Concentrated Stock Position: Decision Worksheet

Stock Ticker: ________________ Date: ________________

Section 1: Assess Your Position Size

Quantify your current exposure.

A. Position vs. Investable Assets

Total value of stocks, bonds, funds, and cash you can access.

($______) Stock Ownership / **($______)** Total Investable Assets = **______%**

B. Position vs. Net Worth

Your total assets (including house, retirement) minus your total liabilities (mortgage, debts).

($______) Stock Ownership / **($______)** Total Net Worth = **______%**

C. Position Trend

Is this position expected to grow, shrink, or stay the same?

- ☐ Increasing (e.g., new grants, ESPP, vesting)
- ☐ Decreasing (e.g., sales, grant expirations)
- ☐ Stable

D. Rate of Change (if applicable)

If increasing, by approximately how much per year?

$______ or **______%** per year

Section 2: Define Your Conviction

Assess your personal belief in this single stock's future.

A. Conviction Score (0-100)

On a scale of 0 (No Confidence) to 100 (Absolute Confidence), how much do you believe in this stock?

Score: ______ / 100

B. Justification for Score

Why did you give it this score? (e.g., Corporate strategy, industry outlook, valuation, technical analysis, leadership, personal feeling)

1. ____
2. ____
3. ____

Section 3: Plan Your Capital Allocation

Outline the plan and consequences of selling or trimming.

A. Use of Proceeds

If you sell/trim, what is the specific plan for the proceeds?

B. Productivity & Goals

Will this be a productive use of capital? How does it help you achieve a specific financial or life goal?

C. Diversification Impact

If you are re-investing these proceeds, are you diversifying or improving the composition of your portfolio?

D. Tax Implications

What is the estimated tax impact of selling? (Note type of shares, cost basis, holding period, and estimated capital gains tax.)

- ☐ Subject to short term capital gains
- ☐ Sales would generate ordinary income
- ☐ Consideration of estate planning and step up in basis

Section 4: Trading & Execution Plan

Define the specific "how-to" of your sale to turn your plan into action.

A. Sale Strategy

☐ One-Time Sale (Selling a single lump sum to reach your new target allocation)

☐ Ongoing/Systematic Plan (Phased selling over time, e.g., a 10b5-1 plan)

B. Trade Plan Details

Select the type of systematic plan you will follow:

☐ Fixed Reduction Plan: (Goal is to sell a set amount over time)

- Amount/Shares per Trim: **$**_______ or _______ shares
- Frequency of Trims: ☐ Monthly ☐ Quarterly ☐ Annual ☐ Other: ________
- Duration of Plan: _______ (e.g., "12 months" or "until target is met")

☐ Dynamic Rebalancing Plan: (Goal is to maintain a target percentage)

- Rebalancing Target: Keep position at or below ______% of total portfolio.
- Frequency of Review: ☐ Quarterly ☐ Annually ☐ Other: ________
- Action: *e.g., "At each review, sell any shares that bring the position over the target %."*

C. Post-Sale Portfolio Target

After this plan is executed, what will the new, reduced position exposure be?

New Target Stock % (Est.): ______%

D. Execution & Reallocation Method

How will the trades be placed? (e.g., Market orders, limit orders, via financial advisor, set up 10b5-1 plan)

____

How will the cash proceeds be reallocated? (e.g., "Cash automatically moved to savings," "Advisor will reinvest proceeds")

____