

Nick Lane: The Value Seeker Report- New Feature

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In this edition of the Value Seeker Report, we introduce our summary table and explain the table's Conviction Rating feature.

Value Seeker Summary Table

- The table, shown below, provides key details from all past Value Seeker reports in a central location. The full report for each stock can be accessed by following the link embedded in its ticker.
- Future Value Seeker reports will include an updated version of this table.

| Latest Report Date | Ticker | Last Close Price (10/13) | Intrinsic Value | Forecast Upside Remaining | Original Conviction Rating | Current Conviction Rating | Currently Held in RIA Pro Portfolio? |
|--------------------|----------------------|--------------------------|-----------------|---------------------------|----------------------------|---------------------------|--------------------------------------|
| 8/6/2020 | T | \$ 27.75 | \$ 38.09 | 37.3% | 3-Star | 3-Star | Yes |
| 8/13/2020 | XOM | \$ 34.22 | \$ 55.42 | 62.0% | 3-Star | 2-Star | No |
| 8/28/2020 | VIAC | \$ 27.45 | \$ 36.70 | 33.7% | 4-Star | 2-Star | No |
| 9/3/2020 | DOX | \$ 58.31 | \$ 76.76 | 31.6% | 3-Star | 3-Star | Yes |
| 9/11/2020 | CVS | \$ 59.12 | \$ 85.35 | 44.4% | 3-Star | 3-Star | Yes |
| 9/18/2020 | PETS | \$ 32.06 | \$ 41.14 | 28.3% | 3-Star | 3-Star | No |
| 9/24/2020 | SPB | \$ 61.98 | \$ 61.18 | -1.3% | 4-Star | 3-Star | No |
| 10/2/2020 | DKS | \$ 62.04 | \$ 68.76 | 10.8% | 4-Star | 4-Star | No |
| 10/9/2020 | WCC | \$ 45.63 | \$ 61.42 | 34.6% | 4-Star | 4-Star | No |

Conviction Rating

- Based on the degree of conviction we have in our forecasts, we assign a rating to each of our companies ranging from one to five stars. We will update conviction ratings as needed.
- The conviction rating is based on both fundamental and technical analysis as well as any specific factors affecting the industry and the broad macroeconomic environment.

- There are also other factors that affect our conviction rating. For instance, DCF valuations, and the embedded assumptions within the DCF model, can be more straightforward and easier to forecast for some companies than others. Unfortunately, the pandemic is exacerbating this factor in a variety of ways.
- It is important to note that the conviction rating **does not** reflect the likelihood of a stock reaching our forecast intrinsic value. It only aims to provide our subscribers with more context for making investment decisions based on our reports.

For the Value Seeker Report, we utilize RIA Advisors' Discounted Cash Flow (DCF) valuation model to evaluate the investment merits of selected stocks. Our model is based on our forecasts of free cash flow over the next ten years.