Wealth-Lab Pro®

Fundamental Data Definitions

Guide

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Fundamental Data Definitions

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Fidelity's Wealth-Lab Pro is available to those investors in households that place 36 or more stock, bond, or options trades in a rolling twelve-month period, plus $25,000 in assets across their eligible Fidelity brokerage accounts. Combined household trading activity is calculated each business day. Customers who do not maintain the required trading activity in their combined household accounts will become ineligible for Active Trader Pro and Wealth-Lab Pro entitlements without notice. See the Household Relationship Form for details on how to authorize Fidelity to consolidate accounts held by you, or your immediate family members who reside with you, into an aggregated relationship household.

Table of Contents

Introduction

How to use this document

The purpose of this document is to define each of the fundamental data points and calculated ratios available in Wealth-Lab Pro™ for more effective use when building trading systems. The definitions include the periodicity, units, formulas used to calculate each data point, or any other pertinent information required. Note all fundamental definitions are based on U.S. and Canadian Generally Accepted Accounting Principles (GAAP).

Amount of Data available

Wealth-Lab Pro is offering 6 years - 24 quarters of historic fundamental data provided by Standard & Poor's Compustat® Global databases.

Fundamental Data Definitions

Assets

This item represents the total value of assets reported on the Balance Sheet for each quarter and is represented in millions of dollars.

The item is the sum of:

1. Assets – Other – Total
2. Current Assets – Total
3. Property, Plant and Equipment (Net) – Total

Employees

This item represents the number of company workers as reported to shareholders. This is reported by some firms as an average number of employees and by some as the number of employees at year-end. No attempt has been made to differentiate between these bases of reporting. If both are given, the year-end figure is used. The number of employees is represented in thousands of employees on an annual basis.

This item includes:

1. All part-time and seasonal employees
2. All employees of consolidated subsidiaries, both domestic and foreign
3. This item excludes:
4. Consultants
5. Contract workers
6. Employees of unconsolidated subsidiaries

This item always represents the number of year-end employees for banks.

Debt Long Term

The item represents debt obligations due more than one year from the company's balance sheet date. Data is represented each quarter in millions of dollars.

This item includes:

1. Purchase obligations and payments to officers (when listed as long-term liabilities)
2. Notes payable, due within one year and to be refunded by long-term debt when carried as a non-current liability
3. Long-term lease obligations (capitalized lease obligations)
4. Industrial revenue bonds
5. Advances to finance construction
6. Loans on insurance policies
7. Indebtedness to affiliates
8. Bonds, mortgages, and similar debt
9. All obligations that require interest payments

10. Publishing companies' royalty contracts payable

11. Timber contracts for forestry and paper

12. Extractive industries' advances for exploration and development

13. Production payments and advances for exploration and development

This item excludes:

1. Subsidiary preferred stock (included in Minority Interest)

2. The current portion of long-term debt (included in Current Liabilities)

3. Accounts payable due after one year (included in Liabilities – Other)

4. Accrued interest on long-term debt (included in Liabilities – Other)

5. Customers' deposits on bottles, kegs, and cases (included in Liabilities – Other)

6. Deferred compensation

7. Long-term debt should be reported net of premium or discount. Standard & Poor's will collect the net figure.

Liabilities - Total

This item represents current liabilities plus long-term debt plus other noncurrent liabilities (including deferred taxes and investment tax credit). Data is represented each quarter in millions of dollars.

This item is the sum of:

1. Current Liabilities – Total

2. Deferred Taxes and Investment Tax Credit

3. Liabilities – Other

4. Long-Term Debt – Total

Stockholders' Equity – Total

This item represents the common and preferred shareholders' interest in the company.   Data is represented each quarter in millions of dollars.

This item includes:

1. Capital surplus

2. Common/Ordinary Stock (Capital)

3. Nonredeemable preferred stock

4. Redeemable preferred stock

5. Retained earnings

6. Treasury Stock – Total Dollar Amount (reduces Stockholder's Equity)

This item is the sum of:

1. Common/Ordinary Equity – Total

2. Preferred/Preference Stock (Capital) – Total

Common Shares Outstanding - Company

This item represents the net number of all common shares outstanding at year-end, excluding treasury shares and scrip. Common treasury shares carried on the asset side of the balance sheet are netted against the number of common shares issued. Common shares paid in stock dividends are included when the ex-dividend date falls within the year and the payment date the next year. Common Shares Outstanding will not be the same as Common Shares for Basic Earnings per Share when the company reports earnings per share based on average shares, when there has been a change in the shares over the year, when more than one class of common stock is outstanding or when the company reports earnings per share based on common stock equivalents. Common shares will be excluded when a company nets shares held by a consolidated subsidiary against the capital account. Data is represented in millions of shares on a quarterly basis.

Sales (Net)

This item represents gross sales (the amount of actual billings to customers for regular sales completed during the period) reduced by cash discounts, trade discounts, and returned sales and allowances for which credit is given to customers. This item is scaled in millions. For example, the 1999 annual sales for GM is 173215.000 (or 173 billion, 215 million dollars). Data is represented in millions of dollars on a quarterly basis.

This item includes:

1. Any revenue source that is expected to continue for the life of the company

2. Other operating revenue

3. Installment sales

4. Franchise sales (when corresponding expenses are available)

Special cases (by industry) include:

1. Royalty income when considered operating income (such as, oil companies, extractive industries, publishing companies, etc.)

2. Retail companies' sales of leased departments when corresponding costs are available and included in expenses (if costs are not available, the net figure is included in Nonoperating Income [Expense])

3. Shipping companies' operating differential subsidies and income on reserve fund securities when shown separately

4. Finance companies' earned insurance premiums and interest income for finance companies, the sales are counted only after net losses on factored receivables purchased

5. Airline companies, net mutual aid assistance and federal subsidies

6. Cigar, cigarette, oil, rubber, and liquor companies' net sales are after deducting excise taxes

7. Income derived from equipment rental is considered part of operating revenue

8. Utilities' net sales are total current operating revenue

9. For banks, this item includes total current operating revenue and net pretax profit or loss on securities sold or redeemed

10. Life insurance, and property and casualty companies' net sales are total income

11. Advertising companies' net sales are commissions earned, not gross billings

12. Franchise operations' franchise and license fees

13. Leasing companies' rental or leased income

14. Hospitals' sales net of provision for contractual allowances (will sometimes include doubtful accounts)

15. Security brokers' other income

This item excludes:

1. Nonoperating income

2. Interest income (included in Nonoperating Income [Expense])

3. Equity in earnings of unconsolidated subsidiaries (included in Nonoperating Income [Expense])

4. Other income (included in Nonoperating Income [Expense])

5. Rental income (included in Nonoperating Income [Expense])

6. Gain on sale of securities or fixed assets (included in Special Items)

7. Discontinued operations (included in Special Items)

8. Excise taxes (excluded from sales and also deducted from Cost of Goods Sold)

9. Royalty income (included in Nonoperating Income [Expense])

Operating Income Before Depreciation (EBITDA)

This item represents the operating income of a company after deducting expenses for cost of goods sold, selling, general, and administrative expenses, and depreciation.   Data is represented in millions of dollars on a quarterly basis.

