

Italian Investment Research Challenge

Where opportunity favors the prepared mind...

2010 Champions University of the Philippines



The purpose

Teach best and ethical practices in equity research through a real-world experience to the next generation of investment professionals



Hosts

HOME ABOUT US CFA PROGRAM EVENTS PUBLICATIONS CENTRE CIPM PROGRAM SOCIETIES MEMBER RESOURCES

CFA INSTITUTE
The Global Association of Investment Professionals
We administer the Chartered Financial Analyst® (CFA®) and Certificate in Investment Performance Measurement (CIPM®) programs, promote the highest ethical standards, and offer a range of educational opportunities online and around the world.

SEARCH GO

Italian CFA Society - Investment Research Challenge...

ITALIAN CFA SOCIETY Member of CFA Institute

Italian CFA Society | CFA Institute | CFA Program | CIPM Program | ICFA Membership | Advocacy | Events | Pressroom

Username:
Password:
Login
[Register](#) | [Lost Password ?](#)
[Headhunters Login](#)

Register Today!

Investment Research Challenge

Italian Investment Research Challenge – Congratulations!

The team from **Master of Science in Finance at Università Bocconi**, winner of the First Italian Investment Research Challenge, did very well with a 4th place in EMEA finals. The **Global Challenge** has been won by the team from **Nanyang Technological University, Singapore**. Congratulations also to the teams from **Università Politecnica delle Marche** and **Politecnico di Milano**, who took part in the challenge and presented the following reports on **Prysmian** to a high-profile panel of experts from top financial institutions.

Latest News

- ▶ 11/09/2009 - Investment Advisers Should Adhere to a Single, High Fiduciary Standard, Says CFA Institute - [Read](#)
- ▶ 09/09/2009 - CFA Institute Reviews Current Regulations Regarding the Practice of Share Pledges - [Read](#)
- ▶ 08/09/2009 - CFA Institute Says U.S. SEC Post-Madoff Report Is Necessary - [Read](#)

Events

- ▶ 22/10/2009 - Equity Derivatives Conference - [Read](#)

October 2009

Mo	Tu	We	Th	Fr	Sa	Su
28	29	30	1	2	3	4
5	6	7	8	9	10	11

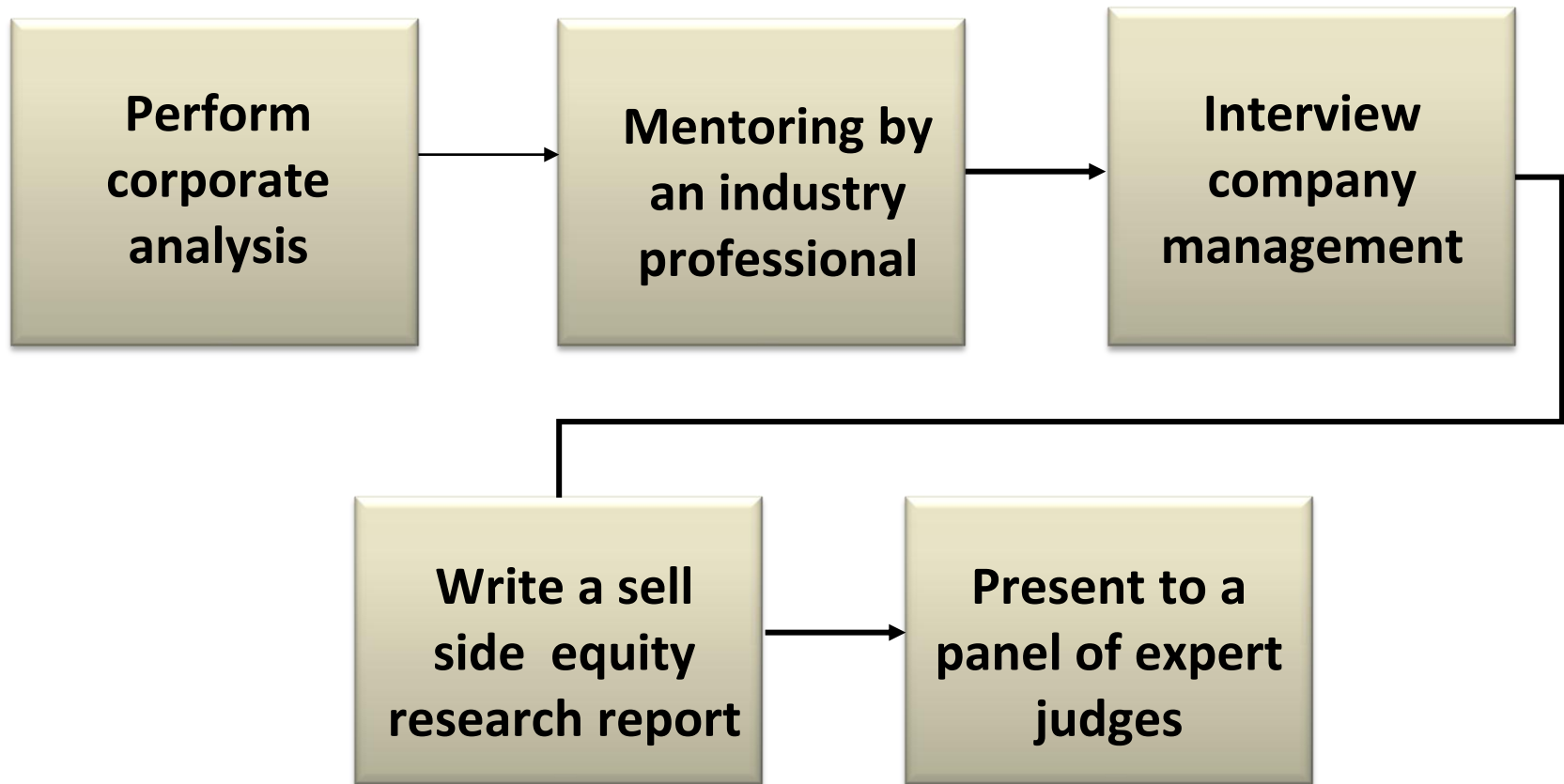
© 2009 CFA Institute. All Rights Reserved. [Contact Us](#) | [Sitemap](#) | [Forms](#) | [Terms and Conditions](#) | [Privacy Policy](#) | [RSS](#)

