



CEO Lesson #10

QUIC-RBC Stock Pitch Competition – How To Pick A Stock

January 15, 2017

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"A stock is not just a ticker symbol or an electronic blip; it is an ownership interest in an actual business, with an underlying value that does not depend on its share price."
– Benjamin Graham, author of *The Intelligent Investor*

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1

Assess the business fundamentals

"A stock is not just a ticker symbol or an electronic blip; it is an ownership interest in an actual business, with an underlying value that does not depend on its share price."
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1

Assess the business fundamentals

2

Determine a fair market value

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1

Assess the business fundamentals

2

Determine a fair market value

3

Purchase if the stock is below fair value

1

Incidental

1

Incidental

2

Formulaic

1

Incidental

2

Formulaic

You do not need to find the perfect company in order to make a good stock pitch

- 1 Create account

- 1 Create account
- 2 Type "EQS"

- 1 Create account
- 2 Type "EQS"
- 3 Add criteria

- 1 Create account
- 2 Type "EQS"
- 3 Add criteria
- 4 Save screen

- 1 Create account
- 2 Type "EQS"
- 3 Add criteria
- 4 Save screen
- 5 Filter

EQS

1 <GO> for Results, 89 <GO> to see last unsaved screen

97) Formula 98) Actions 99) Backtest Equity Screening

As Of 01/14/2018

My Recent Screens
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Popular Screens

- 21) Global Infrastructure
- 22) High CDS Spreads
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- 25) SZSE SEHK Northbo...
- 26) Value Screen
- 30) More Screens

Screening Criteria

- 31) Exchanges
- 32) Sectors
- 33) Country of Domicile
- 34) Indices
- 35) Portfolios/Monitors
- 45) More Categories

Add Criteria

3) Fields

Selected Screening Criteria	Matches	
Security Universe	947550	
51) Trading Status: Active	277580	⊗
52) Indices: S&P 500 Index	505	⊗
53) LF Return on Invested Capital >= 15	111	⊗
54) 1 Year Total Return <= 5	16	⊗
55) Add screening criteria		

1) See Results | WATC >>

300) Edit Panel 301) Expand Panel

469 APW 13:45 AP-Scorecard

468 TWT 13:45 Reuters Top News: WATCH: @MetMuseum set to charge fixed admission

BN 13:44 *S. AFRICA'S RAMAPHOSA SAYS WANTS TO SELL S. AFRICA IN DAVOS

Screen on the factors that matter.

WATCH

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← > DREAM INDUSTRIAL Equity EQS Related Functions Menu Message ★ 🏠 ⚙️ ?

<Menu> to Cancel and Discard Changes

97) Formula 98) Actions 99) Backtest **Equity Screening**

Select Indices to Include/Exclude

Search	Selections
Indices	S&P 500 Index
+Asia Pacific (Emerging)	Included
+Eastern Europe	
+EUROZONE	
+Latin America & Caribbean	
+Middle East & Africa	
-North America	
+Bermuda	
+Canada	
-United States	
-AMEX Composite Index	
-AMEX International Index	
-AMEX Major Mkt Index	
-Alerian MLP Index	
-Alerian MLP Infrastructure Index	
-American Stock Exchange Computer Technology I...	
-American Stock Exchange Institutional Index	
-American Stock Exchange Oil Index	

1) Update Cancel

1) See Results | WATC >>

300) Edit Panel 301) Expand Panel

465 NYT 13:43 Opinion: Guess Who's Coming to `Peanuts'

464 NPW 13:43 Golf Channel cameramen walk out on coverage amid Sony Open

463 APW 13:42 APNewsBreak: US Set to Cut UN Money for Palestinian Refugees

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Search	Selections
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+EUROZONE	
+Latin America & Caribbean	
+Middle East & Africa	
-North America	
+Bermuda	
+Canada	
-United States	
-AMEX Composite Index	
-AMEX International Index	
-AMEX Major Mkt Index	
-Alerian MLP Index	
-Alerian MLP Infrastructure Index	
-American Stock Exchange Computer Technology I...	
-American Stock Exchange Institutional Index	
-American Stock Exchange Oil Index	

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51) # Trading Status: Active	277580	⊗
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54) # 1 Year Total Return <= 5	16	⊗
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Note: this won't work for the TSX index because it only has 60 companies