This item is:

1. Operating Income Before Depreciation (OIBDP)

less:

2. Depreciation and Amortization (DP)

Pretax Income

This item represents operating and nonoperating income before provisions for income taxes and minority interest.   Data is represented in millions of dollars on a quarterly basis.

This item excludes:

1. Extraordinary items
2. Discontinued operations

This item represents:

1. Operating Income After Depreciation (OIADP)

less:

2. Interest and Related Expense (XINT)
3. Nonoperating Income (Expense) – Other (NOPIO)

Net Income (Loss)

This item represents the income or loss reported by a company after expenses and losses have been subtracted from all revenues and gains for the fiscal period including extraordinary items and discontinued operations.   This item, for banks, includes securities gains and losses.   Data is represented in millions of dollars on a quarterly basis.

Operating Activities – Net Cash Flow

Is a measure of a company's financial health. Equals cash receipts minus cash payments over a given period of time and includes net profit plus amounts charged off for depreciation, depletion, and amortization.

For the Industrial Annual Cash Flow Statement, this item is the sum of:

1. Exchange Rate Effect
2. Financing Activities – Net Cash Flow
3. Investing Activities – Net Cash Flow
4. Operating Activities –Net Cash Flow

For the Industrial Annual Source & Use of Funds Statement, this item represents:

1. Changes in Current Debt
2. Source of Funds – Total
3. Working Capital Change – Other Increase (Decrease)

less:

4. Uses of Funds – Total

For the Industrial Quarterly Cash Flow by Activity, this item represents:

1. Funds from Operations – Increase (Decrease) – Quarterly
2. Long-Term Debt – Issuance – Quarterly
3. Sale of Common and Preferred Stock – Quarterly
4. Sale of Investments – Quarterly
5. Sale of Property – Quarterly
6. Sources of Funds – Other – Quarterly
7. Working Capital Change – Other – Increase (Decrease) – Quarterly

less:

8. Acquisitions – Quarterly

9. Capital Expenditures – Quarterly

10. Cash Dividends – Quarterly

11. Increase in Investments – Quarterly

12. Long-Term Debt – Reduction – Quarterly

13. Purchase of Common and Preferred Stock – Quarterly

14. Uses of Funds – Other – Quarterly

This item is not available for banks.

Cash Dividends

This item represents the total amount of cash dividends for common/ordinary capital, preferred/preference capital and other share capital.   Data is represented in millions of dollars on a quarterly basis.

This item includes:

1. Arrearages from prior years paid in the current year

2. Cash paid in lieu of fractional shares

3. Dividends paid by companies acquired using the pooling of interest method

4. Liquidating dividends or distributions

5. Partnership distributions

6. Subchapter S distributions

Cash and Cash Equivalents – Increase (Decrease)

 This item represents the net change quarter over quarter in cash presented separately from cash equivalents for companies reporting a Cash by Source and Use of Funds Statement, a Cash Statement by Activity, or a Statement of Cash Flows. This item excludes changes in cash equivalents presented within the body of the statement for companies reporting a Cash by Source and Use of Funds Statement, a Cash Statement by Activity, or a Statement of Cash Flows. Increases in cash and equivalents are presented as positive numbers. Decreases are presented as negative numbers. Data is represented in millions of dollars on a quarterly basis.

For the Industrial Annual Cash Flow Statement, this item is the sum of:

1. Exchange Rate Effect (EXRE)

2. Financing Activities – Net Cash Flow (FINCF)

3. Investing Activities – Net Cash Flow (IVNCF)

4. Operating Activities –Net Cash Flow (OANCF)

For the Industrial Annual Source & Use of Funds Statement, this item represents:

1. Changes in Current Debt (DLCCH)

2. Source of Funds – Total (FSRCT)

3. Working Capital Change – Other Increase (Decrease) (WCAPC)

    less:

4. Uses of Funds – Total (FUSET)

For the Industrial Quarterly Cash Flow by Activity, this item represents:

1. Funds from Operations – Increase (Decrease) – Quarterly (FOPTQ)

2. Long-Term Debt – Issuance – Quarterly (DLCCHQ)

3. Sale of Common and Preferred Stock – Quarterly (SSTKQ)

4. Sale of Investments – Quarterly (SIVQ)

5. Sale of Property – Quarterly (SPPEQ)

6. Sources of Funds – Other – Quarterly (FSRCOQ)

7. Working Capital Change – Other – Increase (Decrease) – Quarterly (WCAPCQ)

less:

8. Acquisitions – Quarterly (AQCQ)

9. Capital Expenditures – Quarterly (CAPXQ)

10. Cash Dividends – Quarterly (DVQ)

11. Increase in Investments – Quarterly (IVCHQ)

12. Long-Term Debt – Reduction – Quarterly (DLTRQ)

13. Purchase of Common and Preferred Stock – Quarterly (PRSTKCQ)

14. Uses of Funds – Other – Quarterly (FUSEOQ)

This item is not available for banks.

Total Receivables

Receivables are recorded by a company's accountants and reported on the balance sheet, and include all debts owed to the company generally within one year. Data is represented in millions of dollars on a quarterly basis.

This item is the sum of:

1. Accounts Receivable/Debtors – Current – Other (RECCO)

2. Accounts Receivable/Debtors – Trade (RECTR)

3. Income Tax Refund (TXR)

This item includes:

1. Trade, miscellaneous, and other receivables

2. Amounts due from unconsolidated subsidiaries

3. Income tax refunds, recoverable income taxes, etc.

4. Money due from sales of securities

5. Unbilled shipments received by customers

6. Amounts listed as current assets due from officers and employees

7. Property to be sold under lease-back arrangements

8. Commercial paper issued by unconsolidated subsidiaries to the parent company

9. U.S. government contract billings and expensed contracts

10. Accrued operating differential subsidies (shipping companies)

11. Miscellaneous receivables when stated separately

12. Claims in litigation

13. Dividends receivable

14. Costs and estimated profit on uncompleted contracts (if billed)

15. Accrued interest

16. Amount of discount due from a third party for discounting receivables (due from factor)

17. Investment in bank participation notes

18. Recoverable costs on lease-back agreements

19. Unbilled lease revenues

20. Expenditures billable to clients for advertising agencies

21. Unbilled costs on contracts and costs in excess of related billings when treated as trade receivables by the company

This item excludes:

1. Advances on material purchases (treated as an inventory item)

2. Work in process and advances to subcontractors (treated as an inventory item)

3. Estimated future income tax benefits (included in Current Assets – Other)

4. Reserves for unearned charges on commercial installment and equipment lease receivables (Receivables – Total are stated after deducting these items)

5. Allowance for doubtful accounts (Receivables – Total are stated after deducting these items)

6. Reserves for losses for finance companies (Receivables – Total are stated after deducting these items)

   Unbilled costs on contracts and costs in excess of related billings when treated as inventory items by the company

Total Inventories

The item represents merchandise bought for resale and materials and supplies purchased for use in production of revenue.

