



UNIVERSITY OF AUCKLAND  
**INVESTMENT  
CLUB**

**ANNUAL REPORT  
JANUARY 1ST - DECEMBER 31ST  
2020**





# UNIVERSITY OF AUCKLAND INVESTMENT CLUB

## TABLE OF CONTENTS

### INTRODUCTION

Message from Co-Presidents	4
----------------------------	---

### OVERVIEW

Achievements	6
Mission, Vision and Values & Target Audience	8
Goals	10

### TEAM

Changes	12
Structure	13

### EVENTS

Investment Committee	22
Bulletin	26
Education	30
Citi Global Markets Challenge	34
Jarden Stock Pitch Competition	36
Global From Day One Venture Capital Competition	38
UBS New Zealand Investment Banking Competition	42
Women Engagement Initiative	48

### FINANCIAL

Treasurer Report	52
Statement of Financial Performance	53
Statement of Cash Flows	53
Statement of Financial Position	54
Chart of Accounts	54
Asset Register	54
2021 Forecast Budget	55
Notes to Financial Statements	55

---

---

## MESSAGE FROM **THE CO-PRESIDENTS**

---

*Connor McDowall & David Saul*

---



2020 proved to be an incredibly challenging year. In 2019, we set ambitious goals to grow the University of Auckland Investment Club (UAIC) in every conceivable way. UAIC had great momentum before the World Health Organisation declared coronavirus a pandemic. The unprecedented nature of COVID-19 was set to jeopardise our mission and harm the health and well-being of our UAIC community. When the lockdowns struck in March, we had a decision to make. Do we cease to operate for the foreseeable future or change our operating model? We reached a crossroads pivotal to both our leadership and legacy. We chose the latter in transforming our operating model. We felt it was incredibly important to give our members a sense of normalcy during the lockdowns. We not only offered a distraction from the state of the world but strengthened the UAIC community by connecting our isolated members across the country. There are always silver linings in the most challenging times. We were determined to be there for our members. Leading UAIC through the pandemic quickly became one of our most rewarding leadership experiences.

We set out to build a strong, inclusive community. The club had grown disjointed as our legacy events continued to grow increasingly disconnected. We proposed organisational changes to unify each offering under a wider UAIC umbrella. Our executive team of seventeen strong worked tirelessly to unite these offerings and introduce new initiatives. We strongly believe the intersection of education and finance plays a pivotal role in developing communities. Education is important in giving the next generation better opportunities than the last. Investing plays a crucial role in growing wealth to support future generations. We recognise UAIC has an important role in educating our members, equipping them with the skills they need to both succeed and support their communities. Subsequently, We took our role as Co-Presidents very seriously.

Our utmost priority was developing and supporting both our executive team and general members. We set out to build a community which fosters growth mindsets. Psychological safety played a pivotal role in fostering this mindset. Our team had the confidence to fail hard, fast and strong. We promised to always be there to pick them up, encouraging them to try again. Three concepts underpinned our leadership philosophy. Integrity, Loyalty and Kindness. Our club would be whole, undivided and relentlessly pursue our mission. Our team would consistently receive strong support from us. We would always be friendly and generous to be there for our team when they needed us.

Thank you for the contributions made by our alumni and sponsors. We could not have achieved what we did without your support. Thank you to Tyla Pearse, Shana Merrifield and Brendon Potter for the support and guidance during the year. The contributions you each make to student development and the wider Business School community is incredible. Thank you to our general members who come to our events, compete in our competitions, vote on our investment recommendations and read our weekly bulletin. We hope we gave you an incredibly valuable experience and continue to be a part of our club in the future.

This report outlines UAIC's achievements during a most challenging year. However, our greatest achievement was developing our executive team to excel in their roles and become great leaders. We are most grateful for each member of our team. Their commitment, contributions and leadership enabled the club's success during a most challenging time. They are the reason UAIC has a strong foundation our successors can leverage to grow the club. We are incredibly proud and thankful.

CONNOR McDOWALL & DAVID SAUL  
*UAIC Co-Presidents*

---

# UAIC 2020 AT A GLANCE

## A Summary of Achievements

2020 was a productive and successful year. UAIC scaled up the executive team to 17 members to deliver the 8 portfolios featured in the subsequent sections of this report. A summary of our achievements follows:

### Membership

- Increased general membership by 30%
- Increased female general membership by 58%

### Events

#### Summary

- Published 14 editions of the bulletin (approximately 20 pages each), a series of opinion articles on finance-related topics
- Approved brokerage to create a fully functional Investment Fund. Additionally, invested in four ASX/NZX equities
- Created the Women Engagement Initiative including a Mentoring Programme and two-part speaker series addressing Careers in Finance, Challenges in the Workplace and the Future of Finance
- Ran the Citi Global Markets Challenge remotely during the first COVID-19 lockdown
- Created the Jarden Stock Pitch Competition in partnership with Jarden to upskill members on valuing equities
- Created the Global From Day One Venture Capital Competition in partnership with Global From Day One to give students exposure to New Zealand's Venture Capital and Technology ecosystems
- Created the UBS New Zealand Investment Banking Competition in partnership with UBS New Zealand to analyse the strategic rationale, offer context, synergies and performance of M&A transactions
- Hosted seven education events across the year to educate members on topics such as investing, ESG, social innovation, qualitative analysis and valuation
- Hosted an end-of-year social and networking function to celebrate the year with 50 members

#### Legacy

- Investment Committee
- Bulletin
- Investing 101 & 102
- Careers Roundtable
- Citi Global Markets Challenge

#### New

- Jarden Stock Pitch Competition
- Global From Day One Venture Capital Competition
- UBS New Zealand Investment Banking Competition
- Women Engagement Initiative including the mentoring programme and two-part speaker series
- An Introduction to Personal Investing
- How to Pick a Winning Stock
- Participation in SINZ Navigate Conference
- Ethical Investing
- End-of-year social and networking function

#### Discontinued

- Financial Modelling Seminar: Competition and education events addressed financial modelling skills
- Stock Pitch Competition: Replaced by the Jarden Stock Pitch Competition. The lack of resources for this competition led to the creation of the Jarden Stock Competition, a material departure from previous stock pitch iterations
- Cocktail Party: COVID-19 restrictions and a focus on member development led to the discontinuation of this event. The end-of-year social networking session was a cost effective replacement

#### Organisational Changes

- Created an improved membership registration form and database which provides us with informative information about our members
- Moved financial data from Xero to MYOB and integrated the platform with our ASB FastNet Business Banking platform
- Re-organised the club's G Suite email and cloud storage system to enable clear records for years to come
- Secured online access to the club's profile on the Incorporated Societies Register and IRD website, allowing financial statements to be easily uploaded, club information to be updated and taxes to be easily handled
- Introduced a new and democratic Co-President election process which allows multiple pairs of students to run
- Created a contact form to enable any member to talk to the Co-Presidents via email
- Established brokerage with Craigs Investment Partners for the club's investment fund, allowing stocks to be bought and sold
- Took thorough minutes at regular Executive Committee meetings

- Regularly communicated with Shana and Tyler from the business school around room bookings and event requirements
- Analysed the old constitution for issues and points requiring updating
- Created a brand new 14 page constitution to meet all requirements of the Incorporated Societies Register, best reflects the current internal club standards and outlines essential processes for the club
- Incorporated three UNSDGs into the constitution to inform events (Good Health and Well-being, Gender Equality and Quality Education)
- Introduced a Diversity and Inclusion Director to drive UAIC's diversity and inclusion strategy
- Introduced an Advisory Board to oversee long term vision, management structure, industry relationships and investor relations of UAIC

## Metrics

### Membership

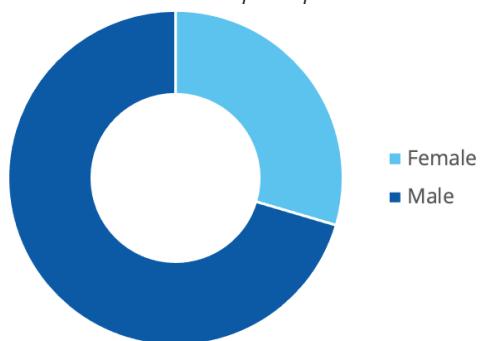
- 363 total members
- 256 male members
- 106 female members
- 1 non-binary member
- 30% increase in general membership
- 58% increase in female general membership

### Activities

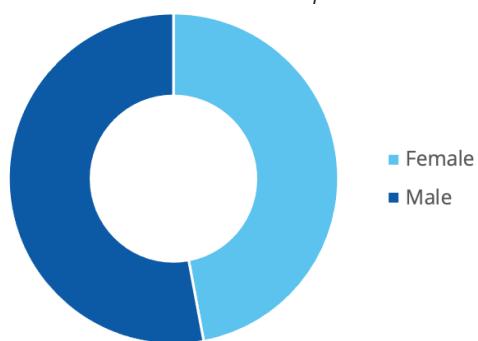
- 94% increase in number of events
- 4x increase in number of investments
- 14x increase in the number of bulletin publications
- 2.43x increase in the number of executives
- 4x increase in number of corporate sponsorships
- 16.75 teams on average entered each competition
- 8.5 teams on average submitted analysis each competition
- 51% of teams submit analysis each competition
- 400 average bulletin readers per edition
- 55+ finance-related opinion articles published by the Bulletin
- 31 ASX/NZX companies pitched by the Investment Committee



*UAIC Membership Composition*



*UAIC Executive Team Composition*



---

# MISSION, VISION & VALUES

---

In January 2020, the Co-Presidents and Executive Team decided to refine UAIC's mission, vision and values with the intention to better frame member expectations and inform the community we intend to build.

## MISSION

Investing is for everyone

## VISION

UAIC aims to provide a unique and valuable experience for its members by delivering a variety of educational and practical events. Members should expect to gain analytical, communication and presentation skills.

## TARGET AUDIENCE

The UAIC membership base is wide and diverse. Our mission is 'Investing is for Everyone'. Subsequently, our target audience is everyone remotely interested in either finance or investing. We welcome university students of all ages, levels of experience, faculty affiliations and academic backgrounds.

## VALUES

### DIVERSITY AND INCLUSION

#### *An Inclusive Community*

UAIC will promote a culture of inclusivity and enjoyment where all are welcome. UAIC defines diversity across multiple dimensions. These include age, sex, gender, ethnicity, nationality, education, experience, thought and background. We recognise and celebrate the differences of our members which make them unique.

### OPPORTUNITY

#### *Across Multiple Dimensions*

UAIC will provide ample opportunities to members. These opportunities will cater to different appetites and interests across education, competitions, networking and social events.

### EDUCATION

#### *Upskill our Members*

UAIC will educate members about all careers available in the financial services industry and provide members the opportunity to improve their skillsets. We upskill our members on finance-related topics and technical skills to better prepare them for their professional careers.

### FUN

#### *Enjoyable for Everyone*

UAIC events and opportunities will be enjoyable experiences. UAIC will continue to build an inclusive, collaborative community that fosters growth mindsets and nurtures positivity.



# GOALS

*Driving Sustainable Outcomes*

## ADOPTION OF UNSDG

The United Nations devised the Sustainable Development Goals (UNSDG) to create the blueprint for a better and more sustainable future. They address the most pressing global challenges facing our generation which include poverty, inequality, climate change, environmental degradation, peace and justice. UAIC will continue to play a role in driving sustainable outcomes for future generations. We mandated three UNSDGs into UAIC's constitution to drive these outcomes. Each UAIC event must contribute to at least one of the three goals. These align with the goals set by the University of Auckland and Business School.



## GOOD HEALTH & WELL-BEING

Ensuring healthy lives and promoting the well-being for all at all ages is essential to sustainable development. UAIC will keep the health and well-being of our members front of mind.

## QUALITY EDUCATION

Obtaining a quality education is the foundation to improving people's lives and sustainable development. UAIC will continue to make contributions to improving the quality of financial education for our members.