Popular Screens

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22) High CDS Spreads	52) Trading Status: Active	505
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Add Criteria

Return on Invested Capital	Latest Filing	6) Growth	3) Info
Greater than or equal to			
15		7) Bmrk	

AND with previous criterion

Selected Screening Criteria	Matches	
Security Universe		
51) Trading Status: Active	947550	⊗
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300) Edit Panel 301) Expand Panel

494 APW 13:49 APNewsBreak: US Set to Cut UN Money for Palestinian Refugees
493 APW 13:49 9 Minutes of Madness End City's Bid to Be the 'Invincibles'
492 PTI 13:48 Woman, son shot dead by brother-in-law in Delhi

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Add Criteria
 Total Return 1 Year 3) Info
 Less than or equal to
 % 5 7) Bmrk 4) Fields
 AND with previous criterion Criteria Currency ICI

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 Security Universe
 51) Trading Status: Active
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Matches	
947550	
277580	
505	
111	0
16	0

1) See Results | WATC >>

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 504 CBC 13:49 CBC: Overnight news in Vancouver: photos from 2017
 503 NS5 13:49 Le Parisien: Football, Régional 4. Les résultats et les buteurs de
 502 NS5 13:49 Le Parisien: Football, Régional 1. Cergy-Pontoise, leader renversa

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How to screen on Bloomberg

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99 <GO> to Save Defaults, <Menu> to Return

Equity Screen Custom Universe 96) Actions 97) Settings Watchlist Analytics

Refine By <Countries, Sectors, etc.> Group By Securities Show Hi/Lo As of 01/14/2018

1) Overview 2) Returns 3) Valuation 4) Estimates 5) Actuals 6) Credit 7) Technicals 8) Custom 9) Results

1) Page 1

Name	ROIC LF ↓	Total Return:Y-1	Market Cap	Price:D-1	P/E	Total Return YTD
<Enter Filter>						
Investable Universe (16)	23.67%	-6.83	32.77B	168.75	19.52	0.95
31) AUTOZONE INC	37.42%	-0.30	21.55B	787.93	17.59	10.76
32) TJX COMPANIES INC	34.30%	4.79	49.50B	78.28	21.12	2.38
33) F5 NETWORKS INC	33.52%	-0.83	8.88B	141.81	22.37	8.07
34) ULTA BEAUTY INC	31.70%	-9.06	14.47B	237.32	30.03	6.11
35) O'REILLY AUTOMOTIVE INC	30.88%	-8.16	21.99B	258.60	22.03	7.51
36) KIMBERLY-CLARK CORP	29.71%	1.80	39.74B	112.98	18.52	-6.36
37) L BRANDS INC	24.37%	-14.00	14.02B	49.67	15.77	-17.52
38) REGENERON PHARMACEUTIC...	22.28%	0.69	39.43B	366.96	32.82	-2.39
39) FOOT LOCKER INC	19.98%	-31.16	5.75B	47.45	11.26	1.22
40) CELGENE CORP	18.68%	-9.46	83.46B	106.00	19.61	1.57
41) HORMEL FOODS CORP	16.70%	-0.32	18.30B	34.55	21.96	-4.54
42) OMNICOM GROUP	16.36%	-8.56	17.50B	75.92	15.12	4.24
43) INTERPUBLIC GROUP OF C...	16.01%	-5.20	8.45B	21.74	15.82	7.84
44) ACUITY BRANDS INC	15.71%	-25.95	6.69B	158.74	21.23	-9.81
45) CBS CORP-CLASS B NON V...	15.63%	-4.55	23.56B	58.83	14.83	-0.29
46) INTL BUSINESS MACHINES ...	15.47%	0.91	151.03B	163.14	12.26	6.34

300) Edit Panel 301) Expand Panel

513 NYT 13:52 This Is What We Learned When the Queen Opened the Vault
512 SYH 13:52 Meet the Aussie trying to fix the US electoral system
511 PTI 13:51 Shilpa Shinde wins "Bigg Boss 11"

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- We will be running a stock pitch tutorial towards the end of February
- QUIC website educational resources
 - www.quiconline.com/investment-philosophy/
 - Stock pitch examples
 - These slides

Questions?