This item is the sum of:

1. Inventories/Stocks – Finished Goods (INVFG)

2. Inventories/Stocks – Other (INVO)

3. Inventories/Stocks – Raw Materials (INVRM)

4. Inventories/Stocks – Work in Progress (INVWIP)

This item includes:

1. Advance manufacturing costs

2. Agricultural companies' advances to planters (when classified as current assets)

3. Agricultural companies' growing crops (when classified as current assets)

4. Banks and savings and loans' assets held for sale and other real estate owned

5. Bottles, cases, and kegs (when reported in the Current Assets section)

6. Brokerage firms' securities and commodities

7. Contracts in progress (costs in excess of related billing on completed contracts)

8. Deposits and advances on material purchases

9. Distillers' storage charges

10. Lumber companies' short-term lumber leases

11. Merchandise in transit

12. Mining companies' supplies (when reported separately from other inventories)

13. Motion picture companies' advances to other producers

14. Motion picture companies' film costs and distribution rights

15. Real estate companies' land purchase option deposits, land held for development, and completed homes and developed land for sales to customers (when reported in the Current Assets section)

16. Rental companies' rental vehicles or equipment

17. Supplies and materials (when included in inventory)

18. Tools (when reported in the Current Assets section)

19. Work in process and advances to subcontractors (net of progress payments)

This item excludes:

1. Contract billings and expensed contracts (included in Receivables – Trade)

2. Real estate companies' land purchase option deposits, land held for development, and completed homes and developed land for sales to customers (when reported outside the Current Assets) (included in Property, Plant and Equipment – Total [Net])

3. Supplies (when reported separately from inventory) (included in Prepaid Expenses)

4. Trucking companies' prepaid tires (included in Prepaid Expenses)

5. Unbilled shipments received by customers (included in Receivables – Trade)

6. A Combined Figure data code is entered if this item is combined with one or more of the following data items:

7. Property, Plant and Equipment (Net) – Total (PPENT) (when included on an unclassified Balance Sheet)

8. Assets (Other)

9. Current Assets – Other – Sundry (ACOX)

10. Assets – Other – Sundry (AOX)

Earnings Before Interest and Taxes (EBIT)

EBIT is all profits before taking into account interest payments and income taxes. This item is calculated as Operating Income after Depreciation on an annual basis. (If Operating Income after Depreciation for the current quarter or current 12 months is not available, the values for the previous quarter or previous 12 months will be used.)

Property Plant and Equipment

This item represents the cost, less accumulated depreciation, of tangible fixed property used in the production of revenue. This item is a component of total Assets is represented in millions on a quarterly basis.

This item includes:

1. Advances to vendors for plant expansion programs

2. Capitalized leases

3. Construction in progress and funds for construction (including funds held by trustees)

4. Display fixtures

5. Equipment leased to others

6. Improvements to leased or rental properties

7. Intangibles (included on Schedule V by the company)

8. Leaseholds and leasehold improvements (unless presented as an intangible by the company)

9. Patterns

10. Pollution abatements

11. Property held for future use

12. Tools and dies

13. Unexpended proceeds of industrial revenue bonds

14. Airline companies' deposits and advances on flight equipment

15. Banking companies' and savings and loan companies' office premises and equipment (net only)

16. Beverage producers' bottles, kegs and cases

17. Broadcasting companies' broadcast rights

18. Extractive industries'

19. Exploration and development expenditures

20. Investment in oil and gas properties at cost

21. Mining concessions and undeveloped leases

22. Patents and franchises on foreign property

23. Prepaid mine development and stripping

24. Seismic libraries

25. Finance and insurance companies' title plants

26. Forestry and paper companies' timberlands and timber rights

27. Motion picture production companies'

28. Noncurrent film costs

29. Noncurrent inventory

30. Franchise rights and broadcast licenses

31. Real estate companies' and land developers' land held for development and sale

32. Shipping companies' statutory reserve funds and allowances from the Maritime Administration for vessels traded in (to be used for vessels under construction)

33. Computer software included in property, plant and equipment by the company

This item excludes:

1. Computer software excluded from property, plant and equipment by the company (included in Assets – Other)

2. Excess cost over value of property (included in Intangibles)

3. Idle land (included in Assets – Other)

4. Goodwill, patents, and other intangibles (included in Intangibles)

5. Long-term inventory (included in Assets – Other)

6. Non-real estate companies'

7. Property purchased and held for investment (included in Investments and Advances – Other)

8. Land held for resale (included in Investment and Advances – Other)

9. Property not used in operations (included in Assets – Other)

10. Property of discontinued operations (included in Assets – Other)

11. Broadcasting companies'

12. Program rights (included in Deferred Charges)

13. Film productions (included in Deferred Charges)

14. Film rights (included in Deferred Charges)

15. Motion picture industries' film distribution systems (included in Assets – Other)

Accounts Payable

This item represents obligations due within one year or the normal operating cycle of the company. Data is represented as a quarter figure in millions of dollars.

This item includes:

1. Accounts and notes payable when listed together

2. Accounts payable due to unconsolidated subsidiaries (such as affiliates)

3. Banks and savings and loans' total deposits

4. Brokerage houses' accounts payable to brokers, dealers, and clients

5. Oil and gas companies' production proceeds payable

6. Trade accounts payable not yet billed (when included as current)

7. Trade notes payable

8. Checks outstanding unless presented net of cash or in excess of cash

This item excludes:

1. Accounts due to factors (included in Current Liabilities – Other) (LCO)

2. Accounts payable to parents and consolidated subsidiaries (included in Current Liabilities – Other) (LCO)

3. Oil and gas companies' production payables (included in Current Liabilities – Other) (LCO)

4. Other accounts payable (included in Current Liabilities – Other) (LCO)

5. Notes payable when listed separately (unless specified as trade) (included in Current Liabilities – Other) (LCO)

Goodwill

The item represents excess of the purchase price over the fair market value of an asset.   Accountants record this as a 'write off' in a company's financial report.   The data is represented in millions of dollars on a quarterly basis.

