

Newly launched fund finds way to stand out with Canalyt



The founder of a newly launched fund found himself struggling with two industry trends in fundamental data: the equity coverage by data vendors of a broad universe relied too heavily on computers and outsourcing for data entry, and on the flip side, hand-built models (whether sellside or in-house) capturing individual company details and drivers, weren't uniform enough and impossible to compare. Dissatisfied with the two options, his search led him to Canalyt, a solution that saves time and supports the operations of his early stage business.

With a database of 4000+ North American equities, Canalyt accurately models how companies operate, as opposed to just providing historical financial data. "I was curious [about a particular name], so I immediately pulled up a Canalyt model and checked out the historical

performance, which I knew I could trust because [the data] is clean, to base my own opinion," shared the founder, who wishes to remain anonymous.

"The ability to customize a model and still continue to update it quarter over quarter is great value."

Every Canalyt model is built and continually updated from company filings, so clients can reallocate their time to other activities. As a result, the founder has been able to spend more time reading annual reports, searching for new investment ideas,

talking to companies and management, interacting with clients, and pitching to investors.

"I wanted my own system. I wanted to customize my models how I wanted and needed them, having them updated on a quarterly basis." Canalyt's newest product feature – The Updater – automatically merges the latest reported financial results and operating statistics with a client's customized Canalyt model to meet specific needs. "The ability to customize a model and still continue to update it quarter over quarter is great value."

"Great price, clean models, available on demand – just the fact that you don't need to email someone... and in two seconds open up a model off of the database," is how the founder describes Canalyt's biggest benefit. From a business perspective, the quick follow-up with model requests and the turnaround time on new model builds and updates have been high points.

"Not needing to spend \$200,000 for an analyst at a start-up fund is an attractive option. I don't need to pay someone to update models when Canalyt can serve that purpose for me at a fraction of the cost."

Aside from cost savings, the founder shared his view of the need to remain transparent, focusing on tactical trades and working with clients who have

different needs and wants. "In times like this, access to a [fund] manager who is here and open, will help me stand out. Plus, I have great data to backup my decisions."

– Diba Taghvaei, Canalyt