



**CFA Institute**

# **CFA INSTITUTE RESEARCH CHALLENGE**

**OFFICIAL RULES  
2018**



<b>RULE 1: INTRODUCTION AND GENERAL PROVISIONS</b> .....	<b>3</b>
1.1 CONFLICTS OF INTEREST.....	3
1.2 PLAGIARISM .....	4
1.3 THIRD PARTY INTELLECTUAL PROPERTY RIGHTS.....	4
1.4 USE OF REPORTS .....	5
<b>RULE 2: TEAMS</b> .....	<b>5</b>
2.1 TEAM COMPOSITION .....	5
2.2 TEAM MEMBER REQUIREMENTS .....	6
2.3 TEAM MEMBER INELIGIBILITY .....	6
2.4 RESEARCH .....	7
2.5 INTERACTION WITH SUBJECT COMPANY .....	7
2.6 WRITTEN REPORTS .....	8
2.7 PRESENTATIONS.....	8
<b>RULE 3: FACULTY ADVISER, INDUSTRY MENTOR, JUDGES, AND GRADERS</b> .....	<b>9</b>
3.1 FACULTY ADVISER .....	9
3.2 TIME PERMITTED WITH FACULTY ADVISER.....	9
3.3 INDUSTRY MENTOR.....	10
3.4 TIME PERMITTED WITH INDUSTRY MENTOR .....	10
3.5 JUDGES.....	10
3.6 GRADERS.....	10
<b>RULE 4: LOCAL LEVEL COMPETITION</b> .....	<b>11</b>
4.1 ELIGIBILITY OF HOST.....	11
4.2 COMPETITION REQUIREMENTS .....	11
4.3 HOST REQUIREMENTS .....	13
4.4 TRAVEL AND ACCOMMODATIONS .....	14
<b>RULE 5: REGIONAL AND GLOBAL LEVEL COMPETITION</b> .....	<b>14</b>
5.1 REGIONAL LEVEL HOST.....	14
5.2 TRAVEL AND ACCOMMODATIONS FOR TEAMS.....	14
5.3 COMPETITION AND SCORING .....	15
<b>APPENDIX A – WRITTEN REPORT GUIDELINES</b> .....	<b>17</b>
<b>APPENDIX B – WRITTEN REPORT COVER WITH DISCLOSURE</b> .....	<b>18</b>
<b>APPENDIX C – RESEARCH REPORT EVALUATION FORM</b> .....	<b>19</b>
<b>APPENDIX D – PRESENTATION SCORING SHEET</b> .....	<b>20</b>



## **RULE 1: INTRODUCTION AND GENERAL PROVISIONS**

The CFA Institute Research Challenge is a competition between university-sponsored teams that research a designated publicly traded company, prepare a written report on that selected company, and then present their findings to a panel of judges. The competition has three levels: local, regional, and global. Winners at the local level advance to compete against teams within their geographic region at the regional level. Winning teams at the regional level advance to compete at the global level. One team is designated the ultimate winning team, or champion, at the global level. No purchase is necessary in order to participate. The decisions of CFA Institute interpreting these rules shall be final and binding upon all teams and local level hosts.

Local level competitions are hosted by approved local level hosts. Local level hosts are responsible for the administration of the CFA Institute Research challenge at the local level. No decision by the local level host regarding the administration of the local level competition shall conflict with these rules and in the event of any conflict, these rules shall govern. Local level hosts may add additional requirements regarding the administration of their local level competition as long as those requirements do not conflict with these rules.

### **1.1 Conflicts of Interest**

All participants in the CFA Institute Research Challenge, including hosts, teams, team members, industry mentors, faculty advisers, judges, and graders have an obligation to avoid actual or potential conflicts of interest with their participation. A conflict of interest is any matter that could reasonably be expected to impair an individual's independence and objectivity or interfere with an individual's duties. A conflict may be actual or perceived. As an example, a conflict of interest may exist when a participant or a participant's family member or close friend is involved in activities that affect the participant's ability to perform his or her role fairly and impartially, but conflicts of interest can arise even without a personal relationship. For instance, hosts, mentors, and advisers also have an obligation to avoid purposefully or inadvertently pressuring teams to make a particular investment recommendation.

To avoid any actual or perceived conflicts of interest, each participant must disclose to CFA Institute in writing any potential conflicts, including but not limited to any ownership interest in the subject company and any close personal or professional relationships with employees at the subject company. Judges and graders must further disclose any close personal or professional relationship with team members, mentors, or faculty advisers. Potential conflicts of interest must be disclosed promptly upon becoming aware of the potential conflict.

