

2023 Value Investment Proposal Competition Handbook

1. Introduction

Sponsored by Overlook Investments Ltd., Lau Chor Tak Institute of Global Economics and Finance (IGEF) is organising the fourth Value Investment Proposal Competition (“the Competition”) in February 2023, offering undergraduate students a unique experience of learning value investment techniques from top industry experts and applying such knowledge in a competition setting. Participants¹ are expected to attend a series of lectures and then submit an investment proposal; winning teams will receive cash prizes of up to HK\$60,000.

Key Dates

24 February 2023	Deadline for registration
24 February – 31 March 2023	Lecture series & workshops
17 April 2023	Deadline for proposal submission
Early May 2023 (Tentative*)	Special workshop for shortlisted teams
Late May 2023 (Tentative*)	Presentation of proposals by shortlisted teams
Early June 2023 (Tentative*)	Announcement of results

The schedule may subject to change. Further details will be announced on the Competition’s website in due course.

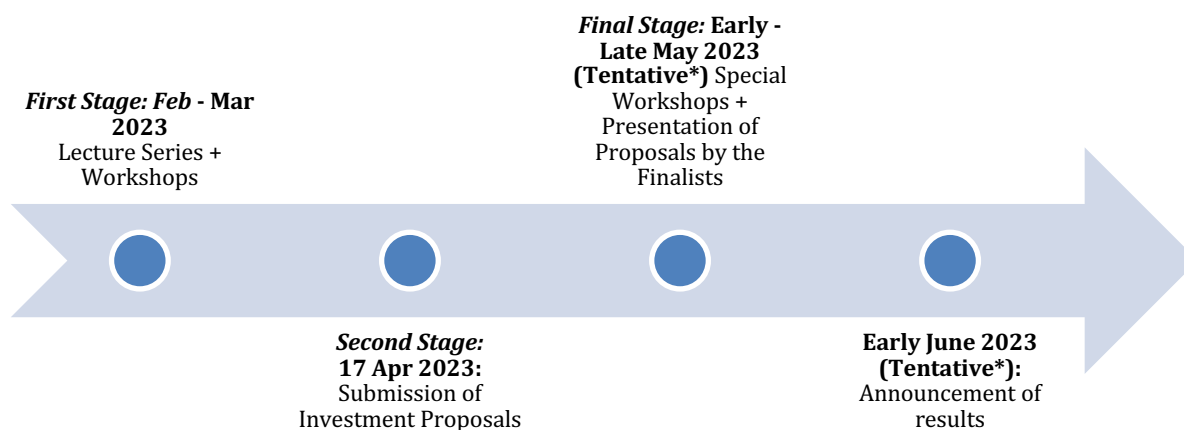
Lectures

Date	Speaker
24 Feb 2023 (4:30 - 6:00pm HKT)	Mr. Douglas Ping Sum Lui Managing Director of Argyle Street Management
3 Mar 2023 (4:30 - 6:00pm HKT)	Ms. Swee Ting Pan Managing Director, Head of China of JAFCO Asia
10 Mar 2023 (10:30am - 12:00pm HKT)	Mr. Richard Lawrence Executive Chairman of Overlook Investments
24 Mar 2023 (4:30 - 6:00pm HKT)	Professor Joseph Yam Former Chief Executive of Monetary Authority

There will be 2 workshops in addition to these lectures. Details of these workshops will be announced in due course.

¹ The terms “participant”, “entrant” and “contestant” are used interchangeably.

2. Format of Competition



The Competition will take place over several months, consisting of **3 stages**.

2.1. First stage: Lecture Series and Workshops

The **first stage** of the Competition will begin on **24 February 2023**, when a series of lectures and workshops spanning approximately one month will be presented to introduce participants to the concept of value investment, equipping them with the knowledge and skills necessary to evaluate stocks from the perspective of value investment. Lectures and workshops will be delivered by financial experts and seasoned value investors. **Contestants are expected to attend all 4 lectures and the 2 workshops; any team member's absence from more than two sessions without proper justification may result in disqualification of the entire team.** Most lectures and workshops will be delivered in-person although some may be delivered online via Zoom. Recording in any form as well as disseminating of the presentations, partially or entirely, are strictly prohibited unless written consent was obtained previously.

2.2. Second stage: Submission of Investment Proposal

In the **second stage** of the Competition, each participating team is required to submit an investment proposal by **17 April 2023**. The top **5** teams will be shortlisted to proceed to the **final stage** of the Competition. Shortlisted finalists will be notified by email from IGEF.

Investment Universe

Within the investment proposal, each team is required to, guided by value investment principles, pick **one** stock listed on any exchange that fulfils 2 criteria:

1. The chosen stock must have a market capitalisation of **at least US\$ 1 billion** (calculated using the daily closing price of the stock on the date of submission of the proposal)

2. The company must have significant exposure in the Greater China Region—that is the profit or revenue from operations in the region must account for no lower than 40% of the respective total.

Proposal Format

The proposal must include, but not limited to, the following sections:

- An one-page investment summary. The following information must be clearly stated in this section:
 - Stock name and symbol
 - Exposure in the Greater China Region, as a % of profit or revenue
 - Market capitalisation (at the time of writing)
 - Current price (at the time of writing)
 - Expected return over an investment horizon defined by your team (e.g. We expect the stock will grow by $x\%$ in the next y years)
- Description of the investment philosophy
- Business description
- Industry overview
- Valuation and financial analysis
- Investment risks

Other content can be included at the discretion of contestants. A sample score card can be found in Appendix A of this Handbook.

