SMU SINGAPORE MANAGEMENT UNIVERSITY | School of Accountancy

SMU EMERGING MARKETS

SMU Emerging Markets

An Introduction

SEM President Speech

Our SEM Journey

Ashu Apuruv Agarwal

President
SEM 4th Executive Committee
Year 3 SMU undergraduate, B.Sc. (Economics), Second Major: Finance

SMU Emerging Markets has been crucial to my development, not only as a student and potential employee, but as an individual. Having joined SEM in my freshman year, I had the opportunity to gain a head start in developing essential capabilities such as research, networking, presentation and leadership skills.

Ashu has received his Capital Market Professional certification from the National Stock Exchange of India Limited. He has completed an internship with Brandes Investment Partners.

1. Who We Are

The SEM Brand

SMU EMERGING MARKETS

The ***first*** and ***only*** student club in Singapore to possess a broad emerging markets focus

Our Vision	To be the premier knowledge hub for students with an emerging markets focus, globally recognized for its research and industry partnerships.
Our Mission	With a student-centric approach, SEM aims to be an interactive business collaboration center for research on globally emerging markets; provide contact with emerging market industry and academic partners; promote careers with an Emerging Markets focus; foster the exchange of information and ideas about doing business in emerging economies and spearhead forums and study missions in emerging economies.

Diversified portfolio of 7 different emerging markets desks & 4 different focus sectors

Focused research on major industries

- Financial Institutions
- Resource & Energy
- Fast Moving Consumer Goods
- Industrial Corporate Group

In 7 different emerging markets regions

- Africa
- Central & East Asia
- India
- Latin America
- Middle East & North Africa
- Russia
- South East Asia

Club Structure

SMU EMERGING MARKETS

President
Ashu Agarwal

Vice-President
Clement Aw

7 Research Desks

Africa
Aayush Kumar
Lucas I Ian

Central & East Asia
Liu Gewei
Shivika I Lingjun I Naresh

India
Praveen Ravi
Timothy I Pragya I Wiky

Latin America
Li Lin
Gideon I Natalie

Middle East & North Africa
Daryl Tan
Joanna I Rachael

Russia
Kaisiang I Vignesh

South-East Asia
Siddharth Kaul
Kelly I Daniel

Wide spectrum of exposure to the emerging markets no matter which desk you are in

