INTRODUCTION

• CFA Institute
  - Was founded in 1947
  - Is the largest association of investment professionals in the world
  - Challenges thousands of investment professionals and students to hold themselves to a higher standard of excellence and ethical standards
  - Has more than 135,000 members in 150 countries
  - 70 countries now have local member societies
  - 300+ universities around the world have incorporated the CFA Program curriculum into their own academic programs
  - More than 177,000 CFA Program candidates took the CFA exams in 2015

• CFA Austria
  - Founded in 2001 as 101st member society of CFA Institute
  - Currently has 378 members (portfolio managers, research analysts, commercial bankers, investment bankers, consultants, risk managers...)

• CFA research challenge is a (CFA-sponsored) competition between student teams that
  - Research a publicly traded company (public information, management meeting)
  - Prepare a written report („initiation-of-coverage sell-side equity research report“)
  - Present their findings to a panel of judges

• CFA research challenge has three competition levels
  - Local level (Austria, Vienna) => winning team will participate in
  - Regional level final (EMEA, Prague => winning team will participate in
  - Global level final (Prague)

Since 2006 15,000+ students from 1,000+ universities participated
Last year winning team came from University of Waterloo (Canada)
RESEARCH CHALLENGE – ROLES

• Team members: 3-5 students of one university
  - Criteria: currently enrolled university students, are/were not employed in a role whose primary duty involves fundamental company analysis (exception: intern)
• Faculty advisor: Employed faculty member (not necessarily professor) of that university => maximum time 13 hours
• Industry mentor for each group: CFA Austria charterholder => maximum time 8 hours
• Graders (evaluate written reports) and Judges (evaluate presentations): Further 3 CFA Austria charterholders
• Subject company: Österreichische Post AG, www.post.at, Bloomberg: POST AV
  - Austria’s leading logistics and service provider
  - Segments: Mail & Branch Network, Parcel & Logistics
  - Financials 2015: Revenues € 2,402 mn, EBITDA € 303 mn, EBIT € 198 mn
**REPORT – STEPS, READINGS, RULES**

  - Business description, industry overview and competitive positioning, investment summary, valuation, financial analysis, investment risks

- Steps to be conducted
  2. Valuation (DCF, Multiples)
  3. Management meeting, follow-up Q&As per email
  4. Writing report
  5. Preparing presentation

- Recommended readings
  - Educational resources provided by CFA institute: [www.cfainstitute.org/community/challenge/prepare/Pages/index.aspx](http://www.cfainstitute.org/community/challenge/prepare/Pages/index.aspx)
BENEFITS FOR STUDENTS

• Winning Austrian team to participate in European final (which will take place in Prague (26/27 April 2017))
• Winning global team to be presented on CNN, Bloomberg TV (see youtube…)
• Contact to top management of large Austrian company
• Contact to CFA Austria charterholders
• Access to CFA Institute library
• Gifts and money prizes (and refund of travelling costs)

However, about 50 hours per student are typically spent
See deliverables of past champions to get a feeling of the workload
https://www.cfainstitute.org/community/challenge/about/Pages/past_champions.aspx
## NEXT STEPS, TIMELINE

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<th>What?</th>
<th>Who?</th>
<th>When (indicative)?</th>
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<tr>
<td>Nomination of teams / universities</td>
<td>Professors, CFA Austria</td>
<td>Mid October 2016</td>
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<td>Kick-off conference call</td>
<td>Students, CFA Austria</td>
<td>End of October 2016</td>
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<td>Introduction of mentors to students´ teams</td>
<td>Mentors individually</td>
<td>November 2016</td>
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<td>Subject company meeting</td>
<td>Students, (mentors)</td>
<td>December 6, 2016 (2:00)</td>
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<td>Students</td>
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<td>Local Level Final (presentations, ceremony)</td>
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<td>March 2017 (Vienna)</td>
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<td>EMEA Final</td>
<td>Winning group, mentor</td>
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CONTACT DATA

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http://www.cfainstitute.org/community/challenge/Pages/index.aspx
http://www.cfasociety.org/austria/Pages/default.aspx