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Non Domestic Revenue Trends And Stock Performance for Flyer



Fund Stocks

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Study Purpose:

The purpose is two fold: 1) To examine revenue growth and revenue share patterns for Flyer Fund Stocks in overseas markets over the period 2005-2011, 2) To determine if Flyer Fund stock performance is correlated with non domestic revenue trends.

Research Approach:

Data Requirements

- Revenue and revenue growth for 55 stocks between 2005-2011
- Non Domestic revenues and revenue growth for 55 stocks between 2005-2011
- Non Domestic revenue share for 55 stocks between 2005-2011
- Sector revenue and sector revenue growth between 2005-2011

Model Specification:

Key Factors

- Rg_i = Revenue growth for ith stock (55 stocks)
- FRG_i = Foreign sales growth for ith stock (55 stocks)
- SG_i = Sector revenue growth for ith stock (55 stocks)
- $FRSh_i$ = Foreign revenue share for ith stock (55 stocks)
- $FRShG_i$ = Foreign revenue share growth for ith stock (55 stocks)
- $SRSh_i$ = Sector foreign revenue share for ith stock (55 stocks)

Model Specification:

Key Factors

- $FRG_i / Rg_i > 1$
- $Rg_i / Sg_i > 1$
- $FRG_i / Sg_i > 1$
- $FRShG_i / SRSh_i > 1$

Data Analysis:

Analysis of Returns 2005 - 2011

- Performance of Stocks where $FRG_i / Rg_i > 1$
- Performance of Stocks where $Rg_i / Sg_i > 1$
- Performance of Stocks where $FRG_i / Sg_i > 1$
- Performance of Stocks where $FRShG_i / SRSh_i > 1$

Conclusion:

Based on the four factor model, companies that are growing their revenue share in foreign nations have outperformed the market significantly over a multi-year period.

Performance Results

Criteria	# of stocks with a ratio >1	% of Fund	Stock Price 5yr Compound Growth Rate	S&P 500 Compound Growth Rate	Excess Return
FRG_i / Rg_i	40	72.7%	6.38%	0.15%	6.23%
Rg_i / SG_i	29	52.7%	7.11%	0.15%	6.96%
FRG_i / SG_i	34	61.8%	6.28%	0.15%	6.13%
$FRShG_i / SRSh_i$	25	45.5%	6.59%	0.15%	6.44%
All Four Criteria	17	30.9%	11.47%	0.15%	11.32%

17 Stocks That Passed all four Screeners

Ticker	Company Name	% Price Change 5 Years	2011 % Change	YTD % Change
AAPL	APPLE	35.02%	22.89%	44.59%
ABT	ABBOTT LABORATORIES	3.97%	17.59%	5.67%
AMD	ADVANCED MICRO DEVC	-23.19%	-36.25%	51.85%
AME	AMETEK	15.73%	6.15%	15.56%
CAT	CATERPILLAR	10.15%	-3.77%	25.36%
EBAY	EBAY	-8.43%	5.75%	24.27%
FLS	FLOWERVE	24.69%	-17.43%	17.97%
HAL	HALLIBURTON	5.68%	-15.31%	0.09%
ICE	INTERCONTINENTALEXC	26.80%	1.17%	15.30%
JLL	JONES LANG LASALLE	10.76%	-28.97%	42.15%
MMM	3M COMPANY	2.17%	-5.83%	9.58%
NE	NOBLE	0.28%	-15.21%	36.50%
ORCL	ORACLE	20.72%	-18.88%	15.95%
PEP	PEPSICO	2.03%	0.91%	-2.83%
PG	PROCTER & GAMBLE	2.14%	3.00%	0.81%
QCOM	QUALCOMM	2.81%	9.01%	19.58%
XOM	EXXON MOBIL	5.42%	13.70%	1.98%
Results for Screener		11.47%	2.37%	23.58%
SPX	S&P 500	0.15%	-1.12%	11.65%
Excess Return		11.32%	3.49%	11.92%