## GENDER EQUALITY

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world. UAIC will commit to bridging the gender gap in financial services.



---

# TEAM

---

## INTRODUCTION

UAIC organised responsibilities and events into eight portfolios. Treasurer, Marketing, Investment Committee, Bulletin, Education, Competitions, Women Engagement and Social. Our competent and capable team excelled in delivering a series of high quality events all year long. These were facilitated in both online and in-person formats.

## CHANGES

The preceding structure did not cater well to the division of responsibilities and portfolio delivery. Subsequently, it was important to restructure the UAIC Executive Team to feasibly deliver the increased number of events for our members. The previous structure was:

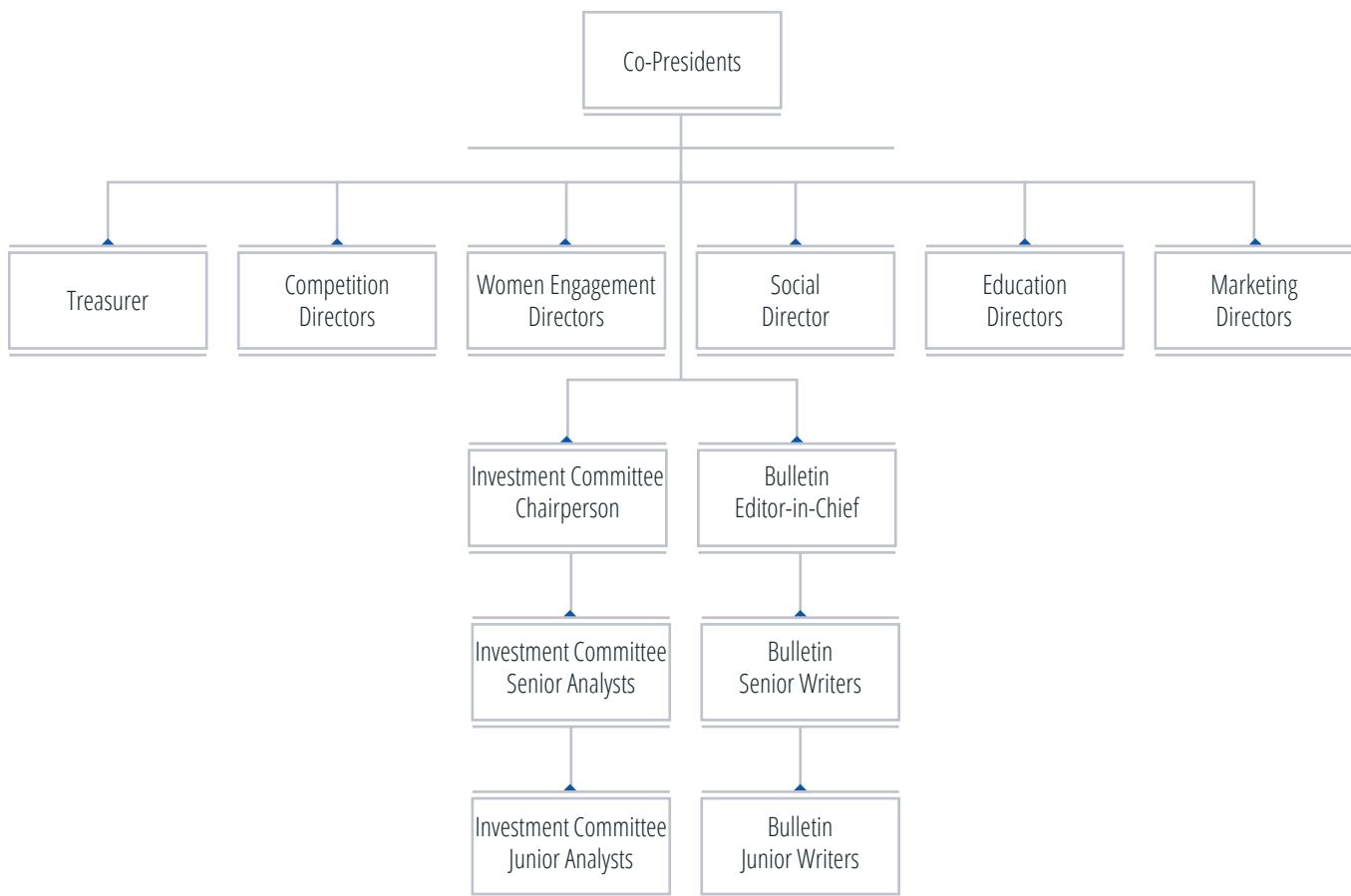
- Two Co-Presidents
- One Director of Administration
- One Director of Communication
- Two Director of Events
- One Director of Marketing
- One Director of Media
- One Treasurer



## STRUCTURE

UAIC adopted the executive structure displayed in the organizational chart below. The team was restructured to distribute responsibilities evenly and deliver the events in every portfolio. The new structure followed a flat hierarchy with the Treasurer, Directors, Investment Committee Chairperson and Bulletin Editor-in-Chief having equal levels of power and responsibility. Additionally, both the Investment Committee Chairperson and Bulletin Editor-in-Chief led a group of analysts and writers respectively. These analysts and writers had varying levels of seniority, either senior or junior, depending on their prior experience. The Co-Presidents interviewed 30 candidates for 17 executive positions. The Investment Committee Chairperson and Bulletin Editor-in-Chief interviewed over 70 people collectively for 12 writer and 16 analyst positions. The roles and team are further explained in this section.

## ORGANISATION CHART



---

## CO-PRESIDENTS

Every great company needs a competent CEO to steer the business through the turbulent waters of the corporate ocean. Satya Nadella took Microsoft to new heights under his corporate leadership. Elon Musk continues to defy expectations using Tesla, SpaceX and The Boring Company to tackle the most pressing technical and social challenges. Like the corporate captains before them, The Co-Presidents lead from the helm of the HMS UAIC, steadyng the ship through the turbulent waters.

Connor and David had a successful year as Co-Presidents. The pair had complimentary management and leadership styles creating great synergies.

Connor managed the Competitions, Women Engagement, Treasurer and Investment Committee portfolios. He created the Women Engagement Initiative, created Jarden Stock Pitch, Global From Day One Venture Capital and UBS New Zealand Investment Banking Competitions, negotiated all sponsorships and managed external relationships on behalf of the club.

David managed the Marketing, Education, Social and Bulletin portfolios. He led and implemented the aforementioned organisational changes critical for the club's long term success. This lead to our listing as a finalist for the University of Auckland Club Award's Secretary of the Year. Additionally, he made major education reforms to improve practicality and engagement for members.



---

*Connor McDowall*  
Co-President



---

*David Saul*  
Co-President

## BULLETIN EDITOR-IN-CHIEF

The finance world has seen its fair share of scandals. Enron hid billions of dollars in debt from failed deals and projects by exploiting accounting loopholes, special purpose entities and poor financial reporting. The crisis in the subprime mortgage market catalysed the financial crisis, leading to the collapse of Lehman Brothers. Where there is a scandal, there is a reporter to cover the scoop. The Bulletin Editor-in-Chief reports on these stories, delivering the best news and dishing out cold hard facts.

Nikhil Luthra excelled in his role as Bulletin-in-Chief. He successfully managed a group of 12 writers who produced 14 bulletin editions during the year. In total, the team published 5 education series and 55+ opinion articles. These contributions covered a diverse range of investing topics and perspectives including technology, education, energy markets, retail and financial services. Nikhil established sustainable publishing pipelines, mentored junior writers and built a great community within his Bulletin team. He grew into a great leader and mentor.



*Nikhil Luthra  
Bulletin Editor-in-Chief*

## INVESTMENT COMMITTEE CHAIRPERSON

Financial markets are prevalent with both public stock exchanges and dark pools in most major economies. Companies may choose to dual list on different exchanges in multiple countries across the globe. In order to navigate the twists and turns of public trading, the Investment Committee Chairperson shepherds the committee through the endless night of market news, investor reports and financial statements.

Nehaal Ram excelled as Investment Committee Chairperson. He competently led a team of 16 analysts who prepared analysis on 30+ ASX/NZX equities across the course of the year. He established brokerage for the Investment fund to enable all investments to date. He was instrumental in the adoption of PowerPoint presentations to present analysis. Additionally, Nehaal developed into an exceptional mentor for the next generation of Investment Analysts. He spent a significant proportion of his time developing junior analysts and building a collaborative, inclusive community amongst the Investment Committee. He is a great leader, teacher and mentor.



*Nehaal Ram  
Investment Committee Chairperson*

## TREASURER

The monetary policy set by a reserve bank maintains price stability, promotes the maintenance of an efficient financial system and supplies the country with enough cash to keep the nation ticking over. The Treasurer is the governor of the UAIC reserve bank. Our master of coin who keeps cash flowing through UAIC's veins. Their cutting financial analysis could make any company with questionable financials quiver in fear.

Suvarn performed well in his duties as Treasurer. He drove the transition from Xero to MYOB while integrating our systems with ASB FastNet Business. He modelled our forecasts, managed invoicing responsibilities and prepared the financial reports present in this report.



*Suvarn Naidoo  
Treasurer*

---

## SOCIAL DIRECTOR

Finance is full of glitz and glam. Ross Johnson partied like there was no tomorrow on the back of the RJR Nabisco's corporate benefits. High frequency traders' exploited arbitrage opportunities between public exchanges and dark pools to generate insane profits for lavish lifestyles. UAIC doesn't have billions of dollars on the balance sheet to fuel lavish lifestyles but has a great time regardless. The Social Director drives the social experience UAIC deserves.

Raewyn Leow lead social activities during a most difficult year for socialising. Multiple lockdowns, social distancing requirements and isolations made social events tough to pull off. Nonetheless, she persevered. She ran online quizzes during the lockdowns and ran social activities for the Executive, Bulletin and Investment Committee teams to build a collaborative community. Finally, she successfully hosted an end-of-year social and networking function for 50 members to celebrate the year.

## EDUCATION DIRECTORS

A wise analyst once said 'An investment in knowledge pays the best interest'. Our members will be the ones who reap the benefits. The Education Directors will be the spiritual successors to Aswath Damodaran, spreading knowledge far and wide. However, instead of industry unlevered betas, the Education Directors educate our members on the opportunities in finance and UAIC.

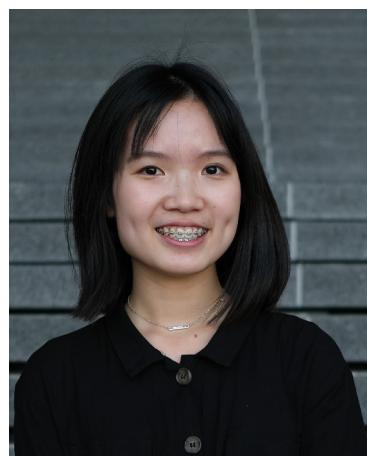
Tribhuvan Krishnan and Christopher Wong were fantastic as Education Directors. They successfully executed seven education events related to social innovation, ethical investing, careers, investing, qualitative and quantitative analysis. Both made contributions to the Bulletin in the form of publishing the education series addressing a range of finance-related topics. Additionally, they supported the assembly of professionals who made great contributions and insights to our careers roundtable. In summary, their contributions dramatically improved the quality of education provided to UAIC members.



*Tribhuvan Krishnan  
Education Director*



*Christopher Wong  
Education Director*



*Raewyn Leow  
Social Director*

## MARKETING DIRECTORS

Humanity is blessed with beautiful works of art. Michelangelo brought us the ceiling in the Sistine Chapel. Leonardo Da Vinci gave the Mona Lisa her lovely smile. Vincent Van Gogh reimagined looking up at the stars with The Starry Night. Fast forward 130 years, modern art is drastically different. Social media is ubiquitous and a new form of expression. The Marketing Directors channel their inner renaissance painter with social media as their paintbrush to market UAIC to the masses.