Internet | Modalità protetta: disatt.

Benefits for Sponsors

- Outreach to student from the best business colleges
- Partnership with CFA Institute and Italian CFA Society in promoting best practices and ethical standards in the investment industry.
- International corporate visibility
- Media Coverage

Key Components



Global IRC Network

Americas + New York:

- 30 Challenges
- 200 Universities

Asia Pacific:

- 16 Challenges
- 140 Universities

EMEA:

- 14 Challenges
- 90 Universities



2011 Winners' Progression Diagram



Sampling of Participants

Asia Pacific

- The Chinese University of Hong Kong
- Fudan University
- Monash University
- Singapore Management University
- Institute of Business Administration of Pakistan
- Shanghai Jiaotong University
- University of the Philippines



Europe, Middle East & Africa

- Aalto (Helsinki) School of Economics
- Bocconi University
- Trinity College Dublin
- ESSEC, Paris
- University of Edinburgh
- London Business School
- Rotterdam School of Management
- University Gottenburg
- University of Cape Town
- Wroclaw University



Università Commerciale
Luigi Bocconi

Americas

- Boston University
- Brigham Young University
- Columbia Business School
- Faculdade de Economia – Brazil
- Fordham University
- Harvard University
- MIT
- NYU Stern School of Business
- University of Washington
- Rice University
- University of Arizona
- University of Virginia
- University of Southern California
- Yale University



GLOBAL
I·R·C

Faculty and Mentor Involvement

Faculty Advisor

- Insight and guidance on research methods and tools as taught in academia
- 10 hours of productive time *maximum*
- Access to faculty for other projects unrelated to IRC is permitted
- All work must be the original work of the students

Charterholder Mentor

- Insight and guidance on industry practice
- 6 hours of productive time *maximum*
- Face to face or virtual
- Company management question development
- Review first draft of research Report
- Presentation development assistance

