



# Welcome



Fall 2015  
Information Session

# Presentation Overview

Introduction to the Club

Investment Case Study

Applying Skills in Industry

Networking Session

# Introduction to BIG

- Founded 1997 as the California Investment Association (CIA).
- We seek to educate our members about investing and manage a fund of over \$130,000 of investment capital.

## Two Goals:

**Education**

Learn the fundamentals of investing and how to analyze a business.

**Portfolio Management**

Apply your skills to a real life actively managed stock portfolio.

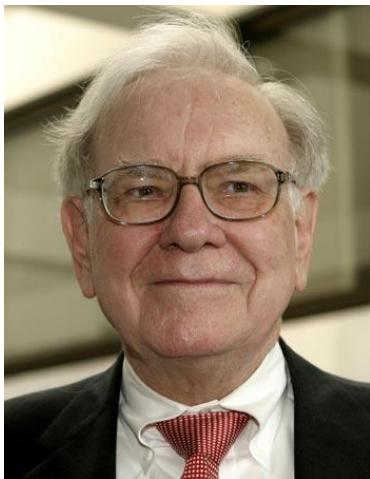
### Programs:

- Weekly Educational Meetings
- Introduction to Wall Street DeCal

### Programs:

- Intensive Internship Program
- Analyst Team

# Investment Philosophies



**Warren Buffett**

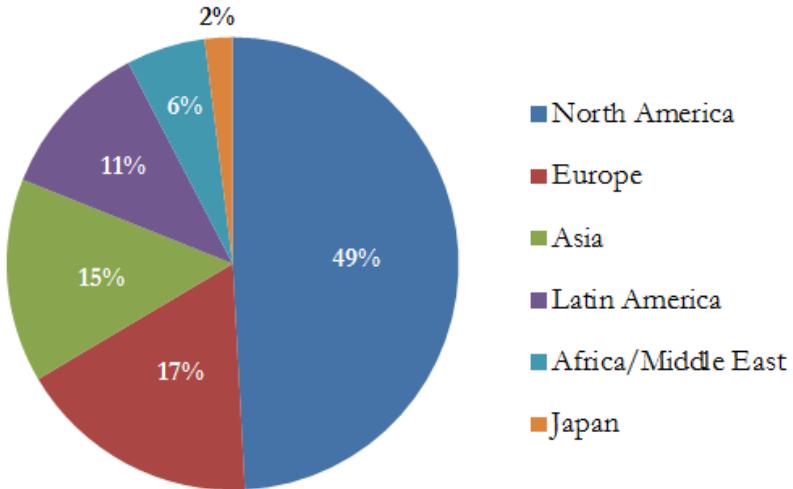
Champion of Value Investing



# Our Fund

- Our investment objective is to generate higher absolute and risk-adjusted returns than the MSCI All-Country World Index (MSCI ACWI).
- We hold investments all over the world in a wide variety of businesses.

