



YALE UNDERGRADUATE DIVERSIFIED INVESTMENTS

2020-2021 Application

Thank you for applying to Yale Undergraduate Diversified Investments. Please email a completed version of this application and a copy of your resume (both in PDF format) to YaleUDI@gmail.com by **11:59 PM on September 9th**. Please name the files “[Last]_[First]_App_2020.pdf” and “[Last]_[First]_Resume.pdf”.

If planning to apply, please RSVP for the September 7th [information session on Facebook](#); attendance will be considered in the application process.

We look forward to reading your application.

Required questions:

Name: **Braden Wong**

Expected graduation year: **2024**

Why are you interested in finance? (200 words max):

The opportunity to learn, collaborate, and create impact. During high school, I was introduced to business through state FBLA competitions, Wharton online specializations, and the Wharton School’s Leadership in the Business World Summer Program. These experiences laid a foundational knowledge in business that I hope to build upon in coming years, as well as an awareness of issues that I would like to help tackle. I believe that the finance industry is widely misunderstood, especially among the general population, and hope to share my experiences with others to make it more accessible. I hope that my experiences and skillsets serve YUDI well in helping and enabling others.

If accepted, what do you hope to gain from your membership in YUDI? (200 words max):

I am particularly interested in ethics, effective altruism, and the opportunity to create social change through the finance industry. While networking is appreciated, it is not my biggest reason for applying; instead, it is the structured education, opportunity to grow, and understanding of finance that I hope to use in my endeavors to affect change. Through YUDI, I hope to further my understanding of the business world, and identify opportunities to blend my experiences in YEA with YUDI to increase my social impact. Most of all, I enjoy enabling others and the journey for growth, and am excited to learn along the way!

If any, what relevant books have you read? What news sources do you follow to stay up to date?

I recently completed the books *Getting to Yes* and *Never Split the Difference*, both of which I have found to be absolutely phenomenal. Negotiation is an essential skill that guides almost every interaction in our lives—whenever we are not in agreement (and sometimes, even when we are), we are negotiating. Thus, the potential compounding effects of good negotiation are almost limitless, and *Never Split the Difference* in particular is the most eloquent book I’ve read on the topic.

Currently, I subscribed to daily digest emails from the New York Times, Time Magazine, the Economist, The Wall Street Journal, and news aggregators such as Apple News. I also read TechCrunch, productivity blogs, and Reddit on occasion. :P

What are your other commitments on campus? Please include all organizations you are applying to.

I am currently a board member of Yale Effective Altruism (after having a strong performance in their weekly meetings, I was invited and accepted into their Summer Fellowship during senior year high school as well as the Oxford University In-Depth Fellowship, and have been an active member since) and am currently interested in running for Senator or FCC representative of my residential college. Additionally, I am interested in Yale Computer Society, Yale Machine Learning Society, GRC and Yale Entrepreneurial Society, although the final list will likely be far shorter.

I believe I will reliably be able to invest about 5 hours per week, with the recognition that time is generally not the primary issue but priorities. I am willing to prioritize YUDI activities as important and urgent over social or other extracurricular activities as needed.

Pick a recent M&A transaction or IPO that you find interesting. Provide a brief description and analysis (200 words max):

IPO: Beyond Meat, 2019

Beyond Meat, who closed their IPO's first day with a valuation northward of 3.8 billion, is most well-known as a maker of vegan beef and sausage substitutes. The IPO is particularly interesting because of its challenge of industry norms: a revenue multiple rivaling those of modern tech companies, in an industry where that is all but the case.