CFA Institute (with assistance as necessary from the local level host) will investigate any disclosures of actual or potential conflicts of interest. If a conflict of interest is found to exist and cannot be reasonably and timely cured, the individual with the conflict of interest will be disqualified from participation. If CFA Institute determines that it is necessary to protect the integrity of the competition, CFA Institute may disqualify a team from the competition if any team member, industry mentor, or faculty adviser is found to have a conflict of interest that is incapable of being reasonably and timely cured. In extraordinary circumstances where a local level host is found to have a conflict of interest, CFA Institute may, in its discretion, disqualify the local level host and all teams from that location from participation in the CFA Institute Research Challenge. The decision



of CFA Institute regarding the existence of a conflict of interest and its determination regarding the disqualification of any individual or team are final and binding.

## 1.2 Plagiarism

Plagiarism is defined as copying or using in substantially the same form materials prepared by others without acknowledging the source of the material or identifying the author and publisher of such material. Teams can read existing research on the subject company, but all analysis should be their own; they may not copy analysis (i.e., plagiarize) from another source.

Teams also must not:

- a. use excerpts from articles or reports prepared by others either verbatim or with only slight changes in wording without acknowledgment,
- b. cite specific quotations as attributable to “leading analysts” and “investment experts” without naming the specific references,
- c. present statistical estimates of forecasts prepared by others and identifying the sources but without including the qualifying statements or caveats that may have been used,
- d. use charts and graphs without stating their sources, or
- e. copy proprietary computerized spreadsheets or algorithms without seeking the cooperation or authorization of their creators.

The prohibition on plagiarism applies both to a team’s written report and its presentation.

Sourced information should be properly cited using a generally accepted citation system. Generally accepted citation systems include, but are not limited to, the Chicago Manual of Style, the Harvard referencing system, and MLA (Modern Language Association) style.

Allegations of plagiarism will be investigated by CFA Institute (with assistance as necessary from the local level host)). Team members found to have plagiarized will be disqualified and reported to the CFA Institute Professional Conduct Program. The team’s university may also be ineligible to participate in the following year’s competition. The decision of local host or CFA Institute (as applicable) regarding plagiarism is final and binding.

## 1.3 Third Party Intellectual Property Rights

Related to the concept of plagiarism, respect of third party intellectual property rights is essential to the CFA Institute Research Challenge. While teams are free to include text, images, graphics, or other logos in their written reports and presentations as permitted by these rules, it is the obligation of each team to ensure that the use of any third party materials complies with all applicable copyright and trademark laws. Third party images included in any written report or presentation must be appropriately licensed from the images’ owners. Where legally necessary, teams should secure the permission of the owners of any trademarks or service marks incorporated into their written report or presentation. CFA Institute encourages each local host to work with the subject company it selects to provide its local teams with the necessary permissions to use the local host’s trademarks or other intellectual property in their CFA Institute Research Challenge written reports and presentations. By participating in any level of the CFA Institute Research Challenge, each team represents



and warrants that neither its written report nor its presentation infringes or violates the copyright, trademark, trade secret or other intellectual property right of any third party anywhere in the world.

By participating in the CFA Institute Research Challenge, CFA Institute grants each participating team a non-exclusive, non-transferable, revocable license to use the CFA Institute name and logo as specified in [Appendix B](#) to these Rules for the limited and specific purpose of that team's participation in the CFA Institute Research Challenge. Teams will use those materials only as specified in [Appendix B](#) and these Rules. No other use of CFA Institute's intellectual property is permitted. Teams may not change or alter the CFA Institute name or logo in any way.

### 1.4 Use of Reports

CFA Institute shall own the copyright in all materials prepared by or for hosts, teams, industry mentors, graders, judges, or faculty advisers in connection with the CFA Institute Research Challenge. The written reports and presentations prepared for the challenge may not be used for any purpose other than participation in the CFA Institute Research Challenge.

By participating in the CFA Institute Research Challenge, each participant agrees to CFA Institute's [Privacy Policy](#) and agrees that CFA Institute, its affiliates, fulfillment houses and advertising & promotion agencies shall have the right to use such individual's name, voice, photograph, likeness, their appearance in film, essay and/or biographical information, for purposes of advertising, trade or publicity, in any medium or forum throughout the world in perpetuity, without further compensation, unless prohibited by law.

## RULE 2: TEAMS

### 2.1 Team Composition

Teams must be sponsored by a university<sup>1</sup> located within the area of the local competition in which the team wishes to compete. Up to two teams may represent a university. Local hosts have the sole discretion to allow more than one team. When a local host agrees to allow two teams, both teams must participate in the same local competition. Local hosts have the discretion to choose how many (provided the minimum number of universities compete) and which universities compete in their local competition.

Each team:

- a. Must consist of undergraduate, graduate, or a combination of undergraduate and graduate students.

---

<sup>1</sup>A university is defined as a degree-granting institution that primarily delivers teaching to students in a traditional educational setting, such as a classroom, as opposed to primarily through electronic media. This includes universities that provide online learning in addition to their classroom-based course offerings. The institution should hold educational accreditation by an accrediting agency recognized by mainstream academia to operate as an accreditor or authorization by a government organization, whichever is the standard for the country where the institution is located. CFA Institute may, at its sole discretion, grant exceptions to this rule on a case-by-case basis.



