

CFA INSTITUTE RESEARCH CHALLENGE

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Vice President, CFA Society Hartford
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2015 GLOBAL CHAMPIONS

Caisius College
Representing CFA Society Buffalo and CFA Society Rochester



WHAT IS THE CFA INSTITUTE RESEARCH CHALLENGE?

- How is it organized?
 - Worldwide intercollegiate competition between teams of students
 - Organized by local CFA Institute volunteers – usually through CFA member societies
 - At least 4 teams of 3-5 students participate
- What does it involve?
 - Analysis of a publicly-traded company
 - Interviews with company management
 - Mentoring by a CFA charterholder
 - Research report writing
 - Presentation of research



2015 RESEARCH CHALLENGE NETWORK

4,000+ Students

2,500+ Volunteers

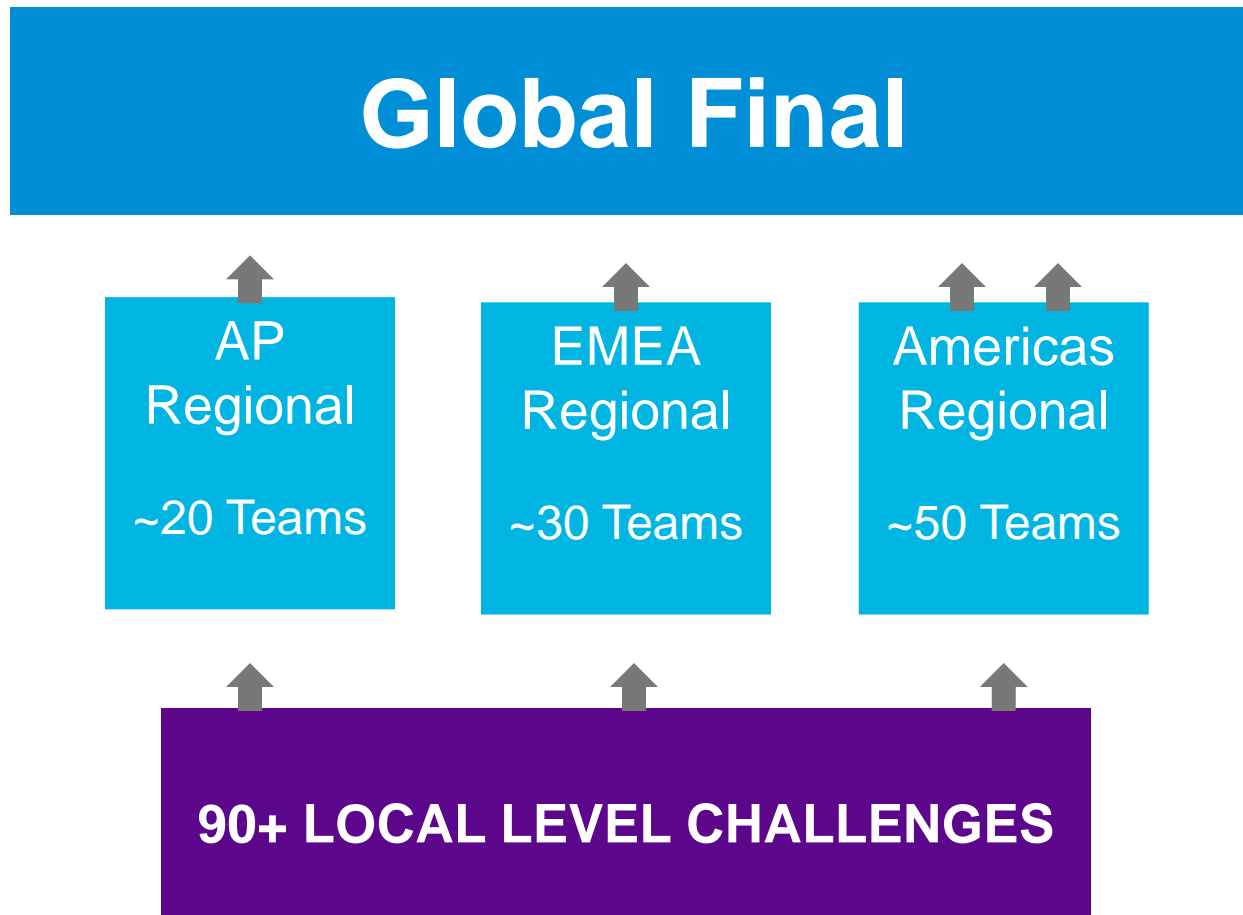
865+ Universities

137 Local Hosts

99 Local Competitions

70 Countries

2016 TOURNAMENT DIAGRAM



BENEFITS FOR STUDENTS

- Best practices in research and report writing
- Real-life learning experience as an Equity Analyst
- Access and exposure to leading industry professionals
- Professional report and experience to use on resume/CV and job interviews
- Experience presenting to top financial professionals
- Individual and team prizes
- Opportunity for travel
- Potential for media exposure
- Network of over 20,000 students and thousands of volunteers worldwide



GLOBAL NETWORK OF THE WORLD'S TOP BUSINESS AND FINANCE STUDENTS



PARTICIPATING TEAMS

University	Faculty Advisor
Providence College – Team 1	Liu Wang
Providence College – Team 2	Liu Wang
University of New Haven – Team 1	Frank Chen
University of New Haven – Team 2	Charlie Boynton
University of CT, Storrs – Team 1	Laurel Grisamer
University of CT, Storrs – Team 2	Michael Oancea
Trinity College	Christopher Hoag
University of Hartford	James Peta
Central CT State University	Fan He
University of CT, Stamford	Yaacov Kopeliovich

Industry Mentors



Gail Bruhn, CFA

Jojo Cuevo, CFA

Ric Filippelli, CFA

Rodger Metzer, CFA

Dale Sheldon, CFA

Kevin Starke, CFA

Rosa Welton, CFA

Leslie Laub White, CFA



COMPETITION TIMELINE

<u>Date and Time</u>	<u>Event</u>	<u>Location/Medium</u>
13 November 2015	Students must register for competition	Online – CFA Institute Website