2. Research Competencies

Because knowledge is power

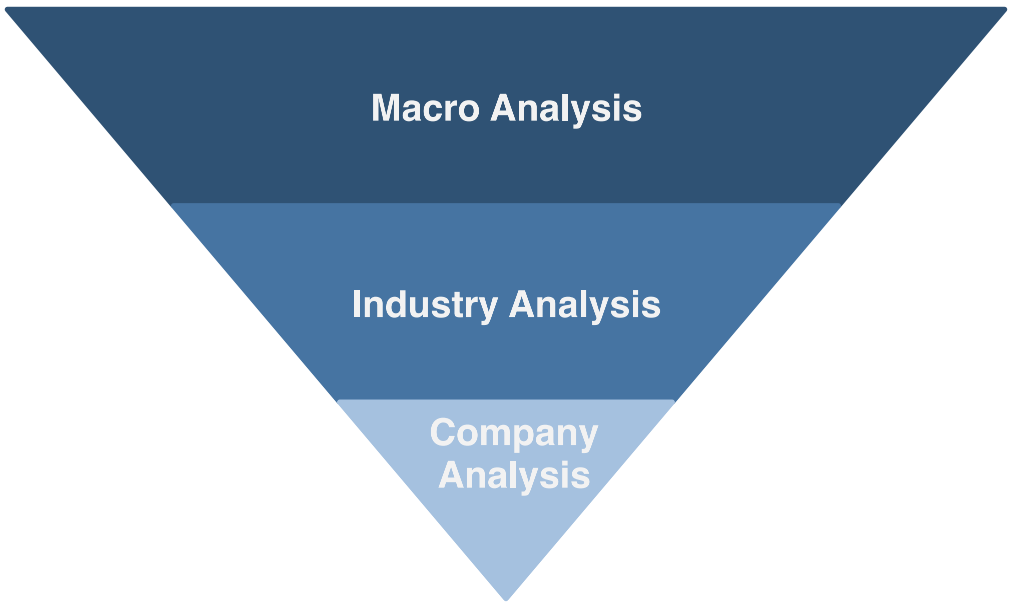
Established Research Foundation

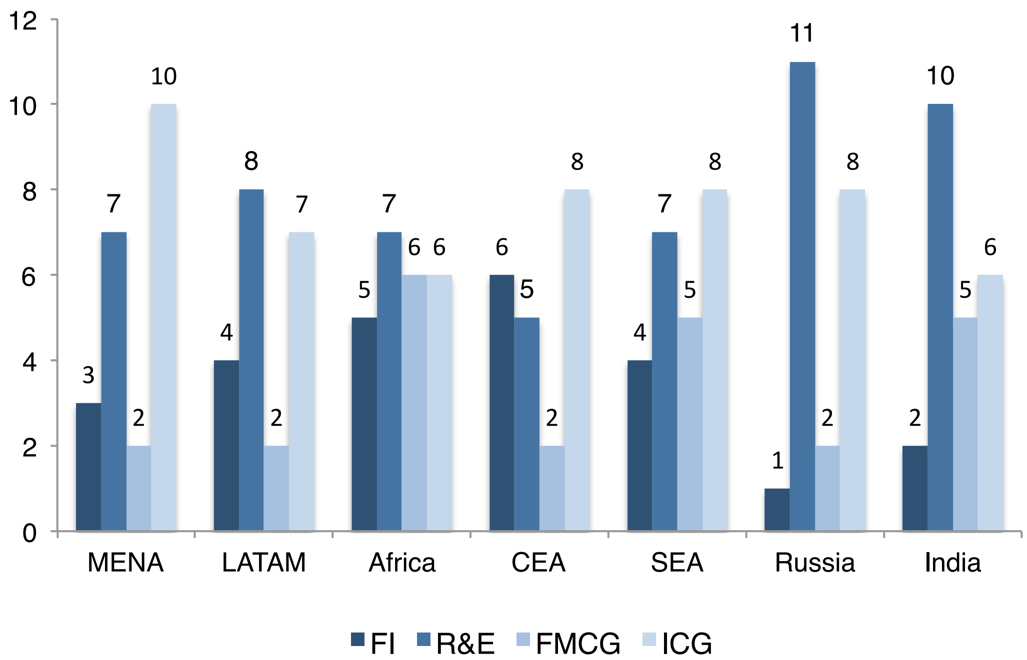
Comprehensive Research Framework

- Macro analysis covering economic indicators, mega trends & PESTLE approach
- Industry analysis exploring demand & supply factors, Porter's Five Forces & industry value chain
- Company analysis encompassing SWOT, ratio and financial analysis, business strategies & competitive advantage of the firm

Diverse Research Areas

- 157 executive cycles to date, spanning diverse sectors across 7 emerging markets
- Freedom to explore new and interesting industries
- Highly relevant research driven by current developments and trends





Research Samples

Executive Brief


Research- Executive Brief

Emerging Markets Region- Sub-Sahara Africa (ICG) Wednesday, June 26, 2013

Contacts
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Serene Khoo Vice-President
serene.khoo.2012@smu.edu.sg

Figure 1: the inwards FDI stocks and construction value added in select countries

Source: GMO

Figure 2: Urbanization rate and population in Emerging Africas

Source: CEIC

Headlines

- Construction value added has increased 227% from 2007 to 2011 in Nigeria, moving in tandem with FDI inwards stocks that increased 211% in the same period
- Infrastructure projects would boost cement demand by 9% annually through 2016
- Per-capita cement consumption in Sub-Sahara Africa averages 95kg – 105kg, 62% less than developing countries' average
- Demand for cement industry is expected to grow 16% in 2013
- Continuous flow of investment into the construction industry:
- Dangote Cement USD500mn (3mn tonnes cement plant)
- WAPCO USD470mn (2.5mn tonnes cement plant)
- Western Metal Products Company Limited USD2bn

Construction Industry
Monstrous Overhaul: A Continent Wide Upgrading

Once touted as the poorest continent on earth, Africa has recorded an astonishing milestone, on June 2013. The first African with net worth of more than USD20bn, Aliko Dangote, has joined the list of the world's 25 richest men1. Dangote is a well-known African business mogul, especially through his company that received a special attention from the business press lately, Dangote Cement. With the company's stellar performance over the years and unbelievable growth prospects, Mr Dangote's success is not a mere testament to his sharp business acumen, but also a sign that the economic power has begun to heat up across Africa, ready to bring its development in full steam ahead.

Infrastructure overhaul

Continuous investment into businesses all over the continent has increased the demand for not only more extensive but also more efficient infrastructure in place. Old transportation networks, insufficient power supply, inefficient power distribution, and rarely present communication line have placed a limit to maximum growth these burgeoning businesses could ever achieve. Hence there is an increasing demand for massive upgrading of infrastructure to facilitate a higher growth in African economies.

This is not at all a burden for governments. Conversely, private investors and sovereign funds are vying these opportunities to ride the wave of extraordinary growth. This is because the demand for more buildings and infrastructure as businesses grow would ultimately increase the value for the construction. For example, the FDI into Nigeria has increased 2.27 times from 2007 to 2011. The business growth spurred by this fund injection has driven up the demand for more fixed assets and increased the price of these assets by almost 2 times for the same period. This relationship can also be observed in Kenya's case as shown in figure 1.