Jade, Zach and Nikita excelled in their responsibilities as Marketing Directors. They redesigned UAIC's branding to better communicate with a wider membership base. During their tenure, they utilised new marketing channels to drive higher engagement across every event. They designed marketing materials for every event across all eight portfolios while managing weekly updates distributed to members. Their contributions elevated the UAIC brand and are directly responsible for the 30% increase in general membership and 58% increase in female general membership. UAIC could not have succeeded in 2020 without them.



*Jade Beckmann  
Marketing Director*

*Nikita Deva  
Marketing Director*



*Zack Monk  
Marketing Director*

## **WOMEN ENGAGEMENT DIRECTORS**

Steve Jobs and Apple revolutionised the mobile industry with the iPhone. Henry Ford turned the automobile industry on its head with automation. Garrett Camp and Travis Kalanick used Uber to change the way we travel to connect with friends. The Women Engagement Directors follow in these visionary leaders' footsteps, breaking down barriers and making finance more accessible for women.

Caterina, Madhu and Taraani excelled in their responsibilities launching the Women Engagement Initiative. They reached out and registered 15 industry connections as mentors for the mentoring programme. After, they selected 15 mentees to pair with these mentors. Additionally, they managed each relationship to build the first successful iteration of UAICh's Women Mentoring Programme. They alternated as panel facilitators for our two-part speaker series in addition to organising the in-person Meet the Mentors session.



*Caterina Barton  
Women Engagement Director*



*Taraani Mohammed  
Women Engagement Director*



*Madhu Guthpe  
Women Engagement Director*

## COMPETITION DIRECTORS

Competition fuels success. Many industries were driven to new heights on the back of fierce rivalries. Notable rivalries include Coke vs Pepsi, Ford vs GM and Boeing vs Airbus. Competition also drives opportunities for innovation and education. Everybody loves a bit of friendly competition and UAIC is no different. The Competition Directors manage our competitions and grow them to reach as many members as possible.

Sasha and Aryana succeeded in their roles as Competition Directors. They facilitated the Jarden Stock Pitch Competition online during the first lockdown. Additionally, they managed both the competitors and judging panel in the campus heats and finals. Their contributions led to a very successful competition which correlates to Jarden and UAIC continuing the competition in the future.

Ashley and Ahmed succeeded in their roles as Competition Directors. They facilitated the Global From Day One Venture Capital Competition online during the second lockdown. Additionally, they managed the submissions process, campus heats and campus finals while driving high engagement at each stage of the competition. Their contributions led to a very successful competition which correlates to Global From Day One (GD1) and UAIC continuing the competition in the future.

Saeyavan succeeded in his role as a Competition Director. He facilitated the UBS Investment Banking Competition in-person at the Business School and UBS New Zealand offices. He judged in the campus heats while managing the selection process in advancing teams to the campus finals. He provided thorough feedback for competitors to improve their performance for next year's competition. His contribution led to a very successful competition which correlates to UBS New Zealand and UAIC continuing the competition in the future.



*Sasha Khurana  
Competition Director*



*Saeyavan Sitsabesan  
Competition Director*



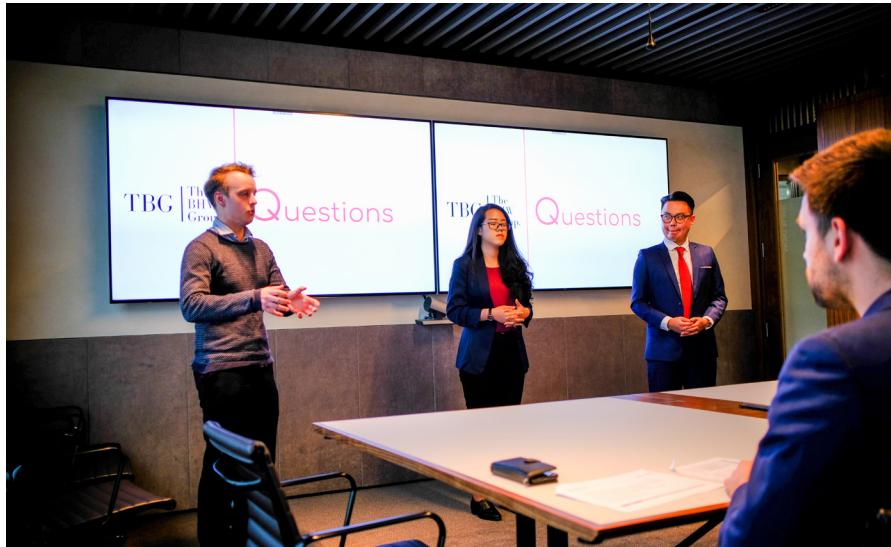
*Ashley Harris  
Competition Director*



*Ahmed Alassafi  
Competition Director*



*Aryana Nafissi  
Competition Director*



*Photo top left*

*Team TBG - The BHW Group presenting at the UBS New Zealand Investment Banking Competition.*

*Photo bottom left*

*UAIC members at the Careers Roundtable.*



*Photo top right*

*UAIC members at the AGM.*

## EVENTS

*Developing the Next Generation of Finance Professionals*



UAIC facilitated our legacy offerings and created a new series of events to cater to the evolving needs of our members. We persevered through the multiple lockdowns to develop our members and keep them connected. UAIC facilitated the following activities over the academic year:

- An investment committee who manage and invest the \$25,000 Investment Fund on behalf of the club
- A bulletin team who publish a weekly publication of finance-related opinion articles
- 4 competitions each with a tutorial, campus heats and campus finals
- 7 education events addressing investing fundamentals, ESG, social innovation from an investor's perspective, qualitative analysis and valuation

- A women engagement initiative comprising of a mentoring programme and a two-part speaker series addressing careers in finance, challenges in the workplace and the future of finance
- A couple of social events to strengthen the UAIC community including an easter quiz and end-of-year networking event

These events played a critical role in giving members the opportunity to cut one's teeth in financial services before leaving academia for industry. UAIC's intent was to break down technical barriers to financial services, foster growth mindsets and develop a community welcoming all levels of experience and interest in finance. The events explained in this section played a vital role in executing this intent.

# INVESTMENT COMMITTEE

*Developing the Next Generation of Fund Managers*

## Overview of the Investment Committee

The Investment Committee is one of the University of Auckland Investment Club's legacy offerings. The committee, a group of junior and senior equity analysts, manage the Investment Fund on behalf of UAIC. Value investing underpins our investment thesis, buying underpriced securities where the price is determined using fundamental financial analysis. The Investment Fund had \$26,639.00 (NZD) AUM as at 30th September 2020, \$9,629.39 invested in ASX or NZX equities and \$17,009.61 awaiting investment. The Investment Committee follows a three-stage investment process to invest in ASX or NZX listed companies.

### Stage 1

A rostered analyst presents qualitative analysis on their chosen company to the committee in the form of a PowerPoint presentation. Analysis addresses the following:

- Overview: Information on the current price, market capitalization, enterprise value, returns, company founders, price to earnings ratios, earnings per share and brief description of the company
- Business: Information on the ownership structure, operating locations, customer profile, product mix, revenue streams, cost structures, value chain position, board of directors and company history
- Industry: Information on the industry's maturity, key trends, market sizing, inter industry relationships, commodity price risks, financial market risks, barriers to entry, incumbents and industry growth projections
- Strategy and Competitive Advantages: Information on key strategies and competitive advantages e.g. growth through acquisitions, new product launches, synergy creation, technological advantages from patents, distribution channel control and vertical integration efficiencies
- Key Risks and Mitigations: Information on mitigation strategies to address risks e.g. hedging strategies to address commodity price fluctuations, loyalty schemes to retain customers and use of local suppliers to mitigate trade wars
- Financial Analysis: Information on liquidity, leverage, efficiency, profitability and market value ratios in addition to the provision of the financial statements

After the presentation, the Investment Committee vote using a majority voting system with each member casting one vote. If the presentation passes, the company progresses to the next stage of the investment process. Otherwise, the company is not taken further. If there is a tied vote, the Investment Committee Chairperson will decide the outcome.

### Stage 2

A team of two to four analysts will value the company using a range of valuation methodologies depending on the type of company. The Investment Committee uses discounted cash flow, market enterprise/equity multiples and precedent transaction valuation methods. A mix of junior and senior analysts will value the company to upskill junior talent and provide mentoring opportunities for the senior analysts. The team will present their analysis to the Investment Committee to discuss key assumptions. If the company is undervalued by 15% or more, the company advances to the next stage of the investment process. A company must be undervalued by 15% or more to generate a return after brokerage fees.

### Stage 3

In the final stage of the investment process, both qualitative and quantitative analysis are presented to general members at either the Annual General Meeting (AGM) or an online Special General Meeting (SGM). General members vote using a majority voting system on adding the company to the Investment Fund. If the vote passes, the Investment Committee Chairperson will work with our broker to invest a minimum of \$1000.

## Summary from the Investment Committee Chairperson

At the start of Semester One, the Investment Committee Chairperson ran interviews to select Equity Analysts for 2020. This turned to be the most competitive round in recent years. 14 Equity Analysts were chosen, each coming from a unique background and bringing their own insights onboard the Committee.

As part of the onboarding process, three tutorials were run to help develop business analysis, fundamental accounting and valuation modelling. Two Senior Equity Analysts, Andrew Meng and Michael de Boyett ran the first meeting, covering the components of a qualitative pitch. The current Investment Committee Chairperson, Nehaal Ram ran a valuation overview and 3-Statement model tutorial. Lastly, past Investment Committee Chairperson Amaan Merchant delivered a thorough Discounted Cash Flow tutorial, followed by a live example.

From there on in, Semester One had 14 pitches presented, with 8 passing (Nearmap, Sims Metal Management, Qantas Airways, Ramsay Healthcare, Cleanaway, Mercury Energy, Avita Medical, and Napier Port). From this, Sims Metal Management, Qantas Airways, Ramsay Healthcare, and Cleanaway passed the valuation and final presentation stage, subsequently being added to the Investment Fund.

With the start of Semester Two, we brought on three more analysts, rounding out to a team of 17. Each analyst presented a pitch, with 12 passing and 6 sitting in the valuation stage. As 2021 rounds out to an end, the Investment Committee has had an extremely successful year; we had our first year of developing

our portfolio (which delivered a gross return of 17.24% as at 1 December 2020, beating both the NZX50 & ASX200), incorporated more learning and educational pathways, ended our year with a social dinner, and worked collectively as a team of passionate students to learn more about the nuances of value-investing. The Investment Committee is in a strong position to adopt portfolio risk management strategies, continue to develop our portfolio and deliver another successful year in 2021.

