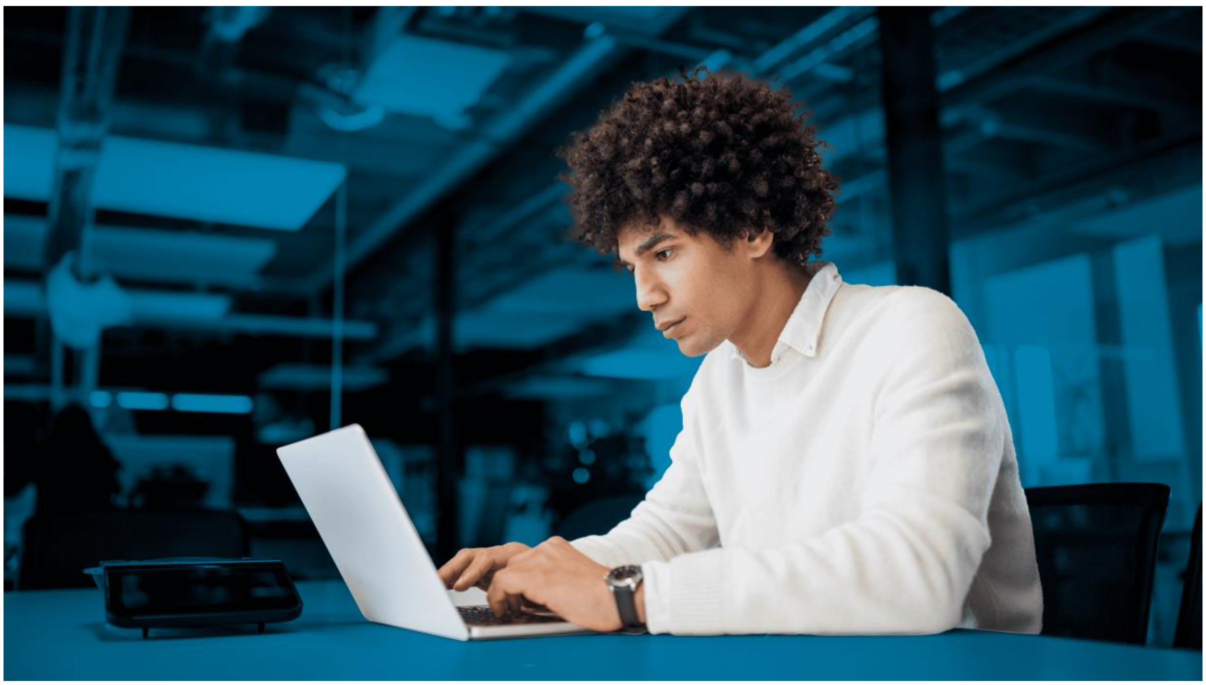
CFA Institute Research Challenge

Classroom Series

Developing applied learning skills for the whole class



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Overview

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. This annual educational initiative promotes best practices in equity research among the next generation of analysts through hands-on mentoring, the intensive application of skills and knowledge in company analysis, and presentation skills.

Purpose

The mission of CFA Institute is to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. The Research Challenge aims to extend this mission to a wider student population by teaching best practices in investment analysis early in their preparation for careers in the industry. Our goal is to introduce students to CFA Institute and highlight its focus on ethics, integrity, and strong professional standards within the investment industry.

The Research Challenge Classroom Series allows professors to run an internal competition at their university to allow more student participation. If your university participates in the Research Challenge, the Classroom Series is a great way to determine which team(s) can then participate in the local competition hosted by your society. If your university does not participate in the Research Challenge, the Classroom Series can serve as a stand-alone competition or project for more students to gain hands-on experience in equity research without the extended commitment of the program or support required from your local society.

Benefits

Employers recruiting finance graduates increasingly seek candidates with hands—on, applied learning experiences like this. Benefits include:

- Practical application in equity research;
- Augment classroom learning;
- Focused development of presentation and teamwork skills; and
- Skills-based learning experience students can highlight on their CV.

Components of the Competition

Analysis of a Public Company

Each team extensively researches the same publicly traded company ("Subject Company"), reviewing its market positioning and share price valuation using established equity analysis approaches.

(Recommended) Writing a Research Report

Each team produces *an Initiation of Coverage Report* on its Subject Company. The report is reviewed and scored by the professor.

Presentation
Each team will make a presentation of their findings to present to the judge or judging panel.

Question and Answer Period
The presentation will be followed by a 7-minute question and answer session conducted by the judge or judging panel.