Consequently, it is not surprising for the construction industry to receive a major wave of private investment. Dangote Cement itself has planted its USD500mn in Tanzania for a plant with 3mn tonnes capacity2. Lafarge WAPCO, also a cement company, committed NGN75bn (USD470mn) investment into a 2.5mn tonnes plant in Nigeria3. Western Metal Products Company Limited has invested NGN344bn (USD2bn) worth to significantly increased steel production in Nigeria4.

Even more surprisingly, world renowned private equity firms have joined the construction companies in profit making. Blackstone Group LP sees utmost potential in building a dam in Uganda. Although this deviates from their buyouts strategy, profit potential in the energy hungry Uganda is able to match PE firms' usual appetite of 20% yearly returns. The fact that they are willing to commit 20 years into building project that provides no cash inflow signifies high expectations on the future earnings from surging demand for electric power both domestically and regionally5.

Chinese funds

China has established a strong presence in Africa, numerously involved in projects especially in hydro-energy field. It has recently given out an USD69.1bn loan through Exim Bank of China to Malian government for financing and renovation of the country's 140MW hydro-electric factory and Diamou cement factory6. Uganda has also enjoyed similar privilege by having a 600MW Karuma plant by Sinohydro Corp, costing in total about USD2.2bn7. Those projects are some of numerous projects African governments have opened for biddings with most projects involving various infrastructure overhauls. The Nigerian Federal Government has similarly recently opened bidding for railway and highway projects (Lagos – Ibandan Expressway), both of which would likely to attract bidders from overseas eyeing for high returns. Business Monitor International expects those infrastructure projects in Nigeria to fuel the growth of construction industry by above 9% per annum through 20168.

Housing the cities

Besides infrastructure overhauling, demand for cement is also driven by the rising consumer income. The rising consumer earning implies more disposable income to be invested into residential needs, but more importantly the shifting geospatial distribution of the burgeoning population that shifts from rural to urban has amplified the need for construction products. From 2004 to 2011, not only that the population of Nigeria, the most populous country in the continent, increased from 150mn to 160mn but also the percentage of urbanized citizens increases from 21% to 24%. The same incident can be observed in Kenya's case as suggested in figure 2. The upside potential of cement demand in clearly seen from underutilization of cement in Sub-Sahara Africa at 95kg – 150kg per capita as compared to that of other emerging countries at 250kg – 300kg9.

These major infrastructure overhauls across the continent would drive up the need for industrial and construction materials such as cement and steel, and represent a big opportunity for cement industry to expand to satisfy the surging demand. Ostensibly, this would be a great opportunity profit seekers would not want to miss. Therefore it is expected that the demand for cement industry to grow by 16% in 201310, thanks to both infrastructure upgrading projects and population growth.

Despite the rosy prospect of the industry, one should still beware of the legal and political inconsistency in most African countries that could limit or reverse the profitability of investment into this industry. In Liberia, for example, the country's government has decided to suspend several construction projects due to legal problems in documentation. Although this has not affected a mega-project as yet, such risks still persist even in the well-established projects in relatively more developed countries like Nigeria and Kenya. In short to medium term, however, it is very unlikely that legal hiccups will occur to most projects in Africa, and even if it occurs, the demand for housing and buildings from burgeoning and urbanizing population and growing businesses could offset the loss that might come.

All in all, the African construction industry is indeed supported by promising macroeconomic outlook and a limited macroeconomic downside risk. With demand surging from infrastructure building and wealthier and more urbanized population, this industry will enjoy a tremendous potential to grow in coming years.

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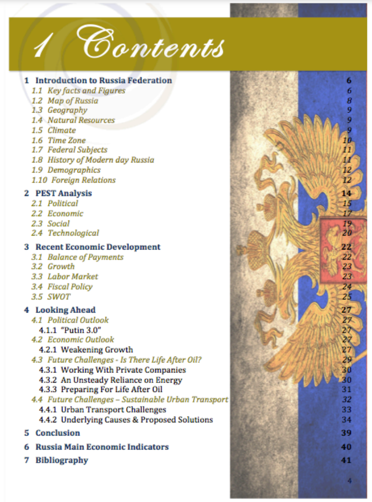
Primer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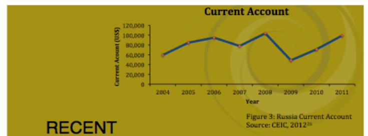