Subject Company

Italian Investment Research Challenge 2010



Italian Investment Research Challenge 2009

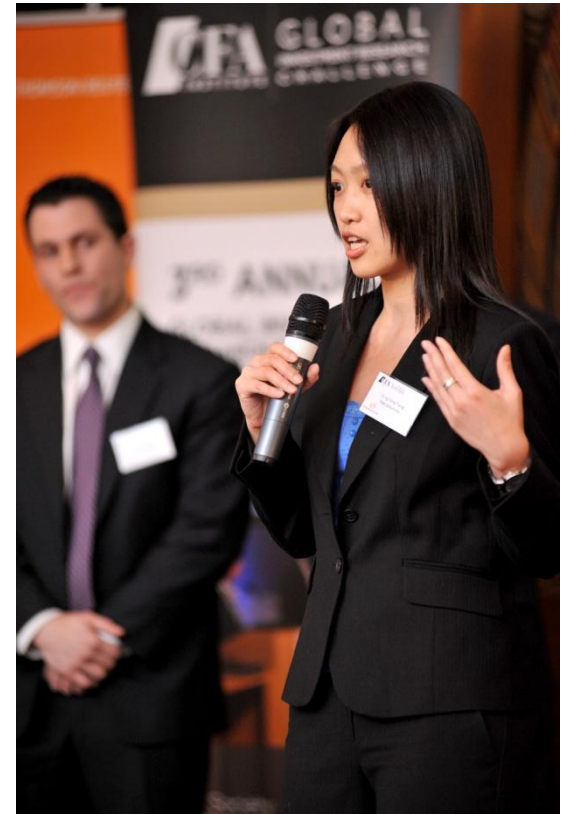


Italian Investment Research Challenge 2008



Tools for Students

- CFA Institute Online Ethics Case Study
- Mentor's Advice
- Professor's Guidance
- Public Arena
- Other Challenge Webcasts



Rules

- Teams of 3-5 students, the same students throughout competition
- Enrolled in school at time of final presentation
- Original work of *students*
- *No contact with company outside of organized events*
- No purchased or professional research reports may be used




Rules, continued

- Mentors and faculty may NOT contact the company
- Mentors and faculty may NOT provide inside information or company reports
- Students, Mentors and Faculty all agree to the CFA Institute Code of Ethics and Standards of Professional Conduct



Report Scoring

Section	Maximum
Business Description	5
Industry Overview & Competitive Positioning	15
Investment Summary	20
Valuation	20
Financial Analysis	20
Other Headings	5
Investment Risks	15
Total	100


 This report is published for educational purposes only by students competing in the Boston Security Analysts Society (BSAS) New England Investment Research Challenge.

Basic Materials - Specialty Chemicals

Cabot Corporation

January 28, 2008

Ticker: •CBT
Price: •\$31.45

Recommendation: •HOLD
Price Target: •\$29.45

Earnings/Share

	Dec.	Mar.	Jun.	Sept.	Year	P/E Ratio
2007A	\$0.79	\$0.54	\$0.30	\$0.36	\$1.99	15.80x
2008E	\$0.45A	\$0.49	\$0.25	\$0.30	\$1.49	21.11x
2009E	\$0.78	\$0.49	\$0.29	\$0.31	\$1.87	16.82x
2010E	\$0.84	\$0.52	\$0.31	\$0.37	\$2.04	15.42x

Highlights

- **HOLD recommendation based on significant headwinds:** We rate Cabot as a **HOLD** with a price target of \$29.45. In the coming year we see significant pressure on core businesses, with little upside for Cabot's strategic products.
- **Higher oil prices will harm core business:** Oil and oil-based products are the basic raw materials in carbon black production, and we expect increasing oil prices to harm Cabot's core carbon black business and their overall bottom line well into fiscal 2008. We also expect a lag in contract pass-throughs to reset carbon black pricing as a response to increasing feedstock prices.
- **Supermetals sale?** Slumping revenues and rapidly declining margins in the Supermetals business are a drag on Cabot's consolidated results. Given recent private equity activity in this area, as well as the critical review of the Company's businesses to be performed by the incoming CEO, we believe Cabot could put the division up for sale.
- **Q1 results beat consensus:** Cabot reported first quarter diluted EPS of \$0.45 before special items, beating Street consensus of \$0.31. The stock rallied off its low of \$27.70 on January 23, jumping up to its current level around \$31.50. Nonetheless, earnings tumbled from \$56M a year ago to \$29M, we do not see the 48% plunge in profits and sequential margin erosion as reason for elation.
- **Solid growth outlook in emerging markets:** Though our outlook on Cabot's traditional markets is tempered, we are enthusiastic about Cabot's anticipated growth in emerging markets. Since 2001, consolidated revenues in China and Asia Pacific have grown from 14% of total to 34%. These trends are expected to continue into the future, and should buoy Cabot's performance as mature markets weather macroeconomic headwinds.



