

CFA INSTITUTE RESEARCH CHALLENGE

Ric Filippelli, CFA
Vice President, CFA Society Hartford
October 25, 2016



2016 GLOBAL CHAMPIONS

**University of Waterloo
Representing CFA Society Toronto and CFA Society Ottawa**



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



2016 PARTICIPATION

4,250+ Students

3,500+ Industry Volunteers

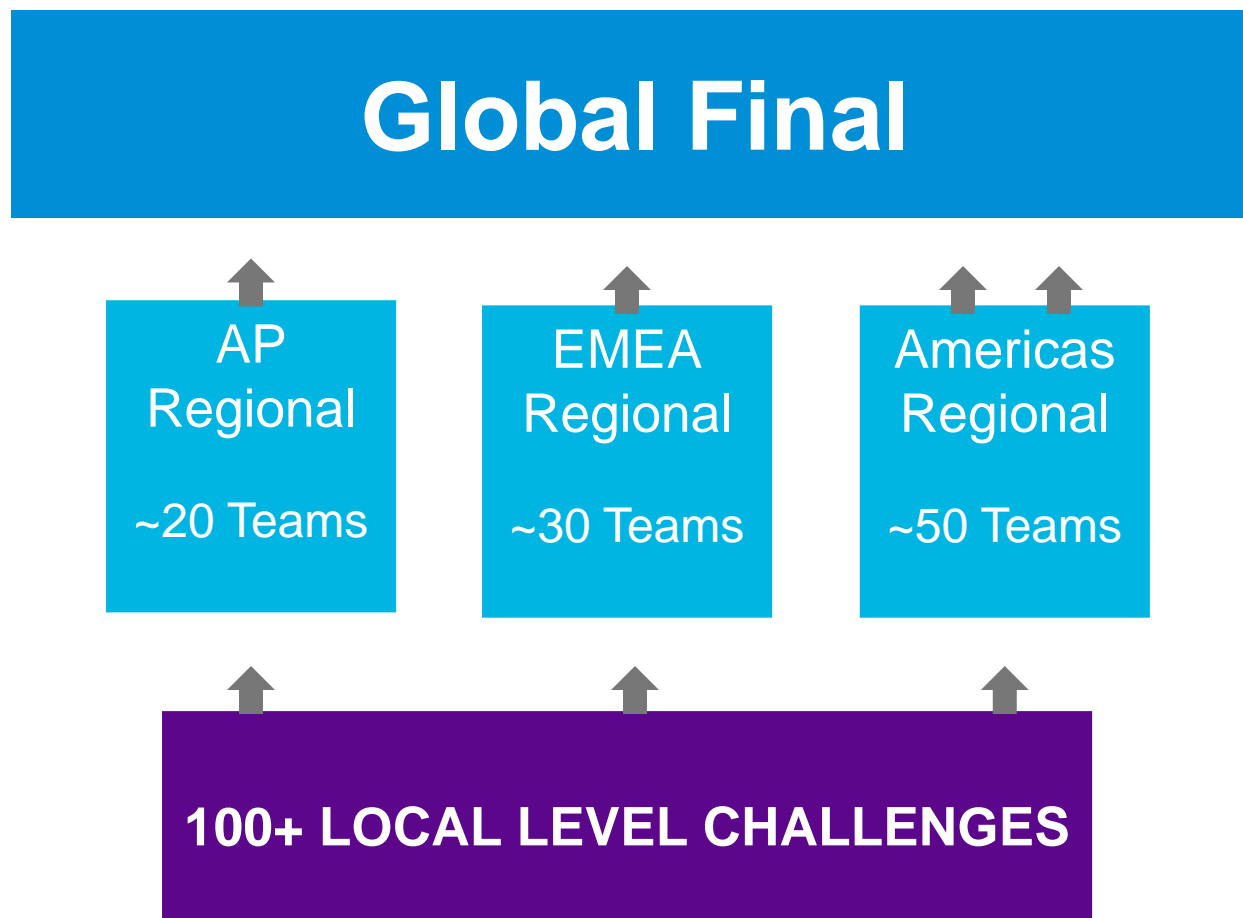
925+ Universities

133 CFA Member Societies

103 Local Level Challenges

75 Countries

2017 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



Updated 10/28/16

PARTICIPATING TEAMS

University	Faculty Advisor	Mentor
Bryant University	Asli Ascioглу	Paul Marchetti, CFA
University of Connecticut -1	Paul Gilson	Rodger Metzger, CFA
University of Connecticut - 2	Christopher Wilkos	Leslie L. White, CFA
Providence College -1	Marcin Krolikowski	Diane J. Basile, CFA
Providence College -2	Ed Szado	Matthew S. Blank, CFA
Trinity	Christopher Hoag	Jamie Rice, CFA
University of New Haven -1	Charlie Boynton	JoJo Cuevo, CFA
University of New Haven - 2	Frank Chen	Quinten Smallwood, CFA
Southern Connecticut State University	David Tyson	Gail Bruhn, CFA

Timeline of Events

<u>Date and Time</u>	<u>Location</u>	<u>Event</u>
Fri. November 4, 2016	Online – CFA Institute Website	Online Registration deadline for students, industry mentors, and faculty advisers
Tues. December 6, 2016 5:30 p.m. (max 90 min.)	Telephone conference call	Investor Presentation by People’s United Financial, Inc. (Target Company)
Thurs. January 19, 2017 12:00 noon	Email correspondence to CFA Society Hartford: education@hartfordcfa.org	Team questions submitted to Target Company for responses via CFA Society Hartford
Fri. January 27, 2017	Response to questions from Target Company	Target Company responds to questions via email to CFA Society Hartford
Fri. February 10, 2017	Papers must be e-mailed to: education@hartfordcfa.org	Written papers due by 11:59 p.m.
Wed. March 8, 2017 5:00 to 8:30 p.m.	UCONN Graduate Center Observation Deck, downtown Hartford	Finalists - Verbal Presentation to Panel of Judges; Awards Ceremony