RECENT ECONOMIC DEVELOPMENT

3.1 Balance of Payments

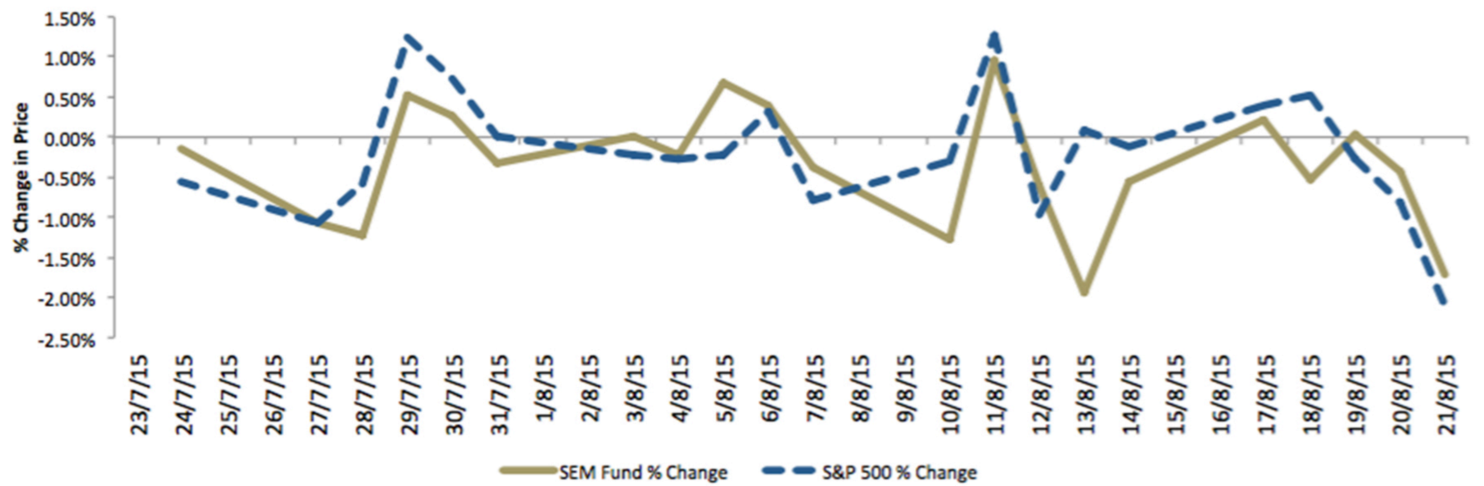
22

SEM Fund Tracker

Tracker Performance

Emerging Markets Region- All **Sunday, August 16th, 2015**

Figure 1: SEM Company Performance Benchmarked Against the S&P 500



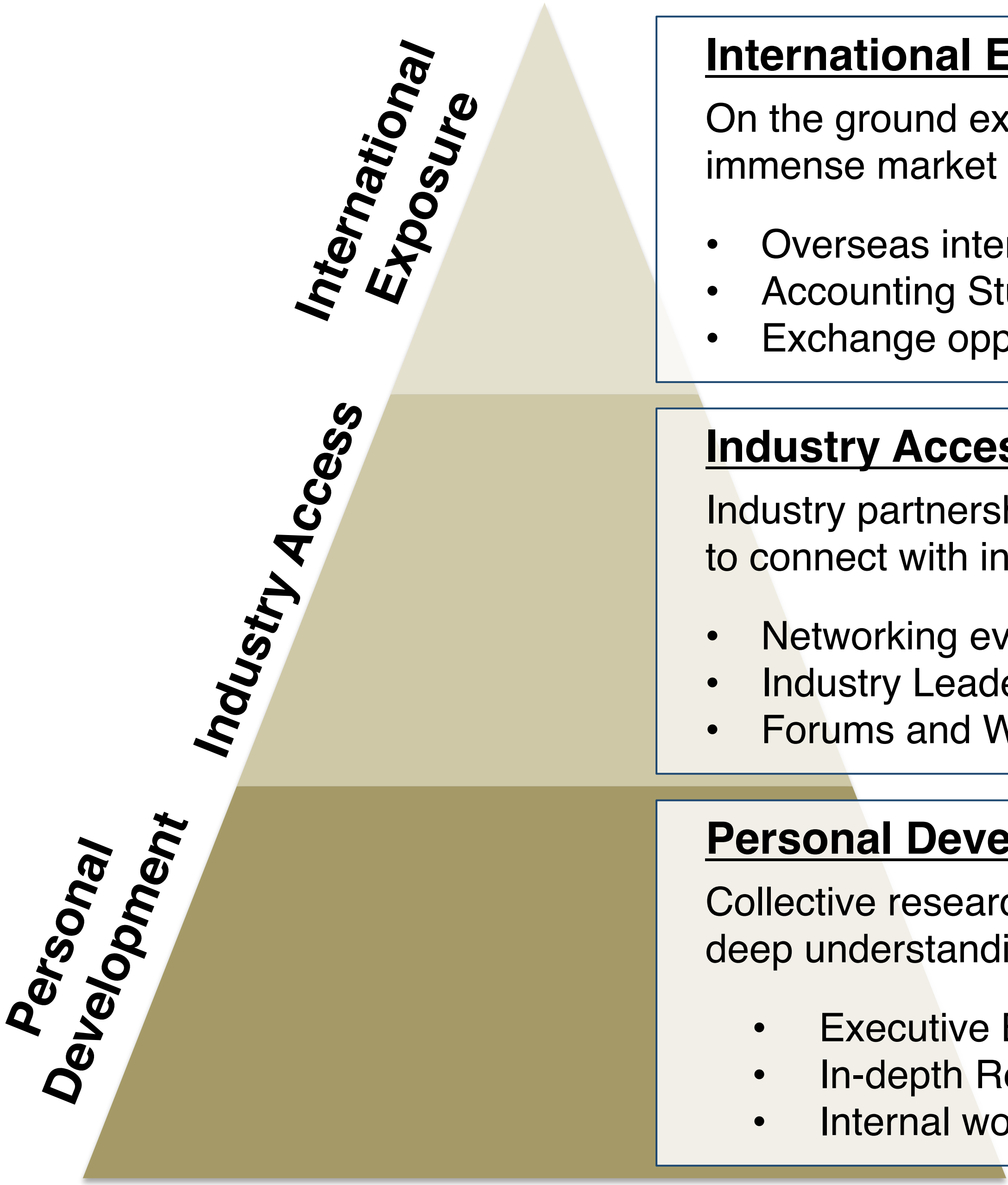
Objective

It is a new initiative that involves actively maintaining a record of the share price and performance of the companies on which we write reports

Methodology

Involves simply taking an average of the share price performance over the past month and comparing it to benchmark indices like the S&P 500 and MSCI's Emerging Market Index