## Team

### Investment Committee Chairperson

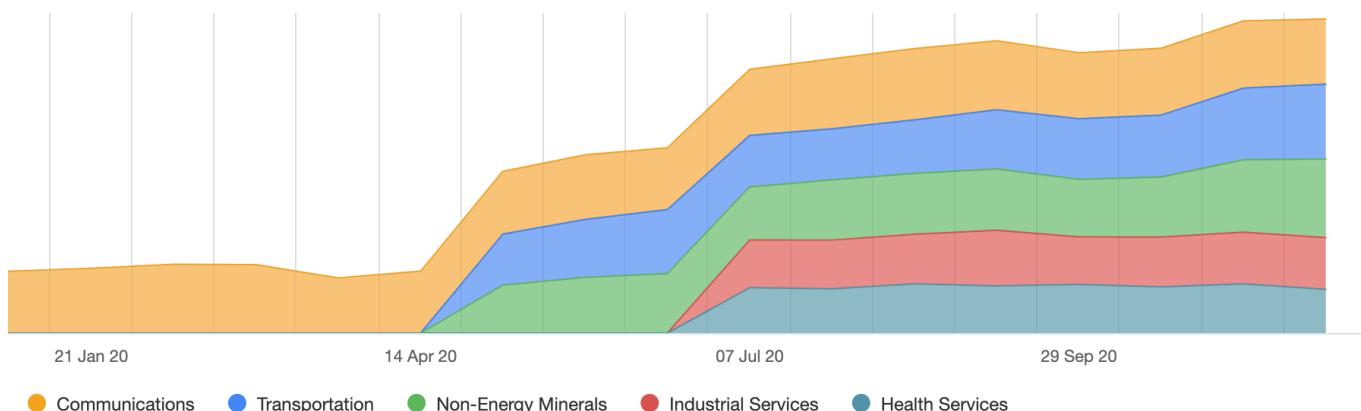
- Nehaal Ram

### Senior Analysts

- Michael de Boyett
- Andrew Meng
- Tribhuvan Krishnan
- Daniel Vaz
- Hamish Marsden

### Junior Analysts

- Anirudh Das
- Raewyn Leow
- Kevin Li
- Flynn Davies
- Louis Skyes
- Nina Kashyap
- Anna Marsden
- Athena Churchill
- Gabrielle Mackisack
- Donovan Rea
- Katy Qiu



CAPITAL GAIN	DIVIDENDS	CURRENCY GAIN	TOTAL RETURN
1,426.95	158.19	-168.30	1,416.84
17.37%	1.93%	-2.05%	<b>17.24%</b>

Investment Fund Return as at 1st December 2020

## Investment Committee Presentations

The Investment Committee pitched the following companies during the year:

### **Companies**

- Nearmap Ltd (ASX:NEA)
- Select Harvests (ASX:SHV)
- Sims Metal Management (ASX:SGM)
- Qantas Airways Limited (ASX:QAN)
- Ramsay Healthcare (ASX:RHC)
- ALS Limited (ASX:ALQ)
- Cleanaway (ASX:CWY)
- Mercury Energy (NZX:MCY)
- Kathmandu Holdings (NZX: KMD)
- Avita Medical (ASX: AVH)
- Kiwi Property Group (NZX: KPG)
- Blis Technologies (NZX: BLT)
- Napier Port Holdings (NZX: NPH)
- Monash IVF (ASX: MVF)
- Pushpay (NZX: PPH)
- Brambles (ASX: BXB)
- Scales Corporation (NZX: SCL)
- Altium (ASX: ALU)
- Dicker Data (ASX: DDR)
- Freightways (NZX: FRE)
- Plexure (NZX: PLX)
- Sanford Limited (NZX: SAN)
- WiseTech (ASX: WTC)
- Volpara Health Technologies (ASX: VHT)
- Amcor CDI (ASX: AMC)
- Bega Cheese Ltd (ASX: BGA)
- AFT Pharmaceuticals (NZX: AFT)
- Orocobre Limited (ASX: ORE)
- Elders (ASX: ELD)
- Next DC (ASX: NXT)
- Delegat (NZX: DGT)



2019-2020 Portfolio Additions



---

# BULLETIN

*Developing the Next Generation of Financial Journalists*

## Summary from the Editor-in-Chief

This year marked a significant milestone for the Investment Club's Bulletin. In previous cohorts, the Bulletin team would publish one research magazine each semester before distributing it amongst its members. Whilst this produced in-depth and insightful articles, the lack of team culture and scarcity of outputs were a pain-point that left a tremendous amount of potential unrealised. From these two issues, a new strategy was derived for the Bulletin by the 2020 Editor-in-Chief, Nikhil Luthra: a magazine would be produced weekly and consist of shorter pieces that focused on the opinions of writers as a differentiator in the market. The fundamental ethos being that each writer's opinion is what truly separates them as individuals and should be displayed as the key-value offering.

The first step towards achieving this new goal for the Bulletin was to increase the number of writers on the team. Over three weeks in March and April, 42 interviews were conducted, from which, 5 senior and 7 junior writers were selected to partake in this year's Bulletin. In addition to this, for the first time in 10 years, the Bulletin was to be sponsored by an external organisation; MYOB. This proved to a fundamental pillar upon which Bulletin was able to thrive as MYOB served as an additional distributor of content; sending out each edition to their top 8000 partner businesses. Over the duration of Semester 1 and Semester 2, the Bulletin team was able to produce 14 magazines, consisting of over 75 student opinion pieces with over 50 published.

From an internally focusing lens, the Bulletin was able to facilitate and hold weekly meetings throughout lockdown during Semester 1 and in-person during Semester 2. This was paramount towards establishing an open and inclusive culture within the club and cementing Bulletin as a true value-offering for UAIC going forward. Bulletin also helped to upskill the members of the club through weekly education pieces that often focused on areas left untouched by a finance degree. As a further addition to its value-offering, Bulletin enabled club members to keep up-to-date with stocks pitched on the club's own investment fund that had previously been kept behind closed doors; weekly reports were written and published in the magazine.

Thank you to Shailan Patel and MYOB for sponsoring the Bulletin this year. UAIC looks forward to continuing this partnership in the future.

2020 was a year in which UAIC enacted a performance of tremendous transformation and success, in which, Bulletin played a leading role. The team was able to cultivate a genuine value-offering for future members for the club professionally and socially; a legacy offering in the making.

## Team

### Editor-in-Chief

- Nikhil Luthra

### Senior Writers

- Sam Jain
- Sean Spires
- Kyle Quindo
- Logan Rainey
- Jerry Ren
- 

### Junior Writers

- Kai Yun Gao
- Shyam Prasad-Jones
- Sean Flower
- Neha Kumar
- Saeyavan Sistabesan
- Ananya Ahluwalia
- Tim Cross



myob

## Bulletin Articles

The bulletin team researched, drafted and published the following articles during the year:

### Educational

- Insider Trading Part I-III
- Risk and Diversification Part I-III
- Exploring Index Funds Part I-VI
- Is Day-Trading for Students
- Where Finance can take you

### Opinion

- Why is the market dislocating from the economy?
- When do you stop being rational?
- What happened to the NZX?
- How you should be thinking about investment risk?
- The USA election...so what?
- The Lichtman Model
- National: The better economic managers?
- Long walk to greendom
- Studylink Asset Management
- Put your money on-the-line
- ACT: The party of economic discipline?
- Greens 2020: Visionary or on the green?
- News media must be subsidised
- Tesla: overvalued, or perfectly valued?
- Personal finance for students
- What is ESG investing and does it work?
- The three most important words in investing
- Uber eating up the industry
- Investing books you should be reading
- Share buybacks?
- The property pandemic problem
- The global economic balance post-COVID
- Do deficits even matter?
- A word of warning
- The future of food
- The Berkshire Hathaway annual meeting in 10 minutes
- RTD's in the eyes of a first-year
- Gold isn't the only thing outperforming the market
- Globalism and protectionism after COVID-19
- Gaming culture
- Construction and the government stimulus
- STEM in 2020
- The road to recovery
- Oil, OPEC, and opportunities
- What to buy during the crises: Gold
- StockX: The billion-dollar sneaker unicorn
- I need a dollar
- Recession proof addiction
- Time to rethink our pensions!
- Banking on binging? A Gen Z dilemma
- Corona Capital
- The painfully average truth about Indexing
- COVID-19: Have we forgotten about the environment?
- China has something the world wants but can't have
- Working from home - A catalyst for change?
- Metlifecare: To be, or not to be?
- The \$2 billion secondary sneaker market
- Go local or go home!
- Kit-set housing: Back to the future?
- The clock is TikToking
- Ethical investing isn't about virtue signalling
- The slowdown of fast-fashion
- The rise and rise of Zoom
- I went long oil...then it went negative
- Scuttlebutt: An investing technique you're not using



---

## EDUCATION

---

### *Educating the Next Generation of Finance Professionals*

Education is the heart of our club. In fact, it is the reason we do what we do. If a member of our club leaves having learned, then we achieved our mission. This year, despite COVID-19 restrictions, we ran 7 educational events, covering a range of different areas in finance.

Our first event was a staple of the club, Investing 101 with Raymond Webb. Raymond, located in New Zealand at the time, taught over 80 club members the fundamentals of value investing. With all the basics covered, club members were now able to learn and understand more complicated concepts and theories.

Our second event was a new initiative, titled An Introduction to Personal Investing, and was run via Zoom due to being in lockdown. Three Analysts in our Investment Committee talked over 40 club members through their personal experiences with investing and answered club members' burning questions about getting started. This event was successful because club members felt comfortable asking all their questions to our Analysts, helped by the dialogue being conversational.

Our third event was in partnership with Social Innovation New Zealand, where we brought a guest speaker to the SINZ Navigate Conference. Our guest speaker was Tip Piumsomboon, from Blackbird Ventures, who spoke about her experience so far in venture capital and how it can be used to spur social innovation. Tip was popular at the event and at times drew large crowds to her round table for discussion. UAIC is most thankful for Tip representing UAIC at the SINZ Navigate Conference.

Our fourth event was Investing 102, the follow up to Investing 101. Raymond Webb joined us via Zoom, as he was based in the United States. He talked about topical issues in the world today, such as the move towards negative interest rates, and expanded on concepts from Investing 101. We are incredibly grateful for the contributions Raymond Webb has made to club over the years. The club would not be where it is today without him.

Our fifth event was How to Pick a Winning Stock with Manuel Greenland from Rank Group. Manuel broke down quantitative analysis for over 40 club members and explained what to look for in a winning stock. His unique view on the markets was appreciated and well-liked by those who attended. Daniel Vaz and Raewyn Leow, two of our Senior Analysts on the Investment Committee, then explained the approach the Investment Committee takes when quantitatively analysing a company. UAIC would like to say thank you Manuel for providing a unique investing perspective to our members.

Our sixth event was our annual Careers Roundtable, which was delayed due to the second lockdown. Ben O'Neill from Goldman Sachs, Dean Anderson from Kernel Wealth, Shane Varn from NZ Super Fund, Harriet Lambert from PwC, Rishija Dolli from Kearney, Alex Garvin from Suncorp and David Pei from Fisher & Paykel Healthcare joined us to talk through their careers, before leading round table discussions and fielding questions from students. This event was hugely successful and would have had over 80 attendees if there had not been gathering restrictions at the time. We would like to thank all our panellists who gave valuable careers insights and advice on the night.

Our final education event was Ethical Investing with Pathfinder Asset Management. Three members from their team explained why Ethical Investing is successful and not compromising returns, both from a qualitative and quantitative point of view. The event was smaller in size due to it being the first day students were allowed back on campus, but it was well appreciated by club members who did attend. Thank you to the team at Pathfinder Asset Management for speaking to our members and providing valuable insights on Ethical Investing.

