



UNIVERSIDAD DEL PACÍFICO

Departamento Académico de Finanzas

Investigación Financiera (1F0060)

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INVESTIGACIÓN FINANCIERA

1. OBJECTIVE

Teams comprised of two students will write a comprehensive research report on the financial situation and prospects of a selected company. Then, the report will be presented in front of two jurors who will be Finance experts.

The purpose of the report is to employ analytical, qualitative, and quantitative tools of financial professionals, along with the development of presentation skills, to justify a buy, sell or hold recommendation of the Company's equity.

Reports should include, among others, the description of the selected company's industry and its macroeconomic context, an analysis of its competitive positioning and other microeconomic considerations, an assessment of its investment merits and concerns, various forms of valuations, a complete assessment of the investment risks, and the examination of its governance structure.

2. TEAMS

Teams are comprised of two students enrolled in Investigación Financiera. Under no circumstance a student not enrolled in the course will be able to register as part of a team. Students can belong to one team only.

Students are entitled to select their partners and need to register their teams at the beginning of the semester. After the registration deadline, the coordinators will select at random the team partner on behalf of any unregistered student.

In case an odd number of students is enrolled in the course, only one student will be allowed to compose a one-person team. This student, if necessary, will also be selected at random.

Teams must not enlist the help of any third party or individual in the preparation, review or editing of the research report, except for the Advisor designated by the coordinator.

Team members are responsible for each other's research process and report.

3. REPORT

The report should be prepared from the perspective of an independent research analyst, may be written in Spanish or English (not *Spanglish*), and must follow the guidelines below.

Universidad del Pacífico shall own the copyright of all materials prepared by the teams in connection with the report for Investigación Financiera. Thus, the report cannot be used for any purpose other than this course.

Research Resources

Teams must only use publicly available information in conducting their research. Sourced information should be properly cited using a generally accepted citation system including, but not limited to, the Chicago Manual of Style, the Harvard referencing system, or the APA (American Psychological Association) style. Following the guidance of the previous Investigación Académica (150140) course, the use of the APA style is strongly encouraged.

Publicly available information includes:

- Information in the company financial statements and press releases.
- Information in the media about the company and its competitors.
- Information produced by data aggregators (such as Bloomberg, Economatica or Reuters).
- Existing research and related reports on the subject company.

Publicly available information does not include:

- Information about the company that is (or should be) known only to staff employed by the company with whom the company does business.
- Information that is (or should be) known only to those involved in legal or regulatory proceedings involved with the company.
- Any other kind of inside or privileged information.

Conflicts of Interest

To avoid any actual or perceived conflict of interest, team members are not permitted to write their reports on companies in which they have any ownership interest, have had any professional relationship (including “prácticas pre profesionales”, regardless of the length of employment), or any relationship with employees at the subject company.

Moreover, teams must avoid any contact with the company’s employees, customers, competitors, or suppliers for the purposes of the report.

Plagiarism

In Universidad del Pacífico’s Ethics Code, plagiarism is considered a **very serious offense**. Thus, it is punished harshly, ranging from a suspension for one academic semester to the removal of the student from the Universidad del Pacífico community.

Plagiarism is defined as copying or using in substantially the same form materials prepared by others without acknowledging the source of the material or without identifying the author and publisher of such material.

The content of the research report is expected to be original and written in the students’ own words. As mentioned, teams may use properly cited existing research on the subject company, but all analysis should be their own, and must not copy (i.e., plagiarize) the analyses from another source.

Teams must not:

- Use models, computerized spreadsheets or algorithms not created by the team members.
- Use excerpts from articles or reports prepared by others either verbatim or with only slight changes in wording without acknowledgment.
- Cite specific quotations as attributable to “leading analysts” or “investment experts” without naming the specific references.
- Present statistical estimates or forecasts prepared by others without including the qualifying statements or caveats that may have been used.
- Use charts and graphs without stating their sources.

The Coordinator will run two specialized software to detect plagiarism in the research reports: Turnitin and BlackBoard SafeAssign. Based on previous data, well-established patterns, and careful statistical analysis both packages assign a score to the report along with an indication on whether plagiarism is to be suspected.

Students will get only one change to correct suspicious report with a very narrow deadline. Disciplinary actions against suspicious reports include, but are not limited to, a failing grade. The best (and possibly only) way not to raise suspicion is to write a research report containing original work exclusively by the team members.

Third Party Intellectual Property Rights

Related to the concept of plagiarism, respect of third-party intellectual property rights is essential in the financial sector. While teams are free to include text, images, graphs, or other logos in their written reports, each team needs to ensure that the use of any third-party materials complies with all applicable copyright and trademark laws.

