

NIC Undergrad Review

November 2024

NIC

— Undergraduate Division —

Editor's Note.

Dear reader,

It is with great pleasure that I present to you the first edition of the NIC Undergrad Review for the academic year 2024-2025, marking the beginning of my role as Editor-in-Chief. This edition reflects the talent, enthusiasm, and dedication of our members, particularly our new members, who have contributed fresh perspectives and valuable insights to this publication.

This edition begins with a brief overview of the Iberian Markets, followed by an analysis of key M&A activity in Q3 2024, including the acquisition of Kellanova by Mars. We also explored the digital advertising industry and provided a business deep dive into Lear Corporation, covering peer analysis, risks, and catalysts. Additionally, we present an article titled "Following Smart Money: What Retail Investors Can Learn from 13F Filing" and a detailed look at Central Bank Digital Currencies, examining their potential impact and risks. To conclude, we had the pleasure of interviewing Francisca Fernandes, a NIC alumna, who shared her unique perspectives on career timing and professional growth, which truly inspired us.

Lastly, I would like to thank all the members who contributed to this edition: Afonso Monteiro, Francisca Mora, Francisco Faria, Miguel Fernandes, Miguel Moura, Miguel Patrício, and Yash Chauhan. I want to extend my gratitude to Rita Fernandes, the previous Editor-in-Chief, for her support during this transition.

Best regards,

Raquel Mendes

Editor-in-Chief

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Quick Take on Iberian Markets



Afonso Monteiro

KKR launched a general and mandatory OPA for Greenvolt. Portugal's foremost renewable energy enterprise has been undergoing a takeover since late 2023 by its American competitor GVK Omega, a subsidiary of KKR focused on private equity in the energy sector, aiming to expand KKR's ecological footprint. In October, the remaining 15% of Greenvolt was purchased at €8.31 per share, valuing the Portuguese green energy company at €1.16 billion and bringing KKR's total stake to 97.64%. This acquisition is expected to inject substantial capital into Portugal's renewable energy sector, propelling Greenvolt's large-scale sustainable projects. Moreover, heavy investment from a global financing firm like KKR could significantly bolster investor confidence in Portugal's ability to attract major international investors.

Stellantis will continue its EV operations in Mangualde, Portugal. Despite the CEO's announcement of the anticipated closure of certain European factories due to increasing competition from Chinese manufacturers, no changes are expected for the Portuguese facility. Significant investments have already been made in EV production at the Mangualde plant, demonstrating a strong commitment to its ongoing operations. In July, an investment of €119 million was allocated to enhance EV production capacity and establish a new battery production line. The Portuguese production unit is considered strategic for the company's sustainable transition, enabling Stellantis to respond effectively to the growing demand for European EVs.

Navigator accused of responsibility for Portuguese wildfires. Climáximo activists targeted the façade of the Portuguese paper company's headquarters with red paint, accusing it of responsibility for recent wildfire-related deaths in the interior. Navigator is alleged to be one of Portugal's largest greenhouse gas emitters and has extensively cultivated eucalyptus trees, which are highly flammable and contribute to the intensity of fires. Climáximo accuses Navigator of prioritiz profits over public safety and implementing practices that increase fire risks and contribute to broader climate destruction.

Blackstone to invest €7.5 billion in a data center in Spain. The global private equity firm Blackstone has committed €7.5 billion to develop a data center in Aragón, Spain. This marks the first stage of the project, which will later be reinforced by an additional investment of the same value to complete it. The facilities, set to be built on a 224-hectare site in Calatorao, Zaragoza, will offer an electrical capacity of 300 megawatts. The investment emphasizes the company's commitment to expanding its digital infrastructure footprint. The chosen location reflects the region's growing reputation as a key cloud computing hub in Europe, with tech giants like Microsoft and Amazon also selecting Zaragoza for data center projects.

Spanish Henko acquires portuguese Link, forming a new global tech group. The Spanish private equity firm Henko has acquired the Portuguese tech company Link, merging it with Bemobile and Consultia IT, two Spanish digital services firms. Together, they form Linkroad, a new global technology group. The group combines Link's expertise in corporate digital transformation, Bemobile's creativity in digital design and communication strategies, and Consultia IT's experience in SAP systems integration to foster an "innovative ecosystem focused on technology and transforming businesses". Linkroad employs over 700 workers across the USA, Europe, the Middle East, and Africa. The group aims to expand its success internationally while maintaining a dominant position as a center of technological excellence in Iberia.

M&A Analysis



Miguel Fernandes

Are Regulatory Barriers Threatening M&A Activity in 2024?

Overview

In 2024, global M&A activity has shown signs of recovery, with deal value increasing by 10% in the first nine months compared to last year, totalling $1.6 trillion. However, megadeals have declined, with only 17 reported, down from 20 in 2023. While North America and Europe have begun to rebound, the Asia-Pacific region has reached a ten-year low, largely due to sluggish M&A activity in China. Despite these disparities, the M&A Sentiment Index signals potential growth, especially in energy, finance, and technology, driven by rising interest in green and AI-driven acquisitions. The sectors showing the biggest improvement in year-to-date deal value compared to the same period last year include financial institutions and real estate (35% increase), technology, media, and telecommunications (36% increase), and energy and power (14%).

The M&A landscape remains fraught with significant challenges. Geopolitical tensions, particularly the tech rivalry between the US and China, along with stringent regulatory scrutiny, continue to hinder tech sector growth. Despite efforts to reduce barriers, such as liberalizing PRC policies, critical industries remain subject to National Security Reviews in China. Over 40% of M&A deals this year have faced delays, extending closing timelines and raising termination fees. Regulatory bodies in the US and Europe are intensifying their frameworks, especially around "killer acquisitions" in the TMT sector. New rules in the UK and EU, like the SMS regime, mandate that the largest tech companies notify regulators of qualifying acquisitions, increasing compliance burdens on dealmakers.

Looking ahead, while 2024 may not fully meet initial expectations for a strong resurgence in M&A, some factors foster optimism. The prospect of clarity following upcoming elections could stabilize the market, while a record $2.1 trillion (at the time of writing) in private equity dry powder signals the potential for increased deal activity in 2025. Combined with falling interest rates, M&A could thrive despite current headwinds.

Most relevant deals in the third quarter of 2024

Announced Date	Target	Buyer	Target Region	Target Industry	Value
14/08/2024	Kellanova	Mars	US	Consumer Products and Services	$ 35,9 billion
05/09/2024	AirTrunk	Blackstone	APAC	Technology	$ 24 billion
05/09/2024	Frontier Communications	Verizon Communications	US	Telecommunications	$ 20 billion
23/09/2024	Liberty Broadband	Charter Communications	US	Telecommunications	$17,7 billion
18/09/2024	China Shipbuilding Industry	China CSSC Holdings	CN	Shipbuilding	$ 16,2 billion
07/08/2024	Rabigh Refining & Petrochemical	Luberef	SA	Energy	$ 11,6 billion

Mars Acquires Kellanova

Deal Structure

August 14 marks the largest transaction in nearly a decade for North America's food sector. Mars, Incorporated, a family-owned global leader in pet care, snacking, and food, announced its acquisition of Kellanova, a prominent player in global snacking, noodles, plant-based foods, and frozen breakfast foods. Mars has agreed to acquire Kellanova for $83.50 per share in cash in a deal valued at $35.9 billion, including assumed net leverage. This transaction represents a premium of approximately 44% to Kellanova's unaffected 30-trading day volume weighted average price as of August 2, 2024.

Citi and Skadden advised Mars, while Goldman Sachs, Kirkland & Ellis, and Lazard advised Kellanova.

The Rationale

By integrating Kellanova, which features iconic brands like Pringles, Cheez-It (2 billion-dollar brands), and Pop-Tarts into its existing lineup that includes Snickers, M&M's, and Twix (15 billion-dollar brands), Mars seeks to strengthen its market position and sustain sales.