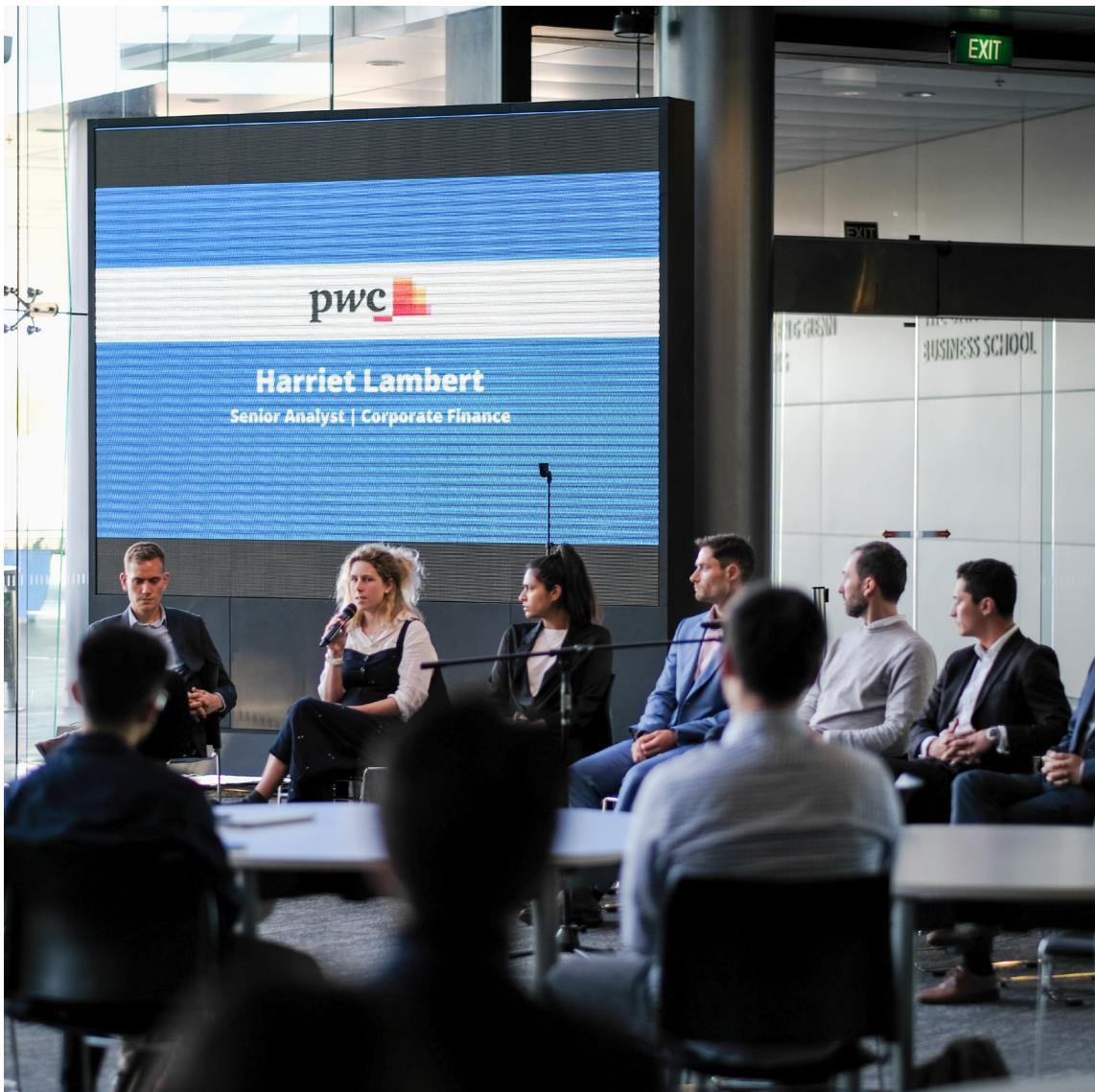
In summary, it was an incredibly successful year from an education perspective. UAIC looks forward to building on this success in future years.

*Photos from left to right, top to bottom:*

Panellist taking turns answering questions at the Careers Roundtable.

Harriet Lambert from PwC presenting at the Careers Roundtable.

Dean Anderson from Kernal Wealth presenting at the Careers Roundtable.

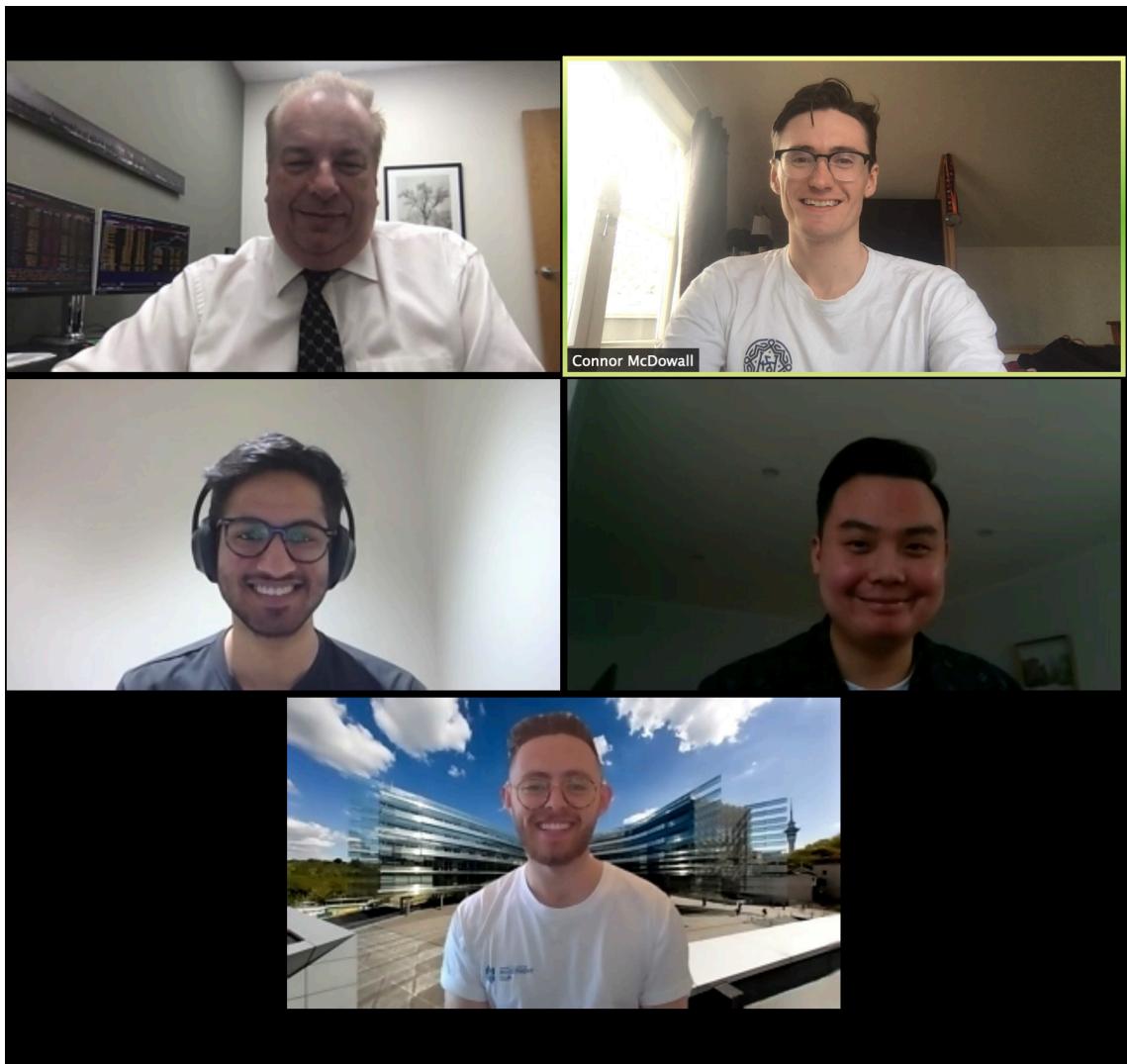


---

*Photos from left to right, top to bottom:*

*UAIC Co-Presidents and Education Directors with Raymond Webb at Investing 102.*

*Members of the UAIC Executive with the panellists from the Careers Roundtable.*





---

# CITI GLOBAL MARKETS CHALLENGE

---

*Developing the Next Generation of Portfolio Managers*

Financial markets are akin to changing tides. Major shifts come and go with the impact never quite the same. In recent history, we have seen the rise and fall of the Dotcom bubble, global financial crisis decimate the economy and new investment vehicles enter the market with varying levels of risk. It is important to adapt quickly to changes in the market and exploit foreseeable trends to maximise the returns of your portfolio.

UAIC continued our legacy partnership with Citigroup to give members the opportunity to practice portfolio construction and management strategies in the Citi Global Markets Challenge (CGMC). Competitors researched microeconomic and macroeconomic factors which influence portfolio performance, identified the catalysts which catalyze the market conditions necessary to generate portfolio returns under their investment thesis, created a portfolio from four asset classes and measured portfolio performance against the benchmark fund. Competitors' analysis and portfolio performance was presented to several panels of Citigroup professionals depending on their analysis and advancement to the campus heats, campus finals or global finals.

Twenty teams registered to compete at the University of Auckland. Around the time of case submissions, COVID-19 sent New Zealand into a level four lockdown. Four teams were selected to represent the University of Auckland in the Campus Heats. Citi held the campus heats, hosting virtual presentations for the best 32 teams across Australia and New Zealand. We congratulate Zi Yuan Tee, Dweep Kapadia, Edward Zhang, and Benny Chun. They were selected to represent the University of Auckland in the campus finals, coming out as the top team from the University of Auckland. Their portfolio analyzed the impact COVID-19 would have across Equities, Fixed Income, and Commodities. Thank you to UNIT and Citi for running an excellent competition during a most turbulent time.

Benchmark (Fund X) Composition	Weightings
Equities ( <i>MSCI World Index</i> )	50%
Fixed Income ( <i>iShares Core U.S. Aggregate Bond ETF</i> )	30%
Commodities ( <i>S&amp;P GSCI Index</i> )	20%

*CGMC Benchmark Fund*



**UNSW**  
SYDNEY



**THE UNIVERSITY OF  
SYDNEY**



**MACQUARIE**  
University  
SYDNEY - AUSTRALIA



**THE UNIVERSITY OF  
WESTERN  
AUSTRALIA**



**THE UNIVERSITY OF  
MELBOURNE**



**THE UNIVERSITY  
OF QUEENSLAND**  
AUSTRALIA



**THE UNIVERSITY OF AUCKLAND**  
NEW ZEALAND



**MONASH** University

*Competing Universities*



---

# JARDEN STOCK PITCH COMPETITION

---

*Developing the Next Generation of Equity Analysts*

The value of a company is intrinsic to many forms of finance. Public entities are valued in multiple ways. Transaction and traditional comps are the most intuitive methods but limit the modelling of new opportunities. At the other end of the spectrum, Discounted Cash Flow (DCF) methods are more thorough but introduce increasing levels of uncertainty from estimating a greater number of parameters. No matter the method, valuation is a unique combination of art, skill and science.

UAIC partnered with Jarden to give members the opportunity to develop skills as equity analysts in the Jarden Stock Competition. Jarden is New Zealand's leading investment and advisory group, offering share broking, portfolio management, investment banking, financial and economic research services. They are a trusted provider of wealth management and investment advice to individuals, companies, institutions and governments. Their strong local expertise is backed by their strategic alliance with Credit Suisse Group.

Competitors prepared qualitative and quantitative analysis on an ASX or NZX listed company, used a set of valuation methods to value the equity and presented their analysis to a panel of Jarden professionals. Analysis included business analysis, industry analysis, strategy, competitive advantages, risks, mitigations and supporting valuations. New materials were prepared to remove barriers to entry for the competition. These materials include a comprehensive case brief and financial modelling template.

We saw 23 teams enter the competition and 13 teams submit. UAIC had an unprecedented 10 first-timer team submissions and 3 open team submissions. After a preliminary round of judging by senior UAIC and ex-UAIC members, 5 teams advanced to the finals to present to members of the Jarden Investment Banking team. After a closely contested final, we saw two great teams take out the title. The Power Pitch Girls consisting of Athena Churchill, Anna Marsden, Nina Kash, and Natasha Ong took out the first timers division by pitching Ryman Healthcare (NZX:RYM). Team Green consisting of Calvin Quezet and Liam Sutherland won the open division pitching Pact Group Holdings (ASX:PGH). Both Jarden and UAIC agreed the competition was most successful and look forward to running the competition again in future years. We would like to thank Taylor Brown, Nick Broome and the wider Jarden team for helping organise and judge the competition.



