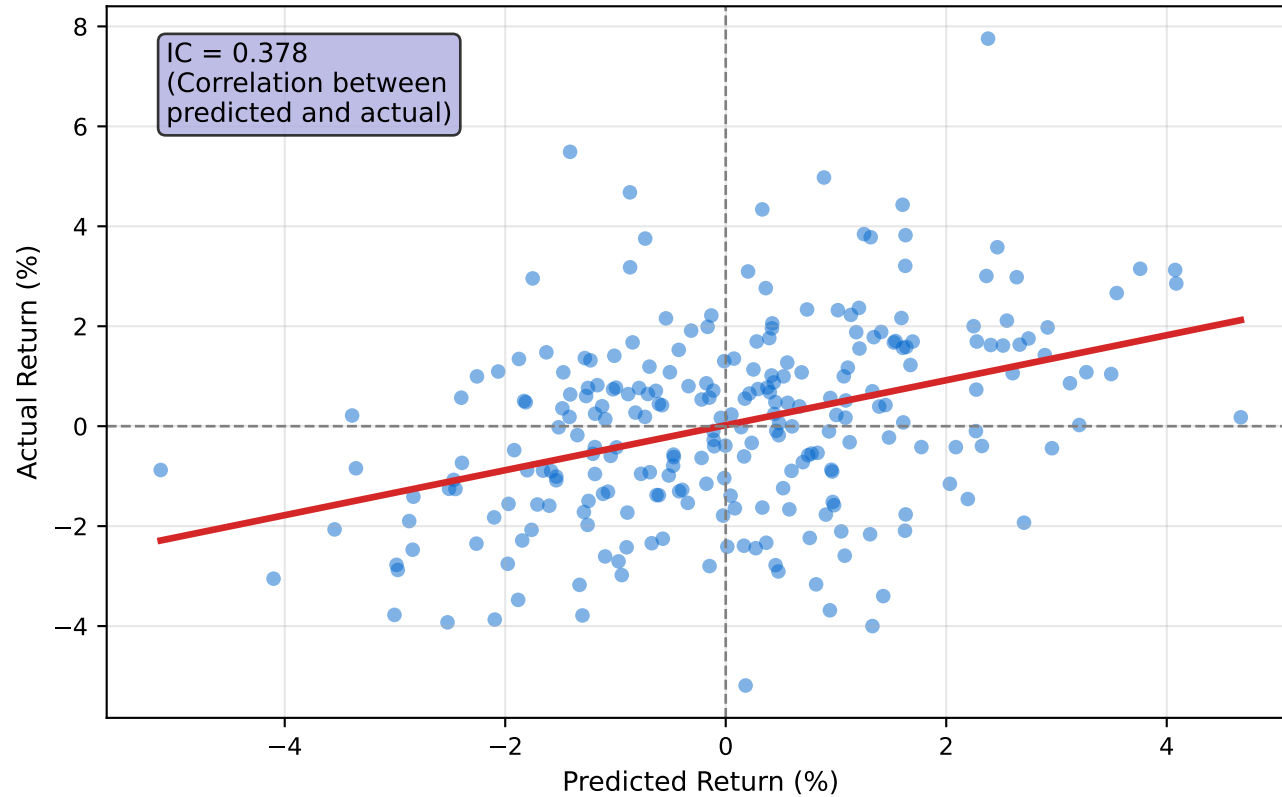
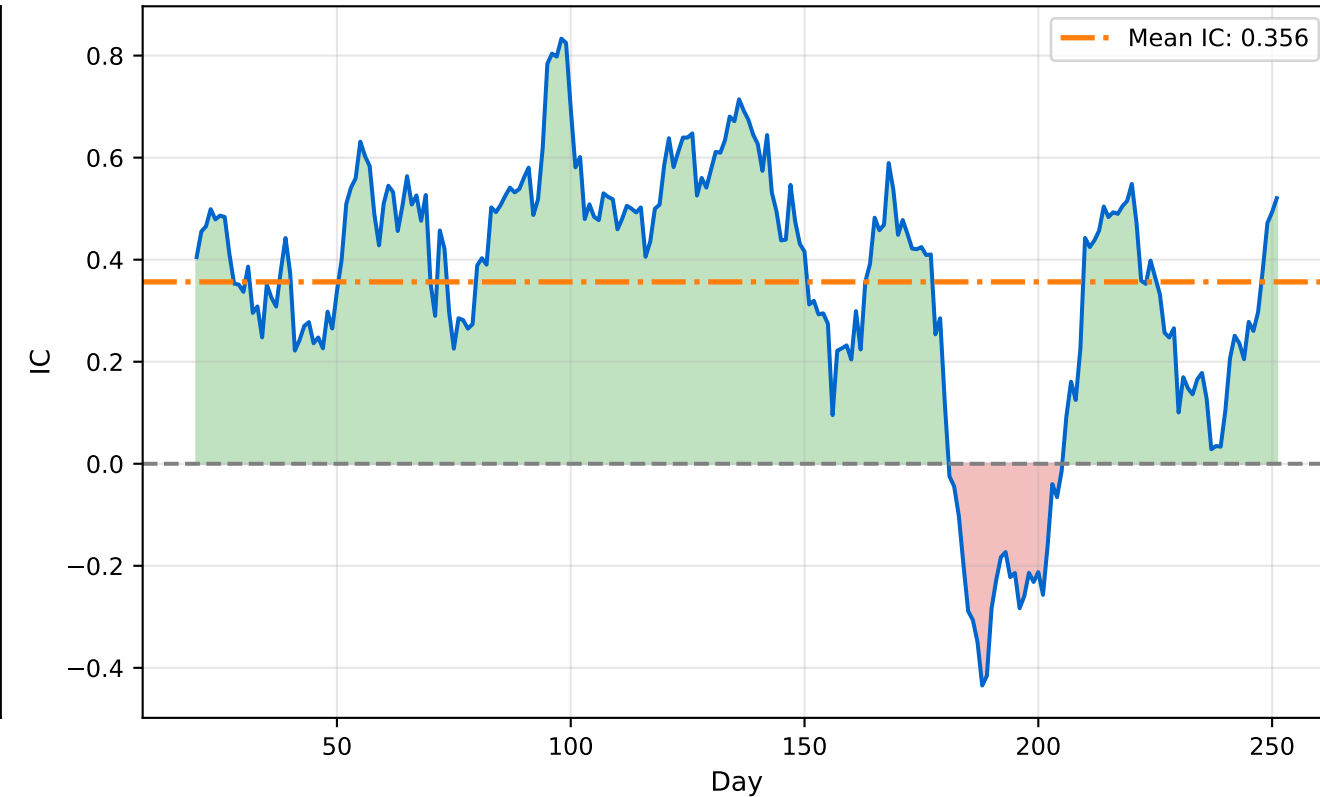