The acquisition allows Mars to leverage Kellanova's established megabrands like RXBar and NutriGain to accelerate innovation and meet the demand for healthier snacks. This merger also reduces the candy's reliance on its traditional confectionery products, as cocoa prices remain elevated, having reached historical highs in March of nearly $10,000 per metric ton. Moreover, the combined scale enhances negotiating power with retailers and creates synergies in packaging, raw materials, and marketing. These cost savings could lower consumer prices under financial pressure, further strengthening Mars's competitive position.

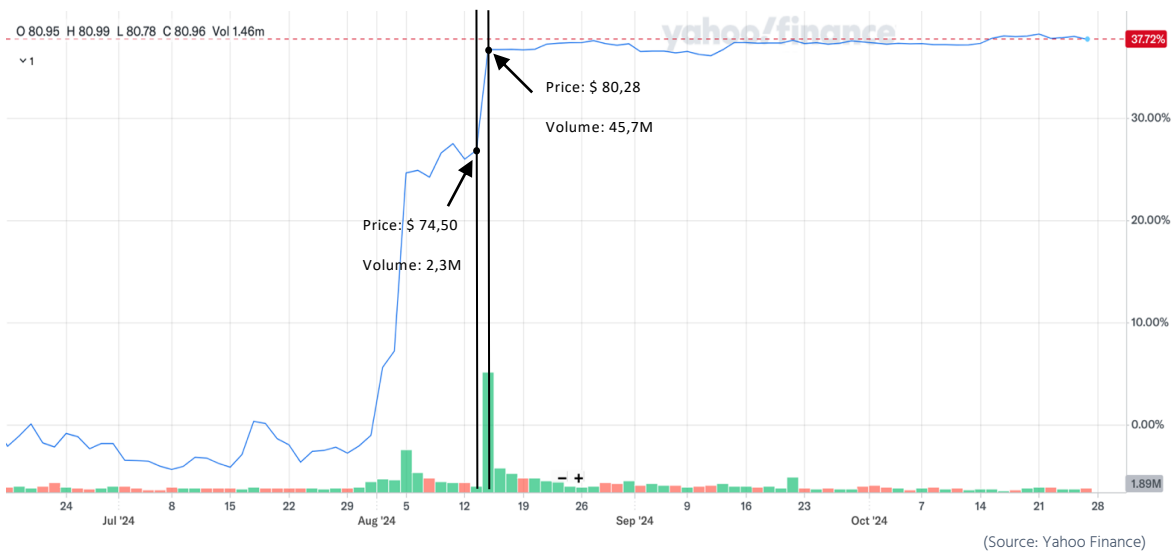
The merger positions the combined company to expand into new revenue streams, in fast-growing geographies like Latin America. Mars's strong presence in regions like China alongside Kellanova's established footprint in Africa, creates opportunities for both companies to grow in these areas.

"This is an exciting opportunity to create a broader, global snacking business, allowing Kellanova and Mars Snacking to both achieve their full potential", said Andrew Clarke, Global President of Mars Snacking.

Market Reaction

Kellanova's stock surged 7.8% after the announcement, reflecting investor confidence. The market remains optimistic about strategic partnerships focused on innovation and growth. Mars's stock performance is unavailable as It is privately held.

Kellanova stock performance



(Source: Yahoo Finance)

Industry Overview:
Digital Advertising



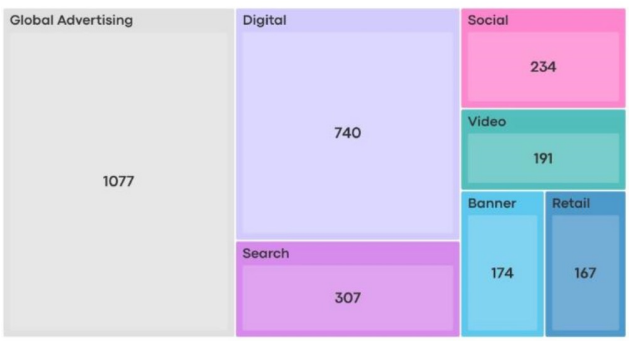
Francisca Mora

Digital Advertising Industry: Dive on the Attention Economy

The global digital advertising market is projected to reach a value of $1 trillion in 2024, according to Statista estimates. This market is primarily divided into two main categories:

1. Digital Advertising ($740 billion) – covering diverse media distribution channels:
    - Social Media ($234 billion)
    - Video Advertising ($191 billion)
    - Display Banners ($174 billion)
    - Retail Media ($167 billion)
2. Search/SEO Advertising ($307 billion) - focused on keyword-driven strategies and organic visibility in search engines.

Estimated Values of the Size of the Digital Advertisement Market ($Bn 2024)



(Source: Statista)

Search Engine Optimization (SEO) and Social Media are largely "walled gardens" dominated by major platforms such as Google, Meta, TikTok, and X. As a result, industry players (advertisers, agencies, and ad-tech companies) have limited negotiation power in these areas. This article, therefore, focuses on Video, Display Banners, and Retail Media segments, which collectively represent a $532 billion market or approximately 50% of the total global digital advertising market. These segments also show the most robust growth potential through 2030. The "Attention Economy," a major industry trend, is reshaping the landscape. Historically, the industry has focused on transparency and optimizing advertisement placements to maximize ROI. However, the shift to the Attention Economy presents significant challenges due to the industry's traditional reliance on the "HTTP Request/Response" structure introduced by Tim Berners-Lee.

Industry Evolution: From Viewability to Attention

The first major milestone was to ensure Viewability – that is, confirming ads were seen by users. Although progress has been made, advertisers and media agencies (the "buy side" of the industry) continue to question their return on investment. This concern was highlighted by Marc Pritchard, Chief Brand Officer at P&G, during the ANA Media Conference 2024. He remarked, "We're still flying blind with no clear visibility on how often a consumer sees the same ad across platforms, apps, and websites." In response, the industry is now transitioning towards a focus on Attention to better assess and enhance ad performance.

The Attention Economy: Definition and Significance

In today's digital advertising landscape, the Attention Economy is a transformative trend reshaping how advertisers and agencies assess campaign success. The Attention Economy emphasizes the quality and duration of user engagement with ads rather than merely counting how many users have viewed an ad. This concept stems from the idea that in an information-rich, highly stimulating digital environment, consumer attention is scarce — and therefore extremely valuable.

Difference between Viewability and Attention

Historically, Viewability metrics have been the cornerstone of digital advertising campaigns.

Viewability ensures that an ad appears on a user's screen and, in theory, has the potential to be seen. However, research and real-world experience show that not every "viewed" impression makes a meaningful impact or is even consciously registered by the consumer. In many cases, users quickly scroll past or ignore ads, reducing the actual effectiveness and objective of a campaign. In contrast, Attention is a more sophisticated methodology that evaluates whether a user genuinely interacts with an ad. Through new technologies and artificial intelligence algorithms, attention can be measured in real-time by assessing factors like viewing duration, user engagement with the content (such as clicks or scrolling), and even the context in which the ad is displayed. This type of metric helps advertisers optimize advertisement delivery to achieve a deeper and lasting impact on their audience.

Why is the Attention Economy Essential to Modern Advertising?

The Attention Economy is crucial in modern advertising for several reasons:

1. Investment Efficiency: By focusing on attention rather than simple viewability, advertisers can maximize their return on investment (ROI), directing resources to impressions that genuinely capture user interest. This approach minimizes spending on ignored ads and enhances campaign relevance.

2. Brand Engagement and Retention: Studies reveal that genuine attention leads to stronger brand recognition and recall. Consumers who pay attention to ads are more likely to remember the message and potentially develop an affinity for the brand.

