CFA RESEARCH CHALLENGE

Two teams to the next round!

By Alex Morozov, CFA and Heleen de Vlaam

The CFA Institute Research Challenge is an annual equity research competition among student teams from global universities' business and finance programs that tests the skills of students in terms of fundamental analysis and equity valuation. This year's CFA Research Challenge-Benelux was the most successful competition in the history in terms of its reach. We had 24 teams participating, including several first-time entrants. Given the number of entries, we continued with our expanded 4-team local finals, and, given large competitor field, for the first time ever we opted to send two finalists to the next level!

At the kick-off we disclosed this year's "target" company; Netherlands-based Universal Music Group. Every year we try to challenge students when it comes to business complexity, and this year was no different. Universal Music Group is the largest music company in the world, representing artists such as Taylor Swift, Kendrick Lamar and Ariana Grande. It is also a firm potentially threatened by the advancements in the field of AI, which made this year's task that much more challenging for the students.

At the company day, one of the true highlights of the Research Challenge – Benelux, 118 students from leading universities across the Netherlands, Belgium, Luxembourg, and Morocco had the opportunity to engage directly with Remco Vergeer, the VP of Investor Relations at Universal Music Group. The day also featured insightful sessions from industry experts, including: Robbert Manders, CFA on balancing valuation techniques and common pitfalls; Jamie Coombs on the role of AI in company analysis; Kaili Mao, CFA on ESG integration in investing and equity valuation; and Matthew Dolgin, CFA on historical market trends

These sessions – as well as the access to the Refinitive for Students platsform provided by our sponsor LSEG – provided students with valuable, real-world perspectives to support the development of their research reports.

The reports quality was very good this year, and 4 finalists – Rijksuniversiteit Groningen, University of Luxembourg, Erasmus University and Tilburg University – received average marks among the highest in the history of competition! Notably, we had representation from Luxembourg for the first time ever.

At the finals student teams are asked to present their findings to a three-person jury, comprised of industry professionals, some closely familiar with the company being analyzed. Each team has 10 minutes to present their case, followed by 10 minutes of Q&A from members of the jury. This year's jury was comprised of Ton van Ooijen (APG), Allen Good (Morningstar) and Marc Hesselink (ING).

As always presentation order was determined by a lottery. Four rounds of impressive presentations followed. The jury members asked very challenging questions, but the teams were well-prepared and defended their analysis very well, during the Q&A. During the break the judges deliberated and our gracious hosts at the historic building of Euronext allowed the students a glimpse of what life is like on trading floor and of the beautiful boardroom.

The proud winners: team Rotterdam School of Management

Honorable second: team University of Groningen

While all report grades were close, the presentations revealed one clear and unanimous winner. Team Erasmus received the highest grade from all judges, who complimented the team's compelling investment case supported by well-articulated and organized evidence. University of Groningen, which had the highest-graded report, was a close second. Both of these teams will now represent the Benelux region at the sub-regionals. Congratulations to Erasmus University's Wei-Chen Chang, Caterina Chellini, Bruce Hooikaas, Boris Petrašovič, and Beatrice Skietryte counselled by their faculty advisor Solomon George Zori PhD, (ACCA) and industry mentor John Vuong, CFA. Also congratulations to University of Groningen: Barnabás Bognár, Wytze Putker, Sebastian Bratthall, Courtney Götte, Francesca Pecoraro, counselled by their faculty advisor Oliver Herrmann and industry mentor Jerome Sfeir, CFA.

The local champions advance to the regional competitions in the Americas, Asia Pacific, and Europe, Middle East, and Africa (EMEA) and then to the Global Final. Additional information on the Research Challenge is available on the CFA Institute website.

Organizing the research challenge is an enormous yet rewarding task that requires the contribution of a large number of volunteers ranging from the organising team, to student-team mentors and research report graders. Given the ongoing success of the competition, we need more volunteers! If you would be interested in joining this team please make your interest known (info@cfasociety.nl), so that we can continue to organize this exciting and career-launching learning experience for students!

The CFA Institute Research Challenge is an annual global competition that provides university students with hands-on mentoring and intensive training in financial analysis and professional ethics. In order to promote best practices in equity research and company analysis, students research, analyze, and report on a company as if they are practicing analysts.

To learn more, visit the CFA Institute website www.cfainstitute.org or the Students pages of www.cfasociety.nl. We encourage you to join the team!

All finalist during the tour at Euronext