



LET'S CREATE A PLACE
WHERE GREATNESS
EMERGES



CFA Institute
Research Challenge

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CFA Institute Research Challenge

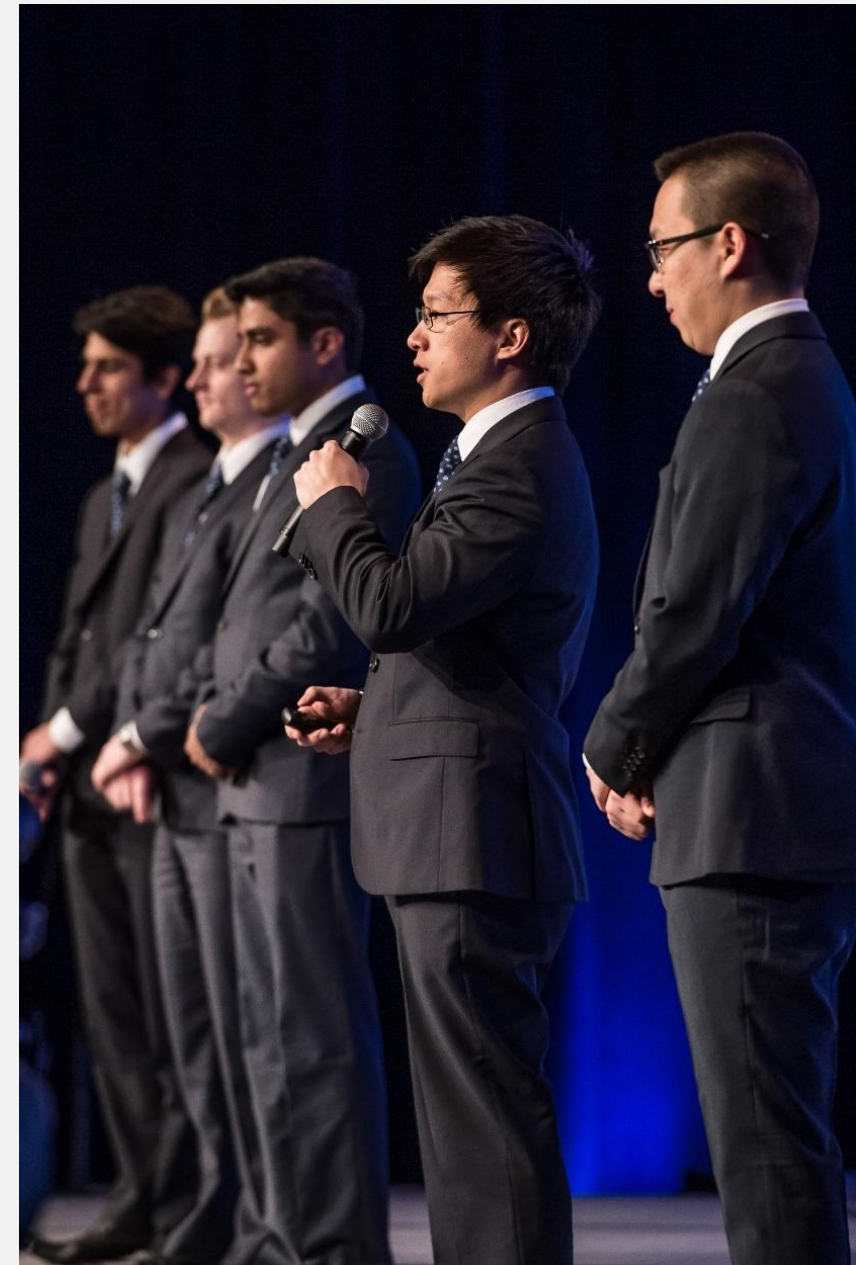


CFA Institute
Research Challenge

- 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 Institute volunteers – usually through CFA member societies
- Winners from the local competitions advance to sub-regional competitions, then on to one of the three regional competitions, culminating in a global final

How it Works

1. Local CFA Institute 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 sub-regional competitions, then on to regional competitions in the Americas, Asia Pacific, and EMEA, and then to the global final



Sample Report



Research Report Writing



Industrial Engineering, Switzerland
VAT Group AG (SIX Stock Exchange: VACN)
Valuation as of November 30th, 2017

Industry: Industrials
Supersector: Industrial goods and Services
Subsector: Industrial Machinery

Founded in 1965 by Siegfried Schertler as a scientific research company, VAT Holding AG (VAT) went public in 2016 and is a pure-play, leading global vacuum valve developer, manufacturer, and supplier.

