



STOCK SELECTION TOOL

Dear Investor,

I use this stock selection tool to locate great stock buying opportunities. In the interests of bringing the power of investing to new audiences, I have customized this tool, so it can be used by investors of all experience levels, including beginners. All you have to do is follow the instructions.

Begin with the question at the top of page 3. Some of you may want to invest in a certain sector. Others may simply want to locate great stocks. Follow the step-by-step instructions on your selected path.

When you complete the steps on page 3, you will have a list of prospective stocks for further research; at which point you will go to page 4. Following the steps on pages 4 and 5, you are going to take a long hard look at the stocks on your list. The chart will walk you through several important due diligence components.

You never know when a good buying opportunity may present itself. This tool will help guide you through the rigors of intelligent stock selection.

Happy Investing,

Bryan Bonwick

OR

I would like to invest in a particular sector of the economy.

I don't care about investing in a particular economic sector I just want to make money.

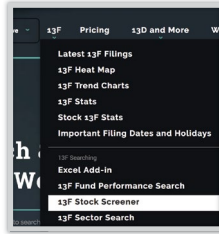


Overweighting your portfolio in one economic sector exposes you to greater risk and volatility.



You will have more success if you are interested in and devote time to following and learning about the companies and industries in which you invest.

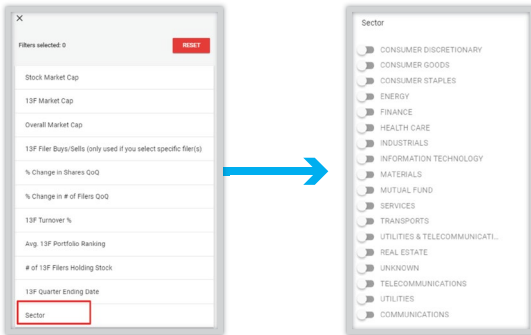
Use the free 13-F screener at whalewisdom.com



You can also use the Sector Search feature, but brace for a slightly more complicated process.

Search Google for "Barron's Top 100 Hedge Funds" Then find the most recent listing.

Filter by sector, and make your selection.



Under the "Strategy" column, look for hedge funds that pursue Long-Only or Long/Short strategies.

BARRON'S TABLE WIDE
Barron's Top 100 Hedge Funds
April 24, 2018

Related: Smaller Hedge Funds Hit the Mark

RANK	Fund	Assets (mil)	3 Year-Compound 2017 Ann. Return	Firm Name / Location	Assets (mil)			
1	N.M. MIMCAP	\$552	Event Driven	38.23%	62.76%	MIMCAP Asset Management / Toronto	\$552	
2	7 Knight Vinke Institutional Partners International	1,000	1	Equity Long-Only Activist	37.24	46	Knight Vinke Asset Management / Montreal	N/A
3	1 EOCMC Development Capital--Class A	763	European Small- / Mid-Cap Activist	28.51	23.19	Nantra Asset Management / Madrid	4,969	
4	N.R. Pelham Long/Short Small Cap Ltd Class A USD	750	Small-Cap Equity Long / Short	26.88	39.45	Pelham Capital / London	6,000	

Use the search bar at whalewisdom.com to identify and study the recent behavior of at least five of the hedge funds you selected from the Barron's list.

Pay particular attention to the hedge funds' most recent TOP BUYS. Ignore those listings however that have (CALL) or (PUT) next to the stock's call letters.

Click on the company name next to the call letters to learn more about the stock.

