

## APPENDIX 1

Table: A Format for Research Reports- Source: Book entitled “Equity Asset Valuation”, pp.28

Section	Purpose	Content	Comments
Table of Contents	<ul style="list-style-type: none"> <li>Shows report’s organization</li> </ul>	<ul style="list-style-type: none"> <li>Consistent with narrative in sequence and language</li> </ul>	This section is typically used in very long research reports only.
Summary and Investment Conclusion	<ul style="list-style-type: none"> <li>Communicate the large picture</li> <li>Communicate major-specific conclusions of the analysis</li> <li>Recommend an investment course of action</li> </ul>	<ul style="list-style-type: none"> <li>A capsule description of the company</li> <li>Major recent developments</li> <li>Earnings projections</li> <li>Other major conclusions</li> <li>Valuation summary</li> <li>Investment action</li> </ul>	An executive summary; It may be called “Summary.”
Business Summary	<ul style="list-style-type: none"> <li>Present the company in more detail</li> <li>Communicate a detailed understanding of the company’s economics and current situation</li> <li>Provide and explain specific forecasts</li> </ul>	<ul style="list-style-type: none"> <li>Company description to the divisional level</li> <li>Industry analysis</li> <li>Competitive analysis</li> <li>Historical performance</li> <li>Financial forecasts</li> </ul>	This section reflects the first and second steps of the valuation process. Financial forecasts should be explained adequately and reflect quality of earnings analysis.
Risks	<ul style="list-style-type: none"> <li>Alert readers to the risk factors in investing in the security</li> </ul>	<ul style="list-style-type: none"> <li>Possible negative industry developments</li> <li>Possible negative regulatory and legal developments</li> <li>Possible negative company developments</li> <li>Risks in the forecasts</li> <li>Other risks</li> </ul>	Readers should have enough information to determine how the analyst is defining and assessing the risks specific to investing in security.
Valuation	<ul style="list-style-type: none"> <li>Communicate a clear and careful valuation</li> </ul>	<ul style="list-style-type: none"> <li>Description of the model(s) used</li> <li>Recapitulation of inputs</li> <li>Statement of conclusions</li> </ul>	Readers should have enough information to critique the analysis.
Historical and Pro Forma Tables	<ul style="list-style-type: none"> <li>Organize and present data to support the analysis in the Business Summary</li> </ul>		This section is generally a separate section in more extended research reports only. Many reports fold all or some of this information into the Business Summary section