



FIN 422 - Student Managed Investment Fund

Presentation/Report Guidelines

This version is *preliminary*.

Updated 11/2022)

General Guidelines

- The presentation needs to produce a compelling story that will convince your audience. It also needs to display your enthusiasm for the stock and the reasons that you find this firm interesting and exciting.
- You need to provide the most basic numbers that support the story but be restrained in the numbers that you give in the presentation—it is much harder for the audience to assimilate numerical data in an oral presentation. BUT you must know the numbers *cold* and be prepared to give them if questioned.
- The presentation should have no calculations, but you should be prepared to explain your calculations *in simple terms* if ask.
- You want to integrate any significant firm or industry recent developments or trends, revenue, earnings, and growth forecasts and your valuation into your story/strategy.
- Include an explanation of why you think the stock is mispriced. You need to show your belief and conviction that this is a good investment
- The general tone of the presentation should be relaxed and conversational more than a formal, academic presentation—but not too informal. *Make it lively*.

- Focus on the future; the past is only important in so far as it predicts the future. (So, don't send much time on the history of the firm.)
- The presentations are normally in the WNB Finance Lab in the Engagement Center, so your group should practice your presentation at least once in that room.
- Update the slides on the morning of the presentation to incorporate current data, e.g. the current stock price, and date the stock price so that the audience knows it is current.

Time Series

There are certain essential historical time series that you should always give:

- Stock Price
- Revenue
- Earnings/EPS

For each you should have a chart of five years of historical data, and, for the latter two, five years of projections forward. Which type of "earnings" you use will depend on the firm and your industry.

- For some types of firms, such as financial institutions or REITs, you may need to adjust these.
- As the analysis and the story requires, you may want to include other times series graphs.
- Be prepared to explain any unusual features, e.g., large drops or spikes, in any of these.
- Indicate the forecast portions, e.g., with dashed lines.
- On the stock price chart, you could add the Russell 2000 (especially if there is a drop in your firm's stock price and you want to claim that the drop is due to the market and not your firm).

Ratios

Unless they are key to your story/strategy, keep ratio analysis to a minimum, but include these in the general description of your firm: P/E and ROE.

Portfolio Theory

If you are recommending the stock, discuss how it fits into the current SMIF portfolio. Does it add to diversification? Should we use it to replace a position that we currently have? Look at the correlations between your firm's returns and those of the stocks in the portfolio, but don't necessarily include these on the slides—if your firm is uncorrelated, you can just mention that it would add diversification.

Slide Deck

- Opening Slide
 - Firm Name
 - Ticker
 - Class Number and Name
 - Your Names (first and last)
 - Date
 - Firm Logo (on side)
 - Discussion:
 - Each of you should introduce yourself
 - Each should explain what role you played in the firm analysis
 - NOTE: Some committee members will be participating by phone. They should have the slides but may not have access to the streaming presentation. To keep them in the loop, make sure your slides are numbered and that you occasionally mention when you change slides, e.g., “Now on slide 2 you will see the company's information.”
- Company Information Slide

- Company Name
- Ticker Symbol
- Very brief description of business
- Market Cap
- Current Revenue
- Stock Price
- P/E
- ROE
- Discussion: Why did you choose this firm, what you you find exciting and interesting about this firm?
- Outline/Agenda Slide (optional)
 - Outline of the topics/issues the presentation will cover
- Industry Overview and Competitive Positioning Slide
 - Industry Overview
 - Peer group
 - SWOT (or similar) analysis
- Peer Group Slide (table of peers + your firm)
 - Company names
 - Tickers
 - Market Caps
 - Current Revenues
 - Stock Prices
 - P/Es
 - ROEs
- Management Slide
 - Have a slide on the senior management, their background and why they are bringing strengths to this firm.
 - These are small cap firms, so good management is often the difference between success and failure; the finance committee needs to have confidence in the management team to feel comfortable making an investment.

- Financial Analysis Slides
 - Analysis of the company's historical performance and forecast of future performance
 - Five years (or more) of historical stock price
 - You might try to forecast future stock prices, but my personal belief is that *very speculative* at best.
 - Five years historical and five years projections for
 - Revenues
 - Earnings
 - Gross (or other relevant profit) margin (if appropriate)
- Valuation Slide
 - Valuation method (whatever you have chosen)
 - Target price (if you estimate one)
- Portfolio Slide
 - How stock fits into current SMIF
- ESG
 - Analysis of the environmental, social and governance issues concerning the firm.
- Final Slide:
 - Your Recommendation
 - Current Stock Price
 - Target Stock Price (if you estimate one)
 - Brief list of the reasons for your recommendations
 - Brief summary of why it fits into the portfolio

PowerPoint Notes

- Keep the look as simple as possible
- Keep the look as consistent as possible: Same font, same colors, etc.
- Limit the presentation to 10-12 slides
- Text

- Keep words to a minimum
- Simple short lines
- NO paragraphs
- Use bullet points, but no more than 5 per page
- One-line, bold title on each slide
- NO, NO, NO spelling or grammatical errors!
- Fonts:
 - Use one (or at most two consistent) font(s)
 - No fonts less than 28 point (unless notes to a chart)
 - Use sans-serif fonts, e.g., Arial, Helvetica, Calibri or Verdana (not Times New Roman), and no unusual fonts. (Sans-serif means a font without the little “caps” at the end of the lines on Times New Roman letters.)
- Graphics
 - Must be high quality
 - Must be consistent
 - You need to do these yourself; You cannot just cut-and-paste what you find on the web
 - Nothing “cute”
 - Use the appropriate type of charts: Line charts of stock prices over times, but a pie chart for asset allocation in a portfolio.
 - *Always choose a chart over a table* (if at all possible).
- Be consistent across all slides: font, colors, font size, titles, charts, theme, backgrounds
- If you use a transition between slides, make it simple and use the same one throughout—Nothing should “fly” in.
- Use color and contrast, but watch your color combinations
- Don’t leave any large white spaces, but don’t make slides seemed cramped
- When done, test your slides in slide show mode.

Presentation Notes

- Never refer to the firm as “our” or “we”.
- Limit the presentation to 10-15 minutes.
- Present yourself as the *master* of the data and the firm, but if you don’t know the answer to a question admit it and apologize.
- Don’t read from the screen or the computer monitor. You should know the material.
- Be very enthusiastic.
- Practice (using a timer)—*NO cheat sheets*. Record yourself to critique yourself.
- Look at your audience (unless you are pointing out something specific on a slide), but not always at the same person or place.
- Vary your sentence length.
- I will provide a “clicker”.
- Pace your delivery.
- Anticipate questions—If the stock price took a big dive two years ago, explain that in your presentation. Don’t wait for someone to ask, or worse, leave them wondering.