April 6 - 7, 2017	Seattle, Washington	Americas Regional Competition Winning team from Hartford Competition participates
April 28, 2017	Prague, Czech Republic	Global Competition in Prague

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



Ethical dilemmas exist because the situations we encounter in business

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

Automotive safety product supplier

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

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	
Industry Overview & Competitive Positioning	15	
Investment Summary	20	
Valuation	20	
Financial Analysis	20	
Investment Risks	15	
Corporate Governance	5	
Total	100	

PRESENTATION SCORING

Criteria	Maximum Points	Points	Notes
Financial Analysis How thorough was their analysis of the industry, company, and competitors?	25		
Valuation Were the valuation methodologies appropriate and detailed?	25		
Presentation How effective/convincing was their presentation? Was it logical and did the facts support the recommendation?	20		
Question & Answer Were they able to answer the questions effectively and with confidence?	20		
Team Involvement Team involvement in the presentation/questions and answers	5		
Materials Quality of slides	5		
Total	100		

INTERACTING WITH PEOPLE'S UNITED FINANCIAL, INC.

- Designated officers ONLY
- Organized communications ONLY
- Industry mentor or faculty advisor must be present for all student-subject company interactions (two opportunities only – Investor Call and email up to two questions in January as noted in timeline)
- Students may contact and survey company suppliers, customers, vendors, etc. and identify themselves as a student



WHERE TO BEGIN

- Visit the CFA Institute Research Challenge website:
www.cfainstitute.org/researchchallenge
- **Advisers, students, and mentors must register on CFA Institute Website for the competition by Friday Nov. 4th**
 - Peruse educational materials selected specifically for participants
 - Watch videos of past presentations
 - View past reports from winning teams



QUESTIONS?

