SIGNAL RESEARCH NOTE

Inventory Efficiency Improvement

Working-capital efficiency change across a broad global equity universe.

Working Capital Efficiency | Secondary research | 63d preferred horizon

Executive Summary

This note summarizes historical rank evidence for Inventory Efficiency Improvement. Metrics are reported as research diagnostics under the source-run assumptions and should be read as evidence about ranking behavior, not as a live recommendation.

Preferred horizon	**63d**
Top-bottom spread	**0.85%**
Rank IC	**0.006**
Long-leg return	**6.26%**
Average turnover	**55.25%**

1. The preferred diagnostic horizon is 63d, where the recorded rank spread is 0.85%.
2. Spread evidence is strongest around the 126d horizon in the available comparison set.
3. Rank IC is positive in the reported research run at 0.006.

Data and Research Setup

UNIVERSE

A broad global equity universe with sufficient point-in-time working-capital history.

INPUTS

Dated inventory-efficiency observations and daily closing prices available at each research date.

CADENCE

Monthly cross-sectional ranking review with a preferred 63d forward horizon.

COMPARISON BASIS

Comparisons use the same universe and source assumptions inside each run. The note excludes instrument-level lists and live recommendations.

The source files were used for historical research extraction only. This note does not include instrument-level lists or position-level recommendations.

Signal Methodology

Without disclosing the exact functional, the construction proceeds along three conceptual steps.

1. **Signal measurement.** Measures directional change in inventory efficiency using dated accounting information.

2. **Cross-sectional ranking.** Ranks companies cross-sectionally so improving and deteriorating states can be compared consistently.

3. **Horizon evaluation.** Evaluates the ordering across adjacent horizons and a locked later sample.

The description is intentionally conceptual. Formula details, exact construction rules and implementation parameters are not disclosed.

Results and Horizon Context

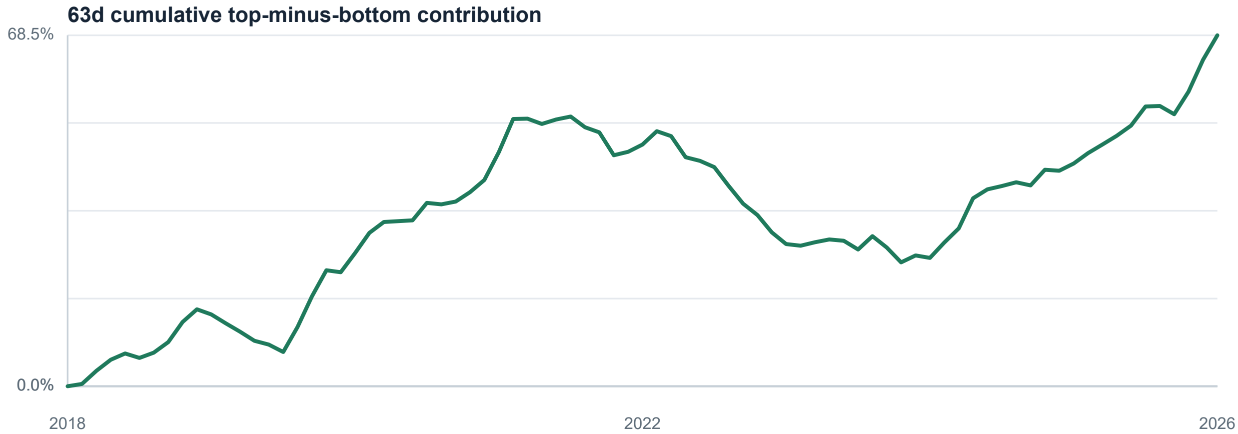

Figure 1. Cumulative 63d top-minus-bottom rank-spread contribution. Long-horizon forward observations can overlap, so the series should be read as a ranking diagnostic, not as a standalone portfolio NAV.

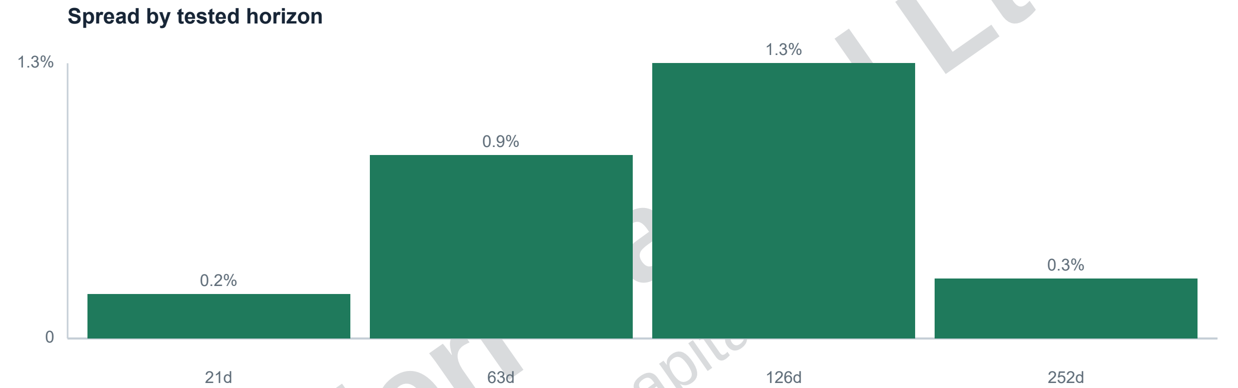

Figure 2. Spread profile across the tested horizons available in the source validation summary.

Horizon	Rank spread	Rank IC	Long-leg return	Turnover
21d	0.21%	-0.002	2.20%	55.25%
63d	**0.85%**	**0.006**	**6.26%**	**55.25%**
126d	1.28%	0.003	12.90%	55.25%
252d	0.28%	-0.008	28.40%	55.25%

Stability and Robustness

Figure 3. Rank-IC evidence across chronological sample periods from the source OOS audit.

The recorded spread is positive in 2 of 2 chronological sample periods. Positive-year fraction is 77.8% in the source run.

Positive-year fraction	**77.8%**
Universe size	**2,717**
Validation dates	**80**

Research Interpretation

ROLE IN RESEARCH LIBRARY

Secondary working-capital ranking component inside the research library.

WHAT IT CAPTURES

Directional improvement in inventory efficiency across companies.

KNOWN LIMITATIONS

The effect is modest in IC terms, depends on dated accounting coverage and is strongest in spread terms around the medium horizons.

The evidence supports retaining the signal in the research library where it can be compared with related components under the same assumptions.