An International Portfolio



Select Investments

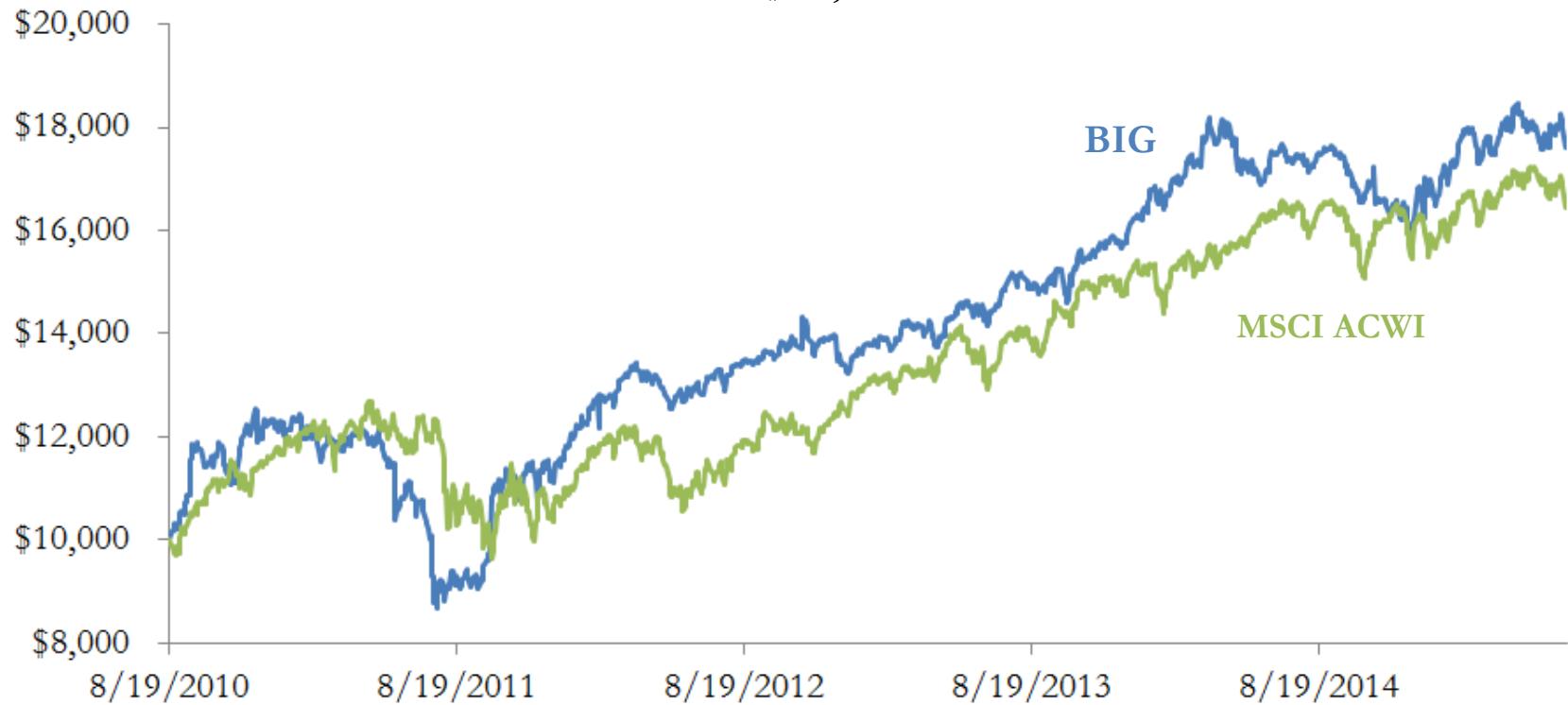


Yandex



# Proven Methodology

Growth of \$10,000 Investment

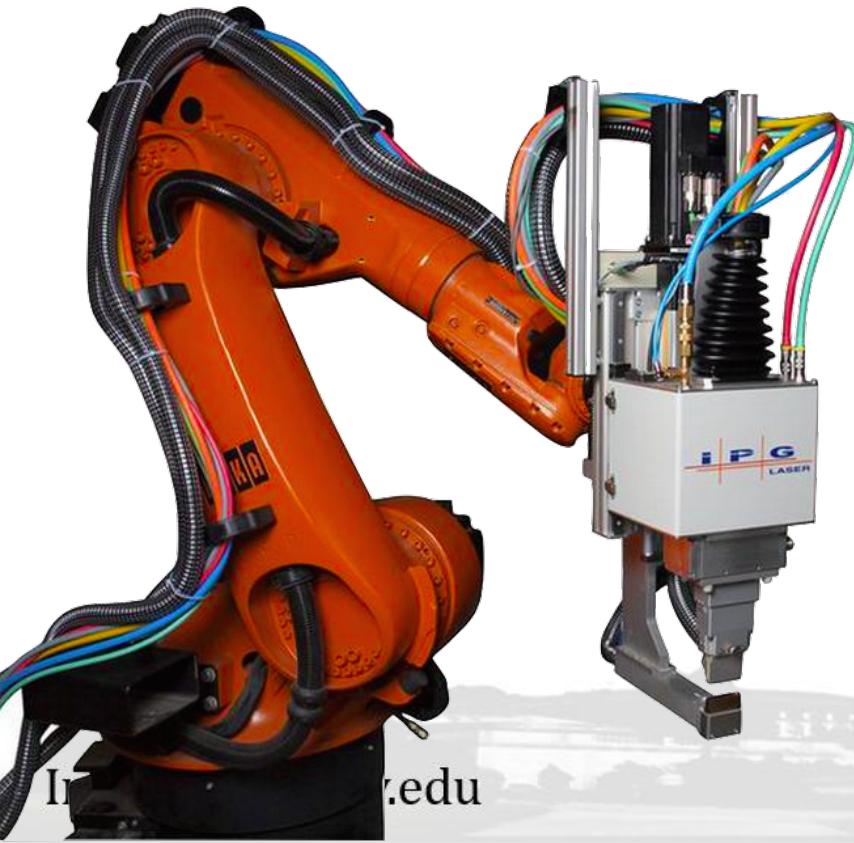


Our fund has outperformed its benchmark and delivered superior risk-adjusted returns.

# Case Study



## IPG Photonics NASDAQ: IPGP



# Questions to Think About Before Investing



Is this a good industry to be in?



Does the company have a good value proposition?



Is the company in good financial health?



Is the company undervalued?

# IPG Company Overview

## Key Points

- World's Leading developer and manufacturer of high-performance fiber lasers.
  - Pioneered the technology
- Diverse Global Customer base
  - Sell to OEMs, System Integrators, and End Users
- Numerous applications and industries that use IPG products
  - Offers low, mid, and high power lasers
  - Mainly Materials Processing – Cutting and Welding

## Applications



# Value Proposition of Fiber Lasers

- **Efficiency** – Dissipates heat over the entirety of the cable, reducing energy loss.
- **Precision** – Straight, focused beams, increasing power and accuracy.
- **Maintenance** – Mirrors used in other lasers require frequent, extremely complicated alignment
- **Convenience** – lighter and smaller due to the removal of large mirrored chambers.

	Power	Beam Quality	Electrical Efficiency	Wave- Length	Footprint	Maintenance	Ownership Costs
Fiber Laser							
CO <sub>2</sub> (Gas)							
Lamp Pumped Nd: YAG (Solid State)							
Disk Lasers Yb: YAG (Solid State)							
Direct Diode							

# Investment Thesis & Variant Perception

## Our View

- Conventional lasers are getting older (20+ years)
  - Companies looking to replace older lasers