- b. Must consist of no fewer than three<sup>2</sup> and no more than five members.
- c. Can have no alternates. If a team loses one of its members, that member can be replaced no later than two weeks prior to the submission of the written report at the local level. If a team falls below three registered members after this date, they will not be eligible to continue in the competition.

## 2.2 Team Member Requirements

Each team member must:

- a. complete the official registration form on the CFA Institute Research Challenge website no later than two weeks following the local level kickoff meeting (timely completion of the official registration entitles students to be recognized participants by CFA Institute and ensures that winning team members are eligible to travel to regional and/or global levels). Replacement students must register within one week from the start of their participation;
- b. accept the terms of the participation agreement upon registration;
- c. agree to abide by the [CFA Institute Code of Ethics and Standards of Professional Conduct](#);
- d. be a currently enrolled college or university student in an undergraduate or graduate program at the sponsoring university time of the local level kickoff meeting;<sup>3</sup> and
- e. be registered for at least a part-time course load, as defined by his or her university, at the time of the local level kickoff meeting.

## 2.3 Team Member Ineligibility

An individual is ineligible to be a team member, if that individual:

- a. has previously participated as a team member at any level of the CFA Institute Research Challenge on any team that has submitted a written report at the local level;
- b. has been, or is, employed<sup>4</sup> in a role whose primary duty involves fundamental company analysis at the time of the local level kickoff meeting<sup>5</sup>—unless the team member’s work was solely as an intern<sup>6</sup> and is permitted to participate as a team member under local competition rules;

---

<sup>2</sup>If, because of extenuating circumstances, such as travel visa denial or serious illness/injury, less than three members of a team are able to attend one of the in-person events (local, regional, or global), that team will not be disqualified provided that there are still at least three official members on the team. If a team member is formally dismissed from or voluntarily quits the team, and the remaining team comprises less than three members, that team will no longer be eligible to participate in the competition.

<sup>3</sup>If the team member has graduated at the time of the local, regional, or global final, the team member may still participate in the competition.

<sup>4</sup> For purposes of these rules “employed” also includes performing services as an independent contractor, consultant, “freelancer,” or other similar service as well as formal employment as an employee.

<sup>5</sup>Fundamental company analysis is defined as the examination of publicly available information and the formulation of forecasts to estimate the intrinsic value of an equity security. Examples include estimating an equity security’s value using company data, such as earnings and sales forecasts, and risk estimates as well as industry and economic data, such as economic growth, inflation, and interest rates.

<sup>6</sup>CFA Institute defines an internship as real-world work experiences in which students fulfill short-term positions within a company or organization in order to gain hands-on experience and develop career-specific skills. Internships may be paid or unpaid, with or without academic credit, and are of varying lengths.

- c. has been, or is, a CFA® charterholder;
- d. is employed by CFA Institute, the subject company, or the local host;
- e. is under investigation or has been sanctioned by the CFA Institute Professional Conduct Program; or
- f. has ever been convicted of a felony or crime punishable by more than one year's imprisonment or has ever engaged in conduct which would violate the [CFA Institute Code of Ethics and Standards of Professional Conduct](#).

## 2.4 Research

Only team members may conduct research on the subject company for the purposes of the CFA Institute Research Challenge. Teams may use only publicly available information in conducting their research.<sup>7</sup>

- a. Teams may utilize their industry mentor and/or faculty adviser as resources but may not enlist the help of any other individual who has ever been employed as an investment management professional in conducting research.
- b. The written reports and presentations should be prepared from the perspective of an independent research analyst.
- c. Teams can read existing research on the subject company but all analysis should be their own; they may not copy analysis (i.e., plagiarize) from another source into their written reports or presentations.<sup>8</sup> Sourced information should be properly cited using a generally accepted citation system.

## 2.5 Interaction with Subject Company

Teams may not have contact with subject company corporate executives for the purposes of the CFA Institute Research Challenge other than during the informational session (described in the following text) and the one permitted follow-up communication.

- a. The subject company may provide teams with an informational session. The informational session may include a question and answer (Q&A) session during which time teams may pose questions to the subject company and the subject company may respond.
- b. Teams may have one follow-up communication with the subject company prior to the local final. This follow-up communication must be organized by the local host and the contact must be confined to those corporate officers who normally interact with investors, such as investor relations officers, CEOs, or chief financial officers.

---

<sup>7</sup>Publicly available information includes:

- 1. information in company financial statements and press releases,
- 2. information in the media about the company and its competitors, and
- 3. information produced by data aggregators for general use (e.g., Bloomberg, S&P Global, FactSet, etc.).

Publicly available information does not include:

- 1. information about the company that is (or should be) known only to staff or some staff employed by the company or firms with whom the company does business, and
- 2. information that is (or should be) known only to those involved in legal or regulatory proceedings involved with the company.

