



BIG CHALLENGE.
BIGGER OPPORTUNITY.



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CFA Society North Carolina is Pleased to Bring You the CFA Institute Research Challenge



**CFA Society
North Carolina**



CFA Institute
Research Challenge

CFA Institute Research Challenge

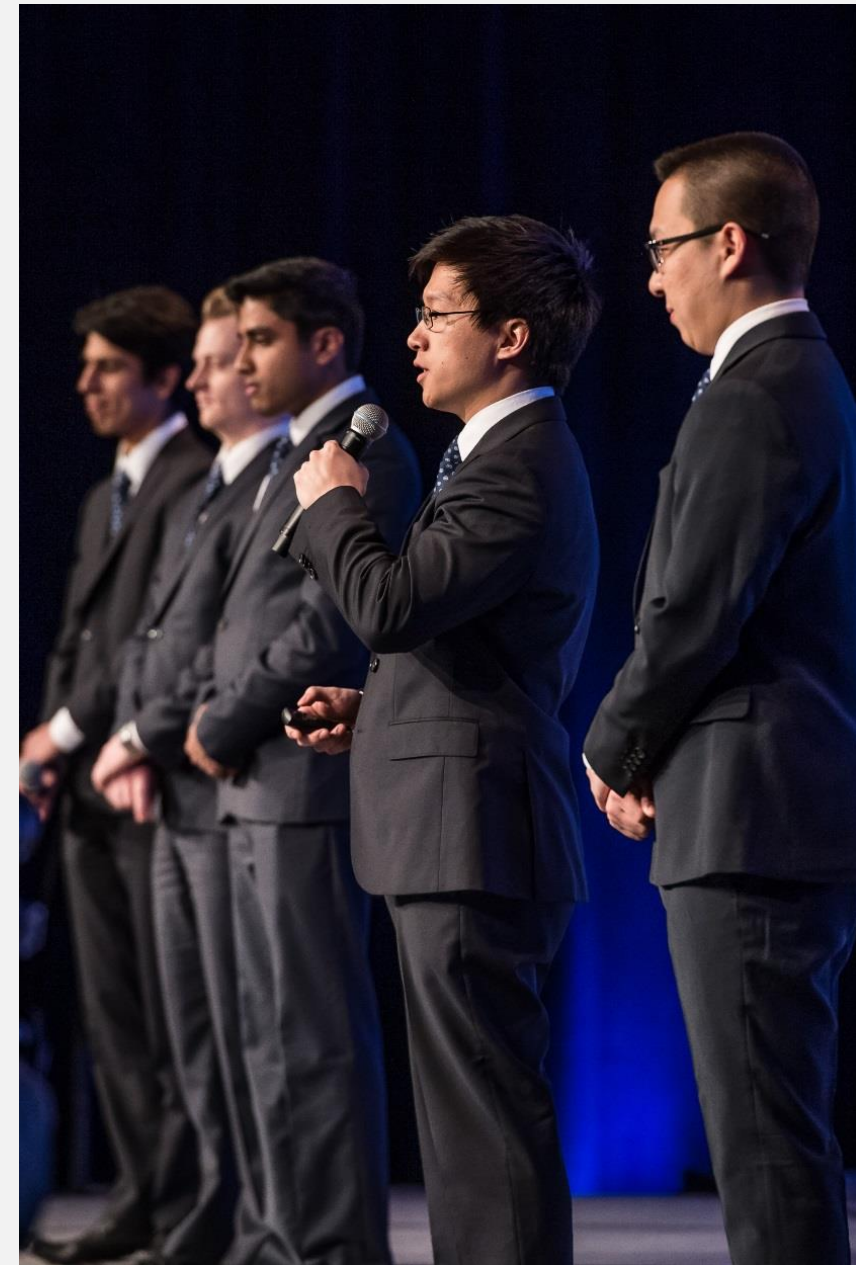


CFA Institute
Research Challenge

- 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
- Travel to regional and global competitions, if you advance

