

## Rules

*The sections entitled: **Teams, Company, Research Process and Mentor** must be adhered to by all societies participating in the Global Investment Research Challenge. Optional rules within these sections are clearly indicated in italics, and are up to the discretion of each society. Those not marked optional must be adopted as written.*

*The remaining five sections are suggested rules to give guidance to societies, and may be altered to suit the needs of each society. Once a society decides which of the optional rules to adopt, it should print a copy of the revised rules to distribute to all society participants.*

### **Teams\***

- Teams are chosen from accredited universities to compete in the Investment Research Challenge.
- Societies must have a minimum of four universities involved in order for the local Challenge to qualify for the regional and Global Challenges.
- Each university must select one student team to represent it in the Investment Research Challenge by the appointed deadline.
- Teams consist of 3-5 members, and may include graduate and/or undergraduate students.
- There can be no alternates. If a team loses one of its members, that member can be replaced up until the date of the company presentation.
- Students that present in a regional or global final must be the original student team members that presented at the local level.
- Past participants in the Investment Research Challenge are not eligible to participate on Investment Research Challenge teams.
- Students may not have been or currently be employed in a role whose primary duty involves fundamental company analysis; with the exception of students who have had an internship in that function for six months or less.
- CFA Charterholders are not eligible to participate on Investment Research Challenge teams.
- Students must be enrolled in the current term at the university they represent at the time of the local Challenge final. If the regional or global final is scheduled for a time after the student has graduated, that student can still participate.
- Students must disclose any ownership position in the securities of the subject company.
- Students must confirm that their participation in the Challenge does not represent a conflict of interest.

### **Company\***

- A publicly traded company/ies in good standing listed on a public exchange will be chosen by the society to be the subject of the report.
- The subject company/ies will make a presentation to students for the purposes of this educational exercise, and participate in Q&A following the presentation. The teams' direct contact with the subject company will be limited to this meeting, plus one follow-up contact.

- The subject company will not present any information to students that is not within the public domain.
- *Optional: [Each team will prepare five questions for subject company management before the meeting, and submit these to the Society. Management will take these questions under advisement when preparing their remarks, but is not required to cover each question within their presentation. Students will be allowed to ask the subject company additional questions during the Q&A session of the presentation.]*

### **Research Process\***

- Students are bound by the CFA Institute Code of Ethics when conducting research. Students must not use material non-public information in their written reports or oral presentations.
- *Optional, but strongly advised: [Students may use only publicly available information to conduct their research, and must confine the information in their written reports and oral presentations to publicly available information.]*
- The research reports and presentations should be prepared from the perspective of a sell-side or independent research analyst. Teams can read existing research on the company, but all analysis should be their own. They may not cut and paste analysis from another source into their written reports or presentations.
- The data sources for all content included in but not limited to tables, graphs, and lists must be cited within the reports and presentations.
- Contact with the subject company will be limited to the company presentation plus one follow-up contact (if such follow up contact is allowed by the company).
- Teams may use their mentors and university faculty as resources, but may not enlist the help of any other investment industry professionals in conducting their research or writing their reports.
- The reports and presentations must be the original work of the students. Faculty members and mentors may provide comments, but may not write any part of the report.

#### Primary Research

- When conducting primary research, students must identify themselves as students and disclose their involvement in the Investment Research Challenge.
- Teams may contact the subject company's customers, competitors and suppliers. They must confine their conversations to corporate officers who normally interact with investors, such as IR officers, CEO's or CFO's. Any other entity must be approved by the Society.
- *Optional: [Teams must submit their questions to a faculty advisor or mentor prior to any calls, and have either their mentor or faculty advisor on the call.]*
- Total faculty involvement with the student teams must not exceed 10 hours acting in an advisory capacity prior to submission of students' written reports (logistical work such as arranging meeting space, etc., for the team does not count toward the 10 hours). Faculty may spend an additional 2 hours for each local, regional or global final in which the team participates. The time limitations for mentors are outlined below.