<sup>8</sup>Volunteer charterholders who mentor or advise students must request and receive permission from their firm to share reports prepared either within their firm or from outside sources. Additionally, all volunteers who work with students should ensure that they understand how to avoid plagiarism and what is required when citing the work of another research analyst.

- c. Teams may not contact subject company corporate executives for the purposes of the CFA Institute Research Challenge other than the informational session, the Q&A session, and the one permitted follow-up communication.
- d. Teams are permitted to interact with the company as a member of the general public (e.g., teams may dine in a restaurant that is a subject company or take a tour of the subject company if it is publicly available).
- e. Teams may contact the subject company's customers, competitors, former employees, and suppliers in conducting research, including surveys. Contacted individuals should not be known to have ever been employed as an investment management professional. Each team member must identify him/herself as a student and disclose his/her participation in the CFA Institute Research Challenge.
- f. Prior to contacting the subject company, its customers, competitors, former employees, or suppliers, the team must submit its questions to the faculty adviser or industry mentor. The faculty adviser or industry mentor must participate in each communication but only for the purpose of ensuring that no material nonpublic information is discussed. Faculty advisers and industry mentors are not permitted to ask any questions or provide any opinions on the subject company. The time spent by the faculty adviser or industry mentor while monitoring this kind of communication will not count toward the maximum number of hours allotted for faculty adviser or industry mentor involvement.

## 2.6 Written Reports

Each team must prepare a written research report on the subject company. Teams may utilize their industry mentor or faculty adviser as a resource but may not enlist the help of any other investment management professionals in writing the content of the report.

The written report must:

- a. conform to the guidelines set forth in [Appendix A](#), "Written Report Guidelines" (the cover page is shown in [Appendix B](#)),
- b. not exceed 10 A4-sized pages, but may include an appendix no longer than 20 A4-sized pages,
- c. contain only publicly available information,
- d. be the original work of the team members,
- e. be prepared from the perspective of an independent research analyst, and
- f. be submitted to the local level host by the deadline established by the host.<sup>9</sup>
- g. The written report will be graded according to the criteria set forth in [Appendix C](#), "Research Report Evaluation Form."

## 2.7 Presentations

Each team may make a presentation of their findings to a panel of judges.

- a. Teams may utilize their industry mentor and/or faculty adviser as a resource for guidance, direction, suggestions, and feedback, but may not enlist the help of any other person who has ever been

---

<sup>9</sup>Hosts may impose penalties for late submissions. Penalties may include, but are not limited to, point deductions or disqualification from the competition. The decision to impose penalties and the extent of those penalties is at the discretion of the host.





employed as an investment management professional in preparing content or evaluating the presentation, including conducting practice presentations in front of one or more investment management professionals (e.g., mock judging panels). Teams may utilize presentation coaches or other public-speaking resources as long as those resources do not contribute to the content of the presentation.

- b. The students may not hand the judges any printed materials before or after the presentations, but the local host can print out the presentation slides for each team and distribute to the judges before the event.
- c. Teams may not use props in their presentation.<sup>10</sup>
- d. Only team members may participate in the presentation.
- e. The presentation is limited to 10 minutes; however, an additional 10 minutes will be provided to answer questions posed by the judges. Only judges are permitted to pose questions to a team during the Q&A portion of a presentation.
- f. Each presentation will be timed and the timekeeper will provide a one-minute warning and an announcement when time has expired. When the timekeeper announces that time has expired, teams must immediately conclude the presentation.
- g. Presentations will be judged according to [Appendix D](#), “Presentation Scoring Sheet.”

## **RULE 3: FACULTY ADVISER, INDUSTRY MENTOR, JUDGES, AND GRADERS**

### **3.1 Faculty Adviser**

- a. Each team may be provided one faculty adviser. The faculty adviser must be currently employed as a faculty member by the team’s sponsoring university.
- b. The faculty adviser will be selected by the team’s university.
- c. The faculty adviser must agree to abide by the [CFA Institute Code of Ethics and Standards of Professional Conduct](#).
- d. The faculty adviser’s primary responsibility is to provide guidance and direction to the team throughout all levels of competition.
- e. The faculty adviser may not conduct any analysis for the team’s written report or presentation.
- f. The faculty adviser may not contribute any research or content to either the written report or the presentation other than by providing guidance, direction, suggestions, and feedback.

### **3.2 Time Permitted with Faculty Adviser**

Teams are permitted to use a faculty adviser on substantive matters for limited hours. Teams may spend up to 10 hours with the faculty adviser prior to submitting the written report. For each local, regional, or global final in which the team competes, the faculty adviser may contribute an additional three hours. Logistical work, such as arranging meeting space and times and class attendance, does not count toward the time limit. Failure to abide by these time limits will result in the team’s and the faculty advisor’s disqualification from the CFA Institute Research Challenge.

---

<sup>10</sup>A prop is defined as an object used by students to enhance or illustrate an aspect of the team presentation.