Global network of the world's top business and finance students



2019 Research Challenge Recap

6,200+

Students

4,000+

Volunteers

150+

CFA Societies

1,100+

Universities

117

Local Challenges

94

Countries

2019 Research Challenge Results

5 Regional Champions

2019 Global Champions

117
Local Challenges

Ateneo de Manila University,
Philippines

University of Lausanne,
Switzerland

Moscow State University,
Russia

Instituto Tecnológico
Autónomo de México, Mexico

Canisius College,
United States



Ateneo de Manila University
Representing
CFA Society Philippines

2020 Regional and Global Competitions

Winners from the local competitions this year will advance to one of three regional competitions hosted in New York, Seoul, or the Dead Sea Area, culminating in a global final in New York City.

Asia Pacific Regional

18-19 March 2020

Seoul, South Korea

EMEA Regional

1-2 April 2020

Dead Sea, Jordan

Americas Regional & Global Final

20-22 April 2020

New York, USA



COMPETITION TIMELINE

Today	Kick-Off
Next 10 days	Preliminary Research
18 Oct 2019	Company Presentation
24 Oct 2019	CFA Institute Registration Deadline
17 Jan 2020	1 st Draft Due to Mentor
24 Jan 2020	Final Report Due
Interim	Report Grading
8 Feb 2020	Top Teams Presenting Announced
22 Feb 2020	Local Final Presentations
20-22 Apr 2020	Regional Final/Global Final



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

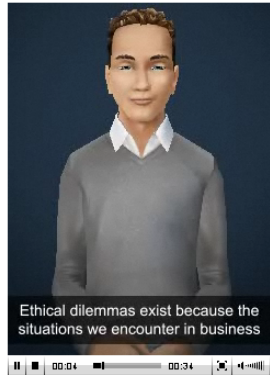
Industry Mentor

- 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

University of Waterloo Student Research

Retail Sector, Consumer Discretionary Industry
Toronto Stock Exchange ("TSX")

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

Canadian Tire Corporation

Date: 04-Dec-2015
Ticker: TSX:CTC.A

Closing Price: \$129.00
C\$1.00:US\$0.75

Recommendation: Buy (16.5% Total Return)
Target Price: \$148.00 (US\$111.00)

Figure 1: Summary of Market, Financial, and Valuation Data

Market Data		
	Common	Class A
Closing Price	\$200.00	\$129.00
Avg. Daily Vol.	449	305,914
Shares O/S	3,423,366	71,530,598
Market Cap. (\$ mm)		\$9,912
P / E (LTM)		15.8x
Enterprise Value (\$ mm)		\$16,278
EV / EBITDA (LTM)		11.0x

Financial Data					
	2010	2011	2012	2013	2014
Rev. Growth	6.1%	12.7%	10.0%	3.1%	5.7%
Gross Margin	30.3%	29.5%	30.6%	31.6%	32.5%

