Protege makes winning call

Winners of Kim Eng’s ‘The Analyst’ competition tell KELVIN SAM the secret of their success

Even the company’s growth potential and exciting prospects, we would recommend a buy for this company’s stock.

The above recommendation was made by a team of three: Lee Chin Ser, Benjamin Oh and Cecil Ang.

Also known as Protege Investments, the three were net equity analysts but undergraduates from the Singapore Management University (SMU).

The three undergraduates were presenting their stock analysis of mainboard-listed Petra Foods, a company in the cocoa and chocolate business. Although the three undergraduates had little experience pitching to institutional clients, their presentation hardly belied it.

Protege Investments’ arguments alone with conviction, their financials were immediately researched and they were even relaxed enough to crack jokes to a panel of veteran Kim Eng equity analysts and university academics.

Protege Investments was one of 57 teams from one of the four universities: Singapore Management University, Nanyang Technological University, National University of Singapore and Singapore Institute of Management, taking part in “The Analyst”.

Sponsored by Kim Eng Securities, “The Analyst” was an inaugural stock analysis competition spearheaded by SMU and co-organized by NTU Interactive Investment Club and NUS Investment Club. The organizers intend the annual competition to become a platform for aspiring research analysts to be recruited by professional organisations.

The 57 participating teams were invited to submit equity research reports with “Buy” or “Sell” recommendations on companies listed on the Singapore Exchange. Subsequently, the reports were judged by industry professionals from Kim Eng Securities and faculty members from all four universities.

March 10 saw Protege Investments and four other finalist teams presenting their research findings and vying for the first prize of $1,500, together with a total of $1,600 for the other four runner-up teams.

Despite the stiff competition provided by the other teams, Protege Investments emerged as the winning team with their passionate arguments and logical valuations.

Sleepless nights

Asked about their victory, the team attributed it to the hard work put in over the past two weeks. “I believe each of us spent at least four sleepless nights working on this project,” said Benjamin.

Chin Ser agreed. “The deadline for submission was scheduled on the week we had many presentations and tests to study for. I only had time to work on the valuation model in the wee hours of the night.”

The team’s win was even more extraordinary if one considered the fact that two of their members were freshmen students. So what was the team’s key to its success?

Well, all three members were part of the Student Managed Investment Fund (SMIF), an SMU investment club. As junior equity analysts, each of them was responsible for selecting promising stocks from a particular industry sector.

SMIF members are also required to present regular stock analysis findings on a weekly basis to facilitate the group’s fund management activities. Being part of SMIF has also taught Protege Investments how to work together quickly.

Chin Ser was the most senior student among the group, the accountant under-graduate created the valuation model while Benjamin’s penchant for financial ratios enabled him to analyse the company’s financial statements quickly. Lastly, Cecil’s articulate manners, macroeconomic perspectives and quick mind enabled the team to answer difficult questions posed by the judges.

Asked what was the most enjoyable part of the whole experience, all three agreed that it had to be the conclusion of their presentation.

“When we completed the creation and answer segment of our presentation, we felt so relieved. It felt wonderful knowing that the cumulative sleepless nights and the stress of presenting was over at last,” said Chin Ser.

With the four-month-long summer holidays coming up, the third-year accountancy undergraduate is working towards an equities research internship. Benjamin and Cecil expressed their interest in the industry as well.

“I’m pretty grateful to Kim Eng for sponsoring this entire competition. It has given me greater insights into the financial services industry and I will definitely consider equity research as a career,” said Benjamin.

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