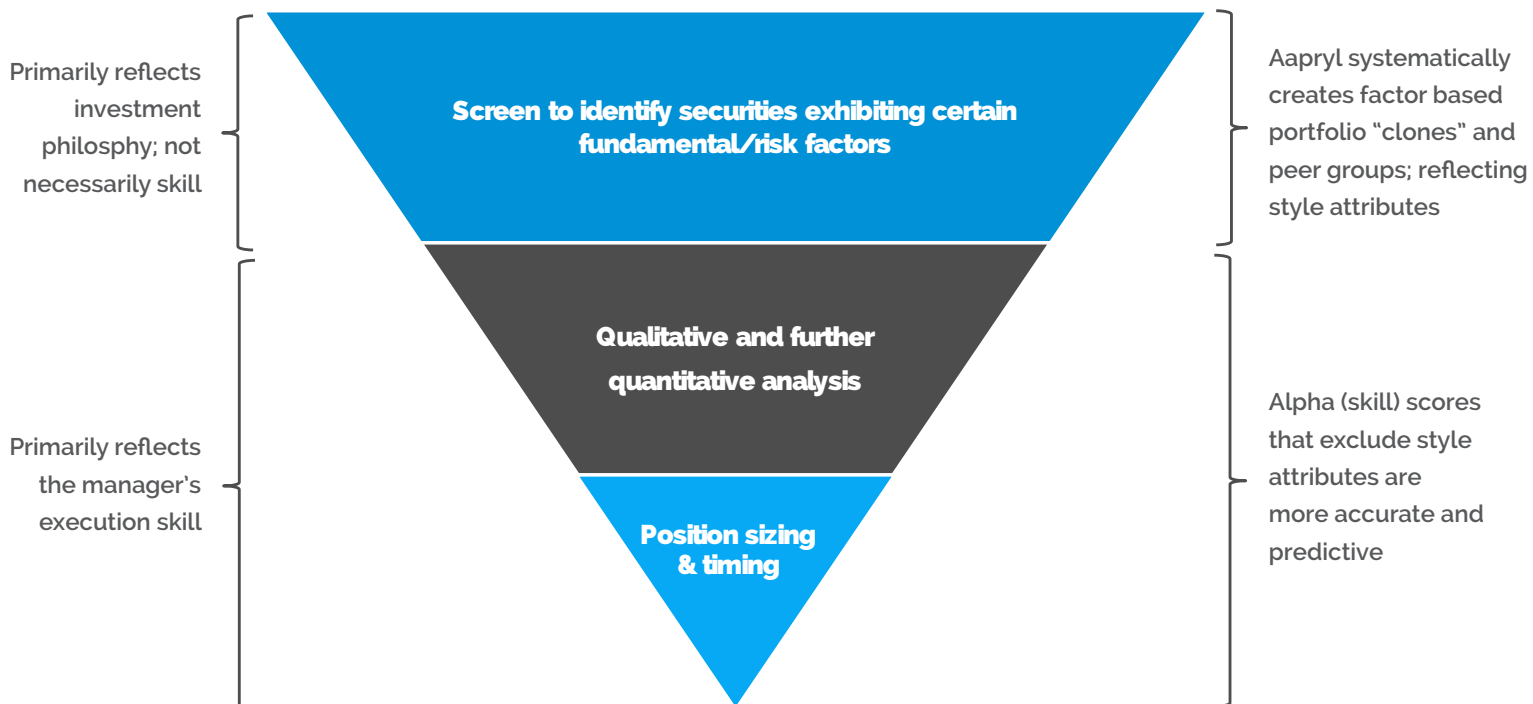
Providing superior analytics that...

- Are more predictive of future investment performance
- Distinguish luck from skill and alpha from investment style
- Calculate the factor betas endemic to a manager's investment process
- Produce refined factor-based peer groups that go beyond broad investment styles
- Estimates alpha more accurately to improve portfolio optimization
- Visually identifies the best and worst market conditions for a manager product or composite portfolio

Common Measures of Skill are not Very Persistent After 3 Years and Random After 5 Years

Information Ratio 1 Year Scatter Plot	Information Ratio 3 Year Scatter Plot	Information Ratio 5 Year Scatter Plot

Predicting Power = 75%

Information Ratio (t)

Information Ratio (t - 12)

Predicting Power = 32.6%

Information Ratio (t)

Information Ratio (t - 36)

Predicting Power = 11.6% (very weak)

Information Ratio (t)

Information Ratio (t - 60)

Aapryl's Difference

**Aapryl's Perspective on a
Typical Manager's Investment Process**

Primarily reflects investment philosphy; not necessarily skill

Screen to identify securities exhibiting certain fundamental/risk factors

Qualitative and further quantitative analysis

Position sizing & timing

Primarily reflects the manager's execution skill

Aapryl systematically creates factor based portfolio "clones" and peer groups; reflecting style attributes

Alpha (skill) scores that exclude style attributes are more accurate and predictive

Dissection of Total Manager Return

Total Return Dissection Return Attributed to:	
Long Term Manager Style	0.50%
Style Timing (Skill)	1.00%
Stock Selection (Skill)	0.75%
Total Returns	2.25%

- Aapryl creates a "clone" portfolio which is an investable portfolio representing a managers style
- Residual excess returns are dissected into separate components in order to understand the managers performance
- Manager return texture is analyzed by measuring consistency and magnitude of excess return
- Stock selection and Style timing are graded and quantified for each manager
- Predicted performance is forecasted through the quantitative sifting through these processes

Adding more efficiency to your investment manager selection process by allowing users to…

- Cut through large volumes of data to hone in on what's truly important
- Screen for top performing fund managers who are most likely to outperform so that duediligence time can be spent more efficiently
- Create fund manager rankings based on predicted alpha so that deep dive due diligence is performed on the right managers
- Visualize the texture of manager performance on custom charts and graphs
- Run reports that provide insight into manager and portfolio performance