INVESTMENT SUMMARY

We issue a buy recommendation on VAT with a target price of CHF 163, presenting 21% upside potential on the closing price of 135 on November 30th. Our valuation is based on a 75%/25% blend of a Discounted Free Cash Flow to Firm model and a PEG multiple analysis. Our recommendation is founded on the following key pillars: (1) structural growth drivers in VAT's underlying markets, (2) strong competitive position, and (3) solid financial position.

1) VAT benefits from expanding world demand for vacuum valves. VAT will continue to enjoy **higher growth than expected, driven by its underlying markets' growing dependence on vacuum technology.** Growth dimensions are: (a) end-market growth due to new technological (e.g. IoT) and geographical (China) markets, (b) rising complexity and consolidation of OEM markets, (c) increasing vacuum valves market size as new customers move towards vacuum due to increasing complexity of production processes. End-markets are semiconductors, flat and OLED displays, solar panels, and highly specialized health care and electro-cars industries where the vacuum is essential in delivering sophisticated modern-day products. Global capital expenditure and R&D spending on vacuum valves by end-market customers is currently significantly increasing and allowed VAT to achieve 30% revenue growth in FY 2017, 50% higher than consensus estimates. The expected emergence of the Internet of Things (IoT), digitalization of the automotive sector, semiconductor expansion in China and other potentially technologically disruptive forces will pave the path towards high and continuous growth as exhibited in 2016 and 2017.

2) With strong competitive position VAT's capitalizes on the global transition to vacuum manufacturing. With 30 years of expertise in vacuum technologies, VAT is much better positioned to capture growth than its competitors. The company's current dominant and expanding market share of

Recommendation

BUY

Share Price (CHF)	135
Target Price (CHF)	163
Upside	21%

Key Figures

Annual Dividend (CHF)	4
Dividend Yield	3%
52w Low (CHF)	82
52w High (CHF)	140
Avg. daily vol. (3 months)	124'000
Number of Shares (m)	30
Enterprise Value (bn CHF)	4.2
Free float (%)	86
TTM P/E	39x
Beta	1.4

Market Segments

Sample Presentation



Presentation of
Research



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 with CFA charterholders
- Network with professionals and peers to make inroads within the industry

Step Up to the Challenge

Take advantage of the unique opportunity to network with professionals from top companies, while competing against peers from other universities for the chance to advance to compete on the regional and global Research Challenge stage.



Who is eligible to compete?

Both undergraduate and graduate students.



When is the Challenge?

Locally hosted Challenges are held September-February of each year.

Sub-Regionals and Regional Finals are held March-April, followed by the Global Final in May.



How can I register?

Typically, teams are selected and organized by a professor or department head at the university. Speak with your professors to let them know of your interest and to learn more.

2023 Local to Sub-Regional Competitions

CFA NC runs the local competition and send 1 winning team for the remainder of the competition.



2023 Sub-Regional Competitions

Winners from the local competitions this year will advance to a Sub-Regional competition. Sub-Regions have been predetermined using United Nations and CFA Institute definitions. Sub-Regional competitions will be virtual and will take place in March. Winners will be announced at the end of March.

Americas Sub-Regions

Atlantic Islands & Latin America

Canada

Central & Southwest US

Eastern US

Midwest US

Southeastern US

Western US

Asia Pacific Sub-Regions

Oceania

Eastern Asia

Southeastern Asia

Southern Asia

EMEA Sub-Regions

Sub-Saharan Africa

Eastern Europe

Northern Europe

Southern Europe

Western Europe

Middle East & North
Africa

2023 Regional and Global Competitions

Winners from the sub-regional competitions this year will advance to one of three regional competitions, which will be hosted virtually.

