



QUANTITATIVE
FINANCE
SOCIETY

Investment Pitch Workshop

Brain Teaser

Question: What digit is the most frequent between the numbers 1 and 1,000 (inclusive)? What digit is the least frequent between the numbers 1 and 1,000 (inclusive)?



Solution: Brain Teaser

Answer: The most common digit is 1 and the least common digit is 0.

The digits 0 through 9 follow the same pattern. There is exactly 1 occurrence digit for every 10 numbers. For instance, the digit 2 appears once between 10 and 19 and once between 30 and 39. 2 also appears in 20, 21, etc... and 200, 201, 202, etc... The only difference for 1 is that 1,000 includes a 1, so there is a single extra occurrence (301 vs. 300).

The reason 0 has the least occurrences is because 0 doesn't have any equivalents to 22, 33, 44, 222, 333, etc...



Today's Company



UNDER ARMOUR



Step 1: Company Overview

- ❖ Understand each part of the business
- ❖ How does it make money? What are the different revenue streams?
- ❖ Who are the key customers?
- ❖ What key geographic regions does the company serve?
- ❖ How has the company performed in recent years?





Step 2: News Run

- ❖ What recent events have happened for the company?
- ❖ What is the market's perception of the company?
- ❖ What is the performance of the stock and what has caused this?



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Step 3: Understanding the Industry

- ❖ What industry does the company compete in?
- ❖ Who are main competitors?
- ❖ What metrics do investors care about when examining the companies in the industry?





Step 4: Taking a Deeper Dive

- ❖ Goal is to develop a view on whether you agree or disagree with the current market perception of the business
- ❖ What sort of economics does this business enjoy?
- ❖ What is the economic moat?
- ❖ What are the financials like?





Step 5: Developing a View

- ❖ Hardest part of the pitch
- ❖ Goal is to use research to develop an understanding of where the business is heading in the future
- ❖ Develop assumptions that you will use in your valuation
- ❖ Need to have a differentiated view from the market





Step 5: Developing a View

- ❖ Shouldn't be more than a few major points → best investments are the ones that have a lot of upside for just a few reasons
- ❖ Eg.
 - ❖ Market overreactions
 - ❖ Growth at a reasonable price
 - ❖ Hidden assets
 - ❖ Discount to NAV





Step 6: Valuation

- ❖ Derive the value of the business
- ❖ Should reflect the major points and assumptions in your investment thesis
- ❖ Figure out your possible upside
- ❖ 2 Types
 - ❖ Relative Valuation
 - ❖ Intrinsic Valuation





Reach Out If You Have Questions

Feel free to reach out to us over Facebook or email if you have any questions

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