Top Buys		Top Sells		13F Holdings Summary	
Name	% Change	Name	% Change	Stock	% Port
TCX (CALL) Tucows Inc.		CRAI (PUT) Charles River Assoc...	2.884%	RST Rosetta Stone, Inc.	16.5506%
FC Franklin Covey, Inc.	3.258%	CRAI (CALL) Charles River Assoc...	1.512%	TCX Tucows Inc.	12.2813%
HNNA Hennessy Advisors Inc.	1.759%	TAX JTH Holding Inc.	0.221%	FC (CALL) Franklin Covey, Inc.	10.9425%
CRAI Charles River Assoc...	1.207%	TZOO (CALL) Travelzoo Inc.	0.206%	FC Franklin Covey, Inc.	1C.2783%
LOV Spark Networks, Inc.	1.194%			LFGR Leat Group Ltd.	100.663%

See All Holdings

Name	Ticker	Sector	Industry	# Held By	Overall Market Cap	13F Market Cap	QoQ % Change in 13F Market Cap	13F Turnover	Avg 13F Ranking	% Change in Filers
BECOM TECHNOLOGY LTD	BCOM	ENERGY	ENERGY EQUIPMENT & SERVICES	8	15,430,800	979,900	1318.84%	400.0%	2953	300.00%
HEATE OIL UN	NTDY	ENERGY	ENERGY EQUIPMENT & SERVICES	2	4,278,000	665,30%	100.00%	100.0%	383	100.00%
TOP SHIPS INC	TOPS	ENERGY	OIL & GAS PRODUCERS	7	225,658,000	236,000	314.04%	100.0%	4360	
JERICO OIL CORP	JROOF	ENERGY	OIL & GAS PRODUCERS	1	21,000	230.00%	210.00%		171	
ZION OIL & GAS INC	ZN	ENERGY	OIL & GAS PRODUCERS	54	234,612,000	25,432,000	243.79%	46.00%	2902	8.00%
FARMSTEEL INC	FMTF	ENERGY	OIL & GAS PRODUCERS	19	28,379,000	5,680,000	226.99%	22.2%	2968	5.56%
LEGACY RESOURCES LP	LCCY	ENERGY	OIL & GAS PRODUCERS	43	236,412,000	47,594,000	174.52%	42.2%	2354	(1.44%)
CHINA SINOPEC ENERGY CO LTD UNSPONSORED ADR	CSNY	ENERGY	OIL & GAS PRODUCERS	7	6,392,090,000	10,090,000	142.02%	64.6%	876	16.6%
BEZCO PIPELINE FUND	BPPLF	ENERGY	ENERGY EQUIPMENT & SERVICES	4	7,120,000	143,94%	143.94%	33.33%	789	33.33%
SON GEOPHYSICAL CORP	IO	ENERGY	ENERGY EQUIPMENT & SERVICES	74	306,425,000	198,925,569	128.42%	64.00%	2010	48.00%
SMERSON SHS ETF TRUST ENERGY BEAR 3X ETF	ERY	ENERGY	ENERGY	14	55,481,000	124.01%	124.01%	41.67%	2499	16.67%
HIGHPOINT RESOURCES CORPORATION	HPR	ENERGY	OIL & GAS PRODUCERS	148	563,939,609	1,044,876,204	108.63%	38.27%	1483	(8.64%)
GULF COAST UNIT	GUU	ENERGY	OIL & GAS PRODUCERS	2	611,000	165.7%	165.7%	50.00%	87	(80.00%)
ELC RESOURCES	FECOF	ENERGY	ENERGY PRODUCERS	1	2,000	100.00%	100.00%		89	
ENVISION SOLAR INTERNATIONAL INC	EVSV	ENERGY	ENERGY EQUIPMENT & SERVICES	2	42,116,808	37,000	94.74%	33.33%	501	(33.33%)
COMPAGNIE GENERALE DE GEOPHYSIQUE-VERITAS S A ADR	CGS	ENERGY	ENERGY EQUIPMENT & SERVICES	11	264,308,009	377,960	93.75%	65.64%	4198	
WOLLS ENERGY SERVICES	WSP	ENERGY	OIL & GAS PRODUCERS	181	2,777,099,000	1,916,455,421	82.23%	19.47%	1203	(10.62%)
HEARST GROUP INC	HRAO	ENERGY	ENERGY EQUIPMENT & SERVICES	132	1,674,099,130	1,333,062,314	81.96%	48.78%	1240	7.32%

Select 5 to 10 stocks that appear to be promising. See if you can think of a few reasons why the hedge fund may have invested in these stocks. Add your selected stocks to a list.

