

EVALUATE NEWSLETTER

JANUARY 2016

Welcome to Evaluate's Newsletter for January, 2016! This free quarterly newsletter talks about our initiation of coverage on Fresh Del Monte Produce, what public companies want from analyst research coverage, and concern over the declining trading volumes which is affecting the overall market efficiency.

1) Our Research Report on a US- based market leading company:

Evaluate Research is an independent research firm which provides institutional quality research on global mid-cap public companies. One of the companies that Evaluate Research has initiated coverage on recently is Fresh Del Monte Produce (FDP_US), a market leading company in the US with a market cap of more than US\$ 2bn.

Fresh Del Monte is one of the world's leading vertically integrated producers, marketers and distributors of fresh fruits, fresh cut fruits, vegetables, prepared fruits, juices, beverages and snacks. Its brand is recognized around the world.

Our detailed research report on FDP is freely accessible to everyone on our website.

2) What public companies want from analyst research coverage:

According to a survey by IR Magazine, public companies are satisfied by analysts' coverage if they:

- Maintain a close relationship with the company's investor relations department or key management for updates on the company and open communication
- Write unbiased and objective research reports
- Offer a fair valuation with simple accurate reports

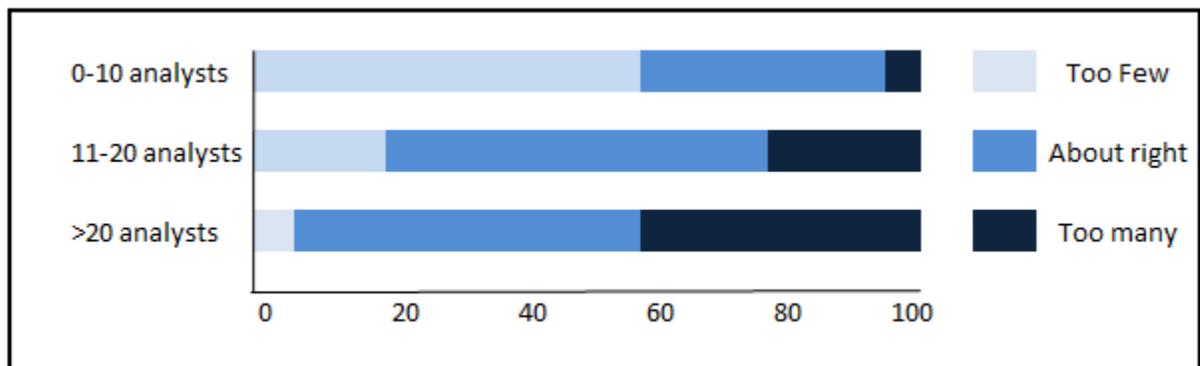
Evaluate Research is focused on establishing its credibility and trustworthiness by being objective and fair in writing research reports. Moreover, our research aims to address the following concerns of the corporate world and investment community:

- Lack of Knowledge: Either a poor understanding of the industry or the company itself, or both
- Lack of Time: Insufficient time spent in understanding the stock due to a focus on too many other stocks

- **Lack of Communication:** No communication with the management and the IR of the company, and forming opinions from outdated or incorrect information
- **Poor Quality of Research:** Not putting in much effort with a reliance on company press releases and taking a short-term view while writing the research report

Besides ensuring the quality of research on their stock, public companies also believe that they should be covered by an appropriate number of analysts.

Many of the IR professionals of public companies say that the right number of analysts to have coverage on their company is between 11- 20 analysts. (See Graph: Source – IR Magazine)



3) Concerns over falling liquidity & dwindling trading volumes in recent years:

In Singapore, 22 small and mid-cap companies have come together late last year to form an Association (SMCCA- Small and Mid Cap Companies Association), which aims to help Singapore improve its capital market amid concerns over falling liquidity. In 2015, the average daily value of traded securities was down 34% from a year ago. This has led Singapore to lose its crown to Thailand as the region’s top market by trading volume. This further reinforces the need for working with various stakeholders to boost the vibrancy of the market through education, engagement and improving domestic and international participation.

Independent Research firms like Evaluate Research have played a crucial role in this by focusing on small and mid-cap companies. Analysts’ reports promote the efficiency of the markets by providing facts as well as analysis and offering valuable insights on companies and industry trends.