*Open Division Winning Stock  
Pact Group Holdings (ASX:PGH)*



*1st Timers Division Winning Stock  
Ryman Healthcare (NZX:RYM)*



JARDEN



---

# GLOBAL FROM DAY ONE VENTURE CAPITAL COMPETITION

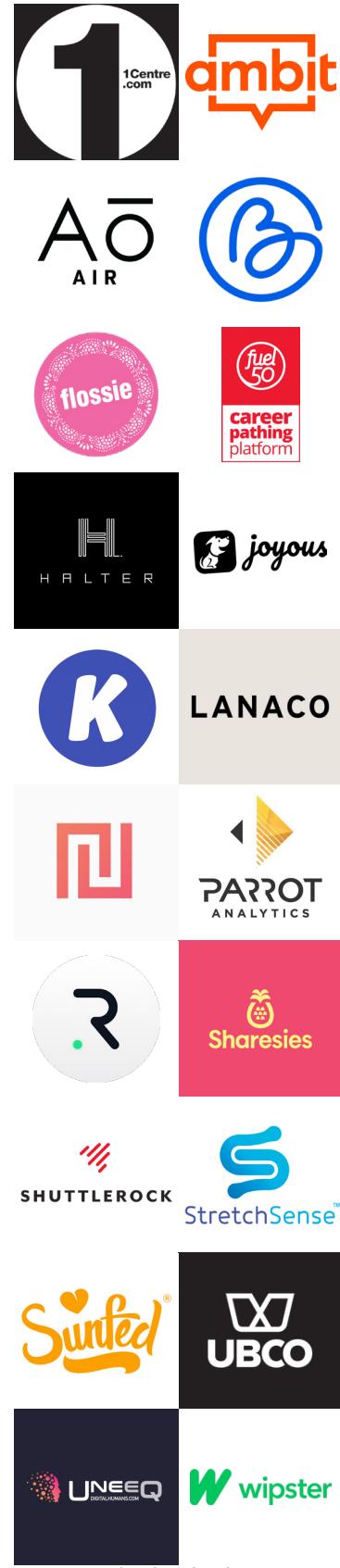
*Developing the Next Generation of Venture Capitalists*

Venture Capital plays an important role in both helping founders realise their dreams in bringing their business to the world and building start-up ecosystems. These firms make investments in companies on behalf of investors who have the potential to disrupt industries and drive forward innovation. Venture Capital invest in companies who operate in the middle portion of a traditional industry S-curve. These start-ups have proven technology and revenues but are far from industry consolidation and stagnating growth. Venture Capitalists are market makers between Investors, Entrepreneurs, and Investment Bankers. In 2019, the Government gave The New Zealand Super Fund (NZSF) \$300m NZD to start the Elevate NZ Venture Fund. The fund is managed by New Zealand Growth Capital Partners (NZGCP) who are tasked with growing the NZ start-up ecosystem through investing in Venture Capital Funds.

UAIC partnered with Global From Day One (GD1) Fund to launch the inaugural Global From Day One Venture Capital Competition. GD1 is a Venture Capital Fund that invests with high conviction in exciting technology companies originating from New Zealand. Their team is passionate about creating and growing global businesses, and their goal is to transform NZ made into the next generation of globally disruptive technologies. They seek market led opportunities and partner with founders to influence change. GD1 is relentless and audacious in providing capital, adding value and generating wealth.

In the competition, \$15m was invested in the competitor's fund to invest in New Zealand technology companies. Teams selected 3 companies from the set provided, conducted due diligence on their proposed portfolio and prepared analysis on each company in their portfolio comprising of 3 companies. Their portfolio's composition, capital allocation and investment analysis was presented to a panel of investment professionals. Competing teams performed analysis on the company, founders, management team, product, technology, market size, industry, customers, user growth, competitive advantages, risks and mitigations to determine their portfolio composition and capital allocation. The teams could choose 3 companies from the following 20 New Zealand technology start-ups based on their investment thesis:

- Rocos
- Ambit
- UneeQ
- BoardPro
- Wipster
- Lanaco
- Joyous
- Parrot Analytics
- AO Air
- Powered by Flossie
- Narrative
- Sunfed
- 1Centre
- Kami
- UBCO
- Fuel50
- Sharesies
- Halter
- Shuttlerock
- StretchSense



20 New Zealand Technology Start-ups



**GLOBAL FROM DAY ONE FUND**

The tutorial was held in-person to inform members of the competition and give insight into New Zealand's Venture Capital and Technology ecosystems. Giulia Dressler (Investment Analyst at Global From Day One) and John Kells (Senior Investment Manager at Global From Day One) gave a presentation on Venture Capital and the work they do to help grow New Zealand start-ups. In a quick turn of events, Auckland's second lockdown led to the competition adopting an online format. Twelve teams registered to compete with six selected to present in the campus heats to a panel of judges comprising of Andrew Chen (Venture Associate at Matu), Samuel Wilkins (Commercialisation Manager at Auckland UniServices Limited) and Connor McDowall (UAIC Co-President).

Three teams advanced to the Campus Finals. Owen Woodhouse (Investment Manager at Jasmine Social Investments), Laura Faulconer (Portfolio Director at Antler), Debra Hall (Independent Director and Angel Investor) and Giulia Dressler (Investment Analyst at Global From Day One) assessed the portfolios in a tightly contested competition. Additionally, Tim Warren (CEO and Co-Founder of Ambit), Hengjie Wang (Co-Founder of Kami) and Craig Piggott (CEO and Founder of Halter) gave feedback on the analysis competitors gave on their own companies. After multiple rounds, The Financiers comprising of Raewyn Leow, Kevin Li, Shyam Prasad-Jones and Saeyavan Sitsabesan won the inaugural Global From Day One Venture Capital Competition. Their portfolio comprising of Lanaco, Kami and BoardPro followed an investment thesis to capitalize on the 'New Normal'. Their thesis explains the home becomes the workplace and school, we are more conscious about keeping each other safe and innovation is necessary for us to adjust to changing circumstances. Both UAIC and Global From Day One were impressed at the both the quality of the submissions and overall competition. Thank you to Giulia Dressler and the Global From Day One team for helping bring the competition to life. UAIC looks forward to working with Global From Day One in the future to grow the Global From Day One Venture Capital Competition.

*Photos from top to bottom:*

*Power Pitch Girls presenting Halter.*

*Craig Piggott from Halter answering questions.*

*Team Stonks presenting their portfolio.*

**Appendix – Halter Risks**

Risk	Impact	Description
Climate change	Health & health	Future of agriculture is increasing efficiency, Halter's ethos
Decreasing amount of arable land	Declining population growth of livestock	Unlikely risk due to NZ's culture and economy's dependency on agriculture, as seen in Carbon Neutral 2050 Act
Unfavourable regulatory changes	Agriculture is NZ's biggest greenhouse gas emitter	Very small market due to high manufacturing costs
Declining meat consumption	Substitution away from livestock consumption	Collaborators have no requirement for consistent servicing
Inability to scale their product	Barrier to becoming a global company	Highly unlikely due to Halter's emphasis on reliability
Product Failure	Damage to farm and surrounding areas, could destroy farmer's livelihood	

OVERVIEW TEAM PRODUCT MARKET RISKS APPENDICES



**Risks**

- User privacy can be accessed anonymously from anywhere.
- Hacked robots put users at risk.
- Constant management is needed to understand the latest technological advancements and privacy laws may be costly.
- Industry inertia poses a risk whereby Historically the HR industry has been unresponsive to technological advancements.
- Regular security updates.
- Roost manages user permissions and services.
- Customers own the data. Roost does not retain user information.
- Industry inertia poses a risk whereby Historically the HR industry has been unresponsive to technological advancements.
- Increased dependency on open source components.
- Security vulnerabilities to customer data may be available for exploited.
- Probable confusion in processing of data, may affect a customers decision.
- Implement frameworks to identify, assess, control and monitor and report the problems.
- Update users on the latest technology.
- Enforce human decisions at certain stages where data may be vulnerable to guarantee safety of information.

Intro Portfolio Team Product Market Customer Advantages Risks Summary 10

*Photos from left to right, top to bottom:*

*Global From Day One Venture Capital Competition Winners - The Financiers comprising of Raewyn Leow, Kevin Li, Shyam Prasad-Jones and Saeyavan Sitsabesan.*

*The Financiers presenting BoardPro's Founders.*

*Tim from Ambit critiquing analysis on his own company.*



**BOARDPRO**  
FOUNDERS AND TEAM MANAGEMENT

**BRETT HERKT**  
Co-founder and CEO  
Past experience as a CEO and founder

**KIM THIBAUT**  
Co-founder and COO  
Overseen over \$2.5m of SaaS application development

The management team are relationship builders who are strongly invested in their customers. This aligns with the company's value proposition of allowing their customers to focus on what their business does best, as they focus on **people and community**

Risks

User privacy anonymous  
Hacked role

Constant management that is needed to understand the legislations surrounding data and privacy laws may be costly

Historically the HR industry has been unresponsive to technological advancements

Probable confusion in processing of data, may affect a customers decision.

Mitigations

Regular security updates

Rocos managers user permissions and services

Customers own the data: Rocos does not retain user information

Collaborate with users to implement data protection protocols

Streamline products for feasible use and implementation

Focus on improving "training and development" features

Implement frameworks to identify, assess, control and monitor and report the problems.

Update users on the latest technology

Enforce Human decisions at certain stages where data may be vulnerable to guarantee safety of information.

---

# UBS NEW ZEALAND INVESTMENT BANKING COMPETITION

---

*Developing the Next Generation of Investment Bankers*

Investment bankers play a pivotal role in the corporate world. They create value for clients by offering several services: advising companies on corporate strategy, raising capital on the debt or equity markets and advising clients on mergers, acquisitions, or divestments. Businesses make acquisitions for several reasons. Many look to diversify their portfolio or leverage an incumbent to pivot into new ventures. A merger between companies can be equally exciting as the merged business may create synergies and enable new opportunities. As an investment banker, it is crucial to create value for clients through the origination and execution of well-structured transactions.

UAIC and UBS New Zealand partnered to bring members the inaugural UBS New Zealand Investment Banking Competition. UBS is one of the world's leading wealth managers and the premier universal bank in Switzerland, enhanced by world-class asset management and investment banking businesses. In New Zealand, UBS offers investment banking services across Global Banking, Equities Research and Equities Sales. UBS is New Zealand's only global, full-service investment bank. They offer a full-suite of investment banking services and seamless integration with their global network.

Competitors played the role of a new analyst expected to bring fresh ideas to the UBS New Zealand Investment Banking team. The Managing Director needed competitors to review some of the largest and most influential transactions in the Australia and New Zealand market. This research was to inform the deal process and the origination of new deals for the coming decade. They selected 2 transactions from a set of 10, evaluated the selected transactions, prepared analysis on both and presented their analysis to a panel of judges. Specifically, competitors analysed the company context, the strategic rationale of the transaction, offer context, proposed synergies and transaction success for both transactions. Additionally, competitors answered a subset of finance-related questions asked by the judges. Competitors could choose two transactions from the following set:

- TPG and Vodafone Australia Merger
- Amcor acquires Bemis Company Inc.
- WorleyParsons acquires Jacobs ECR
- Downer acquires Spotless
- EBOS Group acquires Symbion
- Fletcher Building acquires Crane Group
- Apax Partners acquires Trade Me
- EG Group acquires Woolworth's Petrol Business
- BP acquires BHP US Shale Assets
- Any Australia/New Zealand Market Transaction



10 Companies involved in  
Australia and New Zealand  
Mergers or Acquisitions.



**UBS**

Chelsea McCraith (Investment Banking Analyst at UBS) and Callum Rose (Investment Banking Associate at UBS) kicked off the competition with a tutorial demystifying investment banking. They made a presentation on their experience and what actually happens in investment banking. 12 competing teams registered with 6 teams selected to present in the campus heats at the University of Auckland. Competition Director Saeyavan Sitsabesan and Co-President Connor McDowall advanced three teams to the campus finals held at the UBS New Zealand offices.