Interest Expense

This item represents the periodic expense to the company of securing short- and long-term debt. Where possible, this item is collected as a gross figure (for example, if interest expense is reported net by the company, interest income and/or interest capitalized will be added back to arrive at a gross figure). The data is represented in millions of dollars on a quarterly basis.

This item includes:

1. Interest expense on both short- and long-term debt
2. Amortization of debt discount or premium
3. Expenses related to the issuance of debt (such as, underwriting fees, brokerage costs, advertising costs, etc.)
4. Financing charges
5. Discount on the sale of receivables of a finance subsidiary
6. Factoring charges (unless included in Cost of Goods Sold or Selling, General, and Administrative Expenses)

Common Shares – Diluted

This item represents the number of common shares used by the company to calculate diluted earnings per share. This figure reflects the potential dilution that could occur if debt, stocks, options and/or warrants were exercised or converted into common stock or resulted in the issuance of common stock that then shared in earnings in equity. This share value will not be used in any of the calculated ratios provided. The data is represented in millions of shares on an annual basis.

Stock Compensation Expense

This is a pre-tax item that represents compensation to employees/executives in the form of company stock. Data is represented in millions of dollars on a quarterly basis.

This item includes:

1. stock bonus
2. deferred compensation
3. amortization of deferred compensation
4. non-cash compensation expense that is expensed in the current period

Research and Development Expense

This item represents all costs incurred during the year that relate to the development of new products or services. This amount is only the company's contribution. Data is represented in millions of dollars and on a quarterly basis.

This item includes:

1. Software expenses
2. Amortization of software costs

This item excludes:

1. Customer or government-sponsored research and development (including reimbursable indirect costs)
2. Extractive industry activities, such as prospecting, acquisition of mineral rights, drilling, mining, etc.
3. Engineering expense—routine, ongoing efforts to define, enrich, or improve the qualities of existing products
4. Inventory royalties
5. Market research and testing
6. This item is not available for banks and utilities.

Historic Earnings Estimate Data

Fidelity's Wealth-Lab Pro offers now offers 5 years of historic earnings estimate and upcoming quarter estimate data to go along with its 6 years 24 quarters of actual reported company earnings.

How is this data displayed on Wealth-Lab Pro Charts:

Earnings estimate data will be displayed historically on the last business day of a company's fiscal quarter. The actual earnings report date will also be notated on the chart with an icon (E) to help illustrate the markets reactions to a company's earnings. Note: Earnings estimates and actual earnings notations can also be turned off and not displayed on your charts by right clicking the chart and selecting colors options and unchecking earnings data.

To better illustrate how this data will be presented let's look at an example of company ABC fiscal 1st quarter ending March 30th 2006. The earnings estimate will be displayed on your charts last business day of March 2006. The companies actual reported earnings is displayed on the earnings report date usually a short time after the fiscal quarter closes so in many cases you'll see the actual earnings reflected the beginning of April 2006.

A full complement of earnings estimates drag & drop wizard rules have been built to allow you quick and easy access to uncovering how earnings upside surprise or shortfalls can affect a company's stock price.

The earnings estimate data provided within Wealth-Lab Pro comes from Thomson Financials - IBES (Institutional Brokerage Estimates System) database.

Analyst Upgrades Downgrades Data

Wealth-Lab Pro now offers five years of historic analyst upgrades and downgrades data. Build your own trading strategies using this data to decide when to buy or sell a stock based on an analyst recommendation.

Rule Definition:
The below screenshot illustrates an example where a user can buy a stock when an analyst upgrade occurs and sell a stock when a downgrade occurs. Once you've chosen the condition to use when entering or existing a position the next step is to fill in the rule parameters you want to use.
Average Rating: The average rating parameter allows you to only buy or sell a stock if the average rating you chose is satisfied. For example the normalized ratings range for analyst upgrades/downgrades is as follows: (Default Value = 3)
1 = Buy,
2 = Over Perform
3 = Neutral
4 = Under Perform
5 = Sell
You could build the rule to say only give me a buy signal if the security getting the rating upgrade also has a normalized rating for the last 10 ratings of 3 = Neutral or better. This allows you build more detail into your trading strategy allowing you to only get signals on securities you want to trade.

Number of Ratings: The number of rating parameter allows you to include the number of analyst upgrades or downgrade events you want included in your average rating calculation. The Number of ratings will take the last ten, five or whatever number you choose and create an average value. For example let's say the last 10 ratings give you an average of 3.2 which is a slightly above neutral rating if you build selected to buy a stock that has an upgrade and has an average rating above 3 or Neutral you will get an signal to buy this security. If the average was 2.8 you would not get a signal to buy a given position.

Build the rules as strict or generous as you feel appropriate and test and backtest various scenarios to see what works best for you.

The analyst upgrade downgrade data provided within Wealth-Lab Pro comes from Thomson Financial. The normalized analyst ratings data come from Investars

Investars Normalized Rating Methodology

Investars aggregates and normalizes, or standardizes, actual ratings from research firms. Each research firm has its own ratings scale, the most common of which are three-point (for instance, overweight, in-line, underweight) and five-point (for example, Buy, Accumulate, Hold, Reduce, Sell). While three-point scales can be more intuitive, the sensitivity of five-point scales potentially lets research firms provide customers with more finely-tuned research products. Investars normalizes the ratings it receives into a standard five-point rating scale — Buy, Outperform, Neutral, Underperform, and Sell — so that you can compare performance measurements on an "apples-to-apples" basis.

The three primary considerations of the Investars normalization process are clarity, consistency, and symmetry. For more on how Investars translates each firm's ratings, visit www.investars.com.

Adjustment Factor

This item represents a ratio that enables you to adjust per-share data (such as, price, earnings per share, and dividends per share), as well as share data (such as, shares outstanding and shares traded) for all stock splits and stock dividends that occur subsequent to the end of a given period. The cumulative adjustment factors for all periods are changed whenever a stock split or stock dividend occurs. The factors are carried to six decimal places to minimize rounding errors. If for example, a two-for-one split occurred in fiscal 1999, the adjustment factor for 1998 would be indicated as 2.0000. If, in addition, a 2 percent stock dividend occurred in 1999, the adjustment factor for 1998 would be indicated as cumulative adjustment, 2.0400 (2.0000 X 1.0200).   The adjustment factors are indicated as 1.0000 when no changes in capitalization have occurred due to splits and dividends. The ex-dividend date is used to determine the adjustment of per-share data. The adjustment factor is represented on a quarterly basis.