3. Adaptability to New Consumer Behavior: In an era where consumers are increasingly dispersed across multiple platforms and devices, capturing attention is a bigger challenge. Attention metrics account for these complex, fragmented behaviors, allowing campaigns to be more adaptable and responsive to contemporary media consumption patterns.

4. Performance in "Walled Gardens": Platforms such as Google and Meta, known as "walled gardens," maintain centralized control over data and ad inventory. The attention economy allows advertisers to navigate these controlled environments more effectively, ensuring that ads are not only seen but genuinely resonate with audiences.

5. Competitiveness in a Saturated Market: As more advertisers compete for limited audience attention, the ability to measure and optimize attention becomes a competitive advantage. Attention serves as a fairer, more precise measure of success, encouraging advertisers to prioritize content quality and relevance over mere impression volume.

In summary, the Attention Economy represents an essential paradigm shift in digital advertising, prioritizing engagement quality and redefining the value of a campaign for advertisers. In a market increasingly focused on consumer experience and perception, this methodology stands as a crucial tool for understanding and capturing the true impact of modern advertising.

Key Players and Market Dynamics

The digital advertising ecosystem involves several key players, each contributing differently to the Attention Economy. They include:

1. Advertisers

Representing the core of the buy side, advertisers collaborate with industry associations (e.g., ANA in the U.S.) to influence other industry players.

2. Media Agencies

Media agencies manage advertisers' financial and operational investments in digital media. Leading global agencies doing it include:

- Accenture Song
- WPP
- Publicis
- Omnicom
- IPG
- Dentsu
- Havas

3. DSPs (Demand-Side Platforms)

DSPs allow advertisers and agencies to bid on ad inventory in real-time across formats. Prominent DSPs include:

- Google Display & Video 360 (DV 360)
- The Trade Desk
- Amazon DSP
- Facebook DSP
- Verizon Media DSP
- Adobe DSP
- Adform (Europe)
- Xandr (Microsoft-owned, formerly AppNexus)

4. Publishers

Publishers own the media space where ads are placed (platforms, websites, apps). Although historically resistant to change due to revenue impacts from viewability measures, publishers face increasing pressure to improve transparency and optimize ad performance. A shift to the Attention Economy could bring a revenue boost, especially as more advertising moves from Open TV to digital platforms.

5. Ad Tech Verification Companies

Ad tech companies verify ad viewability. While Google's Ad Server, GAM, leads globally, advertisers and agencies often use independent verification services, including:

- Double Verify (market leader)
- Integral Ad Science (IAS)
- Moat (recently discontinued by Oracle)

As the industry moves towards the Attention Economy, these verification companies are adjusting to this new paradigm, although some challenges remain due to legacy HTTP protocols. The Attention Economy requires advanced tracking, real-time user engagement analysis, and responsiveness that go beyond HTTP's original capabilities, necessitating innovations in data collection and engagement measurement that can address these gaps.

6. Attention Ad Tech Companies

The rise of the Attention Economy has led to the emergence of three key players, recognized by the International Advertising Bureau (IAB) in their "White Paper on Attention" (July 2024):

Lumen and Adelaide focus on pre-bid algorithms to predict and optimize ad placements likely to achieve high viewability and attention.

InsurAds is the unique player, fully compatible with other attention companies as well as any DSP or verification tool, that focuses its tech solution, called Marketing Assurance Warrant, on tackling the industry's most urgent issue and offering advertisers peace of mind. It effectively minimizes the negative impact of ad-overlapped impressions viewed for excessive durations. While most ad tech solutions focus on the impression purchase phase (pre-bidding), their role ends once the impression is rendered on the screen. At this point, whether the ad is seen or not, these vendors can only report historical data at the end of the campaign flight. InsurAds differentiates itself by stepping in precisely when the impression is rendered. Its AI-driven Attention Optimization Platform measures, manages, and optimizes ad campaigns in real-time, across networks and devices, for each unique user. This innovative approach ensures that the Attention Economy benefits both the Buy side (advertisers, media agencies, DSPs) and the Sell side (publishers), rather than focusing solely on Buy-side performance metrics, as was the case with viewability standards.

Impact of External Factors: The Role of AI

Artificial Intelligence is currently the most influential external factor in the digital advertising industry. AI significantly enhances Attention Optimization. Furthermore, it will play a crucial role in Contextual Evaluation and Targeting following IAB standards, allowing advertisers to target ads based on real-time audience profiles and content context. For the buy side, AI's ability to support real-time bidding based on contextual insights and audience data promises to be revolutionary, marking a shift from the realm of science fiction to reality by late 2024.

Beyond its role in optimizing attention metrics, AI's potential extends into areas such as creative personalization and predictive modeling, enabling advertisers to deliver impactful ads and better forecast campaign outcomes.

Beyond creative and predictive capabilities, AI also improves contextual targeting by analyzing the environment in which an ad appears. This goes beyond keywords, using natural language processing (NLP) and image recognition to understand the nuances of the content surrounding the ad placement.

AI also enhances campaign performance analysis by automating the data collection and analysis process, providing real-time insights into campaign effectiveness and areas for improvement. By continuously analyzing performance metrics, AI-powered tools can offer recommendations to optimize live campaigns, ensuring maximum impact while they are still running.

Conclusion

AI's integration into digital advertising is transforming every aspect of the industry, from personalization and prediction to contextual understanding and performance analysis. As the market evolves, embracing AI is no longer optional — it is essential for adapting to the demands of the Attention Economy. This shift from viewability metrics to meaningful engagement represents a critical evolution, with solutions like InsurAds' AI platform aligning the interests of advertisers and publishers. By reshaping measurement, optimization, and campaign delivery, AI ensures that the Attention Economy drives relevance, value, and impact in a saturated and fragmented market.

Business Deep Dive

LEAR CORPORATION



Miguel Patrício

Lear Corporation designs, manufactures, and supplies automotive seating and electrical systems to customers worldwide. It provides seating, E-Systems, and software solutions for a wide range of vehicle manufacturers, serving the global automotive industry with advanced products and technologies, being present on over 475 vehicle models. Led by the CEO Raymond Scott, it employs more than 186,000 people worldwide, being present in 39 countries. The company was founded in 1917 and is headquartered in Southfield, Michigan. It has been listed on the New York Stock Exchange since 1994 with the ticker LEA.

Markets

Since 2009, Lear's share price has increased by more than 315%, from $26 to more than $96. At the moment of writing, the price was close to its 52-week low after going down more than 25% last year. Its all-time high was $201 in 2021.

Key acquisitions have played a major role in Lear´s expansion, being a major part of the company's strategy, having invested over 2 bn dollars in the last decade in M&A, improving its offer in the range and quality of products, efficiency, automation, and vertical integration.

Lear's shares are mainly held by Blackrock (13.54%), Pzena Inv. Man. (12.78%) and Vanguard (10.56%).

Company Data	
Price	$96.72
YTD Performance	(31.51) %
52-week Range	$95.63 - $147.11
Shares Outstanding (M)	56.98
Market Cap (bn)	5.31
Entreprise Value (bn)	7.29
Fwd P/E Ratio	6.99

Market data from 03/11/2024

Lear's key dates and acquisitions



Price Performance



Business Model

Lear Corp. designs, manufactures, and supplies automotive seats, electrical distribution systems, electronic modules, and related components. It operates through two segments: Seating and E-Systems. The Seating segment consists of the design, engineering, just-in-time assembly, and delivery of complete seat systems, as well as the manufacture of all major seat components, including seat covers and surface materials. The E-System segment covers the design, development, engineering, and manufacture of electrical distribution systems and related technologies.

