



IR BEST PRACTICES:

PERCEPTION STUDIES AND INVESTOR TARGETING

Perception Studies and Investor Targeting Services

At [Compass](#) we believe effective corporate investor communication must follow the “4Cs.” It must be

➔ clear, consistent, credible and compliant

However, even the most eloquent and engaging corporate messaging may fail to resonate with investors who are busy, skeptical and driven by differing risk and return targets.

Your message enters an environment where it encounters preconceived notions about your company and its industry and noise from thousands of other companies vying for investor attention.

A lower valuation multiple relative to your peers, limited trading volume and lack of interest from institutional investors and sell-side analysts may indicate serious shortcomings in your investment thesis and the way in which it is being articulated and perceived.

Perception studies and investor targeting can be powerful tools that help public companies

- ➔ Evaluate the effectiveness of their corporate messaging
- ➔ Ensure the right investors hear their story

The best studies help a company understand how investors

- ➔ Measure company performance
- ➔ Evaluate company strategy
- ➔ Benchmark company securities against risks and returns available elsewhere

Armed with knowledge and insights from these studies, companies can

- ➔ Improve adherence to the 4Cs
- ➔ Strengthen lines of communication with shareholders and potential investors
- ➔ Ultimately lower their cost of capital

With more than 15 years of experience working with the investment community, [Compass IR](#) has an extensive network of relationships with buy-side and sell-side investors. We design and execute customized perception studies and investor targeting programs that help address the issues in detail and answer two vital questions:



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Is Your Message Resonating with Investors?

Compass IR will conduct our own comprehensive and objective study of your investment thesis and your past investor targeting. Together with the unbiased quantitative and qualitative feedback obtained from a carefully-designed study of investor perception, we will help optimize corporate messaging and provide insight into the following:

- ➔ How your investment thesis is being interpreted
- ➔ How you are viewed relative to your peers
- ➔ How you are living up to key operational and financial benchmarks you have set and the market is expecting
- ➔ Any preconceived notions that are obstacles to:
 - ➔ establishing a position in your stock,
 - ➔ following your future developments or
 - ➔ initiating sell-side coverage
- ➔ Key catalysts that will change investor sentiment about your prospects or performance
- ➔ What are investors' opinions about management's effectiveness?
- ➔ Have you been talking to or do you even know the investors who are most likely to appreciate your story?

Are You Targeting the Right Audience?

Compass IR will help you gather and interpret these insights and recommend improvements in your messaging so that you can make the best possible case for the continued presence or addition of your stock in investor portfolios.

We will then help you identify institutional investors and analysts with the highest potential affinity for your story. As a result:

- ➔ Your story will be told to the most receptive audience, maximizing the effectiveness of precious senior management time in front of investors
- ➔ Any disconnect between management and market expectations will be erased
- ➔ Investor and analyst evaluations of your story will be fair and well-informed
- ➔ Your stock will trade with greater liquidity and at its maximum valuation given your performance and prospects



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Making Your Message More Impactful

The most effective strategic communication is constantly evolving. Informed by the unbiased feedback gleaned from our outreach efforts, you will be better able to refine your message and elevate the quality of interaction with the investment community. The impact can then be measured through:

- ➔ Identifying institutional investors that increase holdings or initiate positions in your stock
- ➔ Analyzing trading activity and identifying patterns
- ➔ Tracking changes in the composition of the shareholder base
- ➔ Matching trading activity to events

For more information on our perception studies and investor targeting services, please contact the Partners at [Compass IR](#):

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