Title: Apple Pie (accounts payable) and Ice Cream (information coefficient)- a smooth brained ape's guess at the RC Tweet
Author: Odd_Cantaloupe_
Created 2022-06-15 10:43:14 UTC
Permalink: /r/GME/comments/vcrmkt/apple_pie_accounts_payable_and_ice_cream/
Url: https://www.reddit.com/gallery/vcrmkt

Investopedia

What Is the Information Coefficient (IC)?

The information coefficient (IC) is a measure used to evaluate the skill of an investment analyst or an active portfolio manager. The information coefficient shows how closely the analyst's financial forecasts match actual financial results. The IC can range from 1.0 to -1.0, with -1 indicating the analyst's forecasts bear no relation to the actual results, and 1 indicating that the analyst's forecasts perfectly matched actual results.

KEY TAKEAWAYS

- The information coefficient (IC) is a measure used to evaluate the skill an investment analyst or active portfolio manager.

- An IC of +1.0 indicates a perfect prediction of actual returns, while an IC of 0.0 indicates no linear relationship. An IC of -1.0 indicates that the analyst always fails at making a correct prediction.

- The IC is not to be confused with the Information Ratio (IR). The IR is a measure of an investment manager's skill, comparing a manager's excess returns to