

Quick Reference Card (QRC)

Utilize the ENTER™ Quality Checklist Before Recommending Stocks

ENTER™ Quality Checklist (to be used <u>before</u> starting the communication of a stock recommendation)	1=Strongly disagree 5=Strongly agree
Expectational	
<ul style="list-style-type: none"> I have a <u>forward-looking</u> view in terms of the stock and the critical factor(s) likely to move the stock 	
<ul style="list-style-type: none"> I have identified the catalyst(s) likely to move my stock and important dates when the catalyst is most likely to cause the stock to move to my price target 	
<ul style="list-style-type: none"> When I believe the company management's forecast is relevant, I frame it in terms of my <u>independent</u> financial forecast (rather than just repeat management) 	
<ul style="list-style-type: none"> When I review historical information or events, it is in the context of considering the <u>future</u> implications to my investment thesis. (I don't dwell on the past for other reasons.) 	
Novel	
<ul style="list-style-type: none"> I have a piece of information or insight that is new and not widely understood within the financial markets 	
<ul style="list-style-type: none"> I know where my unique (or superior) view falls within the FaVeS™ framework (unique <u>Financial</u> forecast, <u>Valuation</u> method/multiple, or unique view about market <u>Sentiment</u>) 	
<ul style="list-style-type: none"> I know why the market does not have my view 	
Thorough	
<ul style="list-style-type: none"> For critical factors that are key to the stock call, I research more than one source or confirm the insight with an independent source 	
<ul style="list-style-type: none"> If the stock call is based on a unique financial forecast, I conduct detailed modeling in the area surrounding the critical factor(s) 	
<ul style="list-style-type: none"> I avoid using management guidance as the <u>primary</u> justification for the call 	
Examinable	
<ul style="list-style-type: none"> If asked, I can provide the following details of my analysis to a trusted colleague(s): <ul style="list-style-type: none"> Data or insights about the critical factor(s) Detailed financial forecast or valuation analysis, if key to the investment thesis 	
<ul style="list-style-type: none"> I clearly separate: <ul style="list-style-type: none"> Opinion or forecast from... Views of others from... Undisputable facts 	
Revealing	
<ul style="list-style-type: none"> I utilize upside, downside, and base-case scenarios to identify where the investment thesis could have flaws 	
<ul style="list-style-type: none"> I identify specific risks beyond the macro 	
<ul style="list-style-type: none"> I provide my conviction level to others, even if it is not strong 	

Explore these concepts in our workshop: [Communicate Unique Stock Calls Successfully So Others Take Action](#)