

## OVERVIEW

Based in San Francisco, Dodge & Cox is a privately held investment management firm with approximately \$180 billion in assets under management. Dodge & Cox manages equity, fixed income, and balanced separate accounts and mutual funds for individuals and institutions. Our investment approach is guided by valuation discipline and a long-term investment horizon. Founded in 1930, the firm has a team of approximately 40 investment professionals and 200 employees.

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## CASE COMPETITION

The purpose of the competition is to foster appreciation for long-term investing in public equities.

**Teams of up to four students should select the equity security that they believe has the greatest potential for price appreciation over the next three-to-five years.** The company can be domiciled anywhere around the world, but must have a market capitalization of at least US\$3 billion. Otherwise, you may use discretion around special situations such as emerging markets companies without current English financials or short-term trading ideas. You should feel free to consider growth companies with reasonable valuations.

Teams will be judged on their quality of research and analysis, presentation skills, and investment judgment.

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## HOW TO PARTICIPATE

Open to **juniors and seniors** with a strong interest in public equity investing. Sophomores with exceptional accounting, finance, and analytical skills may also participate.

### Important Dates:

October 17	Team registrations due by midnight
October 28	First round submissions due by midnight
November 1	Finalists notified
November 13	Final round submissions due by midnight
November 14	Final round presentations

*General questions and submissions should be sent to [nakitar@uchicago.edu](mailto:nakitar@uchicago.edu). Technical questions may be sent to [ug\\_case@dodgeandcox.com](mailto:ug_case@dodgeandcox.com).*

**Registration:** Teams should designate a Team Captain as a primary contact. Register by sending your team name, the names, email addresses, and resumes of all participants, and the mobile phone number of the Team Captain to [nakitar@uchicago.edu](mailto:nakitar@uchicago.edu).

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## PRIZES

Finalists will have the opportunity to present their work to and receive feedback from a panel of at least two Dodge & Cox investment professionals. The winning teams will share a cash prize of \$1,000.

*You agree that by participating in this competition, any original materials submitted by you or by your team to Dodge & Cox become the property of Dodge & Cox and that all right, title, and interest in any copyrights and/or trademarks associated with such material shall immediately vest solely in Dodge & Cox.*

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## FIRST ROUND GUIDELINES

Prepare a 2-page summary in PDF format of your thesis, analysis, and a preliminary investment recommendation. The summary should be analytical rather than descriptive. Feel free to use bullet points whenever appropriate.

### What We Are Looking For:

1. Summary of the investment thesis and recommendation
2. Clear understanding of the business model and industry dynamics
3. Key drivers of future profitability with supporting analysis
4. Framework for assessing valuation over a three-to-five year time horizon
5. Next steps for further analyses that you would do to either strengthen or refute your thesis

### Sample Format (use your discretion):

- Brief statement of thesis and recommendation
- 1/3 page overview of the business and industry
- 1 page analysis of key profitability drivers
- 1/3 page valuation analysis
- Brief statement of next steps

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## FINAL ROUND GUIDELINES

### **Written Report:**

Prepare a report 6 to 10 pages in length that discusses in detail your company and your investment thesis.

### Sample Format (use your discretion):

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| Page 1   | Brief (one paragraph) company description; summarize thesis; state your recommendation; identify key drivers; list key investment opportunities and risks; present summary return profile                                  |
| Page 2   | In-depth industry overview and competitive landscape analysis; be sure to address how the industry has evolved over time in addition to its current state  |
| Page 3-4 | In-depth review of the company and business model; analyze key competitive strengths and weaknesses, quality of the franchise, and quality of the management team (this should be technical rather than purely subjective) |
| Page 5   | Identify and analyze in detail key value drivers for the investment; focus on predictive rather than historical analysis to support your thesis  |
| Page 6   | Discuss key opportunities and risks; consider factors that could drive significant upside or downside  |
| Page 7   | Present and justify model assumptions; present and discuss your valuation process  |
| Page 8   | Additional exhibits including financial statements   |

### **Excel Model:**

1. Cleanly-formatted and easily understandable

### **PowerPoint Presentation:**

1. Target prepared presentations to be between 5 and 8 minutes and up to 15 slides including a cover slide
2. Presentation will be followed by a 7 to 10 minute Q&A session

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## GENERAL GUIDELINES:

1. Cite sources used and any work or ideas that are not your own.
2. Aim for clarity and brevity in your writing. Submissions should clearly articulate your investment thesis and demonstrate an understanding of the risk and reward trade-off.
3. All work should be done using publicly available information.
4. At no point in your research should you identify yourselves as agents or representatives of Dodge & Cox. If you wish to contact management, sell-side analysts, or any third parties, you should indicate that you are acting on your own behalf.