Regional Semifinals
April 2023



Regional Finals
April/May 2023



Global Final
May 2023

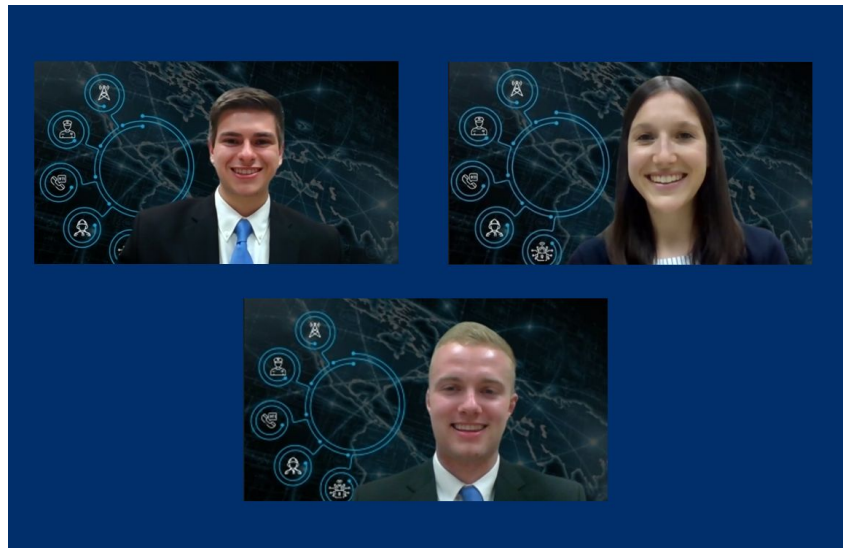
2022 RESEARCH CHALLENGE RESULTS

119
Local Challenges

5 Regional Champions

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

2022 Global Champions



Northern Illinois University
Representing
CFA Society Chicago

Are You Ready to Experience **Greatness?**

For more information on the Research Challenge please visit:
www.cfainstitute.org/researchchallenge or email
researchchallenge@cfainstitute.org

#GreatnessHappensHere

#ResearchChallenge



CFA Institute
Research Challenge

COMPETITION TIMELINE

Today	Kick-Off
Next 10 days	Preliminary Research
3 Nov 2022	Company Presentation
9 Nov 2022	Register with CFA Institute
13 Jan 2023	1 st Draft Due to Mentor
21 Jan 2022	Final Report Due
Interim	Report Grading
25 Feb 2023	Local Final Presentations
March 2023	Sub Regional Submission
Apr 2023	All Semifinals
May 2023	All Region Finals
17 May 2023	Global Finals



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

REPORT SCORING

Section	Maximum Points	Comments
Business Description	5	
Industry Overview & Competitive Positioning	10	
Investment Summary	15	
Valuation	20	
Financial Analysis	20	
Investment Risks	15	
Environmental, Social, and Governance	15	
Total	100	

PRESENTATION SCORING

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

Criteria	Maximum Points	Notes
Financial Analysis	20	
Valuation	20	
Environmental, Social, and Governance	10	
Presentation	20	
Question & Answer	20	
Team Involvement	5	
Materials	5	
Total	100	

SUBJECT COMPANY



KONTOOR Brands, Inc. (NYSE) KTB

**THANK YOU, Heena Agrawal MBA, CFA, CPA Global
CFO Wrangler and the KONTLOOR Team!**

INTERACTING WITH KONTOOR



- Designated officers ONLY
- Organized communications ONLY
- Virtual Investor Day Presentation Available Online
<https://www.kontoorbrands.com/investors/news-events/ir-calendar/detail/12310/2021-kontoor-brands-virtual-investor-day>
- Third Quarter 2022 Earnings Conference Call
NOVEMBER 3, 2022 • 8:30 AM EST
<https://event.choruscall.com/mediaframe/webcast.html?webcastid=tm1n4ice>
- Follow-up with team questions – TBA (mid Nov)
- 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** create an account on the CFA Institute website to register for the program.

