



RESEARCH CHALLENGE

Let's all strive for greatness



CFA Institute

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CFA Society North Carolina is pleased to bring
you the CFA Institute Research Challenge

CFA Society North Carolina

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

- Local CFA Society volunteers work in conjunction with participating local universities to assemble teams of 3–5 business and finance students.
- Each team works directly with a mentor to research and prepare an equity research report on a publicly traded company.
- 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.
- Local champions advance to sub-regional competitions, then 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.





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

2024

Research Challenge recap

6,700+

Students

3,000+

Volunteers

150+

CFA Societies

1,000+

Universities

120

Local Challenges

90+

Countries

2024

Research Challenge results

120

Local challenges



6 regional champions

Australian National University

Fundacao Getulio Vargas (FGV), Sao Paulo

Qatar University

University of the Philippines Diliman

University of Waterloo

WHU – Otto Beisheim School of Management



2024 Global Champions



University of Waterloo
Representing CFA Society Ottawa
and CFA Society Toronto

2025

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
South Eastern Asia
Southern Asia

EMEA Sub-Regions

Sub-Saharan Africa
Eastern Europe
Northern Europe
Southern Europe
Western Europe
Middle East & North Africa



2025

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
8-9 April 2025

Regional Finals
10-11 April 2025

Global Final
May 2025

Competition timeline

Today	Kick-off
Sept 27	Preliminary research
Oct 11	Register with CFA Institute
Oct 17	Company presentation
Jan 10	1 st draft due to mentor
Jan 20	Final report due
Interim	Report grading
Feb 07	Top teams announced
Feb 22	Local final presentations
Apr 2025	Regional final
May 2025	Global final



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

Rules overview

- Each team consists of **3-5 students** (undergraduate or graduate).
- 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**.

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

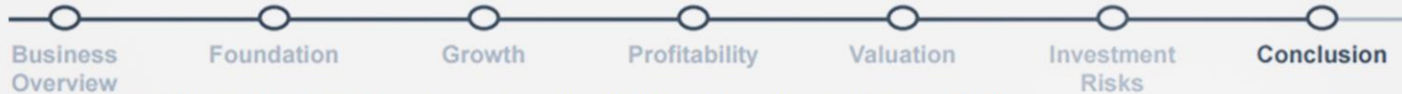
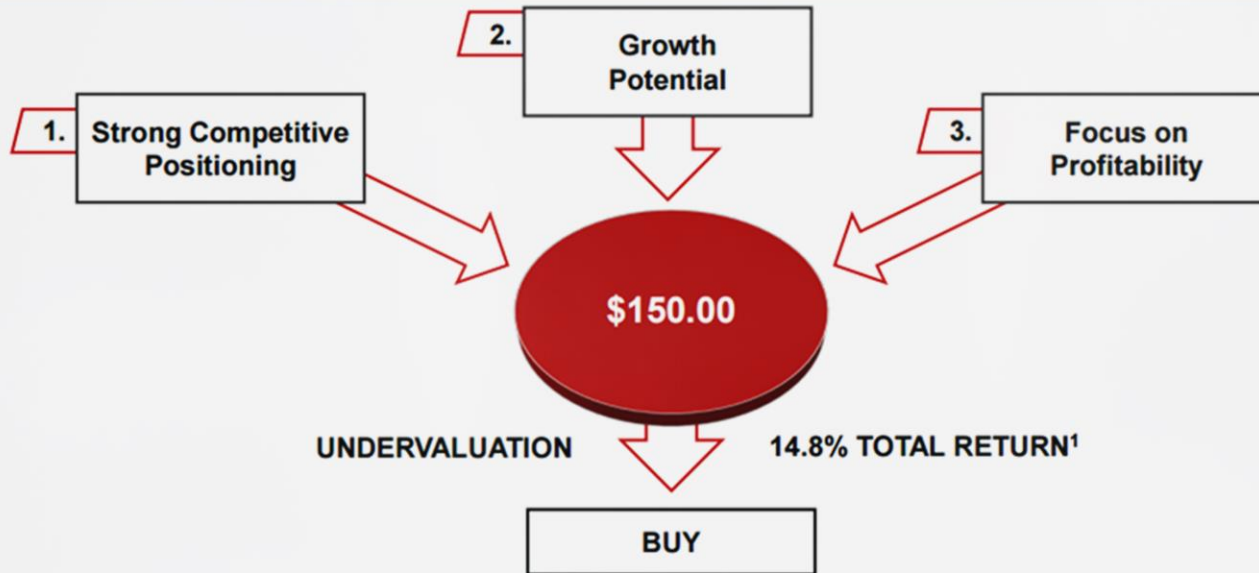
Backed by a stable industry outlook, CTC is well positioned for growth and further market penetration of the Canadian retail sector. The combined result of the Sum-of-the-Parts valuation and current market view of CTC's dual share class structure suggests that the Class A non-voting shares are presently 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	10	
Investment summary	15	
Valuation	20	
Financial analysis	20	
Investment risks	15	
Environmental, social, and governance	15	
Total	100	

Sample presentation

Conclusion



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

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

Presentation scoring

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	

The Honeywell logo consists of the word "Honeywell" in white, sans-serif font, centered within a solid red square.

Honeywell

SUBJECT COMPANY

Honeywell International

Company Information

- **Honeywell International** is a \$28 billion diversified technology and manufacturing company. It serves customers worldwide with aerospace products and services;

Our thanks to:

Sean Meakim, CFA
Vice President, Investor Relations

- **NASDAQ GS: HON**

Interacting with **Honeywell International**



- 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** create an account on the CFA Institute website to register for the program.



Opportunity starts here



Questions?



Scan the code

