

# Barra Portfolio Analytics for the Fundamental Portfolio Manager

## Adding value to your investment process

For over 30 years, portfolio managers have used Barra models and portfolio analytics to gain additional insight into their investment process – from stock selection to performance attribution.

Once the realm of quantitative teams and risk managers, increasing numbers of portfolio managers are using fundamental factor analysis to help them make more informed investment decisions and validate results.

### How? And Why?

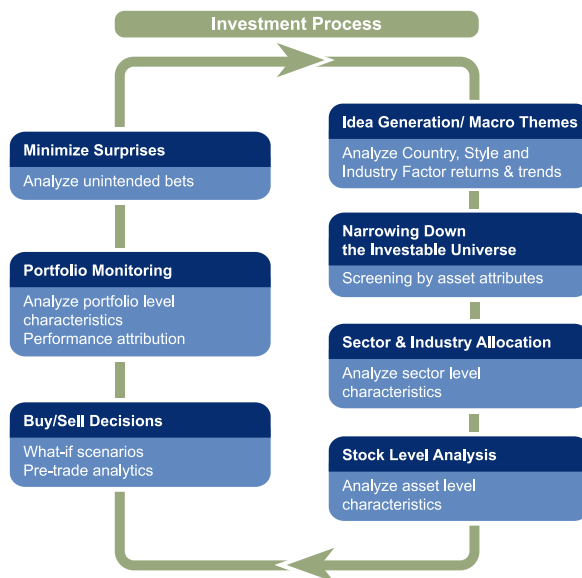
**Based on a Simple Premise** — Barra Portfolio Analytics is based on the simple premise that stocks with similar characteristics tend to behave in a similar fashion. Sources of return are explained using a small set of intuitive, economically meaningful characteristics, or factors, built on fundamental data and common to all stocks.

**Common Ground** — We employ the commonly used fundamental ratios and market data to describe these characteristics or factors, as you do, whether you are analyzing markets, portfolios, or companies. Barra Portfolio Analytics helps explain the importance of these factors, relative to one another, within your portfolio.

**Backed by Research** — MSCI Barra Research shows that company fundamentals are among the leading factors in explaining performance and predicting risk. Our research analysts study the relationships between company fundamentals and stock returns, separating price movements into those due to firm-specific news and those due to more general market forces.

**Identify Sources of Risk and Return** — Building a portfolio from the bottom up involves rigorous study of each company. Barra Portfolio Analytics provides portfolio managers with the ability to identify the underlying sources of risk and return affecting their portfolios.

## How Barra Portfolio Analytics Can Add Value To Your Investment Process



### Who Can Benefit from Barra Portfolio Analytics?

- **Portfolio Managers:** Link individual stock picks to macro themes
- **Chief Investment Officers (CIOs):** Articulate a compelling investment thesis for your clients
- **Research Analysts:** Enhance stock screening and company analysis by incorporating asset level attributes into your valuation process

