



**CFA Society  
Ukraine**



**Blackshield  
Capital**

**#SMARTINVESTOR**

**OFFICIAL RULES**

**2022**

## RULE 1: INTRODUCTION AND GENERAL PROVISIONS

#SmartInvestor is a competition between teams that will need to use a systematic form of analysis to conclude that a particular stock will make a good investment and, therefore, should be added to their portfolio, prepare a presentation on your portfolio, and then 5 teams with the best return vs. risk combination will present strategy to the panel of judges.

#SmartInvestor is a competition on stock picking.

### What is Stock Picking?

A stock pick is when an analyst or investor uses a systematic form of analysis to conclude that a particular stock will make a good investment and, therefore, should be added to their portfolio. This is also known as active management. The picked stocks are used to construct the portfolio for investor. If you want to know more about basics of portfolio constructions, please follow the [link](#).

### Benefits from participation:

1. Apply your theoretical knowledge in portfolio management.
2. Try your skills as an investor.
3. Work with real capital market.
4. Compete with the peers.
5. Train your ability to communicate your strategy and ideas.

CFA Society Ukraine is committed to creating a welcoming and safe environment for the #SmartInvestor where fairness, opportunity, and trust exist, allowing teams to leverage the diverse talents and perspectives of their Participants.

### 1.1. How the Competition Works

Step 1. Register your team

Step 2. Pick the stocks to construct the portfolio

Step 3. Define the weight of each stock to build your investment portfolio and construct it

Step 4. Use a chance to get a consultation

Step 5. Check your portfolio performance

Step 6. Get a chance to rebalance your portfolio

Step 7. Analyze your portfolio performance

Step 8. Make a presentation of your investment strategy & portfolio performance against benchmarks.

### 1.2. Plagiarism

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

Teams also must not:

- 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” and “investment experts” without naming the specific references,
- present statistical estimates of forecasts prepared by others and identifying the sources but without including the qualifying statements or caveats that may have been used,
- use charts and graphs without stating their sources, or
- copy proprietary computerized spreadsheets or algorithms without seeking the cooperation or authorization of their creators.

The prohibition on plagiarism applies to a presentation.

Sourced information should be properly cited using a generally accepted citation system. Generally accepted citation systems include, but are not limited to, the Chicago Manual of Style, the Harvard referencing system, and MLA (Modern Language Association) style.

### **1.3. Third Party Intellectual Property Rights**

Related to the #SmartInvestor. While teams are free to include text, images, graphics, or other logos in their presentations as permitted by these rules, it is the obligation of each team to ensure that the use of any third-party materials complies with all applicable copyright and trademark laws. Third-party images included in any presentation must be appropriately licensed from the images' owners. Where legally necessary, teams should secure the permission of the owners of any trademarks or service marks incorporated into their presentation. By participating in the #SmartInvestor, each team represents and warrants that its presentation infringes or violates the copyright, trademark, trade secret or other intellectual property right of any third party anywhere in the world.

### **1.4. Use of Presentations or Any other Materials**

CFA Society Ukraine shall own the copyright in all materials prepared by or for hosts, teams, graders, judges, in connection with the #SmartInvestor. Presentations or any other materials prepared for the competition may not be used for any purpose other than participation in the #SmartInvestor.

### **1.5. Participant Information**

By participating in the #SmartInvestor, each participant acknowledges that CFA Society Ukraine collects, processes, and shares personal information of participants in the #SmartInvestor. Each participant agrees that CFA Society Ukraine shall have the right to use such an individual's name, voice, photograph, likeness, their appearance in any medium or forum anywhere in the world (including online) without further compensation, unless prohibited by law. Each participant agrees that CFA Society Ukraine shall have the right to transfer participants' contact details with Blackshield Capital Group.

### **1.6. Program or Event Modifications**

If, for reasons beyond the control of CFA Society Ukraine, such as labor strikes, Acts of God, natural disaster, government travel restrictions, health crises, judicial orders, fire or other casualty, civil commotion, terrorism or threats of terrorism, outbreak of disease or illness, the program and/or event format may need to be modified or, in extreme cases, cancelled.