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

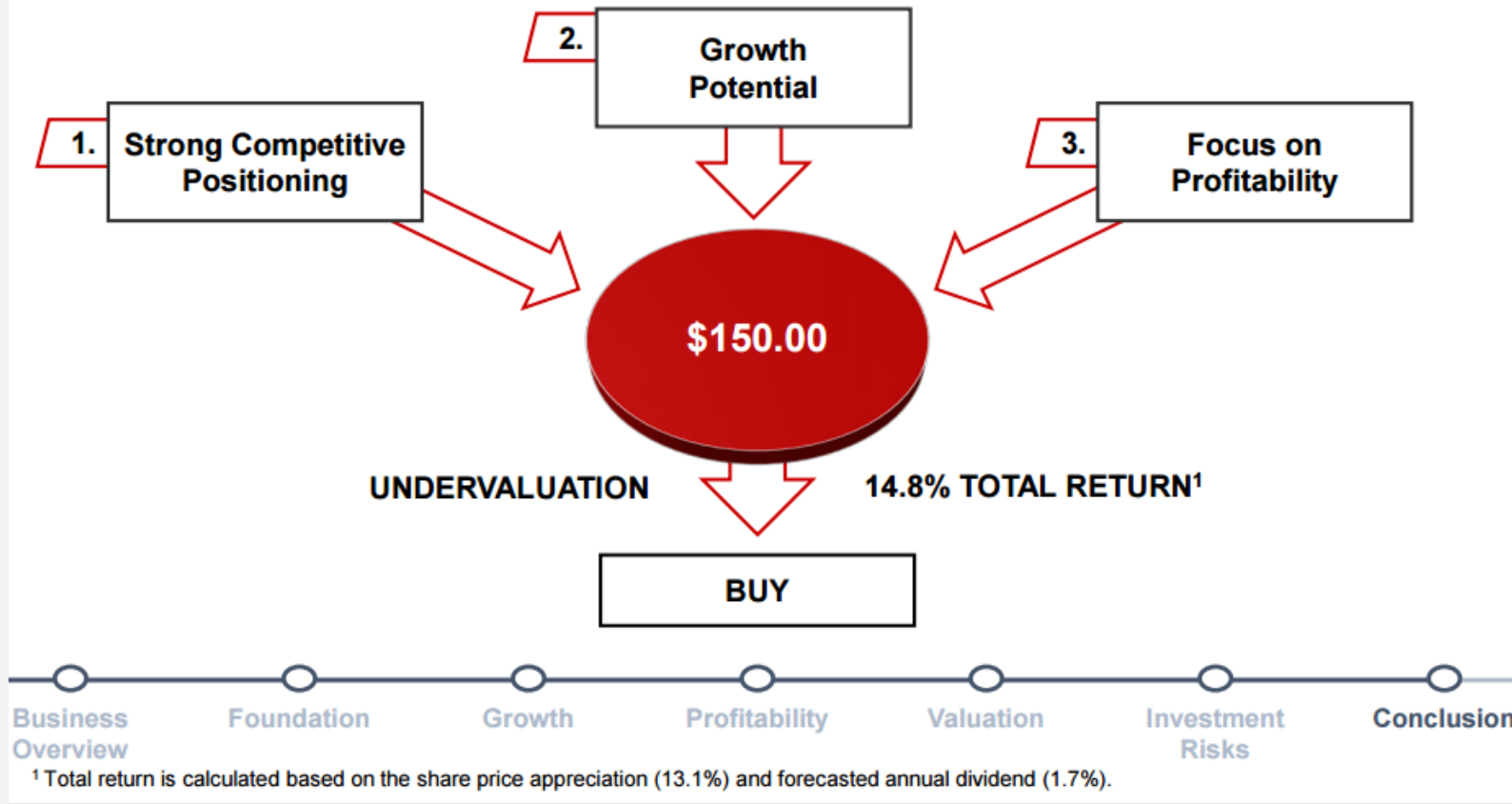
Backed by a stable industry outlook, CTC is well positioned for growth and further market penetration of the Canadian retail sector. The combined result of the Sum-of-the-Parts valuation and current market view of CTC's dual share class structure suggests that the Class A non-voting shares are presently 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

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	

Sample Presentation

Conclusion



Presentation Scoring

Financial Analysis

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

Valuation

- Were the valuation methodologies appropriate and detailed?

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

Criteria	Maximum 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	



NASDAQ: AAP S&P 400 component

Company Presentation

Friday 18 October at 2:00 pm

2Q'19 Earnings Presentation at IHS Markit Office

(Conference/Multi Purpose Room) 421 Fayetteville Street 9th Floor Raleigh

**Our thanks to Elisabeth Eisleben, Vice President,
Investor Relations**

Interacting with Advance Auto Parts



- 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.

Up for the Challenge?

1. Visit the CFA Institute Research Challenge website:
www.cfainstitute.org/researchchallenge
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 in their account via the invitation link they receive from CFA Institute.



Opportunity Starts Here



Questions?