### What are the Barra Factors?

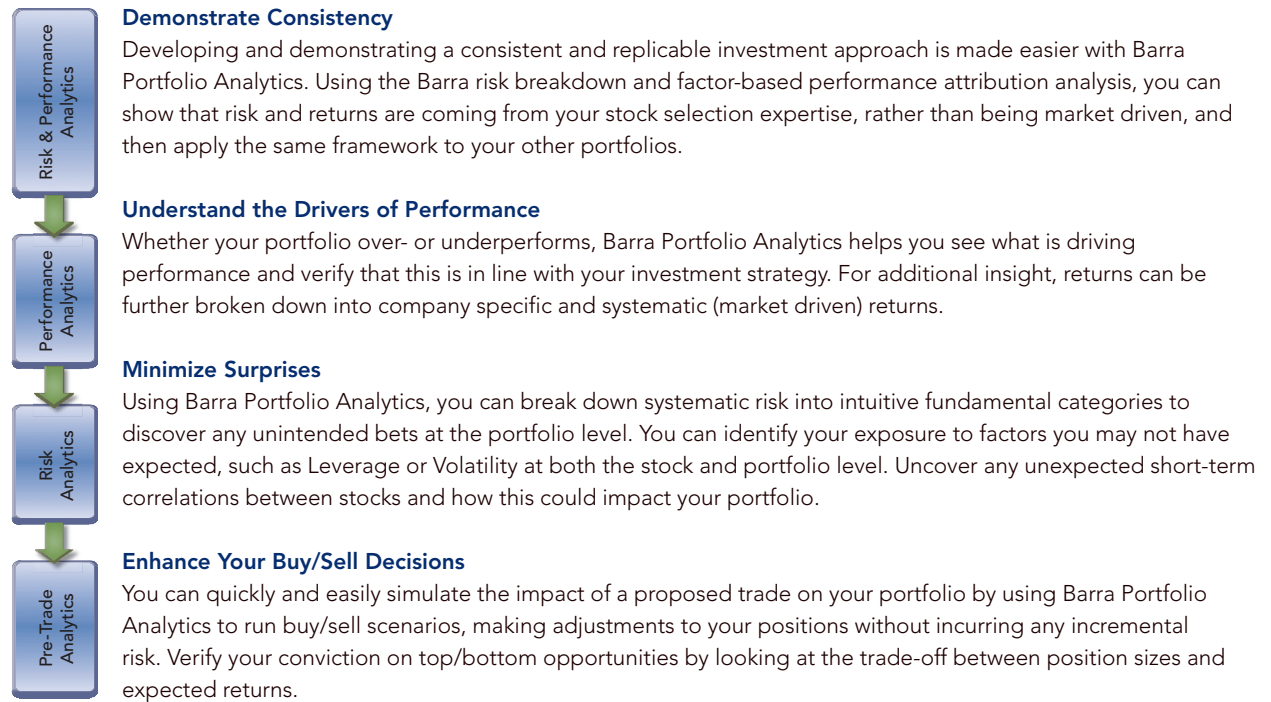
#### Barra Factors include:

- Value
- Growth
- Size
- Volatility
- Leverage
- Liquidity
- Momentum
- Industry
- Country

## CONTACT US

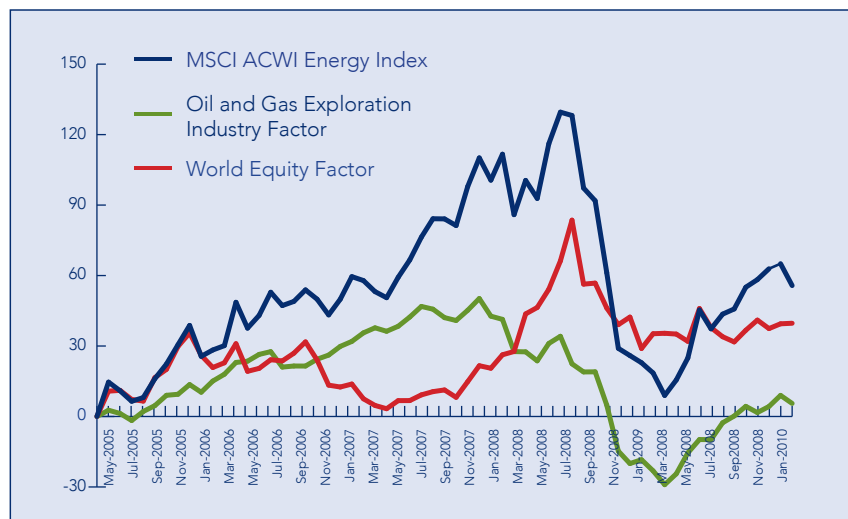
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Singapore  
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Stamford  
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## A Systematic Approach Supporting Your Investment Strategy



## Factor Influences in an Index

- An index contains many sources of return: Countries, Currencies, Styles, Industries, etc.
- Index returns are mainly driven by overall equity market returns.



## About MSCI Barra

MSCI Barra is a leading provider of investment decision support tools to investment institutions worldwide. MSCI Barra products include indices and portfolio risk and performance analytics for use in managing equity, fixed income and multi-asset class portfolios. The company's flagship products are the MSCI International Equity Indices, which include over 120,000 indices calculated daily across more than 70 countries, and the Barra risk models and portfolio analytics, which cover 59 equity and 48 fixed income markets. MSCI Barra is headquartered in New York, with research and commercial offices around the world.

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