Gateway to Countless Opportunities



International Exposure

On the ground exposure to Emerging Markets provide immense market insights and practical experience

- Overseas internship stints to Emerging markets
- Accounting Study Mission
- Exchange opportunities to unconventional destinations

Industry Access

Industry partnerships and external events provide opportunities to connect with industry players

- Networking events
- Industry Leader Interviews
- Forums and Workshops

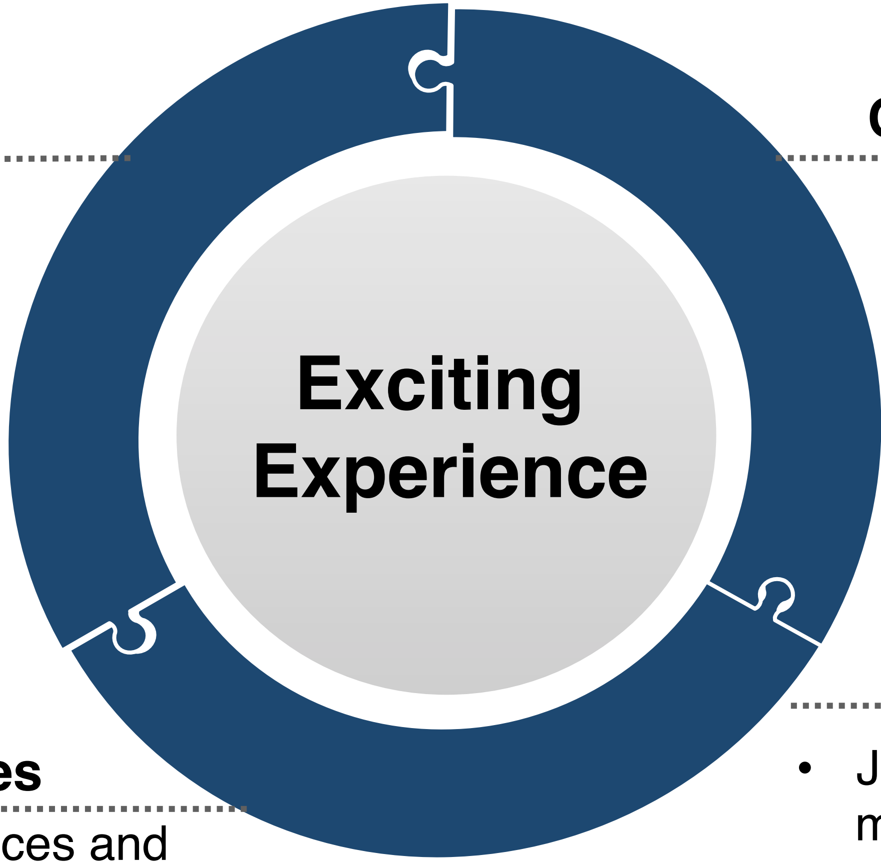
Personal Development

Collective research base helps to build relevant knowledge and deep understanding of the Emerging Markets

