



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

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 down turns
- 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



4. Growth Potential (Future Upside)

- Earnings Growth Drivers
 - Market expansion
 - New products/innovation
 - Pricing power
- Scalability
 - Ability to grow without proportionate cost increases

5. Management & Governance

- Quality Management
 - Track record of execution
 - Clear capital allocation strategy
- Corporate Governance
 - Transparency
 - Shareholder-friendly policies
 - Ethical leadership

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 Buy backs
 - Signals confidence and capital discipline



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

10. Simple Investor Checklist

- ✓Strong business &moat
- ✓Consistent earnings growth
- ✓Healthy balance sheet
- ✓Fair valuation
- ✓Trust worthy management
- ✓Clear growth story
- ✓Risks understood

Key Take away

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

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