2 December 2015 <i>(time to be determined)</i>	Investor Presentation by Target Company	Telephone conference call or meeting at location to be determined
21 January 2016 12 Noon	Questions submitted to Target Company for responses	E-mail correspondence to CFA Society Hartford: jfuller@hhconsultants.com
29 January 2016	Response to questions from target company	E-mail correspondence to students
10 February 2016	Written papers due by 11:59 p.m.	E-mail correspondence to CFA Society Hartford: jfuller@hhconsultants.com
7 March 2016	Final Verbal Presentation to Panel of Judges Awards Ceremony	Hartford location to be determined
8 March 2016	CFA Institute deadline to receive names of winning local team	CFA Society Hartford sends notification
11 - 13 April 2016	Chicago, Illinois Americas Regional and Global Competition	Chicago, Illinois

RULES OVERVIEW

- Each team consists of 3-5 students (undergraduate or graduate)
- Universities may form up to two teams each, depending on Local Host rules
- Students must be enrolled in the university they represent and registered for at least a part-time course load at the time of the kickoff meeting
- Reports and presentations must be the students' original work
- Students may not have contact with the subject company outside of organized events
- Students may not enlist the help of any professionals other than the mentor or faculty advisor
- Mentors and faculty may NOT contact the company
- Mentors, faculty, and subject company may NOT provide material non-public information
- Written reports must conform to the guidelines set forth by CFA Institute and include the cover and back pages provided by CFA Institute
- Teams may not use props in their oral presentations
- Students, mentors, and faculty must all agree to abide by the CFA Institute Code of Ethics and Standards of Professional Conduct

ADVISOR AND MENTOR INVOLVEMENT

Faculty Advisor

- Insight and guidance on research methods and tools as taught in academia
- 10 hours *maximum* of productive time
- Access to faculty for other projects unrelated to the Research Challenge is permitted
- All work must be the original work of the students

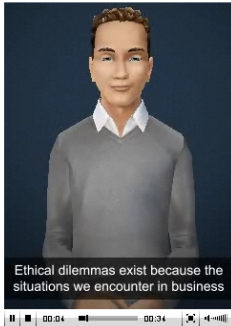
Industry Mentor

- Insight and guidance on industry practice
- 6 hours *maximum* of productive time
- Face to face or virtual
- Company management question development
- Review first draft of research report
- Presentation development assistance

