CFA Society Italy is Pleased to Bring You the CFA Institute Research Challenge
CFA Institute Research Challenge

- Worldwide intercollegiate competition between teams of students
- Unique educational opportunity to apply what you have learned in the classroom to real-world practice in equity research
- Organized by local CFA Society volunteers
- Winners from the local competitions advance to one of the three regional competitions, culminating in a global final
How it Works

1. Local CFA Society volunteers work in conjunction with participating local universities to assemble teams of 3–5 business and finance students

2. Each team works directly with a mentor to research and prepare an equity research report on a publicly traded company

3. Team findings are locally evaluated by high-profile panels of heads of research, portfolio managers, and chief investment officers from some of the world’s top firms

4. Local champions advance to regional competitions in the Americas, Asia Pacific, and EMEA, and then to the global final
Benefits

- Real-life learning experience as an Equity Analyst
- Get in-depth training in company analysis and presentation skills
- Develop your resume/CV
- Get hands-on mentoring
- Network with professionals and peers to make inroads within the industry
- CFA Program discount
<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>6,400+</td>
</tr>
<tr>
<td>Universities</td>
<td>1,000+</td>
</tr>
<tr>
<td>Local Challenges</td>
<td>119</td>
</tr>
<tr>
<td>Countries</td>
<td>90</td>
</tr>
<tr>
<td>Volunteers</td>
<td>3,000+</td>
</tr>
<tr>
<td>CFA Societies</td>
<td>150+</td>
</tr>
</tbody>
</table>

2022 Research Challenge Recap
2022 Research Challenge Results

5 Regional Champions

Northern Illinois University, United States
University of British Columbia, Canada
University of Sidney, Australia
IE Business School, Spain
Polytechnic University of Milan, Italy

2022 Global Champions

Northern Illinois University
Representing CFA Society Chicago

119 Local Challenges
Tournament structure/schedule

Local Competition
October - March 2023

Regional Semifinals
April 2023 (TBC)

Regional Finals
May 2023 (TBC)

Global Final
May 2023 (TBC)

Regional and Global Finals location has not been defined yet
PARTICIPATING TEAMS 2022

The Teams

- Libera Università di Bolzano
- Politecnico di Milano
- Università Ca' Foscari Venezia
- Università Cattolica del Sacro Cuore Milano
- Università di Bologna
- Università degli Studi di Firenze
- Università degli Studi di Napoli Federico II
- Università degli Studi di Pavia
- Università degli Studi di Roma Tor Vergata
- Università Politecnica delle Marche

In collaboration with

Sponsored by

[Logos of REPLY, FACTSET, and KAPLAN SCHWESER]
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
Sample Report

University of Waterloo Student Research
Retail Sector, Consumer Discretionary Industry
Toronto Stock Exchange ("TSX")

Canadian Tire Corporation

Executive Summary
Canadian Tire Corporation, Limited ("CTC" or the "Company") is a Canadian retailer, real estate owner-operator, and financial services provider. These three businesses form CTC’s reportable operating segments: Retail, CT Real Estate Investment Trust ("CT REIT"), and Financial Services ("CTFS").

Investment Recommendation
We issue a Buy recommendation on CTC with a 12-month target price of $148.00 / Class A non-voting share with a projected total return of 16.5% from its December 4, 2015 closing price of $129.00. Our target price is calculated by (1) using a Sum-of-the-Parts approach to arrive at an implied share price valuation for the Class A non-voting shares, and (2) forecasting the 12-month target price by CTC’s cost of equity. Our recommendation is driven by our:

Investment Thesis and Outline
Backed by a stable industry outlook, CTC is well positioned for growth and further market penetration of the Canadian retail sector. The combined result of the Sum-of-the-Parts valuation and current market view of CTC’s dual share class structure suggests that the Class A non-voting shares are presently undervalued. The undervaluation of the Class A non-voting shares represents an opportunity to invest in highly complementary businesses in the Canadian retail sector. After determining CTC’s exposure...
<table>
<thead>
<tr>
<th>Section</th>
<th>Maximum Points</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Description</strong></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td><strong>Industry Overview &amp; Competitive Positioning</strong></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td><strong>Investment Summary</strong></td>
<td>15</td>
<td></td>
</tr>
<tr>
<td><strong>Valuation</strong></td>
<td>20</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Analysis</strong></td>
<td>20</td>
<td></td>
</tr>
<tr>
<td><strong>Investment Risks</strong></td>
<td>15</td>
<td></td>
</tr>
<tr>
<td><strong>Environmental, Social, and Governance</strong></td>
<td>15</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
Conclusion

1. Strong Competitive Positioning
2. Growth Potential
3. Focus on Profitability

$150.00

UNDERVALUATION 14.8% TOTAL RETURN\(^1\)

BUY

---

1\(^1\)Total return is calculated based on the share price appreciation (13.1%) and forecasted annual dividend (1.7%).
## Presentation scoring

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Analysis</td>
<td>20</td>
</tr>
<tr>
<td>Valuation</td>
<td>20</td>
</tr>
<tr>
<td>Environmental, Social, and Governance</td>
<td>10</td>
</tr>
<tr>
<td>Presentation</td>
<td>20</td>
</tr>
<tr>
<td>Question &amp; Answer</td>
<td>20</td>
</tr>
<tr>
<td>Team Involvement</td>
<td>5</td>
</tr>
<tr>
<td>Materials</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### Financial Analysis
- How thorough was their analysis of the industry, company, and competitors?

### Valuation
- Were the valuation methodologies appropriate and detailed?

### Environmental, Social, and Governance
- Did the analysis thoroughly incorporate conservation of the natural world, consideration of people and relationships, and standards for running a company?

### Presentation
- How effective/convincing was their presentation? Was it logical and did the facts support the recommendation?

### Question & Answer
- Were they able to answer the questions effectively and with confidence?

### Team Involvement
- Team involvement in the presentation/questions and answers

### Materials
- Quality of slides
Past Subject Companies

- PIAGGIO: 2011
- LUXOTTICA: 2012
- Poltrona Frau: 2009
- AUTOGRILL: 2013
- YOOX.COM: 2014
- DATALOGIC: 2015
- GRUPPO CAMPARI: 2010
- REPly: 2022
- Moncler: 2018
- DiaSorin: 2016
- ERG: 2021
- Interpump Group: 2019
- RECORDATI: 2017
Up for the Challenge?

2. Register for the competition
   • Peruse educational materials selected specifically for participants
   • Watch videos of past presentations
   • View past reports from winning teams
3. Students MUST register on the CFA Institute website using the registration form provided by the local host.
Opportunity Starts Here