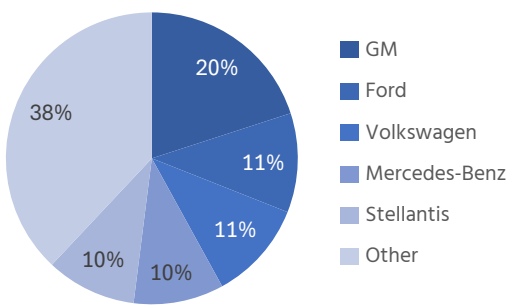
Lear has established key partnerships with automotive brands, mainly General Motors (20% of the revenue), Volkswagen, Mercedes-Benz, Ford, and Stellantis (10% of the revenue each).

Lear also has significant cooperation with disruptive and high-growth companies like BYD, which currently comprises over 50% of the 3-year non-consolidated backlog. The current backlog is 70% higher than the previous one, with a shift from Seating to E-Systems that has higher margins.

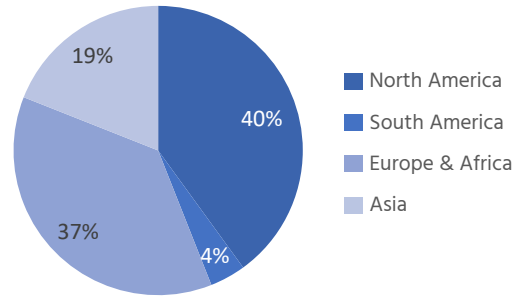
The company has also settled to benefit from the emerging Asian markets, with 66% of its backlog located in Asian Markets, establishing a competitive advantage over competitors resulting from local engineering capabilities and a higher level of Seating vertical integration with Chinese domestics compared with multinationals.

With already 68% of manufacturing facilities and 86% of employees located in low-cost countries, Lear has the goal of accelerating its footprint shift from Eastern Europe to North Africa and from Mexico to Central America.

Percentage of Sales By Customer



Percentage of Sales By Region



Market Snapshot

Before seeing where Lear is positioned against its peers, it is essential to understand the markets where it operates and its drivers:

• Seating: with an expected CAGR of 3.9% for the next 7 years, it has several growth drivers like the rising global demand for SUVs, Climate-Controlled seats, and Leather seats (premium and more expensive options), with the Asia-Pacific region expected to register most growth.

• E-Systems: with an expected CAGR of 5.4% for the next seven years, some of the main growth drivers are the growing EV market, as wiring harnesses are crucial for controlling various EV systems; Safety & Automation, as there is an increased demand for advanced safety systems driven by automation faults and customer focus on safety; and Infotainment Systems, as navigation and infotainment systems have become standard in modern vehicles, adding complexity to wiring harness needs. The Asia-Pacific region is also expected to dominate growth.

Peer Analysis

As previously mentioned, Lear operates in two markets: Automotive Seating and E-Systems, each with distinct competitors depending on the segment:

• Seating: Lear has become the 2nd largest player in this segment with a 25% market share (and increasing), just behind Adient (NYSE: ADNT) with a 32% market share. Adient, despite having the market share, is presented as a low-cost supplier, opposite to Lear´s high-end reputation, resulting in much higher margins. Other relevant peers are

Faurecia (16% MS) and Magna Int. (11% MS). Lear stands out with the most complete luxury and high-end product offering, driving higher margins and a clear competitive edge.

• E-Systems (Wiring Harness): Despite having a relevant and growing presence worldwide, Lear hasn't established itself as a major player in this segment yet, with a market share of around 10%. As major players, we have Yasaki, Sumitomo Electric, and Aptiv, with a combined market share of around 65%. However, Lear is well-positioned for growth through key partnerships with high-growth automotive companies like BYD, Xiaomi, and Geely (a Chinese automotive group with over 15 automotive brands, including Volvo and Polestar).

Risk and Catalyst

Risks

• Political Risk: Probability of trade tariffs on production. As most of the production is located outside target markets, increasing protectionism in Europe and the US may reduce margins.

• Order book: Probability of sudden cancellations of contracts. Some of their customers have discontinued planned new releases, although always before, significant investment was made by Lear.

• Automotive slowdown: Probability of cost-cutting from customers. Due to the industry situation, some clients are implementing cost-cutting measures that may drive margins down. Despite this, exposure to the luxury segment mitigates this risk.

Catalysts

• Current Market State: as Lear's stock price is close to its 52-week low, it presents a great entry point, entering the low part of the economic cycle.

• Only Suppliers of outsourced thermal heating: through its M&A, Lear has become the supplier of the best and wider range of products, being the only company offering thermal heating technology on its seats. This type of seating has seen increased demand.

• Strong Client Relations: with strong ties with the main automotive companies, like GM, VOW, and Stellantis, and fast-growing companies like BYD and Geely, Lear is the one-to-go supplier and is well positioned to have an increased presence over these brands.

• Consistently referenced as the best in the market: regularly winning awards, the renowned quality makes Lear the first choice for customers.

Valuation and Outlook

Lear recently reported a worse than expected 3rd quarter, following industry tailwinds, peers, and automotive companies.

Lear's revenue declined to $5.6 billion, a slight decline from $5.8 billion in Q3 2023. On the other hand, because of Lear's capital allocation strategy, earnings per share (EPS) increased to $2.89 from $2.87. The biggest drop was in operating cash flow, dropping to $183 million, down from $404 million in the prior year's quarter.

Despite this last quarter, in the big picture, annually Lear´s revenue has continued to grow and recover from the pandemic impact, having registered low double-digit growth rates YoY since 2020, passing from $17.04 Bn to $23.46 Bn, surpassing the pre-pandemic levels.

The revenue is expected to continue to grow in the next years at a slower pace in the short term, resulting from macroeconomic and industry trends. Analysts also expect Lear's stock price to have an average price rise of 36% to $131 in the next year.

In terms of valuation, Lear currently has a P/E ratio of 10.17 and a forward P/E ratio of 6.99, well below its 10-year average. Lear is valued in line with Seating peers but undervalued when compared to E-Systems, where more growth is expected.

Lear Corporation is strategically positioned for the automotive sector's transition to electrification and digitalization, supported by strong customer relationships and global expansion. Despite economic pressures, Lear's ongoing investments in product innovation and operational efficiencies are likely to bolster its market value and sustain long-term shareholder returns.

Following Smart Money



Yash Chauhan

An In-depth Look At What Retail Investors Can Learn From 13F Fillings

Introduction

Imagine being able to follow the decisions and stock picks of some of Wall Street's most powerful and well-informed investors. That's exactly what 13F fillings allow you to do.

In 1975, the Securities and Exchange Commission (SEC) demanded that all institutional investment managers with more than $100 million in assets under management report their equity holdings quarterly, which is now known as the SEC Form 13F report.

This law was intended to provide the U.S. public with a view of the holdings of the nation's largest institutional investors and increase investors' confidence in the integrity of the nation's financial markets.

Limitations

Before delving into the benefits of analysing these reports, it is important to understand the different constraints that are imposed. Firstly, there is a 45-day delay after the end of the quarter before the information is publicly disclosed. Moreover, it does not account for all types of securities like short positions, nor other aspects like transaction costs and liquidity problems.

But the #1 criticism thrown at the 13F form consists of the fact there is absolutely no accountability in the accuracy of the fillings, with errors being the well-established norm.

Nevertheless, there are several ways these limitations can be mitigated. For value investors who use a long-term approach, the 45-day delay is inconsequential. Also, by making distinctions between the strategies used by different financial institutions it is possible to identify those who focus primally on long positions. By checking restatements and conferring the accuracy of previously released data it is possible to identify those who are less error prone.

"Conviction" Picks

One of the most obvious uses of 13F fillings is the spotting of "High Conviction" securities, in other words newly bought or largely increased positions that represent a significant portion of the investor portfolio and that show the funds' deep belief in the stocks' long term growth potential.