Written Report Guidelines

Sample reports and templates will be made available for reference. The guidelines for the written report are:

- It should be generated in MS Word or in any compatible word processing software. It is the team’s responsibility to ensure that the conversion of the original source file to MS Word will not alter the content of the report in any meaningful way.
- The font face and size are also team choices. However, we strongly recommend using a standard and readable font such as 11pt Arial. *Avoid unreadable fonts.*
- The text file should be convertible to pdf easily and with no distortions. For instance, by using the “Save as (*.pdf)” utility in MS Word.
- The report should not exceed **10 (ten) A4-sized pages** (of course, pages must be numbered). It may include annexes **no longer than 10 (ten) A4-sized pages**, including tables with the historical and projected financial statements, and other key indicators such as financial ratios. Page limits for the report and annexes will be strictly enforced.
- The report can contain tables and charts. Tables and charts must display relevant information in a compact manner, be clear and readable. You should avoid shrinking in excess big tables or charts to make them fit an A4 page. It is much preferable to divide the big table or chart in two halves, one per A4 page.

- The following information should be given in a header on the first page: Company name, exchange, ticker symbol, sector, industry, current price, target price (% increase/decrease) and the buy/sell/hold recommendation. For the sake of clarity, the team recommendation should only be related to the Company's shares, not debt securities.
- The report should contain, but not be limited to, the following sections: (1) Business Description, (2) Industry Overview & Competitive Positioning, (3) Investment Summary, (4) Valuation, (5) Financial Analysis, (6) Investment Risks, and (7) Corporate Governance. Teams may also include other headings for important information not otherwise covered in the previously listed sections, if it is critical for the overall recommendation and complements the sections outlined above.

4. ADVISORS, JURY, AND REPORT DEFENSE

A partial draft of the report and its final version will be presented to a jury of two finance experts. Jury members will be randomly assigned to the teams. The process attempts to be as close as possible to a double-blind review process. The coordinators will try to keep the identity of the jury and team members anonymous until the date of the report presentation.

Each presentation will last, **at most**, one hour. The team should prepare a slide presentation with highlights of the written report. The presentation **should not take more than 15 minutes**. In the remaining 45 minutes the jurors will discuss with the teams' general aspects of the report (such as the underlying assumptions of the valuation or of the risk scenarios) and will ask questions that the team members are expected to answer skillfully. A team may prepare the written report in English and can choose to give the presentation in Spanish.

Each team will have a one-hour sessions with an Advisor, also be randomly assigned, prior to the delivery of each written report. The Advisors are also experts and potential jury members assigned to other teams. Advisors provide guidance regarding the progress and overall quality of the report and approve the report to be presented to the jurors. Advisors will not evaluate the report and will not influence in any way its evaluation.

The team needs to **contact its Advisor to coordinate a session during a period stipulated by the coordinator** (about a week before the deadline to deliver the written report). After coordinating the session, the team must send an email to winkelried_dm@up.edu.pe (copying the Advisor) with the date and time of the session. And after the session with the Advisor, the team must send an email to winkelried_dm@up.edu.pe (copying the Advisor) confirming that the session occurred.

The two sessions with the Advisors are compulsory activities of Investigación Financiera. Failure to coordinate and to have them will result in **penalizations** of the grades.

5. COURSE EVALUATION

The jury members will evaluate the written report and presentation independently, following the criteria provided below. The final grade is the weighted average of the four individual grades given by the jury members, using the following weights:

Partial presentation:	20% each jury's grade, 40% in total
	30% each jury's grade, 60% in total

The individual grades range, as in the Peruvian grading system, from 0 to 20. **Only the final grade will be rounded to the nearest integer.** The passing grade is 11.

Even though there is a strong team component, **grades are individual**. If a team member does not attend the presentation at the established date, he/she will automatically receive the grade of zero in the corresponding presentation (both jury members). Similarly, if a team member is late, his/her grade will be **penalized**.

The grade given by a jury member **is final**. To evaluate the report and its presentation as and objectively as possible, the jury will follow **APPROXIMATELY** the following evaluation criteria:

Written Report (team grade)	Maximum score = 15
Business Description	1
Industry Overview & Competitive Positioning	2
Investment Summary	2
Valuation	3
Financial Analysis	3
Risk assessment	3
Corporate Governance	1
Presentation (individual grade)	Maximum score = 5
Oral presentation	3
Answers to questions	2

6. TIMETABLE

Week	Dates	Activities / Deliverables
1	Mar 20 – Mar 26	Introductory session, team registration and company selection.
2	Mar 28	Talk: UP Library team
3	Apr 04	Talk: Charla de presentaciones efectivas
4	Apr 11	Talk: Tutorial on Economatica (Economatica team)
5	Apr 18	Talk: Alumnus
6	Apr 24 – Apr 28	First session with Advisor.
7	May 02 (up to 9:30am)	First draft. Teams send the report in MS Word and PDF formats, as well as the MS Excel file used to model.
8	May 08 – May 12	First presentation.
14	Jun 19 – Jun 23	Second session with Advisor
15	Jun 26 (up to 11:59pm)	Final report. Teams send the report in MS Word and PDF formats, as well as the MS Excel file used to model.
16	Jul 03 – Jul 07	Final presentation.

Updates to this timetable, the results of draws and the allocation of dates for presentations and other activities will be timely announced in the course's **MS Teams** and via **e-mail**.