



# SPONSORSHIP PROPOSAL 2019-2020

*University of Oxford*  
**Oxford Alpha Fund**



 [www.oxfordalphafund.com](http://www.oxfordalphafund.com)

 [www.linkedin.com/company/oxford-alpha-fund/](http://www.linkedin.com/company/oxford-alpha-fund/)

 [oxfordalphafund@gmail.com](mailto:oxfordalphafund@gmail.com)

# WHO WE ARE

## *Oxford's Leading Student Investment Fund*

Founded in 2017, the Oxford Alpha Fund aims to be the premier student investment fund in the United Kingdom., producing superior risk adjusted returns through fundamental equity research. We have now grown to a team of over 30 passionate portfolio managers and analysts coming from a wide variety of subject disciplines, from both the undergraduate and graduate student body.

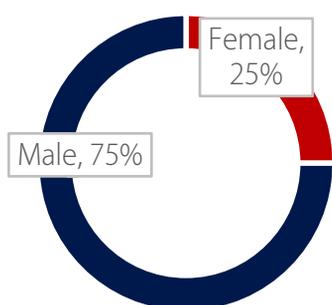
Our platform provides a unique opportunity for students with a passion for the markets to develop their technical knowledge and develop practical investment theses.



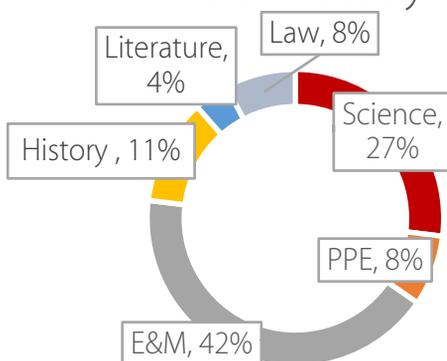
The Oxford Alpha Fund adopts a bottom-up approach that considers both individual company analysis and industry-level dynamics. We focus on quality compounders that exhibit resilience, and companies with a long runway for growth at a fair valuation. We develop in-depth research, supported by proprietary financial models built by our analysts. We adopt an Oxonian approach toward investing, prioritising academic rigour, first-principle thinking, and a deep-dive approach toward research, seeking out qualitative and quantitative sources of information that might be overlooked by the Street.

## Our Demographics

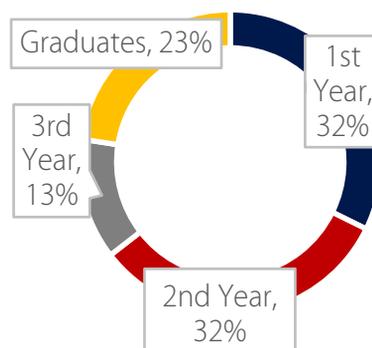
### Gender



### Field of Study

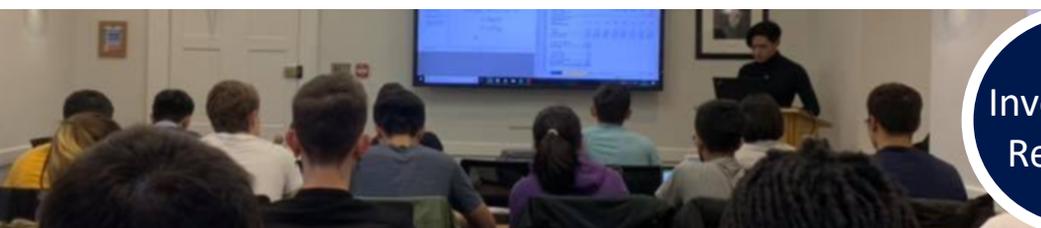


### Year of Study



# WHAT WE DO

## *Investment Research*



## Industry Report

Led by a more experienced Portfolio Manager, teams collectively choose an industry that they are interested in based on their unique make-up and diverse research leanings. Teams perform industry-level analysis before splitting up into two sub-industry teams, and jointly produce an industry report that frames the assumptions, and common drivers in each industry. The teams then determine the most attractive set of names to long and short, and work on the names individually or in pairs, developing a framework to relatively compare the names.

## Company Pitch

The teams pick equities to value and develop a set of broad metrics to compare against other industries and other teams. The fund then holds a pitch day every term, where the selected equities are pitched to a panel of industry veterans. The panel then judges our pitches – providing us mentorship and refine our ideas. Past members of our panel include Martin Taylor, Sam Witherow, Jamie Lewis, and Terri Duhon. The pitch day has been well received by members of the panel, who have commended us for the quality of our pitches.



Our inaugural bootcamp was held in Michaelmas 2018. Highly interested and committed candidates were given a six-week long training in foundational modelling and financial analysis by experienced portfolio managers within the fund, in conjunction with our research partners. They were also taught what constitutes a good company and how to go about breaking down a company's business model and reports. This finally culminated in a team case competition. 15 of the initial 30 participants eventually graduated into analyst positions within the fund. The Bootcamp runs every Michaelmas Term (Oct to Dec).