In this case instead of tracking funds that opt for a diversity approach the retail investor should keep an eye on funds that consistently outperform benchmarks by having a concentrated portfolio, such as Berkshire Hathaway or Third Point.

For example, Third Point held 40 positions, each representing no less than 0.5% of the portfolio, with the top three positions accounting for 30% of its total value.

In Q2 of 2024, Third Point added four new positions. Let's take a closer look at two of these recent acquisitions.

Amphenol Corporation (APH)



Roper Technologies, Inc. (ROP)



The acquisition of APH within the range of $52 to $70, now trading at $68, suggests Third Point sees sustainable growth or undervaluation that the market might not fully appreciate yet. Similarly, ROP was bought between $510 and $563 and is now trading close to $552, indicating stability or expected future gains.

By being selective within the investments in their portfolios, funds like Third Point demonstrate strong confidence in these companies' long-term potential, offering valuable insight into potentially undervalued or strategically promising stocks.

This is just one example of spotting "High Conviction" investments. Overall, the following parameters should be considered:

- Position size as a percentage of the portfolio
- Changes in position size quarter-over-quarter
- Initial allocation size in new positions
- Long-term commitment

"Consensus" Picks

In addition to Conviction Picks, through identification of the positions that are held by a great number of managers at any given time, we can also look at Consensus Picks it is possible to infer which stocks Wall Street is positive about.

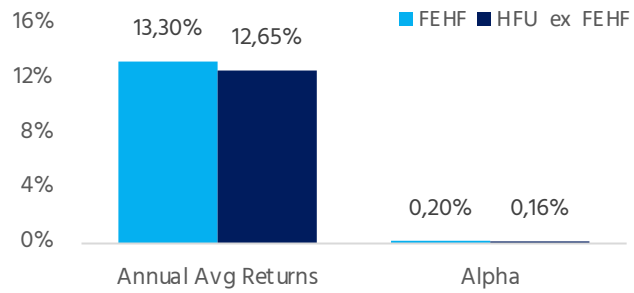
Nonetheless, it's important to make distinctions within them.

A study made by members of Barclays Quantitative Investment Strategies (QIS) group and Novus Partners Inc. highlights that when we narrow down the focus to only include stocks held by Fundamental Equity Hedge Funds (FEHD), as opposed to including Mutual Funds, the Consensus Picks end up delivering better results. This is due to the aggressive, high-conviction nature of these funds, often less restricted by benchmarks or the need to diversify broadly, making them more effective for a consensus-based strategy.

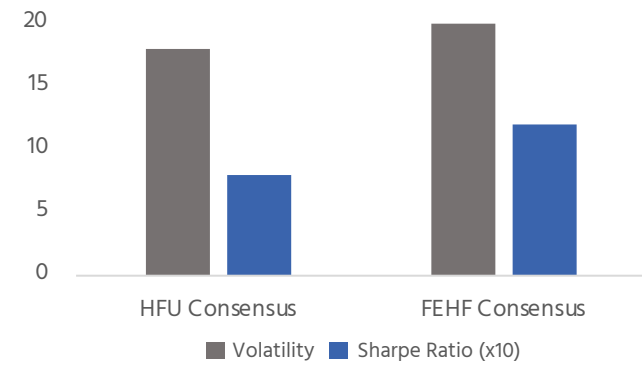
In the following graphs, it is possible to observe that FEHF brings better results than more general Hedge Funds.

The second graph further reveals that FEHF Consensus Picks, though slightly more volatile, offer a better Sharpe ratio, meaning they yield higher returns per unit of risk. This suggests that filtering for FEHF picks can enhance both returns and risk-adjusted performance — an essential insight for retail investors aiming to track smart money effectively.

Comparison of Annual Avg Returns and Alpha



Volatility and Sharpe Ratios for Consensus Type Strategy



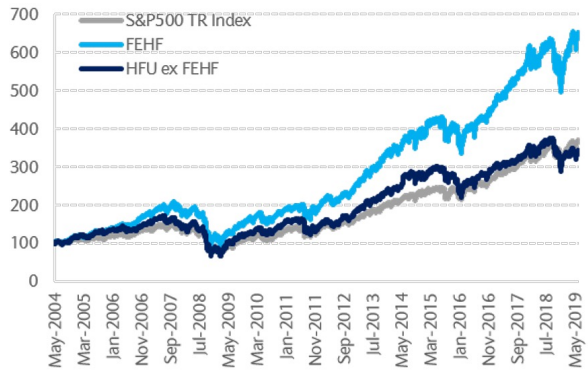
Looking for alpha

Due to the nature of 13F fillings, there has been raised the possibility of creating cloned portfolios that achieve an alpha – in other words, cloned portfolios that would outperform the S&P 500 Index Fund with the excess return being denominated alpha. A study conducted by Jan L. Schroeder and Peter N. Posch analyzed over 150.000 hedge fund portfolios between the period of 2013 to 2023 across 12 different metrics. It concluded that the top fully cloned portfolios outperformed the S&P 500 by 24.3% annually when there was a risk-adjusted basis. However, despite the overall strong performance, the cloned funds exhibit increased annualized volatility and maximum drawdowns, indicating higher risk levels compared to their source funds.

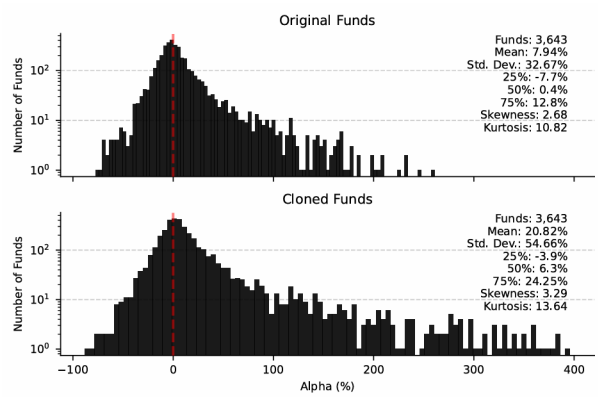
The previously mentioned QSI study converges and organizes a variety of both "Conviction" and "Consensus" Picks and denominates the top 50 picks "best ideas". Combining both metrics, they find that portfolios focusing on stocks with both high conviction and consensus perform even better than those based solely on one of them.

Their model rebalanced 47 days post-quarter, averaged a monthly six-factor alpha of 0.32%, and constantly outperformed the S&P 500 by more than 3%. By isolating top-quartile performers and applying a rebalancing strategy on disclosure dates, the cloned portfolios exhibited lower volatility, lower maximum drawdowns, and improved tracking error relative to the S&P 500, which is a very different scenario than the Jan L. Schroeder and Peter N. Posch research.

Cumulative Returns of a Strategy that Combines Conviction and Consensus



Alpha Distribution Comparison between Original and Cloned Funds



Jan L. Schroeder and Peter N. Posch's study

Reversing the trend

It is important to underline the fact that relying only on 13F filings for investment decisions is unwise due to limited context. To make informed decisions, investors should combine 13F insights with comprehensive analysis for a well-rounded investment approach.

Furthermore, some studies took a unique approach when analyzing 13F filings and emphasized the opportunities that lie in the potential for contrarian strategies that capitalize on overbought or oversold conditions. The idea of "Reversing the Trend" involves identifying stocks where hedge fund trading imbalances signal crowding.

Research indicates that contrarian strategies based on 13F-reported imbalances are most effective over short to medium horizons, typically from 21 to 42 days after the reporting quarter. By focusing on stocks with the most extreme imbalances, investors can capture these short-term reversals.

This completely different approach to 13F fillings proves that while it is impossible to rely solely on them, they offer a variety of opportunities for different investments that may have gone unnoticed.