  - Market is mostly concentrated with conventional lasers
- 
- Fiber lasers are a cheaper, more powerful, and more reliable alternative
  - IPG is the leader of the fiber laser space.
- 
- Great opportunity for IPG to steal market share from competitors and further innovate its products

## The Street's View

- Recent insider sales have lead to an overreaction from the market, driving the prices down.
- The Street is concerned about adoption rates of the disruptive technology.
- The Street is overly concerned about increased competition from low-cost producers due to temporary slowdowns in bookings from key market sectors, like China.

# Summary

Is this a good industry to be in?



The fiber laser industry as a whole is growing at 20% YoY

Does the company have a good value proposition?



IPG's lasers are cheaper, more efficient, and more powerful than competitors'

Is the company undervalued?



Worry by the street is depressing the stock price below its fair value

# How did we do?



The background image shows a panoramic aerial view of a dense urban skyline during sunset or dusk. The city is filled with numerous skyscrapers of various heights, their windows glowing with warm light. In the foreground, the intricate grid of streets and the tops of buildings are visible. The sky above is a deep orange and red, transitioning into a darker blue as it meets the horizon.

Applying your skills in Industry

# Financial Industry

## Sell-Side

“Creation, promotion, analysis and sale of securities”

### Investment Banking

#### M&A Advisory

Advisory on sale, merger and purchase of companies

#### Equity Research

Advice on equity & equity-derived products (shares, futures etc.)