### 3.3 Industry Mentor

Each team will be provided one industry mentor.

- a. The industry mentor will be selected by the local level host.
- b. The industry mentor must agree to abide by the [CFA Institute Code of Ethics and Standards of Professional Conduct](#).
- c. The industry mentor may not conduct any analysis for the team's written report or presentation.
- d. The industry mentor may not contribute any research or content to either the written report or the presentation other than by providing guidance, direction, suggestions, and feedback.
- e. Students may not receive assistance from additional finance industry professionals.
- f. It is recommended that industry mentors be CFA charterholders.

### 3.4 Time Permitted with Industry Mentor

Teams are permitted to use an industry mentor on substantive matters for limited hours. Teams may spend up to six hours with the industry mentor prior to submitting the written report. For each local, regional, or global final in which the team competes, the industry mentor may contribute an additional two hours. Logistical work, such as arranging meeting space and time, does not count toward the time limit. Failure to abide by these time limits will result in the team's and the faculty advisor's disqualification from the CFA Institute Research Challenge.

### 3.5 Judges

- a. Judges will independently evaluate each presentation using the presentation scoring sheet (see [Appendix D](#)).
- b. Judges must agree to abide by the [CFA Institute Code of Ethics and Standards of Professional Conduct](#).
- c. Each local level competition must have a minimum of three judges per panel.
- d. The judges will be selected by the event host. All judges must be investment professionals. It is recommended they have experience writing and reviewing equity research reports.
- e. It is recommended that judges be CFA charterholders.

### 3.6 Graders

- a. Graders will independently evaluate each written report using the Research Report Evaluation Form (see [Appendix C](#)).
- b. Graders must agree to abide by the [CFA Institute Code of Ethics and Standards of Professional Conduct](#).
- c. Graders will be selected by the event host.
- d. All graders must be investment professionals with experience in writing and reviewing research reports.
- e. It is recommended that graders be CFA charterholders.

## **RULE 4: LOCAL LEVEL COMPETITION**

### **4.1 Eligibility of Host**

Only CFA Institute, CFA Institute member societies, and CFA Institute–approved entities are eligible to serve as local level hosts. The local host is responsible for holding the local level competition in its region in accordance with these Rules.

### **4.2 Competition Requirements**

Local level competitions must have at least three universities, as defined in Rule 2.1, committed to participating by the specified competition start date. If fewer than three universities commit to participating by the competition start date in a local level competition, the winning team in that local final will not be eligible to compete at the regional level. If universities drop out of the competition after the competition start date, the winning team in that local final will be eligible to compete at the regional level even if there are fewer than three universities at the end of the local competition. The local level host is responsible for establishing the timetable and deadlines for their local competition and for designating the means by which written reports are submitted for consideration and the manner in which presentations are conducted. It is the responsibility of each local level host to ensure that its local competition schedule is consistent with the regional and global competition schedule established by CFA Institute. The local level host shall provide information about the local level competition schedule and local level requirements to teams no later than the local level kickoff meeting. No decision by the local level host regarding the administration of the local level competition shall conflict with these rules and in the event of any conflict, these rules shall govern. Local level hosts may add additional requirements regarding the administration of their local level competition as long as those requirements do not conflict with these rules. The decisions of CFA Institute interpreting these rules shall be final and binding upon all local level hosts.

Universities participating at the local level must be physically located within the natural geographic region of that university's local host.<sup>11</sup>

The winner from each eligible local level competition (as previously defined) will advance to a regional level competition. If the local level competition has at least 24 universities competing, then the top 2 universities will advance to a regional level competition. Only the first-place finisher in local level competitions involving 23 participating universities or fewer will advance to the regional competition. Teams that advance to the regional round may not revise or edit their written report in any way between rounds of the competition. However, teams are free to adjust their live presentations between rounds in any manner that complies with these rules. Permitted adjustments include changes to slide formatting and substantive content, including, but not limited to, the investment recommendation and price target.

Local level competitions must adhere to one of the following competition formats which is selected by the local host and disclosed to teams in advance of the local kickoff meeting:

---

<sup>11</sup>Societies may submit requests for an exception to this rule; these requests will be evaluated by CFA Institute.