Conclusion

The SEC's 13F filings offer retail investors valuable insights into the strategies of top institutional investors. By analyzing hedge fund positions, retail investors can align with high-conviction and consensus picks, potentially identifying strong growth stocks. "Conviction Picks" highlight concentrated bets by high-performing funds, while "Consensus Picks" indicate broader confidence across multiple funds. Success, however, lies in selectively following funds with proven expertise, especially Fundamental Equity Hedge Funds (FEHFs), which base investments on thorough research and a long-term outlook. Studies confirm that 13F-based cloned portfolios can outperform the S&P 500.

That said, it's essential to never follow 13F filings blindly due to several limitations. Investors should always weigh company fundamentals, industry trends, and macroeconomic factors alongside 13F data to ensure a balanced perspective.

All in all, 13F filings are a valuable tool but should always be combined with personal research and risk management to maximize their potential.

Central Bank Digital Currency



Miguel Moura

Money Is No Longer Cash And Notes

Introduction

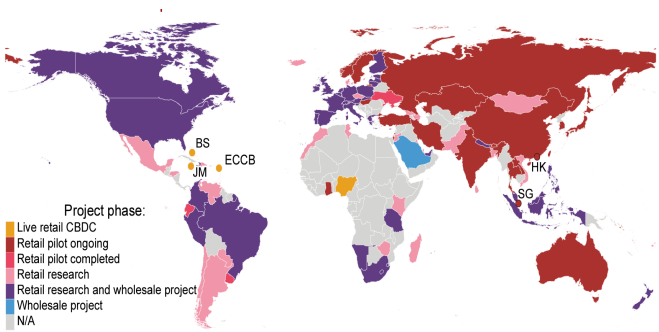
The shift towards digital technologies, accelerated by COVID-19, has transformed the economy, offering various ways to transact, such as MB Way, PayPal, and traditional methods. So why are central banks considering digital currencies?

Public money plays a special role as the anchor of the monetary system. However, if cash is no longer used widely, the promise of perfect convertibility loses bite. In this scenario, a digital version of cash would ensure the continuation of a similar monetary system. Keeping control over the central bank currency in circulation is crucial to ensure its balancing role in retail payments.

According to a 2022 survey from the Bank of International Settlements (BIS), 93% of central banks are exploring CBDCs, and 58% may issue a retail CBDC in the short to medium term. Emerging economies like Nigeria have already implemented a CBCB, while China, Sweden, and South Korea are in the pilot phases. The US, EU, and UK are still researching potential impacts.

Although it's uncommon for these influential economies to rank low in innovation, this is perfectly understandable given the impact on the reputations and credibility of Central Banks and the Federal Reserve.

CDBC Research and Pilots around the World, 2023



(Source: BIS, 2024)

Types of CBDCs

A CBDC is a digital version of a country's official currency, designed to be legal tender and operate alongside cash and traditional bank accounts. It is generally defined as a digital liability of a central bank, offering the safest digital asset without liquidity risk.

CBDCs are non-remunerable, meaning they don't pay interest, similar to cash. In practical terms, for the public, there is the retail CBDC, which can be used for peer-to-peer transactions, payments of goods or services, online purchases, as well as to pay or receive money from the government, mainly taxes or subsidies. This means individuals can hold accounts directly, bypassing commercial banks. Concerning large-scale interbank transactions, wholesale funding was designed. This method allows banks to raise significant amounts of capital in a relatively short period. Wholesale funding can be used to support lending activities or other financial operations.

Innovation in monetary policy

SWIFT (Society for Worldwide Interbank Financial Telecommunication) for international transactions is the current standard technology but has inherent limitations and issues, particularly concerning the role of intermediaries.

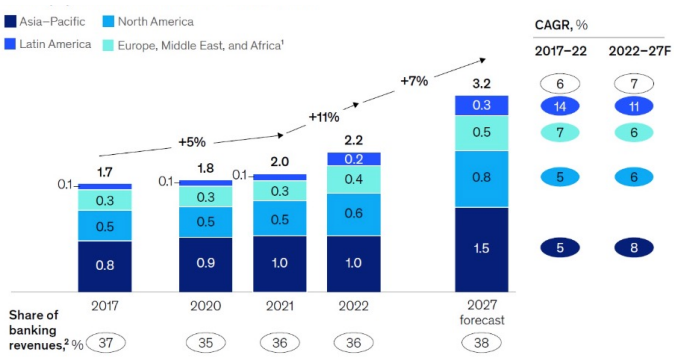
Each intermediary bank adds fees to the transaction, which can make the process costly and long for the end users. Furthermore, while SWIFT provides some tracking capabilities, they are generally limited compared to newer blockchain-based systems.

Moreover, banks in countries facing sanctions can be restricted from using SWIFT, making it difficult for individuals and businesses in those regions to engage in international trade and financial transactions. This creates a layer of geopolitical risk.

CBDC's cross-border payments will rely on a permissioned blockchain controlled by central banks and accessed by commercial banks with the functionality of smart contracts (once the conditions encoded in the contract are met, the contract automatically executes the agreed-upon actions without requiring human intervention). This could boost international trade by reducing transaction times, exchange rate risks, and reliance on intermediaries. CBDCs can exponentially increase payment efficiency by reducing dependence on other payment infrastructures. Therefore, countries with advanced CBDC systems may gain an advantage and financial influence, creating competitive pressure on other countries to adopt their central bank digital currencies.

As shown by the projected growth in global payments revenues across regions, the adoption of CBDCs could accelerate this trend, particularly in emerging markets like Asia-Pacific.

Global payments revenues, 2017 – 2027F, $ trillion



Source: Payments cards & mobile, 2023

Impact on the macroeconomic environment

Bank deposits, lending and investments

From 2009 to 2022, the ECB has been using macroeconomic tools such as the ZLB (Zero Lower Bound) and the NIRP (Negative interest rate policy). Both aim to stimulate the economy by encouraging bank lending and investment, as individuals would not have any incentive to keep their money in the bank.

Central bank digital currencies (CBDCs) present a potential alternative to traditional bank deposits, raising concerns that savers might transfer large portions of their funds from commercial banks directly to the central bank's digital currency accounts. Such a shift could prompt substantial outflows from commercial banks, requiring them to enhance their competitiveness by offering higher interest rates on deposit accounts to retain customers. Ultimately, although unlikely, CBDC´s adoption may result in deposit interest rates increasing.

However, if commercial banks fail to adapt, reduced deposits could weaken their lending capacity to households and businesses. To address these deposit shortfalls, banks may be forced to rely on wholesale funding — the other CBDC´s feature that allows them to access large amounts of capital in a relatively short time frame. Alternatively, banks might be driven to pursue higher returns by issuing riskier loans or investing in more speculative securities, potentially increasing their exposure to financial instability to maintain profitability.

Central banks exploring CBDCs are considering precautionary design features such as holding and transaction limits and tiering of interest rates, which do not have a powerful impact on commercial banks' business.

Reduce volatility

Economic recessions are cyclical, requiring central bank interventions for stability.

During periods of macroeconomic fragility, there is heightened pressure on central banks to improve economic conditions. Since policymakers can make better decisions if they have better information, movements in CBDC accounts held by the central bank could provide real-time information about the health of the financial system, which could improve the effectiveness of central bank interventions and, thus, overall financial stability.

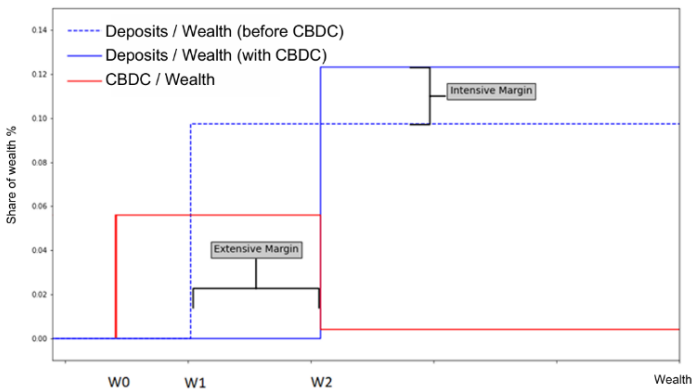
Furthermore, CBDCs could theoretically offer a more stable form of liquidity during financial crises or bank runs. In times of panic, people might prefer moving their money into CBDCs, which are backed directly by the central bank, rather than holding deposits in banks, thus offering a safer and more liquid asset.

