Evaluation Criteria

Best Sector Research Report Award

Each Sector Research Report will be evaluated on the following criteria:

1. **Introduction and sector / industry overview,** an insightful description of the business model and value chain, overview of sector / industry dynamics, an assessment of market size, how the sector compares regionally and locally along with applicable key performance metrics, current trends and future direction.
2. **Competitive Landscape,** analysis of key sector / industry players, both established players and new entrants, market shares, their relative strengths, market positioning, key trends and the sustainability of the business model.
3. **Sector / Industry Attractiveness**, competitive positioning of the sector cf. other related sectors, an assessment of financial performance, valuation measures, key considerations when differentiating the top picks for the sector, an event driven analysis, as well as a justification of the current mispricing of the sector and an explanation of what could prompt a re-pricing in the market.
4. **Investment Thesis**, market outlook, recommendations, and top picks for the sector. The reasoning for the recommendations should be clearly supported by valuation(s), backed by a thorough analysis of market conditions and key factors influencing performance.
5. **Challenges and Risks**, how developments on a global and local scale or within the sector / industry can pose a risk to the investment recommendation; mitigatory factors and measures taken.
6. **Other attributes** such as:
    a. Timeliness of the report
    b. Directional accuracy and post-publication price performance

Best Company Research Report Award

Each Company Research Report will be evaluated on the following criteria:

1. **Company Overview and Strategy,** a detailed description of the company's business model, key strategies, future plans, an analysis of the primary drivers of growth, overview of governance practices, information of ownership and management structure and an assessment of the stock's liquidity.
2. **Investment Thesis**, identification of key drivers/catalysts that impact the investment thesis, rationale for the investment recommendation (justification of the opportunities within the industry, argument for the chosen company i.e. why the stock is mispriced, what could prompt a re-pricing and an explanation of why the recommendation is timely).
3. **Industry Overview and Competitive Positioning**, an assessment of the overall attractiveness of the industry and its projected growth, analysis of market share distribution among competitors and how it is projected to evolve, evaluation of the company's competitive positioning, what differentiates the company from peers, and relevant key performance metrics.
4. **Financial Analysis**, a deep dive of the financial statements (both historical data and forecasts), an assessment of financial health and free cash flow generation, relevant considerations such as foreign exchange risk, capital structure, liquidity, and other factors that may impact the company's financial performance.
5. **Valuation**, appropriateness of the valuation methods used, reasonableness of assumptions, sensitivity analysis and the alignment of the valuation with the overall investment recommendation, investment thesis and financial analysis.

   c. Clarity of thought, logical flow and structure, and presentation of information in an innovative and user-friendly manner
   d. Readability, attention to detail, and, arithmetical and grammatical accuracy
   e. Transparency in disclosures (e.g. use of sources)
7. **Best Practice –** Applicants are also advised to follow the best practices contained in *Equity Research Report Essentials* of the CFA Institute, as applicable.

6. **Challenges and Risks**, risks specific to the industry that could affect the company's performance, risks inherent to the company, risks faced by the investors such as liquidity risks, market and regulatory changes, potential mitigation strategies, the company's agility in responding to challenges and risks.
7. **Sustainability Considerations**, measures taken towards sustainability, climate change mitigation, energy efficiency etc. Focus on social issues such as community relations, human rights, diversity, and employee engagement, governance practices, including board structure, executive compensation, and ethical business practices.
8. **Other attributes** such as:
   a. Timeliness of the report
   b. Directional accuracy and post-publication price performance
   c. Clarity of thought, logical flow and structure, and presentation of information in an innovative and user-friendly manner
   d. Readability, attention to detail, and, arithmetical and grammatical accuracy
   e. Transparency in disclosures (e.g. use of sources)
9. **Best Practice –** Applicants are also advised to follow the best practices contained in *Equity Research Report Essentials* of the CFA Institute, as applicable.