## **RULE 2: PORTFOLIO CONSTRUCTION**

1. Participants are expected to construct the \$1M portfolio from the maximum of 5 picked stocks.
2. Only exchange-traded shares of US domiciled companies are allowed (the participants are required to pick the only shares, not ADR/GDR, none of any other forms of corporate rights, nor ETF or other funds).
3. Each team will get a Google Spreadsheet to record the portfolio construction process; return progress and risk estimations.
4. Each team will have an opportunity to rebalance the portfolio once during the competition.

## **RULE 3: PORTFOLIO PERFORMANCE**

1. 10-15 teams with the highest return will be qualified for the final stage of the competition.
2. The selected teams will be asked to provide detailed qualifications on their portfolio (for example, but not limited to: industry characteristics, or arguments on stock selections, or arguments on rebalancing).

## **RULE 4: PRESENTATION**

The only 5 teams with the highest portfolio return and best qualifications of portfolio performance will be advanced into the presentation round of the competition.

### **Presentation requirements**

1. Presentation must be made in English in PowerPoint only.

2. The presentation is expected to cover the starting position of the portfolio and clarification of the stock picking and assets weights within the constructed portfolio; reasons & logic of portfolio rebalancing; closing portfolio position and progress.
3. The starting and closing risk vs return combination is expected to be calculated with Sharpe ratio.
4. During the presentation round each finalist will have 10 minutes for presentation and 10 minutes for Q&A from judges.

## **RULE 5: CONSULTATION TIME**

Two consultation sessions will be hosted during the competition span. During the consultation sessions each team will have an opportunity to ask any questions regarding the competition, portfolio constructions or any other competition related questions.

Each team is eligible to ask questions and get the reply from experienced professionals provided by CFA Society Ukraine and/or Blackshield Capital Group.

## **RULE 6: TEAMS**

### **6.1. Team Composition**

Each team:

- a. Must strive for diversity when considering team members.
- b. Must consist of undergraduate, graduate, investment professionals or a combination of students and professionals.
- c. Must consist of no fewer than two and no more than five members at the time of the kickoff.
- d. Can have no alternates. If a team loses one of its members, that member can be replaced no later than two weeks prior to the submission of the portfolio results. If a team falls below three registered members after this date, they team may continue in the competition with the remaining team members.

### **6.2. Team Member Requirements**

Each team member must:

- a. accept the terms of the participation agreement upon registration;
- b. be a currently enrolled university student in an undergraduate or graduate program or the investment professional with 1-3 years of professional experience of the time kickoff meeting;

### **6.3. Team Member Ineligibility**

An individual is ineligible to be a team member, if that individual:

- a. has been, or is, a CFA® charterholder;
- b. is employed by CFA Society Ukraine or by Blackshield Capital Group.
- c. is under investigation or has been sanctioned by the CFA Institute Professional Conduct Program;
- d. has ever been convicted of a felony or crime punishable by more than one year's imprisonment or has ever engaged in conduct which would violate the CFA Institute Code of Ethics and Standards of Professional Conduct.
- e. Investment professionals with professional experience over 3 years.

## **RULE 7: JUDGES, AND GRADERS**

### **7.1. Judges**

- a. Judges will independently evaluate each presentation using the presentation scoring sheet
- b. Each judging panel must have a minimum of three judges.
- c. Judges will be selected by the event host. All judges must be investment professionals. It is recommended they have experience in portfolio management or investment analytics.

### **7.2. Graders**

- a. Graders will independently evaluate each portfolio qualifications
- b. All graders must be investment professionals with experience in portfolio construction and reviewing portfolios.
- c. Graders must agree to abide by the CFA Society Code of Ethics and Standards of Professional Conduct.



**APPENDIX A: Scoring sheet**

**#SmartInvestor  
Presentations Scoring Sheet**

Team\_\_\_\_\_

Judge\_\_\_\_\_

<b>CRITERIA</b>	<b>MAX POINTS</b>	<b>POINTS</b>	<b>COMMENTS</b>
<b>Stock picking</b> <i>Clarification of the stock picking and assets weights, industry selections</i>			
<b>Portfolio construction</b> <i>Starting position, return &amp; risk calculation, rebalancing, closing position, progress</i>			
<b>Presentation</b> <i>How effective/convincing was presentation? Was it logical and did the facts support the portfolio construction?</i>			
<b>Questions &amp; Answers</b> <i>Answers on the questions. How confident they are?</i>			
<b>Team Involvement</b> <i>Team involvement in the presentation/questions and answers</i>			
<b>Materials</b> <i>Quality of slides</i>			
<b>TOTAL</b>			