DRAFT Investment Club

Stock Monitor Review Guidelines

**Who**. TheseGuidelines are for Stock Monitors responsible for conducting company stock reviews at our monthly club meetings.

**Why.** We purchase quality growth stocks at attractive prices. We plan to keep our stocks for 5 years or longer, but we do not “buy and forget.” We review our holdings each month to:

* be alert to the early warning signs of trouble in our portfolio companies and
* constantly seek to improve our portfolio by replacing good stocks with even better stocks

**What and When.** The type of review depends on the availability of new information about our holdings. There are three types of review: **Monthly**, **Quarterly** and **Annual**. The *Annual Review* is usually conducted the month after the 4th Quarter Review and after the 10K is issued. *Quarterly Reviews* occur the month after 10Qs are issued.

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| Monthly Reviews | Quarterly Reviews | Annual Review |
| 1. Update SSG price data 2. Evaluate the SSG for valuation metric changes due to price update 3. Check for *material* news\* (not “noise”) and update notes with same.  ***Material News*** *Defined: Changes in:* *–* *fundamental financial data – sales, earnings, dividends. – company management.  – economic conditions – U.S. or world wide.  – Mergers & acquisitions.* 4. Make buy/hold/sell recommendation | 1. Complete Monthly tasks 2. Update quarterly data and SSG price and update your SSG notes. 3. Review 10-Q for the latest quarterly results 4. Review recent company news 5. Evaluate the SSG valuation changes 6. Review quarterly PERT trends 7. Research *material* news flowing from latest quarterly reports 8. Consider revising growth and/or valuation judgments after 3-4 quarters. Normally, not warranted… advise club **when** warranted. Update notes. 9. Make buy/hold/sell recommendation | 1. Complete Monthly and /or Quarterly tasks 2. Review Annual Report (10K) 3. Check PERT-A graph and quarterly trends 4. Revise growth and valuation forecasts on the SSG 5. Take a closer look at potential red flags (book value, cash flow and debt plots on growth chart) 6. Update notes 7. Evaluate role of holding in overall portfolio 8. Make buy/hold/sell recommendation |
| 1 minute presentation time (10-20 minutes research time for this type report) | 2 minute presentation (45-60 minutes research/preparation time) | 3-4 minute presentation (45-60 minutes research/ preparation time) |

\*[Click here](https://drive.google.com/file/d/0BwI5uhSwoPzTemxqZUU2ZU5NLWs/view?usp=sharing) for the handout notes from Suzi Artzberger’s workshop at BINC2016. Notes include examples of **How** to keep your SSGs up to date.

Reviewed and approved by xyz Investment club Partners at the abc 2016 meeting.