Sort your results by QoQ% Change in 13F Market Cap— we want to know what companies are showing up in greater quantity in more professional investor portfolios. You now have a list of selected stocks for further research.



Time is money and you can only research so many stocks. Be sure to focus on stocks that conform to your asset allocation targets. (see the *Investing QuickStart Guide*)



OR

I'm a **beginner-level investor** and/or would prefer to stay clear of micro-cap stocks.

I'm an **experienced investor** who is comfortable investing in micro-cap stocks.



Time is money and you can only research so many stocks. Be sure to focus on stocks that conform to your asset allocation targets. (see the *Investing QuickStart Guide*).

Perform a value based analysis on 5 to 10 stocks from your list, but omit those with overall Market Caps of \$300 million or less.



Time is money and you can only research so many stocks. Be sure to focus on stocks that conform to your asset allocation targets. (see the *Investing QuickStart Guide*).

Perform a value based analysis on 5 to 10 stocks from your list.

Ask the following 4 questions and find the answers

QUESTION #1

Is this company making enough money to justify its current price?

Compare the stock's P/E ratio with the P/E ratio of its direct competitors and with that of other key industry players, large and small.
Is this company priced competitively relative to its industry peers?

Look at the stock's total market cap and remember that by buying into the company at the current per-share price, **you are acknowledging that the company as a whole is fairly valued.** Is it?

Study the stock's PEG ratio. (calculate the expected annual earnings growth rate % for the company by dividing its P/E ratio by its PEG ratio). **Is this a realistic assessment of this company's prospects for earnings growth over the next five years?**

NO

UNSURE

YES

DO NOT BUY THIS STOCK

**DO NOT BUY THIS STOCK
OR
CONDUCT A MORE EXPANSIVE "FUNDAMENTAL ANALYSIS" BEFORE PROCEEDING.**
(see Investing QuickStart Guide)

PROCEED TO QUESTION #2

QUESTION #2

Does this company have a sufficient economic moat to defend itself from competitors?

Does the company possess **unique, non-replicable advantages that limit the ability of competitors to encroach on its market share?** (Such as valuable intellectual property and/or patented technologies).

Will new competitors face significant challenges such as higher production costs and/or higher customer switching costs?

NO

UNSURE

YES

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PROCEED TO QUESTION #3 ON PAGE 4

QUESTION #3

Can this company effectively service its debts ?

Is the company's debt ratio (total debt/total assets) appropriate for its industry?

Does the business have sufficient operating cash flow to effectively maintain operations while servicing short-term debts?

NO

UNSURE

YES

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PROCEED TO QUESTION #4

QUESTION #4

Are there any macro-economic or political forces that are likely to affect the performance of your investments? (Political instability, war, trade tensions, inflation, recession).

YES

NO

ASSESS THE ADDED LEVEL OF RISK OR REWARD PRESENTED BY THE MACRO-ECONOMIC OR POLITICAL FACTORS BEFORE PROCEEDING.
(see Investing QuickStart Guide)

BUY THIS STOCK!



When choosing how many shares you wish to purchase defer to your asset allocation strategy. *(see Investing QuickStart Guide)*

"Even Ben Graham had a lot to learn as an investor." – CHARLIE MUNGER



Successful investors never stop learning.

Many of the principles and ideas featured in this Stock Selection Tool require practice and study. If you would like for me to show you how I use these principles—along with other powerful strategies and ideas—then check out the *Investing QuickStart Course* on the ClydeBank Media Online Campus. I have a lot to show you, and I can't wait to get started!

CLICK HERE TO LEARN MORE

<http://clydebankmedia.com/investing-quickstart-course>