Each team in the finals presented a unique combination of the following four transactions. Fletcher Building's acquisition of Crane Group, the Vodafone (AU) and TPG Telecom merger, Amcor's acquisition of Bemis and EBOS Group's acquisition of Symbion. A very experienced judging panel comprising of Lee Coker (Investment Banking Director at UBS), Dominic Higgins (Investment Banking Associate Director at UBS) and Max Montgomery (Investment Banking Associate Director at UBS) assessed the presentations and tested competitors' technical skills with a series of finance-related questions. After a closely contested competition, the 9pm Analysts comprising of Jerry Ren, Gabrielle Mackisack, Tim Cross and Sean Flower won the inaugural UBS New Zealand Investment Banking Competition. Additionally, Olivia Holdsworth and Gabrielle Mackisack took out Best Speaker and Best Q&A respectively. Thank you to Chelsea McCraith and the team at UBS New Zealand for helping develop, launch and support the inaugural UBS Investment Banking Competition. We are excited to continue working together to grow the competition in the future.



*Photos from top to bottom:*

*Team Debit Cheddar at the UBS Investment Banking Competition.*

*TBG - The BHW Group at the UBS Investment Banking Competition.*

*The 9pm Analysts at the UBS Investment Banking Competition.*



*Photos from top to bottom:*

*Chelsea McCraith from UBS New Zealand introducing the judges for the UBS New Zealand Investment Banking Competition.*

*Team 9pm Analysts with Dominic Higgins, Lee Coker and Max Montgomery from UBS after winning the inaugural UBS New Zealand Investment Banking Competition.*



---

*Photos from top to bottom:*

*Team Debit Cheddar answering questions from the judges.*

*UAIC Co-Presidents Connor and David, Competition Director Saeyavan and Bulletin-in-Chief Nikhil with Lee and Max from UBS.*





---

# WOMEN ENGAGEMENT INITIATIVE

## *Developing the Next Generation of Finance Professionals*

Successful organisations are built by great people and great teams. Google researchers applied methodologies, similar to those used in Project Oxygen, to discover the secrets of effective teams. This was called Project Aristotle. Their study concluded the following five pillars create effective teams at Google - (Google, 2020). In order of importance:

1. Psychological Safety: Team members feel safe to take risks and be vulnerable in front of each other
2. Dependability: Team members get things done on time and meet Google's high bar for excellence
3. Structure & Clarity: Team members have clear roles, plans and goals
4. Meaning: Work is personally important to team members
5. Impact: Team members think their work matters and creates change

Leaders and managers may apply these pillars to deliver transformative experiences, create development opportunities and build high performing teams. However, it is difficult to deliver these pillars with the inequality present in society today.

Disparity between women and men continues to plague the world. The Global Gender Gap Index informs the average gender gap to close is 31.4%. The Political Empowerment Sub Index found only 21% of ministers are women. Globally, only 36% of senior managers in the private sector and senior officials in the public sector are women. On average, 40% of the wage gap and 50% of the income gap are yet to be bridged. It will take 100 years to close the overall gender gap if we maintain current projections - (World Economic Forum, 2020).

The financial services industry faces these problems. Only 6% of CEOs are women. 9% of women hold chair roles on boards. There are still unconscious biases affecting promotion processes - (Oliver Wyman, 2020). Imposter syndrome continues to affect more women disproportionately than men - (New York Times, 2020). McKinsey's Women in the Workplace study found improvements have been made in Corporate America but there is a long way to go - (McKinsey, 2019).

As it stands, it is hard to build a psychologically safe environment

if some of your best people do not feel safe to take risks, be vulnerable, given the same opportunities and rewarded on a meritocratic basis. UAIC is playing its part to improve diversity, inclusion and equality within the financial services industry. Diversity is not bound by gender. Diversity may be expressed through gender, ethnicity, sexual orientation, experience, background or schools of thought. Developing practices to nurture diversity involves interweaving these practices into everything you do. Subsequently, UAIC adapted how we communicate to members, recruit for executive teams, develop talent, create competitions and facilitate events to foster these practices. UAIC will continue to keep diversity front of mind.

UAIC successfully launched the Women Engagement Initiative complete with a mentoring programme and two-part speaker series.

## Mentoring Programme

Mentoring plays an integral role in shaping careers and developing future leaders. However, there is a severe imbalance between demand and supply. 75% of professional men and women want to have a mentor while only 37% have one - (HBR, 2019).

There are plenty of young finance professionals who would make fantastic mentors, be great role models and inspire UAIC members to consider careers in finance.

A mentor/mentee relationship is one where both parties can learn and grow together. A great mentor shares their stories, asks great questions, helps plan for long term success, teaches a mentee to solve problems on their own, and helps identify their strengths.

UAIC paired 15 selected applicants with young women in industry to foster mentor/mentee relationships. The mentees were paired with mentors of the corresponding number shown in the list on the following page. These women are young trailblazers in their respective fields spanning consulting, corporate finance, investment banking, corporate banking, asset management and venture capital. Mentees and mentors met several times over

the year, both virtually and in-person, to discuss experience and offer advice. In October, UAIC held a successful Meet the Mentors networking event at the Glass Goose in Auckland's CBD. The networking session was a great opportunity to meet other members of the mentoring programme and talk about a whole range of interesting topics. Thank you to all our mentors who gave their time mentor our members.

#### Mentors

1. Chelsea McCraith
2. Toni Anda
3. Alice Rountree
4. Barbara Salazar
5. Caitlin Craigie
6. Emma Barnes
7. Georgia Freeman
8. Jillin Yan
9. Giulia Dressler
10. Georgina Niu
11. Jennifer Chee
12. Lindsey Toh
13. Montanna Bowyer
14. Taylor Brown
15. Tip Piumsomboon

#### Mentees

1. Olivia Holdsworth
2. Raewyn Leow
3. Athena Churchill
4. Neha Kumar
5. Clarissa Chan
6. Marsha Mitrovic
7. Elisa Nithya Martin Moses
8. Natasha Ong
9. Anna Marsden
10. Teresa Lee
11. Arshana Sirtharan
12. Annabelle Major
13. Lexie Qiao
14. Lulwa Al-Aisae
15. Jocie Giganto



*Photos from top to bottom:*

*Mentees' Athena Churchill and Raewyn Leow in discussion.*

*Montanna Bowyer and Emma Barnes from EY with Masha Mitrovic.*

*Toni Anda from Macquarie Capital talking to Athena Churchill and Natasha Ong.*



## Speaker Series

Many professionals have great stories to share with valuable lessons to learn. These experiences can be foundational to listeners, inspiring them to pursue undiscovered areas, tackle challenges initially deemed too difficult to tackle or instill newfound confidence. It's important for the women and allies in UAIC to learn from industry professionals so they can be better prepared for the world of finance.

### Careers in Finance

Our first speaker series event was an open, panel conversation with women in various finance roles to discuss personal journeys and careers. We were grateful to have Ton Anda (Investment Banking Analyst from Macquarie Capital), Daniela Bossard (Director at Cameron Partners) and Barbara Salazar (Investment Analyst at NZ Super Fund) on the panel to discuss both their career journeys and challenges faced. Their insights were fantastic, giving our members a unique perspective on how to excel in the world of finance.

### Future of Finance

Our second speaker series event was a forward-looking discussion on what the finance industry might look like in the future, and tangible steps of how we can break down technical barriers for women. The fintech panel informed our members on what they can be doing to prepare themselves and how can they can shape the future of finance. Nicole Buisson (Technology Business Executive), Nicole Pervan (General Manager Product at Kiwibank) and Jane-Renee Retimana (Payments NZ Executive) shared valuable insights on their experience and the growth of the fintech industry. We are grateful they joined us for our second and final virtual panel.

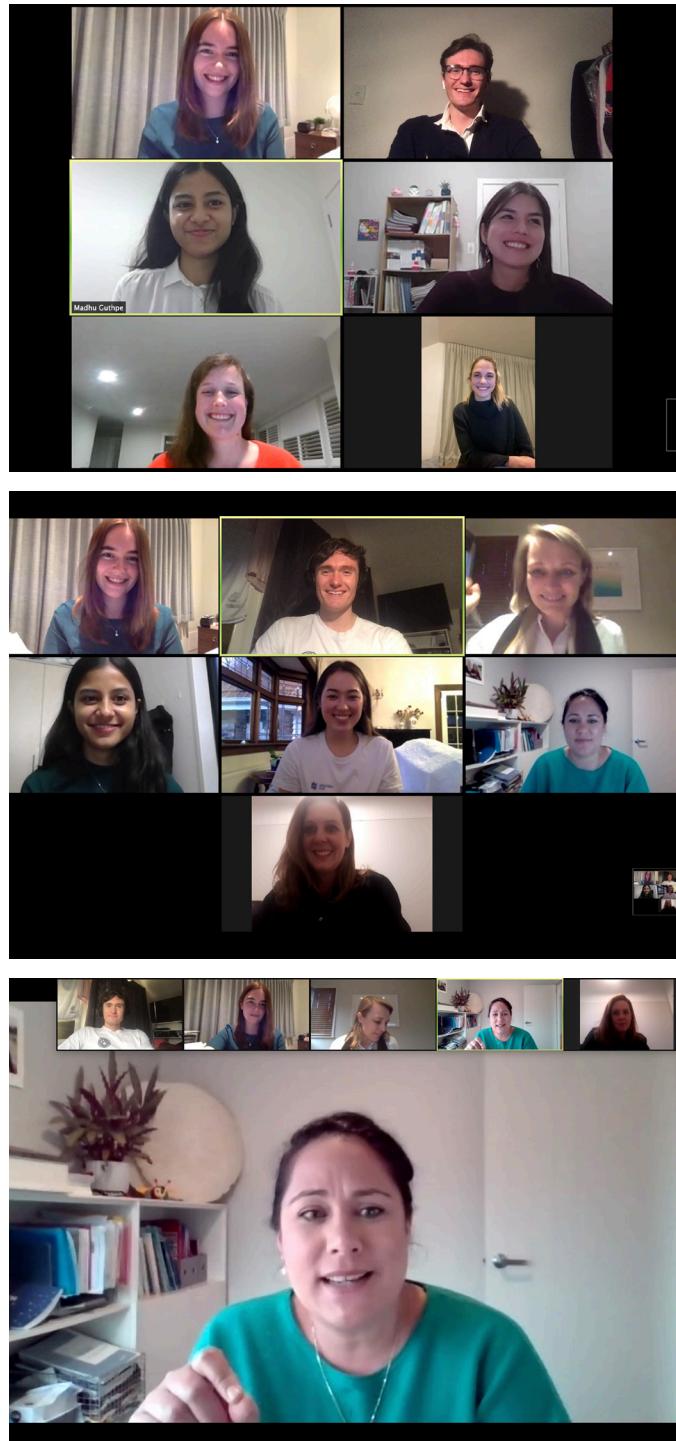
In summary, the inaugural Women Engagement Initiative was successful. UAIC looks forward to growing the initiative for years to come.

*Photos from top to bottom:*

*Women Engagement team and panellists at the Careers in Finance speaker event.*

*Women Engagement team and panellists at the Future of Finance speaker event.*

*Jane-Renee Retimana (Payments NZ) presenting at the Future of Finance speaker event.*



*Photos from left to right, top to bottom:*

*The UAIC Women Engagement team Caterina Barton and Madhu Guthpe with UAIC Co-President Connor McDowell*

*Raewyn Leow, Anna Marsden, Natasha Ong and Athena Churchill at the Meet the Mentors Networking Session.*



---

# FINANCIAL STATEMENTS

---

*An Overview of UAIC's Financial Performance and Position*

## Summary of Finances

UAIC had great momentum at the start of the year, building a sturdy membership base. In previous years, the \$20 membership fee was split evenly between operating expenses and contributions to the Investment Fund. The Co-Presidents decided to allocate 100% of membership fees to operating expenses in 2020. This reallocation was to finance new events and initiatives. The Investment Fund had excess capital from accumulating 50% of membership fees over the last few years. The stockpiling of capital was caused by the Investment Fund's inability to invest from issues with brokerage. Amaan Merchant (Investment Committee Chairperson 2019) and Nehaal Ram (Investment Committee Chairperson 2020) worked together to establish brokerage and enable investing for 2020. Subsequently, UAIC could afford to operate the Investment Fund, investing accumulated capital, without making contributions to the fund using membership fees. Subsequent leadership teams will reassess financing strategies and membership fees so UAIC can continue to meet operating expenses and raise capital for the Investment Fund. In addition, UAIC made strong industry connections who provided monetary sponsorship for events and general operations.