- Executive Briefs
- In-depth Region and Industry Primers
- Internal workshops and training

3. The SEM experience

Snapshot of Analyst Experience



Research

Regular Executive Briefs

- Macro, Industry, Company

Research Collaborations

- Thought Leadership Platform

Operational Experience

- Assist in Desk Functions
- Organize club initiatives

Numerous Opportunities

- Attend exclusive conferences and business forums
- Represent SEM at prestigious events and competitions
- Networking opportunities
- International Study Missions

Strong Club Spirit

- Join a tightly-knit family of more then 80 like-minded individuals
- Regular bonding events
- Strong network of alumni and seniors

Excellent Training & Development

Training Program for New Analysts

- Meticulously designed by seniors and improved annually
- Enjoys strong commitment from seniors and alumni
- Extensive applications beyond SEM research activities

Continuous Development

- Forums and conferences
- Internal and external workshops for all members
- Diverse specializations amongst members allow for meaning collaborative learning

Key Aspects of Training

Research Analysis

- Common research frameworks
- Market mechanisms
- Introduction to general sectors and corresponding competitive landscape
- Financial analysis
- Crafting of strong arguments

Presentation skills

- Professional presentation materials
- Presentation workshops

Benefits of Continuous Development

Collaborative Learning

- Sharing of knowledge
- Diversify knowledge, explore new industries

Professional Exposure

- Hone soft skills through external events
- Gain greater exposure to real business culture

SMU EMERGING MARKETS

Culture of Excellence

Experiences, skills and knowledge gained from SEM have brought us to:

BARCLAYS CAPITAL

Merrill Lynch

Standard Chartered

CREDIT SUISSE

Shell

SGX SINGAPORE EXCHANGE

HSBC

ExxonMobil

Deutsche Bank

Goldman Sachs

MACQUARIE

UBS

TRAFIGURA

INTERNATIONAL MONETARY FUND

wilmar

ROBERT WALTERS

ROTHSCHILD

Cargill

GIC

Microsoft

J.P.Morgan

PINETREE Capital Ltd.

DNB

Mondelēz International

eastspring investments

pwc

Deloitte.

