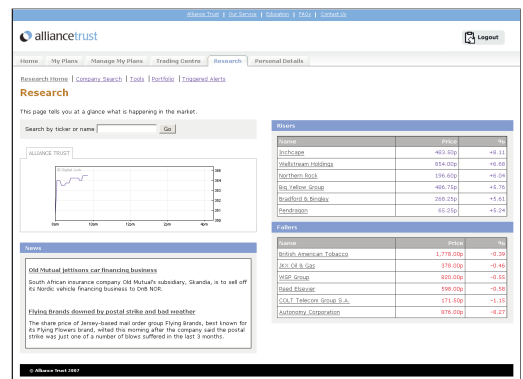


## 2 Using the internet to do investment research

The internet is a really useful tool for investors, not only for executing trades, but equally for researching your investments and keeping track of your portfolio. Through the internet, you can find a great variety of both simple and sophisticated research tools. You also have easy access to a whole community of investors with different interests, opinions and levels of investment skill. A vast majority of information is provided free of charge. Here we give you some pointers on how you can make the most of all the information available to do your investment research online, no matter how you choose to trade.

Make sure that a research centre or portfolio tracking tool comes from a reputable provider or company like the online service of a provider regulated by the Financial Services Authority (FSA). As long as you are using a bona fide company, you will have a wealth of useful information at your fingertips. The best online research centres, such as the one available through Alliance Trust Savings, provide fundamental data on UK companies and advanced tools including charting, stock screening and an email price alert service. Through research centres you have access to a range of great features including company fundamentals, director dealings, charting tools, heat maps and performance tables, alert services and sector strips. Some are even now starting to provide fundamental as well as technical analysis.

the market today. Common features are 'risers and fallers' in the market, news, and a search function. This will give you an overview of the mood on the market.



### Finding out about a specific stock

A good way to start finding out about a specific stock is to use the search function. In most search engines, you enter part of the security name, or the symbol if you know it, to search for any UK listed security. When you enter a search you will be provided with a list of results that match the criteria you entered. You should expect to be directed to a page dedicated specifically to the stock you are interested in.

To find out more about Online Dealing at Alliance Trust, please visit [www.alliancetrust.co.uk/online](http://www.alliancetrust.co.uk/online)

Tel +44 (0)1382 201700  
Email [contact@alliancetrust.co.uk](mailto:contact@alliancetrust.co.uk)

### Where do you start researching online?

You can begin with the home or introduction page of most investor research centres where you can find out, at a glance, what is happening in

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed and you may not get back the amount you invested.

This page should provide all the core fundamental information on the security, and have visual tools to help you in comparing statistics. You will be able to see key ratios such as price/earnings and yield for your chosen security. The tools will allow you to map the stock's key ratios against the market in general as well as against the security's own sector.

### Market and Heat Maps

As part of your research, at times you may want to select a security by looking at the market as a whole to find low and high points or perhaps securities of any type which meet your set criteria.

Market and heat maps allow you to do this.

These very visual tools allow you to view the market based on various criteria, the most common of which is a basic price movement and stock market capitalisation (cap size) map which displays the different sectors of the market, with varying colours to indicate price movement. Cap size is indicated by the varying box sizes within the map.

You can usually change the parameters for the map. For instance, you can instruct the map to show you a chosen sector at security level. Once you are looking at the security level map you can select one of the securities to view the full fundamentals for that stock on its own home page.

search the market for a particular type of security based on a number of parameters. For example if you were only interested in companies with a market cap of at least £1bn with a dividend yield of 3% you could select this and the screener would bring back all matches.

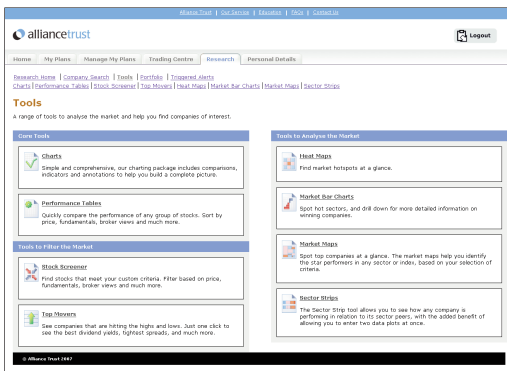
### Alert

To keep on top of a particular security's stock market movements, many services such as our research centre offer the option to request alerts that can be sent to you by email. You can usually ask to be alerted about your chosen security when:

- The security has a bid, offer, mid price or last trade price equal to, greater than or less than the value you specify.
- Or when one of the above prices rises or falls by a set percentage.

### Practise trading with a virtual portfolio

Finally, online research centres can let you have a little fun and practise your trading skills too without having to invest anything. You can build and manage virtual portfolios, which can be very useful if you are looking to experiment with a new investment model, perhaps using results from a stock screener, before actually investing your money. Although success within any trial period does not guarantee success in the future, it can still be useful in providing confidence in your investment theories.

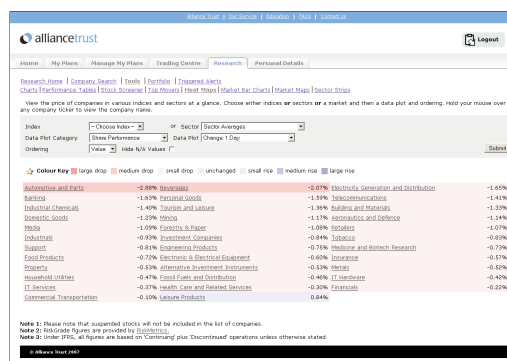


As well as providing fundamental company data, you can also view news, director dealings and the latest trades and charts. Now, if you want to explore the stock's background further you can try more advanced charting.

### Charting - your investments in pictures

Charting is one of the most common tools used in the marketplace since visual representations always seem the preferred way for us to interpret data. By using the advanced charting, you can:

- add sector and index comparisons to your chart
- change the date range
- request annotations of director dealings and news
- experiment with chart types, such as line area
- add extra information such as volumes and Bollinger widths



### Stock Screener

Stock screening is a tool which has been used by investment professionals for many years. This tool allows you to

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