UAIC adjusted to hosting remote events as a consequence of COVID-19. Subsequently, there were material decreases in operating expenses. Administrative costs were UAIC's largest operating expenses this year. Administrative costs were comprised of subscriptions to Google Suite products, Adobe Creative Cloud, Adobe Stock, Zoom and accounting costs. The accounting costs were carried over from our previous accounting service provider Xero. UAIC transitioned to MYOB from Xero, eliminating accounting costs for most of 2020 thanks to sponsorship provided by MYOB. Thank you Shailan Patel and MYOB for sponsoring our MYOB subscription and the Bulletin.

Global From Day One (GD1) and UBS New Zealand covered the costs for the Global From Day One Venture Capital Competition and UBS New Zealand Investment Banking competition

respectively. These sponsorship agreements covered food, catering, venue costs and prize money. Additionally, their sponsorship enabled the execution of two high quality competitions. UAIC looks forward to growing these competitions with Global From Day One and UBS New Zealand in the future. UAIC generated a surplus of \$5,407.40 for the financial period 1st January 2020 to 30th September 2020. The financial period changed from 1st January – 31st December to 1st October - 30th September to realign UAIC's financial period with the election of incoming Co-Presidents. New Co-Presidents are elected at the Annual General Meeting in early October. This realignment supports succession planning and the better reflection of the incumbent leadership team's performance. UAIC acknowledges this surplus is an abnormality given the circumstances created by COVID-19 and related lockdowns. The budget forecast a surplus of \$1000 to partially replenish losses from previous years and cover operating expenses. UAIC expects income, expenses and surplus to more closely follow the forecast budget in subsequent years under normal operating conditions. We must highlight costs associated with the end-of-year networking event, Google Suite, Adobe software and UAIC website were addressed after the new financial period. The surplus would have been more reasonable if there was no change in the financial year.

The investment committee added four equities to the fund. The committee invested a total of \$6200.76 across Qantas Airways Limited, Sims Metal Management Limited, Ramsay Health Care Limited and Cleanaway Waste Management Limited. Spark New Zealand Limited was bought in November 2019. Mainfreight common stock is carried over from previous years before the aforementioned issues with brokerage. An issue still persists with this position. UAIC was reincorporated several years ago, changing the name of the club from Auckland University Investment Club to the University of Auckland Investment Club. The Mainfreight shares were bought under the previous alias. Subsequently, UAIC cannot liquidate this position until the club can prove to the necessary parties both names describe the same entity. The Investment Committee will continue to resolve this issue. The addition of these investments brings the Investment

Fund's total number of long positions to 6. The performance of the Investment Fund is addressed in the Investment Committee section of this report.

The need for the aforementioned organizational changes, accompanied by the introduction of new events, led to a significant overhaul of UAIC's financial reporting. Subsequently, only financial information relating to 2020 is included in this report. These new financial reporting frameworks will be used in subsequent terms.

In summary, the contributions made by the executive under the incumbent leadership led to an excellent financial performance during a turbulent year. UAIC's strong financial position lays the foundation to foster growth in the coming years.

### **STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2020**

<b>Statement of Financial Performance</b>	<b>2020</b>
<b>Income</b>	
<b>Membership Fees (Note 1)</b>	7133.24
Cost of Sales/Cost of Goods Sold	0.00
<b>Gross Profit</b>	<b>7133.24</b>
<b>Operating Expenses</b>	
Prize Money	1,800.00
Catering and Food	1,054.49
Advertising	92.98
Administrative Costs (Note 2)	2,731.77
Tax on Interest Income	2.37
<b>Total Operating Expenses</b>	<b>5,681.61</b>
<b>Operating Profit</b>	<b>1,451.63</b>
<b>Other Income</b>	
Interest Income	4.80
Social Event Income	105.00
Sponsorship Income (Note 3)	3,600.00
Grants (Note 4)	400.00
<b>Total Other Income</b>	<b>4,109.80</b>
<b>Other Expenses</b>	
Social Expense	154.03
<b>Total Other Expenses</b>	<b>154.03</b>
<b>Surplus</b>	<b>5,407.40</b>

### **STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2020**

<b>Statement of Cash Flows</b>	<b>2020</b>
<b>Surplus</b>	<b>5,407.40</b>
Less Assets	
<b>Current Assets</b>	
Accounts Receivable	2400.00
<b>Total Current Assets</b>	<b>2400.00</b>
<b>Non Current Assets</b>	
Qantas Airways Limited Common Stock	1,648.90
Sims Limited Common Stock	1,539.04
Ramsay Health Care Limited Common Stock	1,520.02
Cleanaway Waste Management Limited Common Stock	1,495.23
<b>Total Non Current Assets</b>	<b>6403.19</b>
<b>Total Assets</b>	<b>8,603.19</b>
<b>Plus Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	3,090.56
<b>Total Current Liabilities</b>	<b>3,090.56</b>
<b>Non Current Liabilities</b>	
<b>Total Non Current Liabilities</b>	<b>0.00</b>
<b>Total Liabilities</b>	<b>3,090.56</b>
<b>Plus Equity</b>	
<b>Total Equity</b>	<b>0.00</b>
<b>Plus GST Movement</b>	
GST Collected	105.78
GST Paid	(14.20)
<b>Total GST Movement</b>	<b>91.58</b>
<b>Net Cash Movement</b>	(13.65)
<b>Opening Cash and Cash Equivalents</b>	<b>23,243.58</b>
<b>Plus Cash Movement</b>	
Cheque Account	4,367.11
Cash on Hand	1,820.00
Investment Fund	(6,200.76)
<b>Total Cash Movement</b>	<b>(13.65)</b>
<b>Closing Cash and Cash Equivalents</b>	<b>23,229.93</b>

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

<i>Statement of Financial Position</i>	<b>2020</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents (Note 5)	23,229.93
Accounts Receivable (Note 6)	2,400.00
<b>Total Current Assets</b>	<b>25,629.93</b>
<b>Non Current Assets</b>	
Spark New Zealand Limited Common Stock	2,013.20
Mainfreight Common Stock	1,413.00
Qantas Airways Limited Common Stock	1,648.90
Sims Metal Management Limited Common Stock	1,539.04
Ramsay Health Care Limited Common Stock	1,520.02
Cleanaway Waste Management Limited Common Stock	1,495.23
<b>Total Non Current Assets</b>	<b>9629.39</b>
<b>Total Assets</b>	<b>35,259.32</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Short Term Debt	0.00
Accounts Payable (Note 7)	3,252.56
GST Collected	105.78
GST Received	(14.20)
<b>Total Current Liabilities</b>	<b>3,344.14</b>
<b>Non Current Liabilities</b>	
Long Term Liabilities	0.00
<b>Total Non Current Liabilities</b>	<b>0.00</b>
<b>Total Liabilities</b>	<b>3,344.14</b>
<b>Equity</b>	
Surplus for the year	2,081.90
Retained Earnings	21,402.18
Endowment	8,282.00
Historical Balancing	149.10
<b>Total Equity</b>	<b>31,915.18</b>
<b>Total Assets</b>	<b>35,259.32</b>

**CHART OF ACCOUNTS  
AS AT 30 SEPTEMBER 2020**

<b>Name</b>	<b>Number</b>
Cheque Account	1-1000
Cash on Hand	1-1200
Savings Account	1-1400
Accounts Receivables	1-1600
Spark New Zealand Limited Common Stock	1-2300
Mainfreight Common Stock	1-2500
Qantas Airways Limited Common Stock	1-2600
Sims Limited Common Stock	1-2700
Ramsay Health Care Limited Common Stock	1-2800
Cleanaway Waste Management Ltd Common Stock	1-2900
Accounts Payable	2-1600
Endowment	3-1000
Retained Earnings	3-1600
Current Year Earnings	3-1800
Membership Income	4-1200
Prize Money	6-1000
Catering and Food	6-1200
Advertising	6-1400
Administrative Cost	6-2800
Tax on Interest Income	6-5100
Social Expense	6-1300
Interest Income	8-1200
Social Event Income	8-1300
Sponsorship Income	8-1400

**FIXED ASSET REGISTER  
AS AT 30 SEPTEMBER 2020**

<b>Name</b>	<b>Balance</b>
Spark New Zealand Limited Common Stock	2,013.20
Mainfreight Common Stock	1,413.00
Qantas Airways Limited Common Stock	1,648.90
Sims Limited Common Stock	1,539.04
Ramsay Health Care Limited Common Stock	1,520.02
Cleanaway Waste Management Ltd Common Stock	1,495.23

## **FORECAST BUDGET FOR THE PERIOD 1 OCTOBER 2020 - 30 SEPTEMBER 2021**

<b>Forecast Budget</b>	<b>2020</b>
<b>Income</b>	
<b>Membership Fees</b>	7500.00
Cost of Sales/Cost of Goods Sold	0.00
<b>Gross Profit</b>	<b>7500.00</b>
<b>Operating Expenses</b>	
Prize Money	3,600.00
Catering and Food	2,000.00
Advertising	100.00
Administrative Costs	3,000.00
Tax on Interest Income	0.00
<b>Total Operating Expenses</b>	<b>8,700.00</b>
<b>Operating Profit</b>	<b>(1,200.00)</b>
<b>Other Income</b>	
Interest Income	0.00
Social Event Income	100.00
Sponsorship Income	5,400.00
Grants	1,000.00
<b>Total Other Income</b>	<b>6,500.00</b>
<b>Other Expenses</b>	
Social Expense	100.00
Contributions to Investment Fund	4,150.00
<b>Total Other Expenses</b>	<b>4,250.00</b>
<b>Surplus</b>	<b>1,050.00</b>

All reported figures in the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, Fixed Asset Register and Forecast Budget are denoted in NZD. The figures in the Chart of Accounts relate to the user-defined designation on MYOB.

All financial statements were prepared using MYOB Essentials.

### **Notes to Financial Statements**

1. UAIC's membership fee is \$20 per student. The fee is evenly split between general operating expenses and contributions to the Investment Fund under normal operating conditions. There is an approximate \$1.54 transaction cost per eftpos member registration for the service UAIC uses to manage payments and membership. Cash registrations remain \$20 per student.
2. Administrative costs comprise of general operating expenses. These include subscriptions to Adobe products, the Google Suite, Zoom, UAIC's website and marketing expenses.
3. Sponsorship income are contributions made by event sponsors. They cover prize money, catering, food and general expenses associated with the event.
4. Grants are contributions made by the University of Auckland to student clubs. Student clubs can apply for grants during multiple funding rounds across the academic year.
5. Cash and Cash Equivalents are composed of the following: Cheque account (ASB FastNet Business Bank Account), Cash on Hand and Investment Fund. As at 30th September 2020, the balances of the Cheque Account, Cash on Hand and Investment Fund were \$4400.32, \$1,820.00 and \$17,009.61 respectively.
6. Accounts Receivable relates to invoices owed related to competitions as at 30th September 2020.
7. Accounts Payable relates to invoices owing related to operating expenses.



20

UNIVERSITY OF AUCKLAND *Email*  
INVESTMENT CLUB [president@uaic.co.nz](mailto:president@uaic.co.nz)  
Level 1 Owen G Glenn Building  
12 Grafton Road  
Auckland Central  
Auckland, 1010  
*Website* [www.uaic.co.nz](http://www.uaic.co.nz)