



GLOBAL INVESTMENT RESEARCH CHALLENGE
OFFICIAL RULES
September 2010

GLOBAL IRC OFFICIAL RULES

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RULE 1: INTRODUCTION

The Global Investment Research Challenge is a competition between university-sponsored Teams that research a designated publicly traded company, prepare a Written Report on that select 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 at the global level.

RULE 2: LOCAL LEVEL

2.1 Eligibility

Only CFA Institute and CFA Institute Member Societies are eligible to serve as local level Hosts.

2.2 Local Level Requirements

Local level competitions must:

- a) have at least 4 independent universities sponsor Teams that compete in the local level. If fewer than 4 universities sponsor Teams compete, the winning Team will not be eligible to compete in the Regional Challenge;
- b) adhere to one of the following competition formats:
 - i. Classic Format. Each Team submits a Written Report and gives a Presentation to the panel of Judges. This format is recommended for challenges with 4-10 universities.
 - ii. Staggered Format. Each Team submits and is judged on a written report. The Teams (at least 4) with the highest scores give a Presentation to the panel of Judges. This format is recommended for challenges with 10-20 universities.
 - iii. District Format. Teams are assigned to one of at least four districts. Each Team submits a Written Report and gives a Presentation to the district's panel of Judges. Each district will produce a Team with the highest score in that district. The winning district Teams will compete against one another to produce a local level winning Team. This format is recommended for challenges with 20+ universities; and
- c) adhere to the deadlines posted on the CFA Institute Global Investment Research Challenge website.

2.3 Local Level Host Requirements

Local level Hosts must:

- a) select the Subject Company, Graders and Judges;
- b) ensure that all Team Members meet the eligibility requirements set forth in Section 3.2;
- c) ensure that no Team Members are ineligible pursuant to Section 3.3;
- d) send all signed Participation Agreements to CFA Institute within 2 days of completion of the local level; and
- e) send the result of the local level to CFA Institute within 2 days of completion of the local level.

RULE 3: TEAMS

3.1 Team Composition Only one team may represent a university. A Team must consist of no fewer than 3 and no more than 5 members. There can be no alternates. If a team loses one of its members, that member can be replaced up until a date determined by the local society, but no later than 4 weeks prior to the submission of the written report. Each Team Member's full name, as it appears on

his/her passport, must be submitted to CFA Institute and to the Local level Host no later than 4 weeks prior to the submission of the Written Report.

Teams that are selected to participate at the Regional and Global Challenge must consist of the same Team Members who participated at the Local Challenge, except to the extent that if a Team Member is unable to participate in the Regional or Global Challenge, the Team may still compete as long as they have no fewer than 3 members.

3.2 Team Member Requirements

Each Team Member must:

- a) sign the Global Investment Research Challenge Participation Agreement prior to competing and provide the signed agreement to the local level Host prior to submitting the Written Report;
- b) agree to abide by the CFA Institute Code of Ethics and Standards of Professional Conduct;
- c) have a valid passport by 31 December;
- d) be a currently enrolled college or university student in an undergraduate or graduate program at the time of the local level. If the Team Member has graduated at the time of the regional or global level, the Team Member may still participate in the competition; and
- e) complete the “Ethical Standard for Investment Professionals: An Interactive Case-Based Course” interactive webcast on the CFA Institute website.

3.3 Ineligibility

An individual is ineligible to be a Team Member, if that individual:

- a) has previously participated as a Team Member in the Challenge;
- b) has, or is, employed in a role whose primary duty involves fundamental company analysis, unless the Team Member was an intern and the cumulative time the primary duty involved fundamental company analysis was less than 6 months (at the time of the local final);
- c) has been, or is, a Charterholder; or
- d) has been sanctioned by the CFA Institute Professional Conduct Program.

3.4 Research

Only Team Members may conduct research on the Subject Company for the purposes of the Global Investment Research Challenge. Teams may use only publicly available information in conducting their research. Teams may utilize their Mentor or Faculty Advisor as resources, but may not enlist the help of any other professionals in conducting research or writing the report. 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 Subject Company will provide Teams with an informational session. The informational session may be followed by a question and answer session during which time Teams can pose questions to the Subject Company and the Subject Company may respond. Teams may send one follow-up email to the Subject Company. When contacting the Subject Company, each Team must confine its contact to those corporate officers who normally interact with investors, such as IR officers, CEO's or CFO's. Teams may not contact the Subject Company for the purposes of the Challenge other than the informational session, the question and answer session and the one permitted follow-up email. Teams may contact the Subject Company's customers, competitors, and suppliers in conducting research, however, each Team Member must identify himself as a student and disclose his/her participation in the Global Investment Research Challenge.

Prior to contacting the Subject Company, its customers, competitors or suppliers, the Team must submit its questions to the Faculty Advisor or Mentor. The Faculty Advisor or Mentor must participate in each contact but only for the purpose ensuring that no material non-public information is discussed. Faculty Advisor and Mentors are not permitted to ask any questions or provide any opinions on the Subject Company. The Faculty Advisor or Mentor time will not count towards the maximum number of hours allotted for Faculty Advisor or Mentor involvement.