Financial inclusion

CBDCs offer a government-backed, universally accessible digital payment system that doesn't require traditional bank accounts. This is particularly beneficial for unbanked individuals, who may face barriers to accessing commercial banking services, such as high fees or minimum balance requirements. By using CBDCs, low-wealth individuals could make transactions without incurring costs associated with commercial banks, like overdraft fees or monthly charges.

Currently, worldwide, 1.4 billion adults worldwide remain unbanked, lacking access to formal financial institutions. CBDCs may serve as an initial entry point to a digital financial account that leads to the opening of bank accounts and credit access. IMF´s research finds that widespread adoption and use of digital finance could increase the GDPs of all emerging economies by 6 percent by 2025.

Impact of CBDC on Deposits as a Share of Wealth



Source: IMF

Impact of CBDC's in the crypto market

A cryptocurrency may be decentralized, but a person might need to use an exchange to buy coins or hold them in a wallet controlled by a corporation. This adds a layer of centralization to managing decentralized cryptocurrencies. CBDCs, as centralized digital currencies, are issued and regulated by central banks. They operate within the existing financial system and are subject to governmental policies and regulations. For this reason, CBDC's implementation can lead to regulations and reduced demand for crypto.

CBDCs' stability and government backing make them more appealing than volatile cryptocurrencies, potentially decreasing the demand for private stablecoins.

Their introduction could also lead to increased regulatory scrutiny of cryptocurrencies, reducing scams and reshaping the market. However, some investors may continue to seek out decentralized digital assets for privacy or ideological reasons.

Risks

If poorly designed, CBDCs could undermine central bank credibility, affecting monetary policy transmission. Technical failures, cyberattacks, loss of user funds, or breaches of confidential user data could pose reputational risks for the central bank. Central bank credibility directly impacts public expectations of future inflation. A central bank that is perceived as credible in its commitment to maintaining price stability helps anchor inflation expectations, making it easier for the central bank to achieve its inflation targets.

Conclusion

In a nutshell, the digitalization of the global economy and the exploration of CBDCs mark a shift in monetary systems. As society moves toward increasingly digital transactions, central bank digital currencies offer a secure evolution of public money. Looking ahead, CBDCs could reshape the global financial landscape, affecting how central banks, commercial banks, and consumers interact. The impact on international trade, payment efficiency, and economic stability could be significant, creating advantages for countries that are early adopters and fostering a competitive global environment. However, challenges remain, such as potential strains on commercial banks, cybersecurity concerns, and the need to maintain public trust in central banks' commitment to economic stability. The future of CBDCs will rely on striking the right balance between innovative design and regulatory safeguards to maintain financial stability, a challenge that stands as, perhaps, the greatest difficulty in the journey toward effective central bank digital currencies implementation.

Interview with



Francisca Fernandes

/in/francisca-saramago-fernandes/

Francisca Fernandes is an inspiring professional with a unique approach to career decisions and a passion for financial markets.
She earned a Bachelor's in Business Administration from Católica Lisbon SBE, with an exchange semester at Regent's University London.
With a month of professional experience at Santander Portugal, she started a full-time position at BNP Paribas CIB, working in Fixed Income Sales and Trading Support.
In 2019, she completed a Master's in Finance at Nova SBE and was the Nova Investment Club president.
In 2020, she interned at Goldman Sachs in London. In 2021, she moved to J.P. Morgan, advancing from intern to associate in three years.

Q1: As members of the Nova Investment Club, we're curious to hear how your experience in NIC influenced your professional journey.

My experience at the Nova Investment Club (NIC) prepared me very well for the job market by providing a practical understanding of financial markets, precisely the area I had always wanted to pursue since I joined Nova. Doing the Masters at Nova helped me develop my technical skills, and the demanding courses helped me improve essential soft skills, such as working under pressure and collaborating in teams. However, I wanted to go further, and NIC played a pivotal role in several ways. First, it kept me consistently informed about the markets. Writing articles, staying updated with the news, managing a virtual portfolio, and participating in discussions offered perspectives beyond what the Masters coursework alone could provide. Second, the network I built through NIC was invaluable. Connecting with professionals from various banks and divisions helped me identify both what I wanted to pursue and what I didn't — a realization that can be equally important. Understanding what you don't want is often as relevant as knowing what you do. This exposure helped me understand better whether I would prefer working on long-term projects or the dynamic, fast-paced environment that you can find on the financial markets side. It also better prepared me for interviews and job applications by providing insights into the demands of different roles and how I could position myself as a stronger candidate. Overall, NIC was crucial in offering me a practical approach to financial markets and expanding my professional network, both of which were vital as I entered the job market.

Q2: What were your reasons and motivations for pursuing a Master's degree after your time at BNP Paribas, and what value did you see it could add to your career?

I would like to start by emphazising that there is no definitive right or wrong choice when deciding whether to take a break between a Bachelor's and a Master's degree. The decision largely depends on an individual's unique circumstances and the clarity they have regarding their career goals. Personally, after completing my Bachelor's degree, I was uncertain about my next steps. Before joining BNP, I took the opportunity to travel and worked at different part-time jobs to cover my expenses. I believe it's important to recognize that taking a break can be a valid decision, and I am grateful I did so. Had I been pressured to immediately choose a specialization, I might not have selected Finance. I was determined not to pursue a Master's degree merely to enhance my CV; I wanted to specialize in something I was genuinely interested in learning further. During my break, I traveled, worked in clothing stores and a hotel, and encountered challenging situations that taught me more about myself. When the opportunity at BNP came up, I took it because it seemed a valuable learning experience and a great place to start my career. I began with six months of training in London and then joined a new project in Lisbon. This experience made me realize my strong interest in finance, particularly the dynamic environment of financial markets, where every day is different. Later, I realized I wanted I wanted to move to London, which I consider to be the European Capital of Finance. However, transitioning as an experienced professional proved more challenging than starting as a graduate. This realization led me to pursue a Master's degree as a means to deepen my knowledge and better position myself for opportunities in London. Choosing Nova University was an excellent

decision: it is international, highly ranked, and the program perfectly aligned with what I needed to advance to the next stage of my career.

Q3: Looking back on your career and academic path, is there anything you would have done differently, from the courses you took to your degrees?

That is a great question. On one hand, I wouldn't change anything because I'm very much a people person. The relationships I've built throughout my gap year, my time at BNP, and during my Master's program have been invaluable. I feel that if I had taken a different path, I wouldn't have met those incredible people, and I certainly wouldn't want to miss out on those connections. On the other hand, when I began working at J.P. Morgan, I realized that a finance degree isn't a prerequisite for a career in finance. The bank hires people from diverse backgrounds—whether in history, design, medicine and others—as they bring fresh perspectives and learn all the technical aspects of the job quite quickly with all the training provided. If I could go back, I might have chosen to study something entirely different to diversify my learning path. However, if I had to give a definitive answer, I wouldn't trade the experiences and relationships I've built for anything. So, ultimately, no, I wouldn't change my choices.

Q4: Having done numerous internships, you must have experienced several recruitment processes. What are, in your opinion, the key factors to be successful in interviews? Additionally, could you compare the application processes at Goldman Sachs and J.P. Morgan?