# CFA Institute

- **Classic format.** The classic format is used when all participating teams present at the local final competition. Typically, these competitions feature three to six teams. Each team submits a written report and gives a presentation to a panel of judges. The winning team will have the highest combined score based on the written report results (50%) and the presentation results (50%).
- **Staggered format.** The staggered format is used when it is not feasible for all teams to present at the local final, so the scores from the written report and/or the presentation allow only the top teams to advance. Typically, these competitions feature more than six teams and follow two options:
  - Staggered Format A: Each team submits and is evaluated on a written report. The teams (at least three) with the highest written report scores advance to give a presentation to a single panel of judges. If all teams are evaluated by the same graders, the winning team will have the highest combined score based on the written report results (50%) and the presentation results (50%). If the teams are evaluated by different sets of graders (i.e. the team's written report scores are not relative to one another), the winning team will be the team with the highest presentation results.
  - Staggered Format B: Teams are divided into at least two semifinal groups. Each team submits a written report and gives a presentation. Teams are evaluated among their groups, and the top team in each semifinal group based on the combined score of the written report (50%) and the presentations (50%) advances to the local final. The winning team will then be determined in the local final based solely on the presentation scores.
- **District format.** The district format is used in a large geographic area when travel to and from a central location is not possible. These competitions are allowed only under special circumstances and need to be approved by CFA Institute. Teams are assigned to one of at least four districts. There must be at least four teams in each district. Each team submits a written report and gives a presentation to the district's panel of judges. Each district will send the team with the highest score in that district to the local final. The winning district teams will compete against one another at the local final to determine the winning team. District format competitions with at least 24 universities will send the top two teams to compete at the regional round. District format competitions with at least 48 universities will send the top three teams to compete at the regional round.

For local finals utilizing the staggered format there may be a tie among written report scores in determining which teams advance to the presentation round. In this event, the advancing team will be determined in the following order:

- a. The team receiving the higher score in the financial analysis section for the written report will advance.
- b. If there is still a tie in the financial analysis section for the written report, the team receiving the higher score in the valuation section of the written report will advance.
- c. If there is still a tie between the financial analysis section of the written report and the valuation section, the team receiving the higher score in the investment summary section of the written report will advance.
- d. If there is still a tie in the financial analysis section; the valuation section; and the investment summary section of the written report, the team receiving the higher score in the industry overview and competitive positioning section will advance.
- e. If there is still a tie in the financial analysis section; the valuation section; the investment summary section; and the industry overview and competitive positioning section of the written report, the team receiving the higher score in the investment risks section will advance.



- f. If there is still a tie in the financial analysis section; the valuation section; the investment summary section; the industry overview and competitive positioning section; and the investment risks section of the written report, the team receiving the higher score in the corporate governance section will advance.
- g. If there is still a tie in the financial analysis section; the valuation section; the investment summary section; the industry overview and competitive positioning section; the investment risks section; and the corporate governance section of the written report, the team receiving the higher score in the business description section will advance.

In the event of a tie in presentation scores at the local final, the winner will be determined in the following order:

- a. The team receiving the higher overall score for the presentation will advance. If there is still a tie in the overall score for the presentation, the team receiving the higher score in the financial analysis section of the presentation is deemed the winner.
- b. If there is still a tie between the overall score for the presentation and the financial analysis section, the team receiving the higher score in the valuation section of the presentation is deemed the winner.
- c. If there is still a tie among the overall score for the presentation; the financial analysis section; and the valuation section of the presentation, the team receiving the higher score in the question and answer section will be deemed the winner.
- d. If there is still a tie among the overall score for the presentation; the financial analysis section; the valuation section; and the question and answer section of the presentation; the team receiving the higher score in the presentation section will be deemed the winner.
- e. If there is still a tie among the overall score for the presentation; the financial analysis section; the valuation section; the question and answer section; and the presentation section of the presentation; the team receiving the higher score in the team involvement section will be deemed the winner.
- f. If there is still a tie among the overall score for the presentation; the financial analysis section; the valuation section; the question and answer section; the presentation section; and the team involvement section of the presentation; the team receiving the higher score in the materials section will be deemed the winner.

## 4.3 Host Requirements

Local level hosts must do the following.

- a. Sign and submit the CFA Institute Research Challenge Host Agreement by 18 August 2017 and abide by that agreement and these rules at all times.
- b. Select the subject company in accordance with the following rules:
  - i. The subject company must be publicly traded.
  - ii. The subject company can only work with one local competition (no local level research challenge competitions may share the same subject company).
  - iii. The subject company must be in the host's natural geographic area unless otherwise approved by CFA Institute.
- c. Select the industry mentors, graders, and judges.
- d. Ensure that all team members meet the eligibility requirements set forth in Section 2.2.
- e. Ensure that no team members are ineligible pursuant to Section 2.3.



- f. Send the result of the local level and the winning team's written report to CFA Institute within two days of completion of the local final.
- g. Conduct the local level completion in accordance with these rules and the local level host's competition schedule and procedures.

All decisions of the local level host are final and binding on local level teams but subject to the review of CFA Institute.

## 4.4 Travel and Accommodations

Participants and volunteers are responsible for any and all expenses incurred for travel and accommodations related to the local level competition unless the local host otherwise agrees to be responsible.

## RULE 5: REGIONAL AND GLOBAL LEVEL COMPETITIONS

### 5.1 Regional Level Host

CFA Institute will act as the host for the Asia Pacific; Europe, Middle East, and Africa; Americas regional; and global level competitions. CFA Institute has established the [schedule](#) for the regional and global competition.