Market Profile	
52 Week Price Range	27.70 - 49.87
Average Daily Volume	501,394
Beta	1.91
Dividend Yield (Estimated)	2.10%
Shares Outstanding	65,173M
Market Capitalization	2.08B
Institutional Holdings	67%
Insider Holdings	18%
Book Value per Share (1/25/08)	\$19.10
Debt to Total Capital	32.3%
Return on Equity	11.8%

The Boston Security Analysts Society
260 Franklin Street, Suite 1540
Boston, MA 02110

Important disclosures appear at the back of this report

Presentation Scoring

Criteria	Maximum
Argument	35
Questions	35
Team Involvement	15
Poise	10
Materials	5
Total	100



Expert Panel of Judges

Written Reports

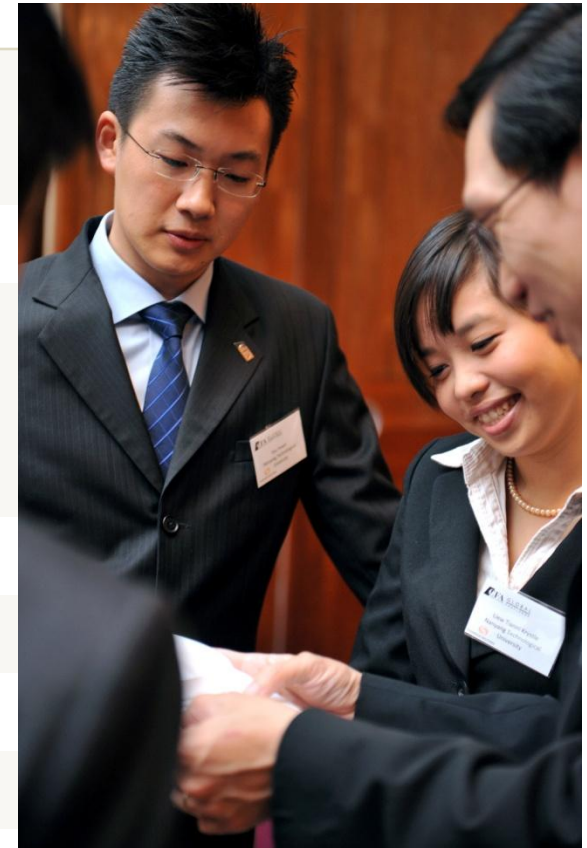
- **Stefano Andreani, CFA** - Head of Equity, *Credit Suisse Asset Management*
- **Andrea Bergamaschi, CFA** - Senior Analyst, *Intermonte Sim*
- **Giulio Battisti, CFA** - Equity Portfolio Manager, *Horatius Sim*
- **Dennis Montagna, CFA** - Equity Portfolio Manager, *Arca SGR*
- **Luca Segala, CFA** – Equity Analyst, *Banco Popolare*
- **Stefano Fogagnolo** - Senior Manager, *Deloitte*

Oral Presentations

- **Mauro Baragiola** – Italian Equity Research, *Citigroup*
- **Luca Forlani, CFA** - Head of Global Equity, *Eurizon Capital SGR*
- **Massimo Fuggetta** - CIO, *Horatius Sim*
- **Guglielmo Manetti** – Deputy Head of Research, *Intermonte*
- **Angelo Meda, CFA** – Portfolio Manager, *Banknord Sim*
- **Giuseppina Parini** - Head of Equity, *Aletti Gestielle SGR*

Timeline

End October	Kick-Off
December	Company Presentation
End Jan	Final Report Due
Interim	Develop Presentation
Interim	Report Grading
February	Final Competition
3 March	Regional IRC



Would you like to be our Sponsor?

If you wish to become a *Sponsor* of Italian Investment Research Challenge please contact

segreteriaicfaitalia@icfas.it

For *fast facts* on Global Investment Research Challenge please visit our website at the following link

http://www.italiancfasociety.it/inv_res_chall.aspx



www.icfas.it

*Where else
but in our colleges
and universities
can you find
the best and brightest minds
of the next generation
in the investment profession?*

GLOBAL
I·R·C