#### Leveraged Finance

Lending money to firms to finance acquisitions

#### Restructuring

Improving the structures of a company to make it more profitable

## Buy-Side

“Investing institutions holding large sums of money”

### Hedge Funds

Investors that use high risk methods to invest in securities in hopes of realizing large capital gains

### Private Equity

Investors that make investments directly into private companies (not listed on an exchange),  
e.g. Venture Capital

### Mutual Funds

Investment vehicle made up of a pool of funds collected from many investors for the purpose of investing in securities



# Careers in Finance

## Sell-Side

Investment Banks



**Jefferies**

J.P.Morgan

LAZARD

Morgan Stanley

PERELLA  
WEINBERG  
PARTNERS

Hedge Funds &  
Asset Management

Private Equity

**BLACKROCK®**

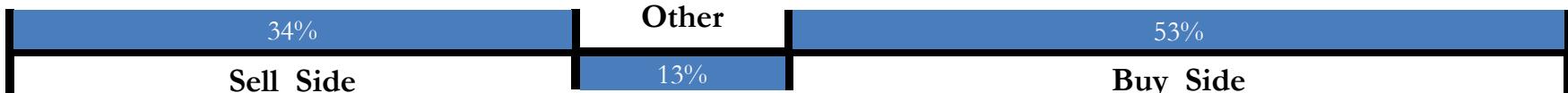
ALPINE INVESTORS



## Advanced Career Opportunities



Full-Time Destinations



DELTA SIGMA PI

THE PREMIER BUSINESS FRATERNITY | RHO CHAPTER

Full-Time Destinations



# How to Get Involved

## General Member

- DeCal
- Weekly Meetings
- Invited to special events

[Invest.berkeley.edu](http://Invest.berkeley.edu)



## Intern

- Intermediate/advanced concepts of investing
- Eligibility to join Analyst Team.



## Analyst

- Apply concepts to BIG Portfolio
- Participate in national competitions



## Executive Board

- Take on a leadership role and help build the club



**BIG**  
BERKELEY INVESTMENT GROUP

# General Membership

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Why did I become a member?

## **Benefits:**

- Access to weekly educational meetings and exclusive drive.
- Access to all of the club's research and current portfolio holdings.
- Opportunity to network with current members, analysts, and alumni.
- Invitation to special events and workshops with guest speakers from major firms like BlackRock.

Why does it have a price of \$25?

## **In Summary:**

- You don't need any prior knowledge to become a General Member.
- \$25 lifetime membership fee - includes a free t-shirt!
- Sign up at [invest.berkeley.edu/join](http://invest.berkeley.edu/join) or in person after the presentation.

# The Intern Program

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So ... all of our analysts were interns.

- It's a highly-accelerated learning experience in a small-classroom setting.
- We teach you how to analyze businesses and how to arrive at a valuation.
- We cover intermediate/advanced concepts of investing including financial modeling and DCF analysis.
- Our application is simple: a stock pitch and why you want to join BIG.
- A word of advice: avoid exceedingly popular companies
- It will go live after this info session: [invest.berkeley.edu/apply](http://invest.berkeley.edu/apply)

Applications due by September 19<sup>th</sup>: you must be a general member to apply.

# Upcoming Meetings & Events

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- Next Tuesday (9/15) - Introduction to Investing
- Tuesday (9/22) - Good Companies vs Bad Companies
- Tuesday (9/29) - Guest Speaker
  - Hedge Fund Manager: Muzaffar Khan
- Tuesday (10/6) - Introduction to Valuation

# Networking Session

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- Introduce yourself to those around you!
  - Name
  - Major
  - Year
  - Why are you interested in BIG?
  - What is your favorite company?
- Meet our current Analyst team/Execs at the front.

# Legal Disclaimers

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- BIG does not provide, or claim to provide, investment advice.
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# Introduction to Wall Street DeCal

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- University sponsored 2 unit course open to all students.
- Covers the basics of investing and introduces concepts of value investing.
- More structured than weekly educational meetings.
- Submit application at [invest.berkeley.edu/decal](http://invest.berkeley.edu/decal).