Fiscal Year / Fiscal Quarter

This item represents the fiscal year of the current fiscal year-end month. If the current fiscal year-end month falls in January through May, this item is the current calendar year minus 1 year. If the current fiscal year-end month falls in June through December, this item is the current calendar year. For example:

Calendar Year	Fiscal Year-end Month	Fiscal Year
2005	January (1)	2004
2005	February (2)	2004
2005	March (3)	2004
2005	April (4)	2004
2005	May (5)	2004
2005	June (6)	2005
2005	July (7)	2005
2005	August (8)	2005
2005	September (9)	2005
2005	October (10)	2005
2005	November (11)	2005
2005	December (12)	2005

If programming a trading system from scratch and want access a specific fiscal year and quarters fundamental data you can easily do so by utilizing the flowing parameters.
'current quarter' identifies the specific quarter in a fiscal year, valid values are **1 2 3 4** identifying each of the four quarters.
'fiscal year' identifies the specific year valid values are **2002 2003 2004 2005 2006 2007 etc.**

Fundamental Ratio Formulas and Definitions

Return on Assets (ROA)

Measures the relationship between company profits generated and assets that were used to generate those profits. It tells business owners whether they are earning a worthwhile return from the wealth tied up in their companies. In addition, a low ratio in comparison to other companies may indicate that your competitors have found ways to operate more efficiently.

$$\text{Return on Assets} = 100 \times \frac{NetIncomeBeforeTaxes(ttm)}{TotalAssets(ttm)}$$

Trailing Price Earnings Ratio (P/E)

Used to simplistically value a company (determine what a company's stock should be worth). It's a company's stock price divided by a company's earnings per share. The price to earnings ratio, also known as "P/E", is calculated by dividing the company's stock price by the company's earnings per share, or "EPS".

(Yr)

$$\text{P/E Ratio} = \frac{CurrentStockPrice}{NetIncome(ttm) \big/ CommonSharesOutstanding}$$

Price/Cash Flow Ratio

A measure of the market's expectations of a firm's future financial health. It is calculated by dividing the price per share by cash flow per share.

(Yr)

$$\text{Price/Cash Flow Ratio} = \frac{CurrentStockPrice}{OperatingActivities(ttm) \big/ CommonSharesOutstanding}$$

Price/Sales Ratio

This metric looks at the current stock price relative to the total sales per share. You can also calculate the P/S by dividing the current stock price by the sales per share. Much like P/E, the P/S number reflects the value placed on sales by the market. The lower the P/S, the better the value, at least that's the conventional wisdom. However, this is definitely not a number you want to use in isolation. When dealing with a young company, there are many questions to answer and the P/S supplies just one answer.

(Yr)

$$\text{Price/Sales Ratio} = \frac{CurrentStockPrice}{NetSales(ttm) \big/ CommonSharesOutstanding}$$

Return on Equity (ROE)

Indicates what return a company is generating on the owners' investment.

(Yr)

$$\text{Return on Equity} = 100 \times \frac{NetIncomeBeforeTaxes(ttm)}{StockholderEquity(ttm)}$$

Dividend Yield Ratio

The dividend yield ratio allows investors to compare the latest dividend they received with the current market value of the share as an indictor of the return they are earning on their shares.

(Yr)

$$\text{Dividend Yield (\% yield)} = 100 \times \frac{CashDividends(ttm)\big/CommonSharesOutstanding}{CurrentStockPrice}$$

Earnings Yield Ratio

A stock's current price divided by the company's trailing 12-month earnings per share. Earnings yield is the inverse of the price-earnings ratio. Basically, it's the amount of earnings you buy for every dollar worth of stock.

$$\text{Earnings Yield (\% yield)} = 100 \times \frac{NetInmcom(ttm)\big/CommonSharesOutstanding}{CurrentStockPrice}$$

Sales Per Share Ratio

Represents a company's sales per share outstanding represented in a quarterly or annual basis.

(Qtr)

$$\text{Sales/Per Share Ratio} = \frac{Sales(mrq)}{CommonSharesOutstanding}$$

(Yr)

$$\text{Sales/Per Share Ratio} = \frac{Sales(ttm)}{CommonSharesOutstanding}$$

Book Value Per Share Ratio

The (Yr) value for Book value per share is calculated by averaging stockholder equity for the previous 4 quarters. The (Qtr) value is instantaneous, whereas the (Yr) value is smoothed.

(Qr)

$$\text{BV per Share} = \frac{StockholderEquity(mrq)}{CommonSharesOutstanding}$$

(Yr)

$$BV \, per \, Share = \frac{Stockholder Equity \, (ttm4)}{CommonSharesOutstanding}$$

Assets Per Share Ratio

This metric gives you the per share value of the total assets of the company. **Note:** The (Yr) value for flow is calculated by averaging stockholder equity for the previous 4 quarters. The (Qtr) value is instantaneous, whereas the (Yr) value is smoothed.

(Qtr)

$$Assets \, per \, Share = \frac{Assets \, (mrq)}{CommonSharesOutstanding}$$

(Yr)

$$Assets \, per \, Share = \frac{Assets \, (ttm4)}{CommonSharesOutstanding}$$

Sales Per Employee

Net sales divided by the number of employees at the company. **Note:** Number of employees is updated annually only.

(Qtr)

$$Sales \, per \, Employee = \frac{SalesNet \, (mrq)}{NumberOfEmployees}$$

(Yr)

$$Sales \, per \, Employee = \frac{SalesNet \, (ttm)}{NumberOfEmployees}$$

Income/Earnings Per Share (EPS)

A company's profit divided by its number of common outstanding shares. If a company earning $4 million in one year or in a given quarter and had 4 million common shares of stock outstanding, its Income Per Share (EPS) would be $1 per share.

(Qtr)

$$Income \, per \, Share = \frac{NetIncome \, (mrq)}{CommonSharesOutstanding}$$

(Yr)

$$Income \, per \, Share = \frac{NetIncome \, (ttm)}{CommonSharesOutstanding}$$

Trailing Earnings Growth Rates

This ratio will provide trailing quarterly or annual earnings growth rates in percentage terms. When using the Strategy Builder tool you can input the number of quarters or years you want compared by entering in the amount of periods. For example by entering the number 3 as your parameter when using the quarterly ratio you can compare earnings over the last nine months or three reported quarters. When using the annual ratio entering the number 3 will get you the last thirty six month or three years of reported earnings growth information.

(Qtr)
Trailing Earnings Growth Rate % = Q_{t+1} - Q_t = G / Q_t

Q= Quarterly Earnings
t = period
G= Gain or Loss

(Yr)
Trailing Earnings Growth Rate % = A_{t+1} - A_t = G / A_t

A= Annual Earnings
t = period
G= Gain or Loss

Trailing Sales Growth Rates

This ratio will provide trailing quarterly or annual sales growth rates in percentage terms. When using the Strategy Builder tool you can input the number of quarters or years you wish to compare by entering in the amount of periods. For example by entering the number 3 as your parameter when using the quarterly ratio you can compare sales over the last nine months or three reported quarters. When using the annual ratio entering the number 3 will get you the last thirty six months or three years of reported sales growth information.