# OUR MEMBERS

*Passionate and Highly Motivated Individuals*

Our members have secured jobs and internships at top firms in the industry

Our members benefit from the Fund's rigorous research process, beginning with an industry report and culminating in a stock pitch. Furthermore, our members receive regular feedback from industry leaders, refining their abilities as investors.



**Jek Jin Woo**

Portfolio Manager & Co-Founder  
Incoming J.P. Morgan Asset Management Analyst.  
Completed internships at Wellington Management, Cairn Capital, and J.P. Morgan.  
Point72 Case Competition Finalist.



**Abinaya Mahatma**

Portfolio Manager  
Incoming Morgan Stanley Leveraged Finance Analyst.  
Completed internships at BlackRock, Macquarie, and Morgan Stanley.



**Daniil Butman**

Portfolio Manager & Co-Founder  
Equity Research Associate at The Analyst.  
Completed internships at Lazard Asset Management and Bain Capital Credit.  
Fluent in 4 languages.



**Mark Chin**

Portfolio Manager  
Incoming Academy Analyst at Point72.  
Completed internships at Point72, Barclays, and BNP Paribas.  
Point72 Case Competition Finalist.



**Kaylynn Teh**

Portfolio Manager  
Incoming Summer Analyst at PJT.  
Completed internships at BlackRock and Macquarie.  
Winner of Bridgepoint Private Equity Challenge.



**Adrian Penz**

Analyst  
Masters in Financial Engineering Student  
Completed a Bachelors Degree in parallel with his High School Studies.  
Completed the Oxford Finance Lab, and Asset Management Masterclass



**Aditi Shringapure**

Analyst & Bootcamp Graduate  
Won the inaugural bootcamp case competition.  
Incoming Spring Intern at Rothschild, Blackstone, Evercore, and Credit Suisse



**Michael Leong**

Portfolio Manager  
Incoming Summer Analyst at GIC.  
Completed internships at GAO Capital and Saga Tree Capital.  
Initiated adoption of 7Cups, a mental health platform, across Oxford

# OUR WORK

## Best-in-class Research

The fund has published 16 industry and equity reports to date - covering the payments, renewables, telecommunications, medical technologies, and consumer industries. These reports can be accessed at <https://www.oxfordalphafund.com/publications>.



10 Nov 2018

**Sections in this report:**

Total Addressable Market

Why Does Cash Persist?

Value Chain

Drivers

- 1: E-commerce
- 2a: Europe
- 2b: Emerging Markets
- 3: Low-Cost Merchant Acceptance
- 4: Financial Inclusion
- 5: B2B

Moats

- 1: Network effects
- 2: Brand preference
- 3: Technology

Regulation

Technology and Disruption

**Portfolio Managers**

Jek Woo  
Ashvin Prabhaker

**Analysts**

Michael Leong  
Adya Singh  
Michael Shao

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**Payments Industry Report**

**Introduction to the payments**

Global consumers are increasingly paying for goods with non-cash/cheque electronic methods such as mobile wallets, credit cards, carrier billing and direct transfers. What exactly goes on when a consumer pays electronically? Six parties are usually involved: card issuers, card processors, networks, merchant processors, and point-of-sale terminal providers. To understand how they interact, consider buying a coffee from a neighbourhood coffee shop.

When I pay with my card, I tap it on a **point-of-sale terminal**, provided by Worldpay, or Square. The transaction is first processed by the coffee shop's bank, i.e. the **merchant acquiring bank**, before being sent through the **payments network**, such as Visa's VisaNet. Visa checks for fraud, and then checks with my **card issuer**, or issuing bank, Bank of America, whether I have the funds required. It might extend me a credit loan. If I am paying with debit, Bank of America puts the money on hold, and the authorisation is relayed back to the merchant acquirer via the network again. The acquirer sends the approval to the coffee shop and the barista lets me know that payment has gone through, a few seconds after the first tap.

Some time after I leave the coffee shop, payments are then cleared: they are batched and processed by the payments network, who sends a global consolidated statement to all issuers. Issuers then debit the required amounts. Settlement statements are then sent to all issuers and acquirers, who transfer funds to each other to settle all transactions within the processing day.

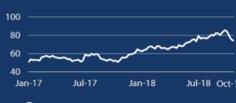
**Card processors** might support issuing banks: administering loyalty programs or settling payments.

**Merchant processors** might support merchant acquirers or acquiring banks, participating in the processing and settlement stage and reporting transaction data.



CONSUMER CYCLICAL

**NIKE, INC.**  
NYSE: NKE



23 OCT 18

**Recommendation: BUY**

<b>Price Target</b>	<b>\$80.68</b>
Share Price (23 Oct, 2018)	\$73.35
Diluted Shares Outstanding (MM)	1,588
Upside (%)	10.5%

<b>Market Cap (€ Bn)</b>	<b>41.87</b>
Pro Forma Net Debt (€ Bn)	0.56
Beta 5Y	0.76
Net Debt / EBITDA	-0.1x

Fiscal Year	2017A	2018E	2019E	2020E
Revenue	36,398	36,398	39,647	44,584
EBITDA	5,154	5,452	6,949	8,249

**Portfolio Managers**

Jek Woo  
Kai Boh

**Analysts**

Michael Leong

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**Nike – Just Buy It**

Nike is the world's largest supplier of athletic shoes and apparel, and a key beneficiary of the structural shift towards health and wellness.