Planning a Classroom Series

The Classroom Series gives more students the experience of participating in the Research Challenge. This manual offers a classroom-ready framework that stimulates the competition, allowing students to step into the role of research analysts as they analyze a company, develop a recommendation, and present their findings. Professors are encouraged to use the Research Challenge official rules as a guide when planning a Classroom Series. Official rules can be found on the Research Challenge student preparation page. Components of the rules may be adjusted at the professor's discretion to best meet the needs of the class. If you have questions about applying the official rules to the Classroom Series, please contact researchchallenge@cfainstitute.org.

Definition of Key Roles

Team
Each team consists of three to five students enrolled in the professor's class who produce the presentation and the (*recommended*) written report.

Professor
The professor is a faculty member employed by the teams' university who organizes the competition.

Subject Company
The Subject Company is selected by the professor and is the basis of the teams' research and analysis.

Judge(s)
The judge will review and grade the teams' (*recommended*) written report and presentation. The judge may be the professor or a panel of faculty members selected by the professor. Presentations will be evaluated using the presentation scoring sheet. Written reports will be evaluated using the report score sheet.

Create a Timeline

The timeline below is provided as a guide to support program planning. Professors are welcome to adjust the timeline to best fit their classroom needs.

Week 1:

- Professor selects a Subject Company

- Professor gives investor relations presentation to the class and shares program requirements
- Students are assigned to teams of three to five

Week 2-3:

- Teams develop their written report and presentations using publicly available information

Week 4:

- Teams submit their written report and present their findings to the judge(s)

References to the CFA Institute Research Challenge

Participation in this classroom exercise does not constitute participation in the CFA Institute Research Challenge. This exercise is an independent educational activity designed to introduce students to elements of the research and analysis process used in the competition. Students who compete in this exercise may not represent themselves as participants of the Research Challenge and are not eligible to receive a CFA Institute Research Challenge participation badge or certificate.

Acceptable

- Research Challenge Classroom Series

Unacceptable

- CFA Institute Research Challenge Classroom Series
- CFA Institute Research Challenge
- CFA Institute IRC
- Global Investment Research Challenge
- GIRC

Select a Subject Company

The Subject Company will be selected by the professor . Subject companies must be publicly traded, but there are no other restrictions. It is ideal to find companies that have limited analyst coverage so that teams do as much independent research and analysis as possible. Also, keep in mind that companies with very low market capitalizations may not have as much information for the students to evaluate. Once the Subject Company has been chosen, the professor will be responsible for providing an investor relations presentation to the class. The presentation should be 10-15 minutes and may be developed using only publicly available information.

Keep in mind that some industries are more difficult to analyze for students than others because 1) the students are unfamiliar with the industry, 2) the industry is analyzed in a way not covered by the CFA Program curriculum, or 3) the industry is analyzed in a way not covered in traditional academic settings. However, no proof exists that teams analyzing more-complicated industries have less success in the competition.

Evaluating the Written Reports

The professor has the sole discretion to determine if written reports will be incorporated into the Classroom Series . If you choose to include the report component, consider using this format; each participating team submits a written report by a specified date.

The reports are limited to 10 pages; however, you may want to consider a shorter report, such as 2-5 pages. Headings are stipulated in the Official Rules. The report may also contain an appendix limited to an additional 10 pages. The appendix limit should be adjusted based on the report length limit.

In the Classroom Series, the reports are graded by the professor using the evaluation form.

Evaluating the Presentations

Each participating team (or teams that qualify to present) will give a 10-minute presentation on their research followed by a 7-minute question and answer period.

In the Classroom Series, the presentations are judged by the professor , or a panel of faculty members selected by the professor . Presentations should be scored using the evaluation form.

A comprehensive overview of best practices for judging in the Research Challenge competition can be found in the judge guidelines. Consider using these guidelines as a reference when evaluating the teams' presentations.

Determining the Winner(s)

If incorporating the written reports, the winning team(s) should be determined by a combination of written report and presentation evaluations. If there are a significant number of teams participating, the professor may choose to have only the top scoring teams on the written report give a presentation. If this is the case, the final winner(s) may be determined solely by presentation score.

If you choose to omit the written report component from the competition, the winning team(s) will be determined solely by the presentation score.

Ready to Get Started?

We hope this guide helps you create a meaningful and engaging learning experience for your students. If you have any questions, would like to host a university round, or are looking for additional resources, please email researchchallenge@cfainstitute.org.

If you use this workshop in your classroom, we'd love to hear how it went. Sharing your feedback, lessons learned, and student experiences helps us strengthen these resources for future educators.