**Mentors\***

- Each team will be assigned a mentor, who is an investment professional in good professional standing with experience in writing or reviewing research reports; ideally an analyst or portfolio manager.
- *Optional, but advised when the student teams are all researching the same company: [Mentors may be knowledgeable about the industry in which the subject company is involved, but will not cover, or have followed that specific company.]*
- Student contact will be limited to a maximum of 3 face-to-face meetings with their mentors, not to exceed 6 hours total, prior to submitting the written report. The above-referenced phone call(s) to conduct primary research, and any additional contact (i.e. e-mail, telephone), are included in these 6 hours. Teams may spend an additional 2 hours with their mentors for each local, regional or global final in which the team participates.
- Mentors will be allowed to review students' written work and provide comments only. Mentors will not be allowed to perform any research or write any portion of the report.
- Mentors may not contact the subject company, or any of its affiliates, distributors, suppliers or competitors within the context of the Challenge, with the exception of supervising the student contacts.
- Mentors may not participate in the company presentation. If they are allowed by the local society to be present, it is only in a supervisory role, to ensure that no material non-public information is discussed. Mentors may not ask any questions to or provide any opinions of the company. Attendance at the company presentation in this capacity will not count toward the 6 hour maximum.
- Reports are for educational purposes only, and the information contained in them may not be used by mentors to make recommendations to clients or to the public at large.
- *Optional, but advised: [Mentors must disclose any ownership position in the securities of the subject company.]*

*The following are suggested rules based on feedback from societies who have run a local Investment Research Challenge in the past. They are meant as guidelines for societies, and may be altered to suit the needs of each society.*

**Report**

- Reports must conform to the format of the Investment Research Challenge Template, and be reproduced on standard-sized paper.
- Reports should not exceed 10 pages, including an investment summary. Any additional charts and/or graphs will be included in the appendix. There is no limit to the length of the appendix.
- All reports will be based on the same subject company.
- Reports must represent the original work of the student teams, and may not be copied from another source.
- The final report will be submitted to the Society in electronic and print format, on or before the stated deadline.

- The name of the University will not be listed on the report, but each university will receive a letter to identify them (Team A, Team B, etc.)
- Reports are for educational purposes only and not intended to be the basis of any investment decisions by any person or entity; a disclaimer to this effect will be included in the report.

### Graders

- Graders will be investment professionals in good professional standing who have experience in writing or reviewing research reports.
- Graders must disclose any ownership position in the securities of the subject company.
- Each Grader will assess each report to ensure that the assessment is consistent across all reports.
- Graders will be asked to provide short comments to the different sections of each report to serve as constructive feedback for the students.
- Reports are for educational purposes only, and the information contained in them may not be used by Graders to make recommendations to clients or to the public at large.

### Assessment

- Assessment will be based on the written reports referenced above and an oral presentation to a panel, both judged according to pre-determined criteria. Student teams will be given these criteria before they begin their research.
- The written reports will be assessed by a team of graders selected by the Society. Grading will consist of a blind process in which the identity of the university is not known to the graders. The teams that receive the top [*number*] scores will be selected as finalists.
- The finalist teams, selected on the basis of the written report scores, will make an oral presentation of their research to a panel of experts selected by the Society.
- A winner will be selected from the finalists based on the combined scores received for the written reports and the oral presentations. The scores will be weighted 50% for the written report and 50% for the oral presentation.
- In the event of a tie, the team receiving the highest score on the presentation will be the winner.

### Presentations

- Each finalist team will make a presentation in front of the panel of experts selected by the Society.
- Each presentation will last 10 minutes with 10 additional minutes of panelist Q&A.
- The presentations and Q&A will be timed, and teams may not exceed the time allotted.

### Panelists

- The panel will consist of well-known investment professionals in good professional standing.
- Panelists must disclose any ownership position in the securities of the subject company.
- Panelists may be provided with copies of the written reports prior to the panel presentations for reference; however, panelists will base their scores on the oral presentation only.

- Reports are for educational purposes only, and the information contained in them may not be used by panelists to make recommendations to clients or to the public at large.