BCG The Boston Consulting Group

ERNST & YOUNG Quality In Everything We Do

citibank

UOB 大華銀行

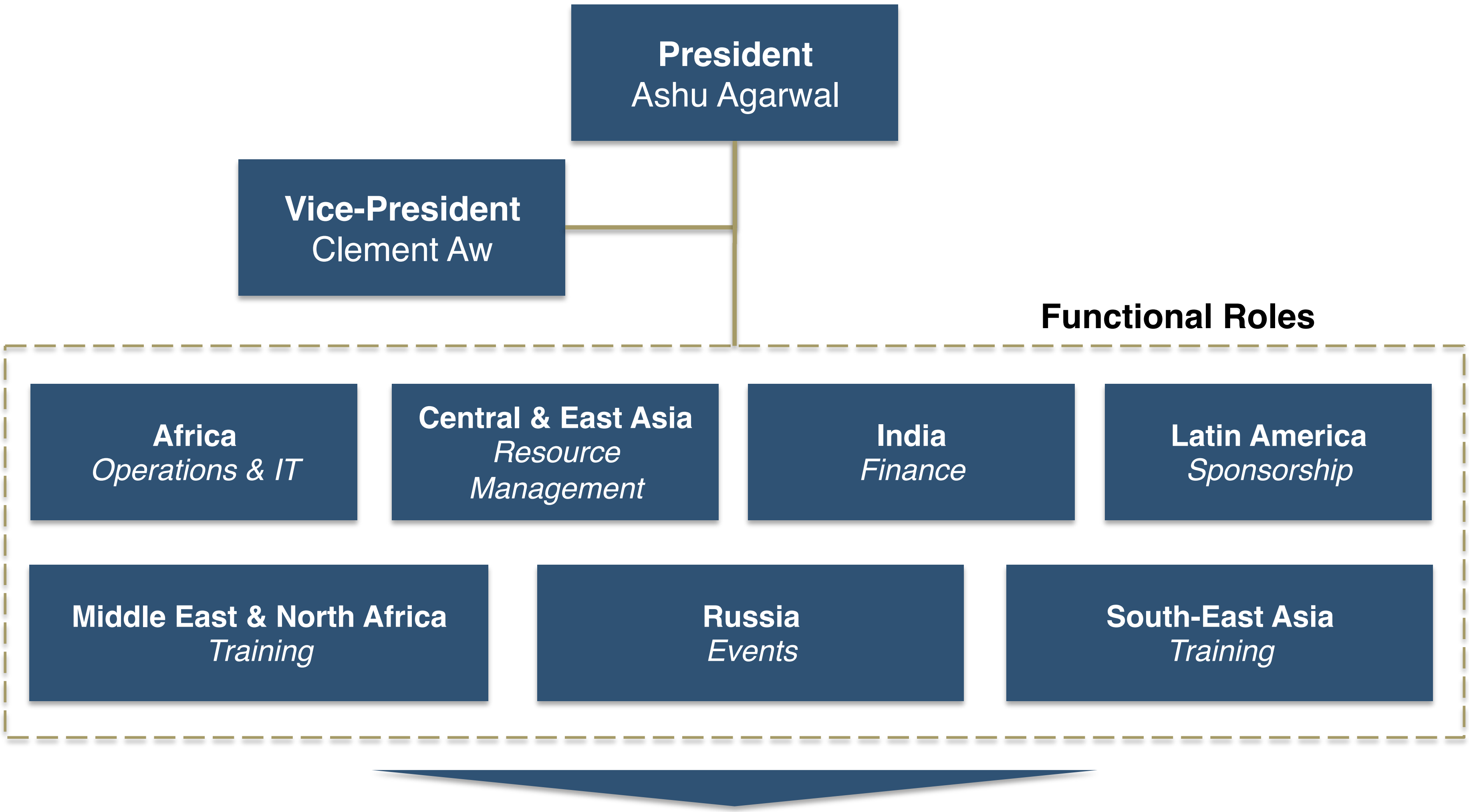
CIMB BANK

NOMURA

Morgan Stanley

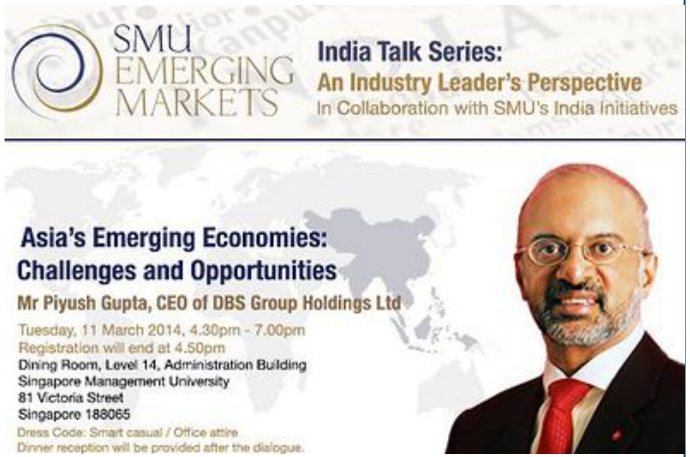
And many more…

Our Club Structure



Organisational structure of functional roles to keep the club running effectively

A Look at our Past Events

Russia-Singapore Business Forum	India Talk Series	Future China Global Forum
		
		

Through various conferences and business forums, SEM allows it members to gain exclusive opportunities to interact with industry firms and professionals so as to gain a deeper understanding of the emerging regions.

4. Key Highlights for AY 2015-2016

Key Events

Internal Events

- Training for new analysts
- Analyst Initiation
- Club Bonding
- Alumni and Awards Night
- EXCO elections

Exclusive External Events

- Future China Youth Forum
- Business China Youth Showdown
- India Talk Series
- Africa Singapore Business Forum
- Latin-Asia Business Forum

New Initiatives

- Asian Emerging Markets Forum
  - Forum to focus on the AEC and its effects on SEA, China and India

