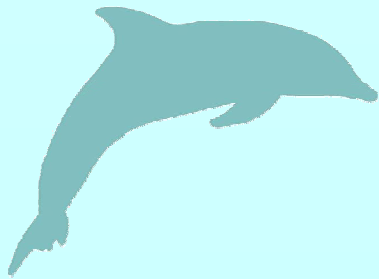


Rating and Ranking Investments

Lessons Learned

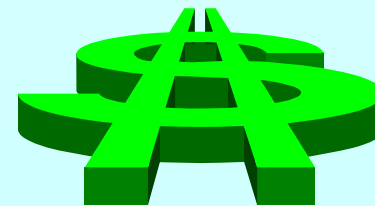


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Rating and Ranking

What is it?

- Method to differentiate which investments are “better” than others
- Integral to portfolio management
- Results in winners and losers – be ready



Rating and Ranking Standard Approach

- Defining criteria against which investments are to be rated
- Defining formula by which ratings are to be combined
- Rate investments
- Rank based on ratings
- Draw line where funding runs out
- *Rerank based on political considerations?*

ITIPS	4.93
MAPPS	4.91
GLAD	4.76
LTMS	4.76
JASPS	4.72
PDQ	4.72
THRKS	4.70
MAD	4.67
BART	4.58
TAAMS	4.56
JTSIP	4.51
YENL	4.49
TRSS	4.36
ASDFS	1.65
SSI	1.55
JMBLA	1.48
TSAF	1.45
ATRS	1.43
LIF	1.40
TASSKS	1.39
LPAS	1.38
AAMPS	1.36
PMMNS	1.35
eCPIC	1.32
ABC	1.32
ARTS	1.30
...	0.00



Rating Criteria – Some Thoughts

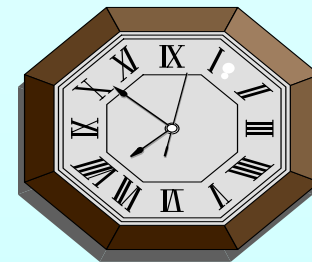


- Prepare first draft of criteria for steering committee to tweak
- Rating criteria – General but Specific
 - Broad enough to cover concerns
 - Clear, unambiguous choices for ratings
- Written source for rating
- Development vs. steady state
- Pros and cons of involving knowledgeable raters



Things to Avoid

- Too much effort involved in rating
 - #Criteria X #Investments X minutes to find = workload
 - 30 X 40 X 5 => 100 hours
- “Gates”
- Two criteria in one
- Overlap between criteria
- Manual override of ratings (but it’s inevitable)

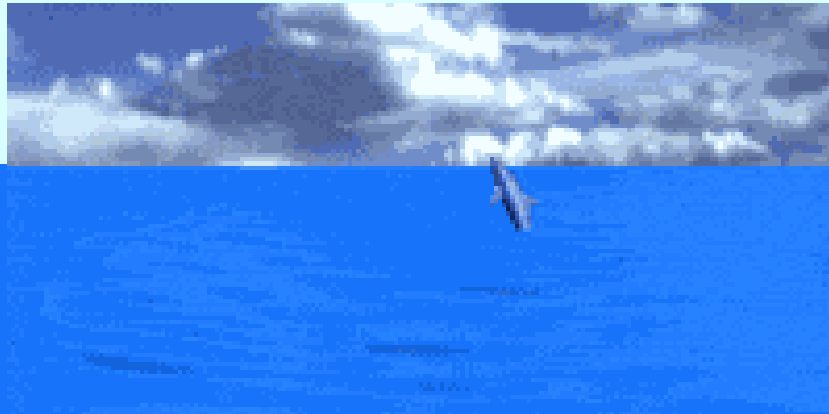


Summary

- Rating and ranking investments – a key part of portfolio management
- Define criteria, rate investments, rank investments
- **Keep It Simple Stupid**
- Make criteria ratings clear, but expect confusion nevertheless
- Expect some manual adjustment afterwards
- Be prepared for complaints



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