The proposal should be in English, typed using a word processor of your choice and no longer than 10 A4-sized pages. In addition to the main document, an optional appendix of no longer than 10 A4-sized pages can be included. The minimum font size allowed is 11.

The proposal can be in well-designed paragraphs or bullet points. We expect the proposal to be original work of contestants; plagiarism (to be determined by the judging panel) will be severely penalised. Participants are thus advised to provide proper references and citations where appropriate. Submissions must be in pdf format and sent to IGEF via email (igef@cuhk.edu.hk) by the latest **17 April 2023 23:59 Hong Kong Time**. Late submission will be heavily penalised.

Teams should submit the proposal with the file name in the following form: Competition_proposal_“team_number”. Only one submission is allowed per team, and no changes to the proposal will be accepted once it is submitted.

2.3. Final stage: Presentation of Investment Proposal

In the **final stage** of the Competition (tentatively scheduled for **Early - Late May 2023**), the top 5 teams will be invited to deliver a presentation. A special workshop will also be arranged for these finalists to prepare them for the presentation.

On the day of the presentation, all team members should arrive at the venue **at least 15 minutes** prior to their scheduled presentations. All team members are expected to participate in the verbal presentation, which should be **no longer than 15 minutes** and conducted in

English. A Q&A session of approximately 10 minutes will follow. Teams are **not** permitted to attend the presentations of other teams.

The list of winning teams will be announced on the Competition's website *approximately* 2 weeks after the **final stage** of the Competition. Winners will also be notified by email from IGEF.

Please note that all decisions by the judges are final; no appeal will be accepted.

3. Other Conditions:

The Organiser is committed to respecting the privacy of contestants. The Organiser will not sell any personal information collected for the Competition to any third parties. Any personal information collected for the Competition shall be used by IGEF solely for the purpose of managing and administering the Competition. By entering the Competition, contestants hereby consent to IGEF's collection, use and disclosure of his/her personal information, including to IGEF's affiliates, solely in order to manage and administer the Competition.

Once an application form is submitted, it implies full understanding and agreement of the entrant to all the regulations as set out in the application form and this handbook, as well as those prevailing throughout the Competition. For any matter not covered in these regulations/any updated news, the Organiser may publish the relevant information on the Competition's website without further notice.

The Organiser reserves the right of final decision on interpreting and amending the regulations and details of the Competition. The Organiser reserves the right to amend the regulations of the Competition without advance notice. Amendment notice will be announced as soon as possible. In the event of any dispute, the Organiser reserves the right of the final decision.

The Organiser also reserves the right to terminate, modify or suspend the Competition without prior notice. If, for any reason, the Competition is not capable of running as planned.

4. Copyright:

The Organiser (Lau Chor Tak Institute of Global Economics and Finance) and the Sponsor (Overlook Investments Ltd.) have the right to use all or any of the materials produced during the Competition (including proposals and PowerPoint files) in any format and reserve the rights to use or allow any party to use the entries for publication, exhibition, and publicity of the Competition for non-commercial purposes at no extra cost to the respective entrants. Such publication, exhibition and publicity need not be limited to the organisation and/or the promotion of the Value Investment Proposal Competition only.

All entrants must be the sole and exclusive owner of the copyright of the entry(ies) or have the consent or endorsements from its property owner/licensor. Entries should not infringe on the rights of any third party. Otherwise, any unearthed infringement of any third party will result in disqualification of the entry(ies) concerned.

All entries submitted must be without infringing on the Intellectual Property Rights (IPR)² of any party. Entrants must acknowledge any authorised use of graphics in the entry(ies) in accordance with the relevant copyright laws. The Organiser shall not be responsible whether directly or indirectly for any liability arising whatsoever or howsoever from any violation of any copyright laws. Entrants shall indemnify the Organiser against all actions, costs, claims and liabilities of whatsoever nature arising out of or in connection with any allegation and/or claim of infringement of any IPR of any party.

5. Enquiries:

Please send all enquiries to IGEF via email (igef@cuhk.edu.hk); we will respond as soon as possible.

Last update date: 15 February 2023

² “Intellectual Property Rights” shall mean patents, trademarks, service marks, trade names, design rights, copyright, domain names, database rights, rights in know-how, new inventions, designs or processes and other intellectual property rights of whatever nature and wheresoever arising, whether now known or hereafter created, and in each case whether registered or unregistered and including applications for the grant of any such rights.

Appendix A:

Score card for written proposals:

Section	Max. Points
1. An one-page investment summary <i>Quality of the summary – was it concise?</i> <i>Was the choice of stock coherent with the investment philosophy?</i>	20
2. Description of the investment philosophy <i>Were they able to describe their philosophy in a clear manner?</i> <i>How aligned was the philosophy with value investment principles?</i>	10
3. Business description <i>How thorough was their analysis of the company?</i>	15
4. Industry overview <i>How thorough was their analysis of the competitive landscape of the company?</i>	15
5. Valuation and financial analysis <i>Did they use appropriate metrics to support their recommendation?</i> <i>Did they justify why these metrics were used?</i>	25
6. Investment risks <i>How thorough was their analysis of the potential risks?</i>	15
Total	100