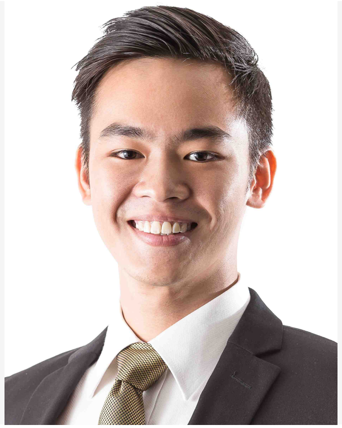
International Exposure

- ASM Indonesia
- ASM Thailand

5. Our SEM Journey

Sharing by SEM members and alumni

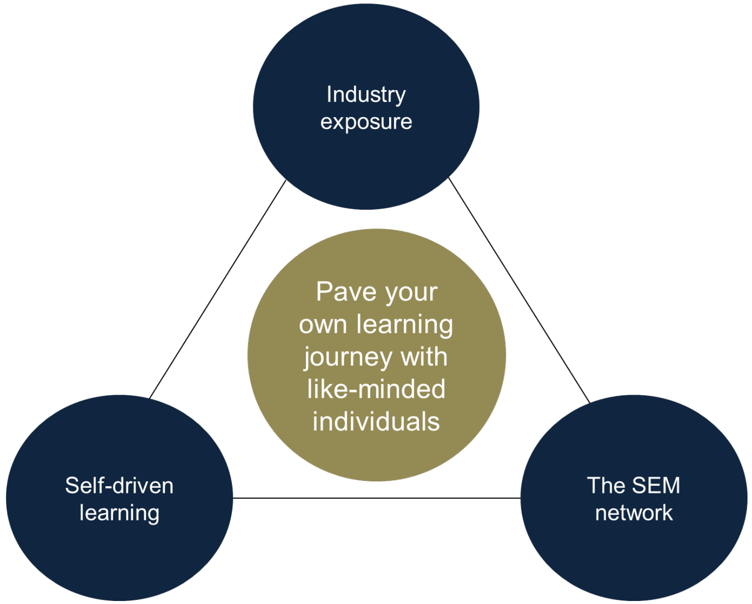
Our SEM Journey



Kenneth Quek

President
SEM 3rd Executive Committee

- Bank of Singapore (SEA Marketing)
- Wilmar International (Uganda – Sales, Marketing and Finance)
- Noble Resources International (Carbon Steel Materials Complex)
- Mecuria Energy Trading (Crude Oil Trading)
- Summa Cum Laude, Beta Gamma Sigma Honour, Dean's list
- Honorary General Secretary, 6th Executive Committee, Merchants' Club



Our SEM Journey

Matthias Lim Sheng

Director, India Desk
SEM 2nd Executive Committee

- Investment Banking at Nomura
- Management Consulting at The Boston Consulting Group
- Investment Banking at PrimePartners Corporate Finance
- Student Ambassador at HSBC
- Investor Relations and (Banks) Research at UOB
- Private Banking at Bank of Singapore
- Summa Cum Laude, Beta Gamma Sigma Honour, Dean's list

Our SEM Journey

SMU EMERGING MARKETS

Joshua Wong

Director, Africa Desk
SEM Founding Executive Committee

- **Barclays Global Markets – Macro Sales**
- Internships: GSAM, BAML, DNB Bank
- SEM, Bizcom, Project Bethlehem
- Summa Cum Laude; Dean's list

Positioning

Networking & EQ

Leverage

BARCLAYS

Goldman Sachs

DNB

Bank of America Merrill Lynch

6. SEM Analyst Recruitment 2015

Application Process

SEM Analyst Recruitment 2015 Process

Application Process Timeline

Online Application
26th – 30th August

Round 1 Interview
1st – 4th September

Results for Round 1 Interview
5th September

Submission of Deliverables for Round 2 Interview
9th September

Round 2 Interview
11th & 12th September

Acceptance Offer
13th September

Details of Application Process

Online Application	• Application closes on 30th August, Sunday, 2200hrs • Application link will be sent out through Emailer • Application link will also be available on SEM Website, Facebook Page
Round 1 Interview	• Interviews will be held from 1st – 4th September (Tuesday – Friday) • Venue will be emailed to applicants
Round 2 Interview	• Applicants will be given 5 days to prepare for Round 2 Interview
Acceptance Offer	• An acceptance offer will be sent to shortlisted candidates on 13th September

Round 1 Interview Procedure

SMU EMERGING MARKETS

Round 1 Interview (1st – 4th Sep)

Online Application Form
26th - 30th August

SEM will send applicants the SlyReply link via email

Applications to indicate preferred slot
15 minutes, first-come-first-served

SEM will reply with confirmation of venue

Applications **must** notify SEM if they are unable to attend the interview session after confirmation

General pointers regarding Round 1 Interviews:

- 2 interviewers per interviewee
- "Fit" based questions

Possible questions:

- Knowledge about SEM and Emerging Markets
- Reasons for joining SEM and choice of region(s)
- Situational questions

Round 2 Interview Procedure

SMU EMERGING MARKETS

Round 2 Interview (11th – 12th Sep)

Round 1 Results
5th September

Submission of deliverables
9th September

Applications to indicate preferred slot
20 minutes (10 min presentation, 10 min Q&A) , first-come-first-served

SEM will send applicants the instructions for Round 2 Interview via email


SMU EMERGING MARKETS Research- Executive Brief

Emerging Markets Region- Latin America (R&E) Saturday, May 3, 2014

Sociedad Minera Cerro Verde SAA
Superior Profits Reinforced by Long-Term Organic Growth

SEM will send applicants the SlyReply link via email

Assessment Criteria

- Executive Briefs – Quality, logical flow, aesthetics
- Presentation – Clarity, coherence, confidence

Applications **must** notify SEM if they are unable to attend the interview session after confirmation

Question & Answer

SMU Emerging Markets

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