

# COVERED BY CANALYST

## A FOUNDER'S PERSPECTIVE

The shrinking breadth of traditional sellside research, along with mounting cost pressures and the increasing shift to passive investing, is prompting active managers to search for alternative ways to provide the necessary coverage on small and mid-cap stocks. Some institutional buy-side investors turn to external data providers for models, but often complain of inaccuracies. Other investors spend valuable time building their models themselves.

Stephen Bradley Jr., the Founder and Portfolio Manager of GenCap Portfolio Management, tried both, but wasn't satisfied with either. Then he discovered a solution that saved him time, was less error prone, and even helped with the operation of his long-only fund – the CanaIyst fundamental equity model database.

“The database has everything. I have yet to look for a company I haven't found,” said Stephen, referring to the universe of 4000+ North American small, mid, and large cap names. Whether it's idea generation or double-checking their work, the team at GenCap is able to immediately download a model and instantly test its reaction to their assumptions. The clean, accurate, and consistent models built by CanaIyst's North America-based equity research team empowers GenCap to invest in a company with more confidence.

During quarterly earnings updates, the database redeems a significant amount of time. CanaIyst ensures every model is updated within 48 hours of a company releasing its filings, enabling Stephen to allocate more of his time to analysis. Quarter after quarter, the fund is able to keep an eye on their holdings while still having time to follow new companies. When reflecting on how access to the models enables GenCap to achieve its business objectives, Stephen shared, “I recommend CanaIyst because it saves me time. All the information I need is already in the models.”

Since implementing the use of the database, GenCap has also reduced operation costs. Stephen told CanaIyst that, “It's easier to train interns who start at the fund when the financial statements have already been built out and you can see how your assumptions affect the model.” He added, “People are missing out if they're not using CanaIyst today. The team is quick to respond, helpful, and easy to work with. If you want to [minimize the ramp-up time] with added personnel, get CanaIyst.”

Stephen believes he has a competitive edge to beat industry and market trends, thanks in part to assets he credits to CanaIyst: access to a wider breadth of coverage, more time for analysis, and increased productivity.

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