(Qtr)
Trailing Sales Growth Rate % = Q_{t+1} - Q_t = G / Q_t

Q= Quarterly Earnings
t = period
G= Gain or Loss

(Yr)
Trailing Sales Growth Rate % = A_{t+1} - A_t = G / A_t

A= Annual Earnings
t = period
G= Gain or Loss

Trailing Cash Flow Growth Rates

This ratio will provide trailing quarterly or annual cash flow growth rates in percentage terms. When using the Strategy Builder tool you can input the number of quarters or years you wish to compare by entering in the amount of periods. For example by entering the number 3 as your parameter when using the quarterly ratio you can compare cash flow over the last nine months or three reported quarters. When using the annual ratio entering the number 3 will get you the last thirty six months or three years of reported cash flow information.

(Qtr)
Trailing Sales Growth Rate % = Q_{t+1} - Q_t = G / Q_t

Q= Quarterly Earnings

t = period
G= Gain or Loss

(Yr)
Trailing Sales Growth Rate % = A_{t+1} - A_t = G / A_t

A= Annual Earnings
t = period
G= Gain or Loss

Return on Capital Ratio (ROC)
The Return on Capital ratio (ROC) tells how efficient and profitable a company is with its capital investments.

$$Return\,On\,Capital\,(ROC) = \frac{EBIT\,(ttm)}{(NetWorkingCapital = Inventories + \text{Re}\,ceivables - Liabilitie\,s) + Assets}$$

Debit to Asset Ratio
Ratio that indicates what proportion of the company's assets are being financed through debt. A high ratio means a highly leveraged company.

Debit to Asset Ratio = Total Liabilities / Total Assets

Current Ratio
Liquidity ratio that measures a company's ability to pay short-term obligations.

Current Ratio = / Current Liabilities

Enterprise Value (EV)
A measure of a company's value, often used as an alternative to straightforward market capitalization.
Some analyst use this value as the theoretical takeover price in the event of a buyout an acquirer would absorb the companies debt service, but would gain its cash holdings

Enterprise Value (EV) = (Shares Outstanding*Current Stock Price) + Total Debt – Total Cash.

Total Receivables Per Share

This ratio represents the Total Receivables of a company on a per share basis.

$$Total\,\text{Re}\,ceivable\,s\,Per\,Share = \frac{Total\,\text{Re}\,ceivables\,(ttm)}{CommonSharesOuts\tan ding}$$

Total Inventories Per Share

This ratio represents the Total Inventories of a company on a per share basis

$$Total\,Inventories\,Per\,Share = \frac{TotalInventories\,(ttm)}{CommonSharesOuts\tan ding}$$

Goodwill Per Share

This ratio represents the Total Goodwill of a company on a per share basis.

$$Goodwill\,Per\,Share = \frac{Goodwill\,(ttm)}{CommonSharesOuts\tan ding}$$

Equity Summary Score Provided by Starmine

The Equity Summary Score is an accuracy-weighted sentiment derived from the ratings of independent research providers on Fidelity.com. It uses the past relative accuracy of the providers in determining the emphasis placed on any individual opinion, and provides a consolidated view of the ratings from a number of independent research providers. It uses the providers' relative, historical recommendation performance along with other factors to give you an aggregate, accuracy-weighted indication of the independent research firms' stock sentiment.

The Starmine model underlying the Equity Summary Score has a few key components:

Normalize - The distribution of ratings from each of the independent research firms are normalized to make them more comparable with each other. For example, some research providers may issue a large number of buy recommendations and few sell recommendations, or vice versa. StarMine adjusts for this by overweighting "scarce" ratings and underweighting "plentiful" ratings. By normalizing the distribution of ratings, the model can recognize the "scarcity value" of ratings that are infrequently given which adds additional information to the model.

Weight - Looks at the 24 month relative firm/sector ratings accuracy and use that information to determine which firms' ratings have the most weight in the aggregated Equity Summary Score.

Calculate - The normalized analysts' recommendations and the accuracy weightings are combined to create a single score. For the largest 1,500 stocks by market capitalization, these scores are then forcibly ranked against all the other scores to create a standardized Equity Summary Score on a scale of 0.1 to 10.0 for the 1,500 stocks. This means that there will be a uniform distribution of scores provided by the model thereby assisting investors in evaluating the largest stocks [in terms of capitalization], which typically make up the majority of individual investors portfolios. Finally, smaller cap stocks are then slotted into this distribution without a force ranking, and may not exhibit the same balanced distribution.

In order for the Equity Summary Score to be available at least four firms must have a rating for the stock. There may be gaps in the data for smaller stocks when this criteria is not met. The Equity Summary Score ranges and associated ratings are as follows:

Score	Sentiment Rating
0.1 to 1.0	Very Bearish
1.1 to 3.0	Bearish
3.1 to 7.0	Neutral
7.1 to 9.0	Bullish
9.1 to 10.0	Very Bullish

You can access fundamental DataSeries of Equity Summary Scores/Category in the same way as other fundamental data: by passing the strings *"equity summary score"* or *"equity summary category"* as parameters to the functions FundamentalDataSeries or GetFundamentalItem, for example. In addition, the *"equity summary score"* FundamentalItem returns the number of firms participating in the score by passing "firms" to the FundamentalItem.GetDetail method.

A full description of the methodology for the Equity Summary Score is available here

Using fundamental data in your programming

Each of the balance sheet and other numeric corporate fundamental elements can be accessed in the context of a DataSeries. Consequently, you can use the WealthScript technical analysis techniques with which you are already familiar to analyze fundamental data. Initially, the following items are available to you after having completed a regular data update of your Fidelity static DataSources. The attached item string list contains the actual variable names and a short description you can use to program or modify your trading system.

