

The Intelligent Investor's Checklist: Quality, Growth, and Risk"

1. Business Quality (Foundation)

☐ Strong Business Model

- Clear source of revenue and profits
- Competitive advantage (**economic moat**): brand, cost leadership, network effects, patents

☐ Industry Position

- Growing or stable industry
 - Company is a leader or has defensible market share
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2. Financial Strength (Numbers That Matter)

☐ Revenue & Earnings Growth

- Consistent sales growth
- Sustainable earnings (not one-off gains)

☐ Profitability

- High and stable margins
- **ROE / ROIC above industry average**

☐ Balance Sheet Health

- Reasonable debt levels
- Strong cash flows
- Ability to survive downturns

☐ Investors prefer **cash-generating businesses**.

3. Valuation (Price vs Value)

☐ Fair or Undervalued Pricing

- P/E, P/B, EV/EBITDA vs peers
- Discounted Cash Flow (DCF) value

- ☐ **Great company at a bad price = poor investment**
 - ☐ **Good company at a fair price = strong investment**
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4. Growth Potential (Future Upside)

☐ **Earnings Growth Drivers**

- Market expansion
- New products / innovation
- Pricing power

☐ **Scalability**

- Ability to grow without proportionate cost increases
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5. Management & Governance

☐ **Quality Management**

- Track record of execution
- Clear capital allocation strategy

☐ **Corporate Governance**

- Transparency
 - Shareholder-friendly policies
 - Ethical leadership
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6. Risk Assessment (Downside Protection)

☐ **Business Risks**

- Competitive threats
- Technological disruption

☐ **Financial Risks**

- High leverage
- Cyclicity

☐ **External Risks**

- Regulatory changes
- Currency or geopolitical risks

☐ Investors focus on **margin of safety**.

7. Dividends & Capital Returns (If Relevant)

☐ Dividend Yield & Consistency

- Stable or growing dividends

☐ Share Buybacks

- Signals confidence and capital discipline
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8. Market & Trend Alignment

- Is the stock aligned with:
 - Market trend?
 - Sector leadership?
 - Long-term economic themes?

☐ Even good stocks struggle in weak markets.

9. Time Horizon Match

Long-Term Investors

- Focus on fundamentals, compounding, moats

Short-Term Investors

- Focus on price trends, momentum, catalysts
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10. Simple Investor Checklist

- ✓ Strong business & moat
- ✓ Consistent earnings growth
- ✓ Healthy balance sheet

- ✓ Fair valuation
 - ✓ Trustworthy management
 - ✓ Clear growth story
 - ✓ Risks understood
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Key Takeaway

Equity investors buy a share of a business, not just a stock price.

The best investments combine **quality, growth, value, and risk control.**