**We are publishing a buy recommendation because we believe:**

- 1) Nike will benefit from strengthening international growth opportunities driven by healthy lifestyle trends; 75% of projected growth is international.
- 2) Nike's shift to Direct-to-Consumer in its channel mix is likely to drive substantive top-line and margin, internalising wholesale mark-ups, and is itself driven by increased consumer engagement.
- 3) Nike's investment in supply chain innovations is likely to yield operating margin expansion, improvements in working capital management and cash generation.

**Valuation Methodology:** We used a consensus 2021 EV/EBITDA multiple of 14.9x with our 2021 EBITDA forecast to yield an implied share price of \$80.68. Our EBITDA forecast was primarily driven by the gross margin increases and operating margin increases as a result of revenue mix shift towards DTC.

## Key Highlights

- This Report concisely summarizes the developments in the payment industry.
- The Fund believes that the payment networks (Visa and Mastercard in particular) are poised to take advantage of the shift from cash to electronic payments.
- Key risks include regulation and electronic-wallets.

## Key Highlights

- The Fund believed that NIKE was a strong buy at \$73.35.
- This is driven by Nike's international growth opportunities driven by healthy lifestyle trends; Nike's shift to Direct-to-Consumer, and Nike's investment in supply chain innovations.
- The Fund's price target of \$80.68 was reached, realizing an upside of 10.5%.



# PAST EVENT HIGHLIGHTS

## *Insights from Industry Experts*

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### Recruitment Events

#### Point72 “How to Pitch a Stock”

The Oxford Alpha Fund hosted Point72 at the Randolph Hotel where Point72 investment professionals gave a masterclass on how to pitch a stock. The morning concluded with networking and a company presentation.

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### Stock Pitch Panel

The fund hosts a stock pitch panel every term where we present our equity research and recommendations to a panel of industry leaders. The panel critiques and advises our research, providing us with valuable feedback before we publish our reports. Our most recent pitch was judged by industry leaders from J.P. Morgan Asset Management, Fidelity International, and Crake Asset Management.

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### Speaker Events

#### Terri Duhon

Chair of Investment Board, Morgan Stanley

Terri Duhon spoke about career paths in finance, her views on market dynamics, participants and correlation and how that translates to positioning. She shared her views on risk management and what she focuses on in her role as the Chair of Investment and Risk. She also engaged the fund at dinner afterwards.

#### Shane Duffy

Portfolio Manager, J.P. Morgan Asset Management

Shane Duffy spoke to the fund last term, where he shared insights on global investment opportunities and his outlook on the markets. He also spoke about his investment philosophy and expounded on how he analyses an equity.

#### Lei Li

Co-Founder, Lightyear Partners

The fund hosted a fireside chat with Lei Li, where he spoke about his experiences at GLG and Balyasny. He also advised fund members on investment approaches.

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# WHAT WE CAN DO FOR YOU



## TALENT ACCESS

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Oxford Alpha Fund has an unparalleled commitment to recruiting and developing Oxford's keenest investors. Our analysts and portfolio managers have an explicit focus and drive to work within buy-side financial services.

We recognise that buy-side recruiters often face a problem of students having a lack of knowledge when considering working in investment management as opposed to investment banking.

We are able to provide direct access to the best students looking to work specifically in buy-side financial services. Unlike larger student societies, our analysts and portfolio managers spend the bulk of their time refining their investing abilities. Team members often hope to work within specific subindustries – allowing you to reach out to them directly.



## MARKETING

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Your firm's name and logo could be shown on our website, social media platforms and publications and mentioned in our events.



## EVENTS

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We aim to host around 15 events annually, such as speaker sessions, recruiting events, fireside chats, and pitch days, where the fund showcases their work to leaders in industry. We would be glad to host events in conjunction with our partners.

# SPONSORSHIP PACKAGES

*We Would Like to Work With You*

{	Silver Partner £500	}	{	Gold Partner £1000	}	{	Platinum Partner £2000	}
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1	Logos on email newsletters and all printed publications	●	●	●
2	Logos and company name on our website and Facebook page	●	●	●
3	Recruitment events with Oxford Alpha Fund	●	●	●
4	Collaboration on career-related events e.g. CV and interview skills workshop		●	●
5	Advertisements circulated on our social media platforms		●	●
6	Email snapshots mailed out to our extensive mailing list		●	●
7	Advertising space for leaflets at our stall in Oxford Freshers' Fair 2019			●
8	Collaborate on Stock Pitch Competitions			●

CONTACT US:

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