Finance-Specific Model Evaluation Metrics

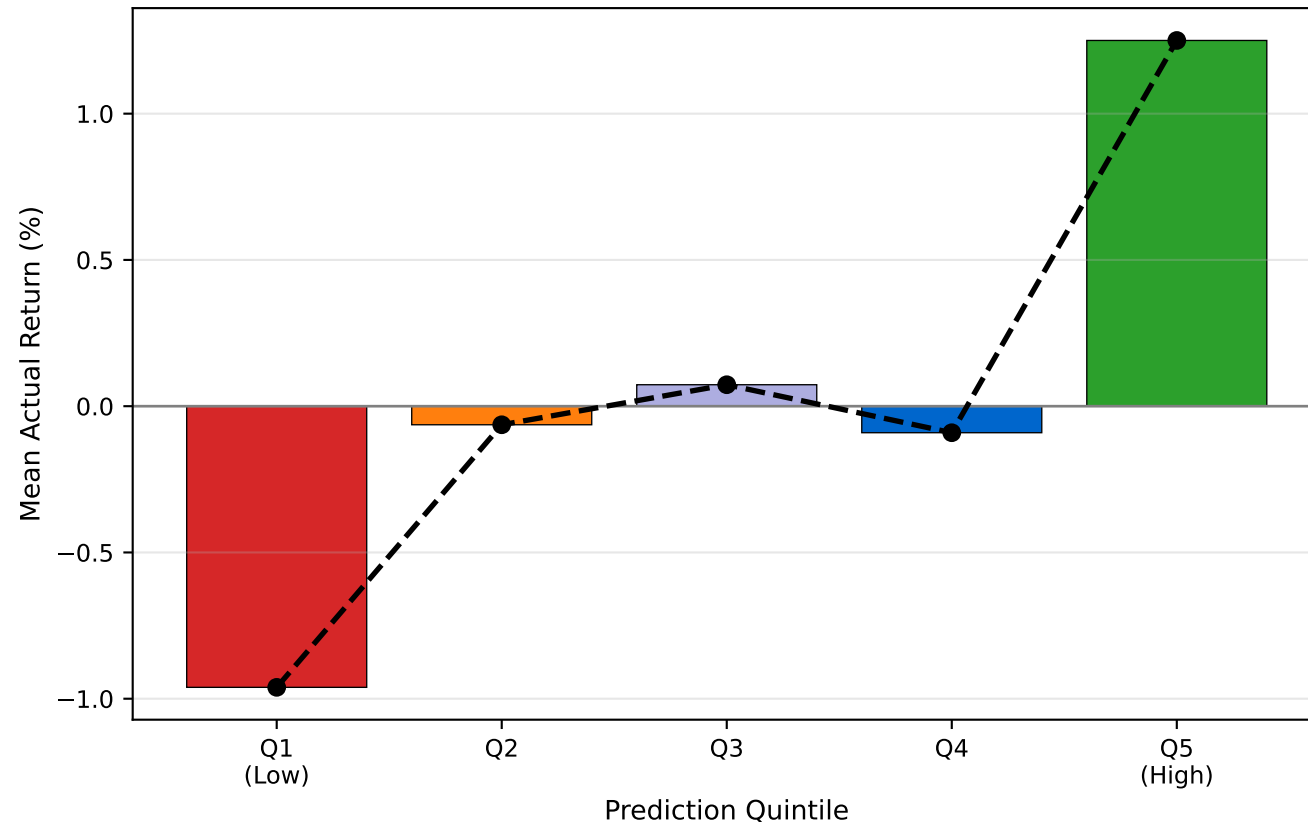
Information Coefficient (IC)



Rolling IC (20-day window)



Quintile Spread: Actual Returns by Predicted Rank



Finance Metrics Summary

FINANCE-SPECIFIC METRICS

1. INFORMATION COEFFICIENT (IC)
 - Correlation(predicted, actual)
 - Range: -1 to +1
 - IC > 0.05 is often valuable
 - Current: 0.378
2. IC INFORMATION RATIO (ICIR)
 - Mean(IC) / Std(IC)
 - Consistency of predictions
 - ICIR > 0.5 is good
 - Current: 1.421
3. QUINTILE SPREAD
 - Return(Top) - Return(Bottom)
 - Tests if predictions rank correctly
 - Current: 2.21%
4. HIT RATE
 - % of correct direction predictions
 - > 50% indicates skill
 - Current: 60.3%

WHY NOT JUST USE R-SQUARED?

- In finance, R-sq is often < 5%
- But small R-sq can be very profitable!
- Focus on: direction, ranking, consistency