ETHICS RESOURCES

- Ethical Standards for Investment Professionals: An Interactive Case-Based Course
- Ethics Course Module 2: Standard II—Integrity of Capital Markets
- Ethics Course Module 3: Standard III—Duties to Clients
- Ethics Course Module 6: Standard VI—Conflicts of Interest
- Ethics Course Module 7: Standard VII—Responsibilities as a CFA Institute Member or CFA Candidate

Course Objectives



The ethical principles presented in this course

- provide a frame of reference for ethical behavior for all investment professionals.
- heighten your awareness of how you recognize and respond to ethical dilemmas.
- empower you to respond to ethical dilemmas in an appropriate manner.

You will have the opportunity to

- apply the CFA Institute Code of Ethics (Code) and Standards of Professional Conduct (Standards) to real ethical dilemmas in the investment profession.
- determine if an ethical dilemma exists and the best course of action to take.

PROGRESS

BACK NEXT

SAMPLE REPORT

Stockholm School of Economics Student Research

This report is published for educational purposes only by students competing in the CFA Institute Research Challenge.

Automotive safety product supplier

AUTOLIV

2011-12-22

Ticker: ALV-NYS

Price: 51,45 USD

Recommendation: BUY

Price Target: 62 USD

Market Profile		Key Financials	2009	2010	2011E	2012E	2013E	2014E	2015E
Ticker	ALV	Sales (mUSD)	5 121	7 171	7 839	8 563	9 321	10 080	10 887
Stock exchange	NYSE	EBIT margin	1.3%	12.1%	11.2%	10.8%	10.2%	10.1%	10.1%
Depository receipts	SSE	DPS (USD)	0.00	1.01	1.74	1.84	1.89	2.05	2.21
Current price	\$51.45	EPS (USD)	0.12	6.39	6.96	7.72	7.93	8.58	9.27
52w trading range high	\$44.38	Highlights We initiate coverage of Autoliv with a BUY recommendation and a target price of 62 USD, implying a potential upside of 20.5% from current price levels and a P/E multiple of 8.0 (2012E). The price is reflecting							
52w trading range low	\$83.86								
Market cap (mUSD)	4 597								

REPORT SCORING

Section	Maximum Points	Comments
Business Description	5	Lack of sufficient information to support recommendation.
Industry Overview & Competitive Positioning	15	Not a comprehensive understanding of the company's positioning and/or competitors. No understanding of company's economic advantage, Overstated company's advantage - not grounded in facts.
Investment Summary	20	Not logical. No or insufficient summary of salient points. Strategy is not grounded in financials.
Valuation	20	Method is flawed. Not substantiated with industry information.
Financial Analysis	20	Flawed assumptions. Too many errors in financial analysis. Financial analysis does not support conclusion.
Investment Risks	15	Missed too many important risk items. Risk and conclusion are not logical.
Other Headings	5	Missed important information available.
Total	100	

PRESENTATION SCORING

CFA Institute Research Challenge Presentation Scoring Sheet			
Team: _____ Judge: _____			
Criteria	Maximum Points	Points	Notes
Argument <i>Did they use data effectively to support their recommendation?</i>	25		
Questions <i>Were they able to answer questions effectively?</i>	25		
Financial, Valuation, and Other Analysis <i>Were the financial analysis, valuation models, and sensitivity analysis rigorous and appropriate?</i>	20		
Team Involvement <i>Team involvement in the presentation/Questions and Answers</i>	15		
Poise <i>Were they confident? Were they convincing?</i>	10		
Materials <i>Quality of slides</i>	5		
Total	100		

INTERACTING WITH BARNES GROUP, INC.

- Designated officers ONLY
- Organized communications ONLY
- Industry mentor or faculty advisor must be present for all student-subject company interactions
- Students may contact and survey company suppliers, customers, vendors, etc.



WHERE TO BEGIN

- Visit the CFA Institute Research Challenge website:
www.cfainstitute.org/researchchallenge
- Register for the competition
 - Peruse educational materials selected specifically for participants
 - Watch videos of past presentations
 - View past reports from winning teams
- Students **MUST** register on the CFA Institute website using the registration form provided by the local host.



QUESTIONS?