CFA Institute offers the Research Challenge in a manner and in a location accessible to individuals with documented disabilities in compliance with the law. Contact [researchchallenge@cfainstitute.org](mailto:researchchallenge@cfainstitute.org) for instructions on how to request an accommodation for your disability.

### 5.2 Travel and Accommodations for Teams

- a. CFA Institute will cover reasonable and documented travel and accommodation costs for the winning team of each eligible local level competition (as defined in Rule 4) and one sponsored guest.<sup>12</sup> The sponsored guest will be determined by the winning team.
- b. All students and sponsored guests must book their travel to and from the event using the official CFA Institute travel management company, FCM Travel Solutions. Reservations made through agencies other than FCM Travel Solutions will not be eligible for reimbursement.
- c. CFA Institute will cover roundtrip economy airfare. CFA Institute covers only the lowest-cost roundtrip option that takes travelers from their departure city to the competition location and back. If travelers decide to extend their stay, choose different layovers, etc., CFA Institute will pay only for the lowest-cost roundtrip option. Extra costs will be incurred by the traveler.
- d. All travelers must book travel by the deadline specified by CFA Institute. If travelers book later than this date, CFA Institute will cover only what the cost the flight would have been by the deadline. Extra costs will be incurred by the traveler.
- e. CFA Institute will not pay for taxis, rental cars, visa application fees, food and beverage (not provided at a CFA Institute-sponsored function), baggage fees, and any other fees or expenses not specifically mentioned previously.

---

<sup>12</sup>Limited to a faculty adviser, industry mentor, or CFA Institute Research Challenge host representative.



- f. All travel arrangements for which CFA Institute will pay must be made through a CFA Institute–approved travel agency, and payment will be remitted directly to the agency, not to any participant.
- g. CFA Institute will arrange hotel rooms for the winning team of each eligible local level competition (as defined in Rule 4) and one sponsored guest.
- h. Students will room with one other student. Roommates will be assigned by CFA Institute according to university affiliation and gender. Students may be assigned to room with a student from another university.
- i. Students may make alternative flight and lodging arrangements at their own expense.
- j. Winners are responsible for having valid passports, any visas that may be required to travel, and any vaccinations or inoculations that may be required. CFA Institute does not guarantee entry to the countries where the regional and global rounds will be held and entry into such countries is entirely at the discretion of the applicable customs and immigrations authorities.
- k. Travel is not assignable or transferable and may not be redeemed for cash. No substitutions are allowed by the winning team.

## 5.3 Competition and Scoring

The winning team from each regional competition will advance to the global final. If the regional level competition has over 36 universities competing, then the top two universities will advance to a global level competition.

Local hosts will submit the winning team’s research report for the regional competition. The research report will be the same one that was evaluated locally. No changes can be made.

Teams must submit their presentations in the specified version of Microsoft PowerPoint or as an Adobe PDF file. CFA Institute will announce the supported version of Microsoft PowerPoint in advance of each regional competition. CFA Institute cannot guarantee technical support for presentations.

During the first round of each regional competition, the overall score will be based on 50% written report score and 50% presentation score. Teams will be randomly assigned to a semifinal breakout. CFA Institute will send the written report from each team in that semifinal breakout to a group of regional graders. These graders will score reports for all the teams competing against each other in that breakout (e.g., the reports for each team in Room 1 will be scored by one group of graders, the reports for each team in Room 2 will be scored by another group of graders, and so on). For the presentations, teams will compete against the same semifinal breakout group. Judges will score presentations for all teams competing against each other in that breakout (e.g., the presentations for each team in Room 1 will be scored by one group of judges, the presentations for each team in Room 2 will be scored by another group of judges, and so on).

The overall score for each subsequent round of competition will be based 100% on the presentation as set forth by Rule 2.6. Regional judges will assess the presentation score using [Appendix D](#).

In the event of a tie between scores during any of the regional or global competition rounds, the winner will be determined in the following order:



- a. The team receiving the higher overall score for the presentation will advance.
- b. If there is still a tie in the overall score for the presentation, the team receiving the higher score in the financial analysis section of the presentation is deemed the winner.
- c. If there is still a tie between the overall score for the presentation and the financial analysis section, the team receiving the higher score in the valuation section of the presentation is deemed the winner.
- d. If there is still a tie among the overall score for the presentation; the financial analysis section; and the valuation section of the presentation, the team receiving the higher score in the question and answer section will be deemed the winner.
- e. If there is still a tie among the overall score for the presentation; the financial analysis section; the valuation section; and the question and answer section of the presentation; the team receiving the higher score in the presentation section will be deemed the winner.
- f. If there is still a tie among the overall score for the presentation; the financial analysis section; the valuation section; the question and answer section; and the presentation section of the presentation; the team receiving the higher score in the team involvement section will be deemed the winner.
- g. If there is still a tie among the overall score for the presentation; the financial analysis section; the valuation section; the question and answer section; the presentation section; and the team involvement section of the presentation; the team receiving the higher score in the materials section will be deemed the winner.