3.5 Written Reports

Each Team must prepare a written research report on the Subject Company. The Written Report must:

- a) conform to the format of the current template attached hereto as Attachment A. The formatting of the Template may not be modified;
- b) not exceed 10 pages, including an investment summary, but not including additional charts or graphs which will be included in the appendix;
- c) contain only publicly available information;
- d) be the original work of the Team Members;
- e) be written in English; and
- f) be submitted to the Local Challenge Host by the deadline established by the Host. The winning team from each local level competition must submit the Written Report to CFA Institute by the established deadline.

The Written Reports must be prepared from the perspective of a sell-side or independent research analyst.

3.6 Presentations

Each Team must make a Presentation of its findings to a panel of Judges. Teams may utilize their Mentor or Faculty Advisor as resources, but may not enlist the help of any other professionals in preparing or evaluating the presentation. The Presentation can include the use of PowerPoint or other visual aids but may not include handouts. A copy of the Written Reports will be provided to each Judge.

Only Team Members may participate in the Presentation. The Presentation must be in English. 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 a Presentation.

Each Presentation will be timed and the time-keeper 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.

The Presentations will be judged on materials, argument, poise, questions, and use of resources.

RULE 4: SUBJECT COMPANY

4.1 Selection

The Subject Company will be the subject of the Written Report and Presentation. The Local Challenge Host will select the Subject Company.

4.2 Requirements

The Subject Company must:

- a) be a publicly traded company;
- b) be a small-cap (market capitalization between \$300 million and \$2 billion) or a mid-cap (market capitalization between \$2 and \$10 billion) company;
- c) provide an informational session to Teams which will be followed with a question and answer session;
- d) provide a response to one follow-up email sent by the Team;
- e) treat all Teams equally and fairly; and
- f) not present any information to the Teams that is not within the public domain.

RULE 5: FACULTY ADVISORS, MENTORS, JUDGES AND GRADERS

5.1 Faculty Advisors

Each Team will be provided a Faculty Advisor. The Faculty Advisor may not contribute content to either the Written Report or Presentation. The Faculty Advisor's primary responsibility is to provide guidance and direction to the Team throughout all levels of competition. The Faculty Advisor will be selected by the Team's university. The Faculty Advisor must be currently employed as a professor by the Team's sponsoring University.

5.2 Time Permitted with Faculty Advisors

Teams are only permitted to use a Faculty Advisor on substantive matters for a total of 10 hours. Logistical work such as arranging meeting space and times and class attendance does not count toward the 10 hour limit. For each Local, Regional or Global Finale in which the Team competes, the Faculty Advisor may contribute an additional two hours.

5.3 Mentors

Each Team will be provided a Mentor. The Mentor may review the Team's Written Report, but may only provide comments. Mentors are not permitted to perform any research or write any portion of the report. Students may not receive assistance from additional finance industry professionals. The Mentor will be selected by the Local Challenge Host. The Mentor must be a Charterholder.

5.4 Time Permitted with Mentors

Teams are limited to 3 in-person meetings with the Mentor, not to exceed 6 hours total. The meetings with the Mentor must occur prior to submitting the Written Report. For each Local, Regional or Global Final in which the Team competes, the Mentor may contribute an additional two hours.

5.5 Judges and Graders – Local Level

Judges will evaluate each Presentation using the Oral Presentation Scoring Sheet attached as Attachment B. Each local level competition must have a minimum of 3 Judges per panel. The Judges will be selected by the local level Host. All Judges must be investment professionals with experience in writing and reviewing research reports. Judges may be Charterholders.

Graders will evaluate each Written Report using the Research Report Evaluation Form attached as Attachment C.

At the Local Challenges, the winning Team will be selected based on a combined score on the Written Reports and the Presentation. The Written Report will account for 50% of the total score and the Presentation will account for the remaining 50%. In the event of a tie, the Team receiving the highest score on the Presentation will be deemed the winner.

5.6 Judges – Regional and Global Level

Teams will be judged solely on the Presentation. Written Reports will be provided by CFA Institute to the Judges but will not be evaluated.

Judges will evaluate each Presentation using the Oral Presentation Scoring Sheet attached as Attachment B. Each Regional and Global Challenge will have a minimum of 3 Judges per panel. The Judges will be selected by CFA Institute. All Judges must be investment professionals with experience in writing and reviewing research reports. Judges must be Charterholders, or otherwise approved by CFA Institute.

RULE 6: GENERAL PROVISIONS

6.1 Use of Reports

CFA Institute shall own the copyright in all materials prepared by or for Hosts, Teams, Mentors, or Faculty Advisors in connection with the Challenge. The Written Reports and Presentations prepared for the Challenge may not be used for any purpose other than participation in the Global Investment Research Challenge.

6.2 Conflicts of Interest

All participants in the Global Investment Research Challenge, including Hosts, Teams, Team Members, Mentors, Faculty Advisors, Judges and Graders have an obligation to avoid actual or potential conflicts of interest with their participation. A conflict of interest may exist when a participant or a participant's family member or close friend is involved in activities that may impact the participant's ability to perform their role fairly and impartially. A conflict may be actual or perceived. 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 Advisors.

6.3 Travel Arrangements, Expenses and Costs

CFA Institute will pay for the airfare and/or hotel expenses of Team Members and one guest per Team (limited to a Faculty Advisor, Mentor or CFA Institute Member Society representative) for travel to the regional and global level competitions. All Participants are responsible for making their respective travel arrangements, if any. 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.

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 and expense not specifically approved above.