Item (string)	Short Description
'accounts payable'	Accounts Payable
'adjustment factor'	Adjust Factor, Cumulative by Ex-Date
'all analyst ratings'	All Normalized Analyst Ratings
'analyst downgrade'	Downgraded Normalized Analyst Rating
'analyst upgrade'	Upgraded Normalized Analyst Rating
'assets'	Assets - Total
'cash'	Cash and Cash Equivalents + Short Term Investments
'cash dividends'	Cash Dividends
'common shares outstanding'	Common Shares Outstanding - Company
'common shares used to calculate eps diluted'	Common Shares Used to Calculate (EPS) Diluted
"dividend"	Dividend value split adjusted
'earnings per share'	Earnings per share calculated
'ebit'	Earnings before Interest and Taxes (EBIT) annual
'employee'	Employees
'estimated earnings'	Past and Future earnings estimates
'fiscal quarter'	Fiscal Quarter
'fiscal year'	Fiscal Year
'goodwill'	Goodwill
'insider buy'	Gross Insider Buy transactions
'insider sell'	Gross Insider Sell transactions
'interest expense'	Interest Expense
'liabilities'	Liabilities - Total
'long term debt'	Debt (Long-Term) - Total
'net income'	Net Income (Loss)
'net insider transactions'	Insider Buy less Insider Sell transactions
'operating activities'	Operating Activities - Net Cash Flow
'operating income before depreciation'	Operating Income Before Depreciation (EBITDA)
'pretax income'	Pretax Income
'property plant and equipment'	Property Plant and Equipment
'research and development expense'	Research and Development Expense
'sales turnover'	Sales (Net)
'split'	Split value
'stock compensation expense'	Stock Compensation Expense
'stockholder equity'	Stockholders' Equity - Total
'total inventories'	Total Inventories
'total receivables'	Total Receivables

Individual Security Sentiment Indicators

Insider Transactions

Fidelity Wealth-Lab Pro offers 10 years of historic Insider Trading data for new Fidelity market data downloads.

A full complement of easy to use Insider Trade rules can be found in the Strategy Builder tool making it easy to create your own trading strategies.

The historic Insider Trade data provided is based on the legal filings completed by corporate insiders— officers, directors, and employees—buying and selling stock in their own companies. When corporate insiders trade in their own securities, they must report their trades to the SEC.

In the Colors/Style options section of Wealth-Lab Pro, in addition to stock splits and corporate dividends you can now elect to see Insider Transactions on charts when the Corporate Actions button is enabled in the View toolbar. Insider transactions will be updated each day for symbols that have changes and will be included in your manual or scheduled daily data updates

Short Interest

Fidelity Wealth-Lab Pro offers 2 years of Short Interest data for new Fidelity market data downloads. Data for Shares Short, Days to Cover and Short Interest as a % of Shares Outstanding. Short Interest data is provided from the exchange(s) where the companies are listed and is updated periodically and monthly.

You can easily use Short Interest data to create strategies in the Strategy Builder using the General Fundamentals Conditions Folder. Simply select Shares Short, Days to Cover or Short Interest as a % of Shares Outstanding from the Security Sentiment items and include the data in your Strategy.

View the Short Interest items with a Chart or Strategy by selecting one of the items from the Fundamental Data menu and drag the item onto the chart. Short Interest can also be viewed as a chart annotation. Select the Short Interest icon in the Preferences>Chart Annotations Available icons column, and move it to the Selected items column. Click OK and view the data for all of the short interest times in your Chart or Strategy window.

Option Calendar Strategies

Add even more real life trading controls when testing or implementing your existing or newly created trading strategy in the market. Found in the Strategy Builder tool under conditions are Option Calendar Expiration strategies. Choose to buy or sell stock before, on or after Options Expiration or Triple Witching date. Select the number of days before or after the next or last Options Expiration date allowing you full control when building your trading system. See the next section of the document to learn how and where to access Option Expiration and other easy to use Drag & Drop trading strategy conditions.
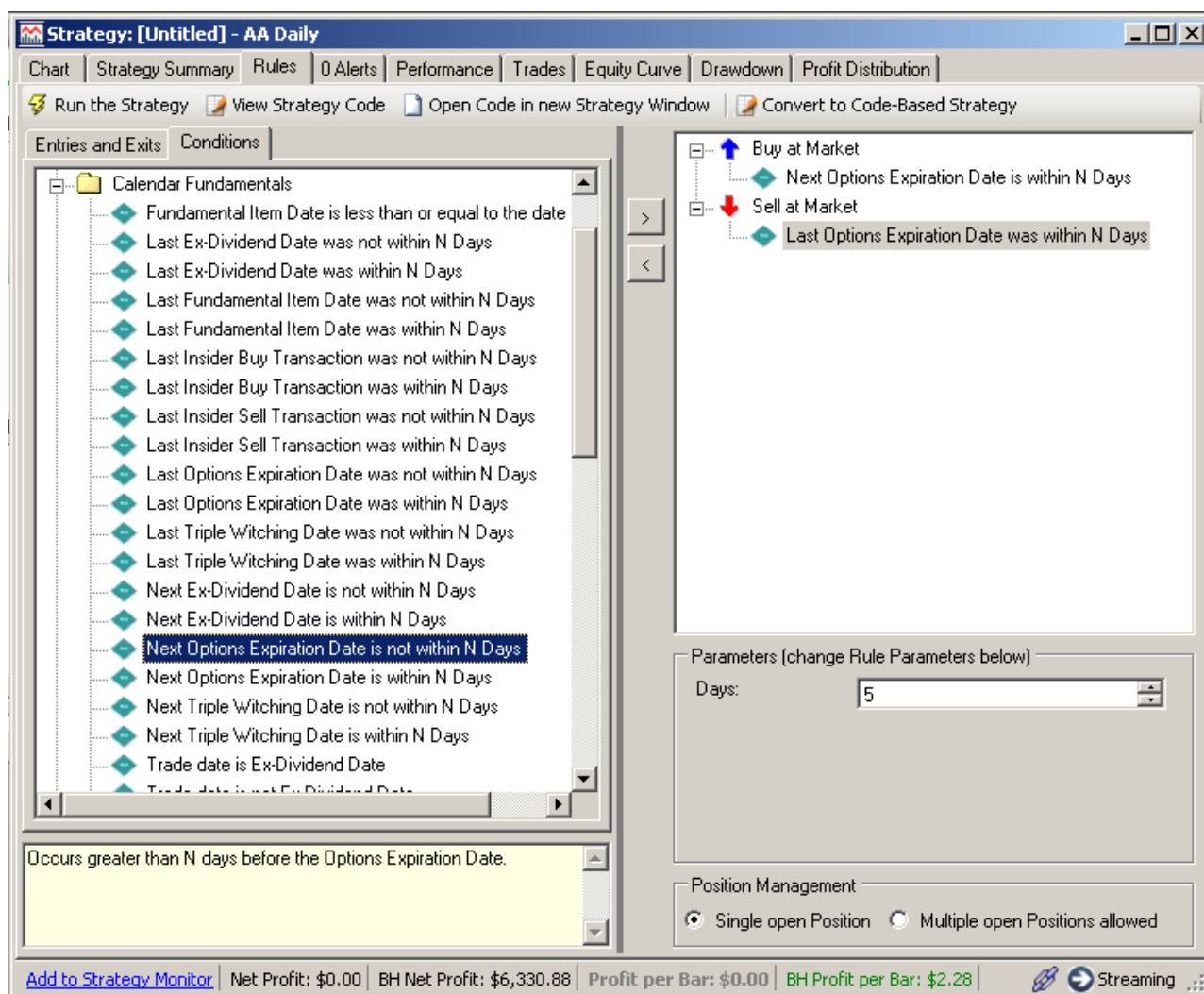
For illustrative purposes only

Market Sentiment Data

Fidelity Wealth-Lab Pro offers 10 years of historic Market Sentiment Indicator data for new Fidelity market data downloads. A full complement of easy to use Market Sentiment Indicator drag and drop rules can be found in the Strategy Builder tool making it easy to create your own trading strategies.