To succeed in the recruitment process, let's begin with the CV. It should be clean, concise, and well-structured, clearly highlighting your contributions and learnings from both professional and academic experiences. Early in my career, a senior colleague advised me, "If I've been in the industry for +10 years and my CV is one page, there's no reason for a graduate's CV to be longer." – and I couldn't agree more. Your CV should focus on relevant information tailored to the role you're applying for. While you may have a range of experiences, not all will align with the position you're targeting. The next step is the interview process. In today's competitive landscape, securing an interview isn't always easy. If it doesn't happen this year, try again next year. If one bank doesn't work out, apply to five others. Broaden your horizons to increase your chances. You might not end up exactly where you imagined, but you'll likely find an opportunity that brings growth and makes you happy. If you're fortunate enough to get an interview, over-prepare. Treat it like an exam, anticipating both technical and personal questions. Many candidates focus solely on technical content and overlook common questions like, "Tell me about a time when..." or even their self-introduction. A strong introduction can make a significant difference—first impressions matter. For my preparation, I used resources like Wall Street Oasis, which offers guides for banking interviews. Knowing I wanted to work in markets, I also focused on gaining a high-level understanding of all asset classes. As a graduate or intern, you're not expected to know everything, but you should have a basic knowledge of key concepts: how to price a bond, different types of bonds, interest rate risk, variables influencing option prices, different option strategies, the FX market and major currencies, stock valuation, and more. Additionally, seek advice from others. Leverage the alumni network at Nova or even NIC. Connect with someone on LinkedIn with whom you share a common interest, such as a sport, exchange school, or nationality. This could lead to a brief chat that might significantly enhance your interview preparation. When comparing the recruitment processes of J.P. Morgan and Goldman Sachs, they are quite similar: HireVue Interview & Assessment Center, or 'Super day', which is a day full of interviews. The differences often lie in the interviewer and the specific skills and personality traits they seek. While each bank has its own culture and values, the team or division you're interviewing for will differ in their approach in some way.

Q5: What's been the most satisfying client interaction or challenging market situation you've managed in eFICC Sales with hedge fund clients?

It is hard to pick one, but I believe my proudest moment occurred this year. When you begin a career in sales, you start working on building strong client relationships, and this process can take time. You need to earn their trust and expand your knowledge to provide real value. This year, in my first year as an associate, I was able to leverage the knowledge I had gained over the past three years, along with the confidence that experience brings. I had the opportunity to present to a group of over ten traders from a client. Without going into too much detail, I successfully pitched an idea that ultimately generated more business. Unlike the typical sales

pitch focused on a specific trade idea, my pitch was focused on a different way of executing trades. This achievement is something I'm particularly proud of, especially considering I was addressing a large audience on the client side, surrounded by individuals with over a decade of experience.

Q6: Considering your recent promotion, could you walk us through a typical day as an Associate and explain how it compares to a typical day when you were an Analyst?

In my view, the distinction between being an analyst and an associate lies less in the tasks themselves and more in the expectations regarding the quality of your work and how you deliver it. As an associate, the focus shifts more toward outcomes rather than different tasks. A typical day involves engaging with clients through various channels and sometimes attending breakfast or lunch meetings with them. When my day starts, I ensure that I am up-to-date with some of the news, I look at our trading flows and understand any changes or issues that occurred overnight. I also maintain regular communication with my colleagues globally. Besides client interactions, I spend a significant amount of time on internal calls with teams to develop solutions and work on new projects. Additionally, I analyze a substantial amount of data—one of the advantages of being on the electronic side of trading is the extensive access to data, which I use to identify new opportunities for our clients.

Q7: Working in finance at J.P. Morgan in London can make it challenging to maintain a work-life balance. Could you share how you manage both?

I'm proud to say that I manage my work-life balance very well. I start my day early, arriving at the office around 7:30 AM, and typically finish by 5:30 to 6 PM. I don't work on weekends, which may be one of the advantages of a career in Financial Markets. This schedule allows me time to exercise after work, meet friends for a drink or dinner, and even travel on weekends. I believe that starting early contributes for a better work-life balance.

Q8: How would you explain the intense competition in the banking and finance industry, and do you think it's reasonable?

The recruitment process is indeed quite competitive, particularly for the reasons I mentioned earlier. In places like J.P. Morgan, and likely other banks as well, we seek candidates with diverse academic backgrounds. As a finance student, this means you're not only competing with your peers in finance but also with individuals from entirely different fields.

In my view, the competitiveness isn't solely determined by the banks; it's largely influenced by people's interests. Trends, preferences, and the availability of information affect the number of applications each year. Banks naturally aim to attract as many applicants as possible to ensure they find the right candidates, as a larger pool increases the likelihood of selecting the best fit.

However, interests are shifting. I've observed a growing interest in tech, with many who once considered finance now exploring tech careers. While these fields offer vastly different experiences, the increased interest in tech it still doesn't diminish the competition in finance.

To succeed today, you need to diversify your profile. Working on new skills, such as programming or learning a new language, and gaining unique experiences like living abroad or competing in sports, can make a significant difference. Banks also understand that not everyone has access to these opportunities, but if you do, it's important to take full advantage of it. Simply attending a prestigious university isn't enough, as there will always be many others with similar qualifications, so focus on distinguishing yourself.

In my opinion, the competition in the recruitment process makes you value your job more. I'm grateful for the opportunity to work here and appreciate learning from incredible colleagues while contributing to the business's growth.

Once you're in, the mindset shifts. It's no longer about competing with others but about demonstrating your worth as the right candidate. J.P. Morgan receives a high volume of applications and accepts only a few, which in my opinion reinforces the importance of valuing the opportunity to join the bank.

Q9: To wrap up, what advice would you give to students aspiring to pursue a finance career in London? Is there anything you wish you knew when you were just starting?

My main advice is to avoid comparing yourself to others. Everyone has different priorities, skills, and ways of adding value. Comparing yourself to others often leads to negativity and reduced motivation. For instance, during high school and my Bachelor's degree, I was competing in gymnastics. This

commitment meant I had less study time compared to my peers, but it didn't make me any less capable. Despite achieving good results, I sometimes doubted myself a lot, and unfortunately, I ended up comparing myself too much with the people around me. It's important to try to achieve what you aim for. Even if the process seems competitive and more challenging for you, don't let that stop you. If you're unsuccessful, take the time to analyze what you can do differently and try again. Resilience is crucial. Each rejection is an opportunity to improve and prepare for the next attempt. Moreover, throughout the recruitment process, focus on highlighting your strengths rather than comparing yourself to others.



Yash Chauhan



Francisco Faria



Raquel Mendes

Message from the Co-presidents.

Dear Reader,

We are thrilled to bring you the latest edition of the NIC Undergrad Review. As Portugal's first student-run business magazine, we are proud to carry on this tradition for the 2024/2025 year, capturing the curiosity and drive of our community.

This is the first NUR of the academic year, and we have made some structural changes. This edition is just a glimpse of what we are preparing for the year ahead, with much more to come.

One highlight we are particularly excited about is our interview with Francisca Fernandes, a remarkable NIC alumna. She shared her journey from being a professional gymnast to joining BNP, entering NIC, working at Goldman Sachs, and later at JPMorgan. Her story contains valuable advice for students who are pursuing their bachelor's and master's degrees and want to enter the competitive finance industry in London. We are truly grateful for the time and knowledge she brought to this interview.

Thank you to Raquel Mendes, our Editor-in-Chief, for her effort in leading NUR. Thank you also to all the members who contributed to this edition of the NUR.

To all readers, we are grateful for your support of NIC-UD and this community. We hope you enjoy reading this edition as much as we enjoyed putting it together.

Sincerely,

Francicsco Bragança Santos

Co-President NIC-UD



/company/novainvestmentclub-ud



novainvestmentclub-ud