How food companies trade

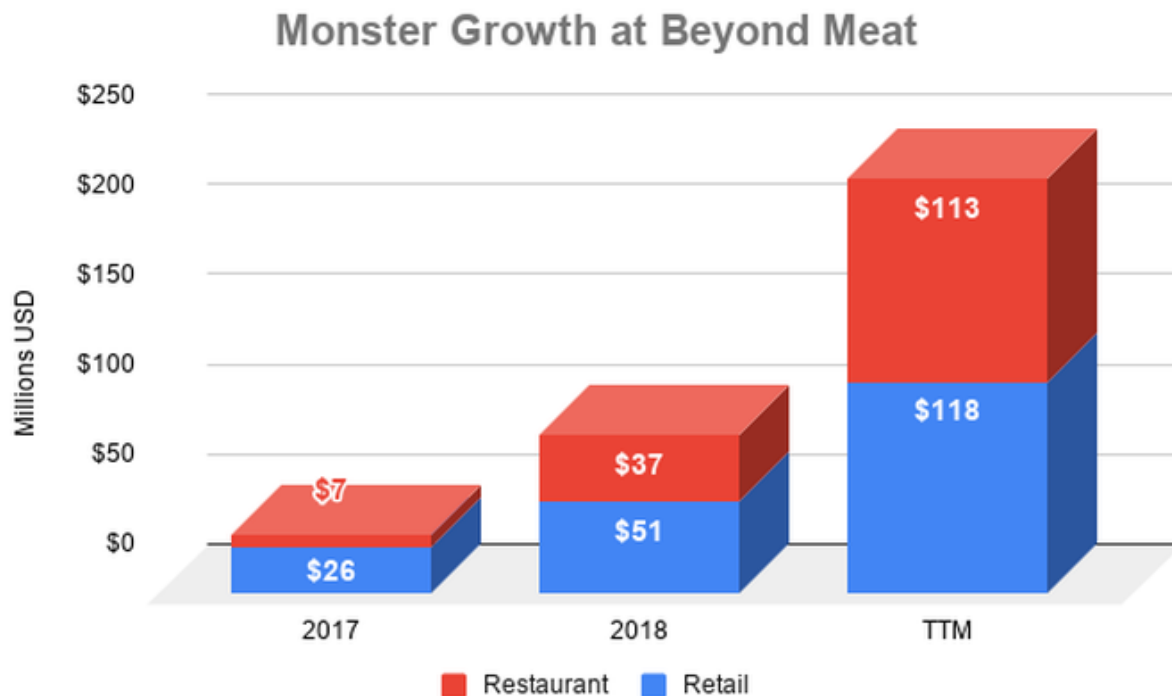


<u>Company</u> ▼	Price-sales ratio	Gross margin	2018 growth
Beyond Meat	44	20%	170%
Campbell Soup	1.2	33%	10%
Conagra	1.6	30%	1.4%
General Mills	1.9	35%	0.8%
Hormel	2.3	21%	4.1%
Kellogg	1.5	36%	4.8%
Tyson	0.7	13%	4.9%

Source: CNBC as of May 2, 2019.

When looking at prices, it may be easy to forget that Beyond Meat is a food company, with a gross margin of only 20%. Interestingly, it sits at extremes: incredibly high price-sales ratios compared to food companies, while incredibly low gross margins compared to tech or other fast-growing companies.

Beyond Meat uses a dual revenue stream model, selling both to retail and restaurant chains. However, while revenue in both areas have grown precipitously, the total slice is nowhere near its valuation.



Data source: SEC filings. Chart by Brian Stoffel. TTM = Trailing 12 months as of December 11, 2019.

While prices have adjusted since the first day, the record-breaking growth remains, and the company shows promise with its growth trajectory. I am particularly excited by this IPO, as it may signal a growing shift of demand toward more socially and environmentally conscious businesses in the future.

Sources:

<https://www.fool.com/investing/2019/12/11/if-you-invested-in-beyond-meats-ipo-how-much-now.aspx>

<https://www.marketwatch.com/story/beyond-meat-soars-163-in-biggest-popping-us-ipo-since-2000-2019-05-02>

<https://fortune.com/2019/05/02/beyond-meat-ipo-stock-price/>

<https://www.cnbc.com/2019/05/02/beyond-meat-is-being-valued-like-a-tech-company-but-it-makes-food.html>

Optional:

Is there anything else you would like us to know?

Thank you so much for your time and considering my application!