Symbols represented in Market Sentiment data has been preloaded in the *Market Sentiment* DataSource

Exchange	Indicator	Symbol
NYSE	Advancing Issues / Volume	.MB_ADV.N
NYSE	Declining Issues / Volume	.MB_DEC.N
NYSE	Unchanged Issues / Volume	.MB_UNC.N
NYSE	New Highs	.MB_NH.N
NYSE	New Lows	.MB_NL.N
NYSE	Total Volume	.MB_TV.N
NYSE	Arms Index	.STI.N
NASDAQ	Advancing Issues / Volume	.MB_ADV.Q
NASDAQ	Declining Issues / Volume	.MB_DEC.Q
NASDAQ	Unchanged Issues / Volume	.MB_UNC.Q
NASDAQ	New Highs	.MB_NH.Q
NASDAQ	New Lows	.MB_NL.Q
NASDAQ	Total Volume	.MB_TV.Q
NASDAQ	Arms Index	.STI.O
AMEX	Advancing Issues / Volume	.MB_ADV.A

AMEX	Declining Issues / Volume	.MB_DEC.A
AMEX	Unchanged Issues / Volume	.MB_UNC.A
AMEX	New Highs	.MB_NH.A
AMEX	New Lows	.MB_NL.A
AMEX	Total Volume	.MB_TV.A
AMEX	Arms Index	.STI.A

Design your Fundamental, Technical, or Option Calendar Trading Strategy with the Strategy Builder

Wealth-Lab Pro has an easy to use and advanced Wizard available to help you design and produce complete fundamental, technical or option calendar trading systems without the need to manually write any code! The Strategy Builder allows you to visually design a trading system by combining various types of Entries, Exits, and Conditions via an easy-to-use drag-and-drop interface. Even if you would like to write your own code, the Strategy Builder can give you a head start in rapidly prototyping new fundamental trading systems. We have integrated all of the fundamental balance sheet and ratio data points under the Strategy Builder's conditions tab to make it easy to get started building your own system.

To create a strategy from rules, go to Charts & Strategies and select New Strategy from Rules, or select Open Strategy and click on New Rule-Based Strategy, or select New and select New Strategy from Rules.
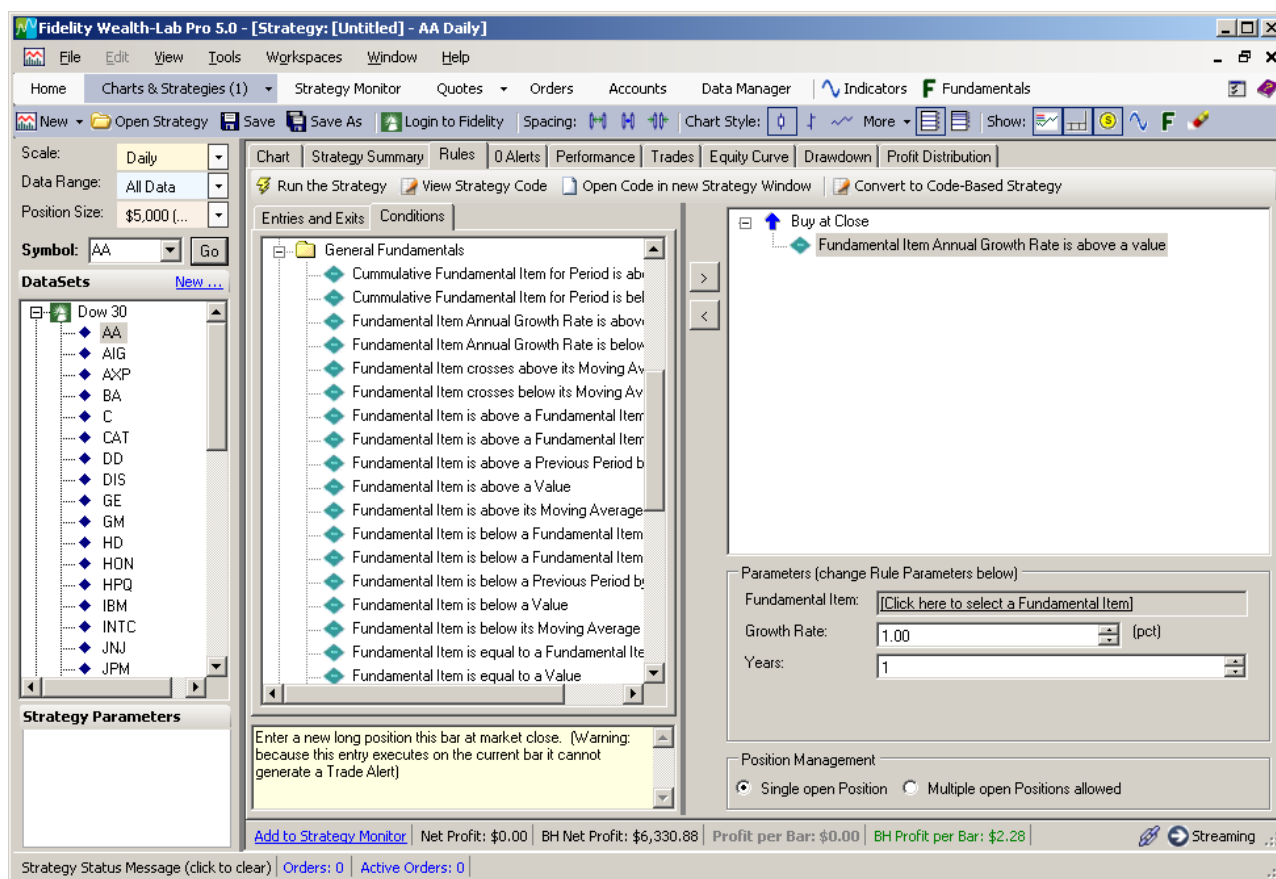
Figure 1.0 – Strategy Builder - For illustrative purposes only

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