## Appendix A – Written Report Guidelines

Each team must prepare a written research report on the subject company chosen by the local host. Teams may use their industry mentor or faculty adviser as resources but may not enlist the help of any other professionals in writing the actual report.

The written report must

- be no longer than 10 pages (not including the front and back covers provided by CFA Institute) on A4-sized paper\* (210 mm × 297 mm, 8.27” × 11.69”), although you may include an appendix no longer than 20 A4-sized pages;
- include the following information in a header on the first page:
  - Company name
  - Exchange
  - Ticker symbol
  - Sector
  - Industry
  - Recommendation (buy/sell/hold)
  - Current price (as of \_\_ date)
  - Target price (% increase/decrease)
- contain only publicly available information;
- be the original work of the team members;
- be prepared from the perspective of an independent research analyst;
- be submitted to the local-level host by the deadline established by the host;
- include the front and back covers provided by CFA Institute with the information in highlighted text filled in (teams must not alter any other part of the cover pages, including the CFA Institute logo); the back cover should be placed after the appendix; and
- contain (but not limited to\*\*) the following sections:
  - Business description
  - Industry overview and competitive positioning
  - Investment summary
  - Valuation
  - Financial analysis
  - Investment risks
  - Corporate governance

\*If you would like to print an A4-sized document to letter-sized paper, you can select the option to automatically resize the document in your printing options by selecting Page Layout > Page Setup > Print Options > Advanced. Ensure that “Scale content for A4 or 8.5 x 11” paper sizes” is selected:

**Print**

Use draft quality

Print in background ⓘ

Print pages in reverse order

Print XML tags

Print field codes instead of their values

Allow fields containing tracked changes to update before printing

Print on front of the sheet for duplex printing

Print on back of the sheet for duplex printing

Scale content for A4 or 8.5 x 11” paper sizes

Default tray: Use printer settings ▼

\*\*You may also include other headings for important information not otherwise covered in the previously listed sections.



# CFA Institute

## Appendix B – Written Report Cover with Disclosure



# CFA Institute

---

## CFA Institute Research Challenge

hosted by/in

Local Challenge (e.g., CFA Society Virginia, CFA Society Thailand,  
etc.)

Team Name

---

The CFA Institute Research Challenge is a global competition that tests the equity research and valuation, investment report writing, and presentation skills of university students. The following report was submitted by a team of university students as part of this annual educational initiative and should not be considered a professional report.

### Disclosures:

#### Ownership and material conflicts of interest

The author(s), or a member of their household, of this report [holds/does not hold] a financial interest in the securities of this company. The author(s), or a member of their household, of this report [knows/does not know] of the existence of any conflicts of interest that might bias the content or publication of this report. [The conflict of interest is...]

#### Receipt of compensation

Compensation of the author(s) of this report is not based on investment banking revenue.

#### Position as an officer or a director

The author(s), or a member of their household, does not serve as an officer, director, or advisory board member of the subject company.

#### Market making

The author(s) does not act as a market maker in the subject company's securities.

#### Disclaimer

The information set forth herein has been obtained or derived from sources generally available to the public and believed by the author(s) to be reliable, but the author(s) does not make any representation or warranty, express or implied, as to its accuracy or completeness. The information is not intended to be used as the basis of any investment decisions by any person or entity. This information does not constitute investment advice, nor is it an offer or a solicitation of an offer to buy or sell any security. This report should not be considered to be a recommendation by any individual affiliated with [society name], CFA Institute, or the CFA Institute Research Challenge with regard to this company's stock.



## Appendix C – Research Report Evaluation Form

### Research Report Evaluation Form

Section	Maximum Points	Comments
<b>Business Description</b>	5	
<b>Industry Overview &amp; Competitive Positioning</b>	15	
<b>Investment Summary</b>	20	
<b>Valuation</b>	20	
<b>Financial Analysis</b>	20	
<b>Investment Risks</b>	15	
<b>Corporate Governance</b>	5	
<b>Total</b>	<b>100</b>	



## Appendix D – Presentation Scoring Sheet

### CFA Institute Research Challenge Presentation Scoring Sheet

**Team:** \_\_\_\_\_

**Judge:** \_\_\_\_\_

Criteria	Maximum Points	Points	Notes
<b>Financial Analysis</b> <i>How thorough was their analysis of the industry, company, and competitors?</i>	25		
<b>Valuation</b> <i>Were the valuation methodologies appropriate and detailed?</i>	25		
<b>Presentation</b> <i>How effective/convincing was their presentation? Was it logical and did the facts support the recommendation?</i>	20		
<b>Question &amp; Answer</b> <i>Were they able to answer the questions effectively and with confidence?</i>	20		
<b>Team Involvement</b> <i>Team involvement in the presentation/questions and answers</i>	5		
<b>Materials</b> <i>Quality of slides</i>	5		
<b>Total</b>	<b>100</b>		