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| To | Pan European Large Cap Team | From | Greg Richmond/Debbie Clarke |
| Copies to | Ian Peart  Andrew Pringle  Mearns Nimmo  Claire Gibbs  Rowan Chaplin  Rob Pemberton  Richard Lowman  Nicholas Malins-Smith  Howard Carter  Tim Moorhouse | Date | 23 July 1999 |
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**Research One Pagers**

Having now seen a great number of one pagers, we thought it would be useful to give further feedback on areas where there remains potential for improvement. We have also set out a timetable for future notes.

Our feeling is that the overall standard has again risen, but that there remains considerable variation in the quality of the notes. The comments below therefore do not relate to every sector specialist or every one pager, but rather to the commonest areas where we see room for improvement.

1. Too much detail – not enough integration/interpretation

There is still too much emphasis on stating facts that do not appear to be related to the arguments being made in that section of the note. A common one is ‘Company X is number 3 in a certain market’. This may well be an important fact but needs to be integrated into the point being made.

The one pager is not designed to be a detailed note. Where the analyst feels that a more detailed note would be helpful (e.g. for a company they are covering for the first time), this should be done separately.

1. Greater clarity as to where the analyst is expressing their view

It is often not clear where the analyst is expressing a non-consensus view. This is particularly relevant in the analyst’s overall assessment box. Of course there will be many stocks where the analyst does not have a view that is significantly different from consensus – but where they do have a view it should be made clear that it is their view.

3. The role of valuation

There has been some confusion about where valuation fits into the analysis and rating. A stock’s valuation is a key measure of the market’s long term expectations for the company. It is therefore likely to play a role in the analyst’s assessment of the balance of risk to long term expectations.

1. Balance of risks

There are generally a variety of potential risks to both short and long term market expectations. It is the balance of these risks that is key. It should be clear from reading the overall assessment whether the analyst believes the balance of these risks is broadly neutral, or on the upside or downside. Where it is on the upside or downside it should be clear what has driven this view.

1. Stock views – not portfolio views

The view should not include suggestions as to the weight in portfolios. This is the role of the portfolio teams.

1. Assessments compared to research universe, not the sector

The overall assessment is relative to the research universe, not the sector or another stock within the sector.

7. Avoid obscure acronyms or language that is too colloquial.

These notes are used by a wide audience, which includes actual and potential clients. Therefore be careful to avoid language that is either too colourful or which includes relatively obscure TLAs (Three Lettered Acronyms).

8. Financial years

There has been some confusion about which financial year FY(1) is. It is the current financial year for the company in question.

9. Comments in the appropriate section of the note

Try to include the points made in the appropriate part of the note. See the enclosed as a guide of what falls into each of the growth, business momentum and consistency sections of the note.

Timetable for future notes

In addition to the natural flow of notes that will arise from changes in company prospects, notes should be completed to hit the following deadlines:

* End September 1999. Some existing notes will need to be redone to address issues raised above. This will help ensure that the portfolio teams clearly understand what is driving your view and rating on each stock. It is also necessary as the research database will be accessed by others within FIS and by current and potential clients.
* End November 1999. The coverage needs to include all stocks that we own on the funds e.g. stocks on ethical funds, non-model stocks held. It also needs to cover all stocks that are above 0.5% of the UK or Continental European index.

Getting feedback before issuing the note

It is generally helpful to get a colleague to read through the note before it is issued – this should help ensure that you are getting across the message that you want. In particular all notes should be run past Debbie or Ian, where one of them is available, before issuing.