

January 8, 2019

Nicholas Center Advisory Board and Alumni,

We are excited to report on our accomplishments during the Fall 2018 semester, which was both challenging and rewarding for the Nicholas Center. Now is the time to take stock of what we have accomplished together.

1. Curriculum

The Nicholas Center's specialized curriculum is designed to develop the next generation of leaders in finance. The curriculum includes both traditional business school courses as well as applied courses taught by industry practitioners. The fall semester offers distinct challenges for each student group. For 2nd year MBA students, it is their first opportunity to apply their knowledge to real-world problems in our Applied Corporate Finance I (Consulting Projects) course. For 1st year MBA students and analysts, the Financial Modeling & Valuation course provides the foundation for future finance courses.

The key highlights of our fall semester are provided in the table on the following page.

Student Academic Accomplishments Fall 2018

| | |
|----------------------|---|
| <p>2nd Year MBAs</p> | <ul style="list-style-type: none"> • Applied Corporate Finance I (see the “Consulting Projects” section below) • Electives <ul style="list-style-type: none"> ○ Financial Fraud Course with Jim Chanos ○ Cryptocurrencies Course with Brad Chandler ○ Data analytics certificate courses, Real Estate, Marketing Analytics, many others |
| <p>1st Year MBAs</p> | <ul style="list-style-type: none"> • Financial Modeling & Valuation Course with Brad Chandler <ul style="list-style-type: none"> ○ Analyzed Amazon’s \$13.7Bn acquisition of Whole Foods ○ Analyzed strategic alternatives available to General Electric today ○ Built financial models from scratch (successfully completed by all students even those with no prior finance experience!) ○ Wrote a formal presentation as a Whole Foods Board Member on whether to support the Amazon deal ○ Wrote an email to Jeff Bezos analyzing the Whole Foods deal from Amazon’s perspective ○ Obtained a Bloomberg certification, read <u>Barbarians at the Gates</u>, completed Wall Street Prep courses, and learned how Visual Basic is most commonly applied in practice • Core MBA courses (Marketing, Data to Decisions, Leading and Working in Teams, etc.) |
| <p>Analysts</p> | <ul style="list-style-type: none"> • Financial Modeling & Valuation Course with Brad Chandler (see the individual highlights above) • Applied Corporate Finance I for certain students (see the “Consulting Projects” section below) • Prerequisites as needed: Investment Banking and Capital Markets, Corporate Finance, etc. |

2. Jobs

A key mission of the Nicholas Center is to assist students in clarifying and meeting their career goals. The fall semester is a critical time when 2nd year MBA students reflect on their internship experience and decide upon their fulltime career goals, 1st year MBA students are inundated with potential opportunities and must clarify their specific goals for a summer internship and analysts must decide upon their fulltime career goals.

A list of employers where our students accepted positions is provided below.

Employers Where Nicholas Center Students Accepted Fulltime or Internship Positions in Fall 2018

- AT&T
- Baird
- Bank of America
- Barclays
- Boston Consulting Group
- Cornerstone Advisors
- Cowen & Co.
- Dell
- Emerson Electric Co.
- Fiserv
- Fitch Ratings
- Jefferies
- Johnson Controls
- Livingstone Partners
- Northwestern Mutual
- Procter & Gamble
- Rothschild
- SC Johnson
- William Blair

3. Consulting Projects

Our consulting projects (often for Fortune 500 companies) provide an invaluable experience for students to analyze real-world, strategic business problems. Projects are sourced directly from key decision-makers (e.g., CEOs, CFOs, our Board of Advisors, etc.), analyzed by a student team led by the Director and recommendations are delivered by our students to the client. The Nicholas Center has developed a reputation for delivering first-class consulting advice to clients. The key highlights for our consulting projects in our fall semester are provided below.

| Consulting Projects Fall 2018 | |
|--------------------------------------|---|
| Amazon | <ul style="list-style-type: none"> • <u>Scope</u>: quantify the impact of U.S. tariffs on Chinese imports to Amazon’s U.S. retail platform and customers • Developed an original strategic pricing analysis framework • Final presentation attended by 10 finance executives at Amazon • Feedback: “a high quality analysis, good slide deck and you fielded questions like a pro” |
| Procter & Gamble | <ul style="list-style-type: none"> • <u>Scope</u>: quantify the benefits and costs of economies of scale in the Consumer Packaged Goods (“CPG”) industry, using P&G as an illustrative example • Developed an original concept for “Technology-Adjusted Economies of Scale” • Developed a number of original methodologies to quantify the benefits & costs • Feedback: very well received, agreed on methodologies and key conclusions |
| Wisconsin Alumni Research Foundation | <ul style="list-style-type: none"> • <u>Scope</u>: deliver a workshop on early stage financial modeling and valuation at a WARF-sponsored workshop series for entrepreneurs • Delivered intuitive, ready-to-deploy and complete modeling resources • Feedback: very positive feedback from entrepreneurs as well as venture capital investors |

4. Speaking Events

The Nicholas Center seeks to engage with our distinguished network as well as industry-defining trends and transactions. In the Fall 2018, the Nicholas Center hosted a number of speaking events to promote the study of corporate finance and investment banking. The key highlights for our special events in our fall semester are provided below.

Special Events Fall 2018

| | |
|-----------------|--|
| Speaking Events | <ol style="list-style-type: none">1. Jim Chanos (renowned investor) – Cryptocurrencies2. Susan Kreh (CFO, JCI Power Solutions) – Corporate Finance & Data Analytics3. Don Condon (Executive-in-Residence) – IPOs4. Jacob Smith (30 Ventures) – Venture Capital Investing5. Tom Tefft (Executive-in-Residence) – Board Roles and Responsibilities (& Tesla!)6. Nathan Koehn (P&G) – Corporate Finance at Procter & Gamble7. Nathan Dau-Schmidt and Andrew Mullvain – Innovation and M&A8. Ross William (COO Investment Banking, Baird) – Investment Banking Landscape9. Heather Pahl (and others) – Corporate Finance at JCI10. Julie Beck (CFO, Nova Chemicals) – Decision Analysis Framework for M&A11. David Hanley (Innosight) – Automation in Finance12. Chris Prestigiacomo (Portfolio Manager) – Private Markets at SWIB, \$110Bn Asset Manager |
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5. Nicholas Center Advisory Board and Alumni Reunion Event

We had excellent participation at our October 19th Advisory Board and Alumni event. We would like to thank all of the Board members and alumni that participated in the event and helped to make the day a success.

The key highlights included:

- Opening remarks by Dean Barry Gerhardt
- Welcoming two new Advisory Board members:
 - Kristi L. Peterson (Executive Director & Corporate Controller at S.C. Johnson)
 - Heather Pahl (Executive Director of Finance at Johnson Controls, 2008 Nicholas Center alum)
- Peter Gunder, Chief Business Development Officer at American Family Insurance, gave the keynote address entitled “Tools to Drive Innovation: Lessons Learned from M&A and Venture Capital”
- State of the Nicholas Center presentation by Brad Chandler
- Official Advisory Board meeting that was open to students and alumni



6. Chicago Trek

On November 9, the Nicholas Center completed its fall trek to Chicago. Our treks are important parts of our program that allow students to get outside of Madison and connect with distinguished business leaders in Chicago. We also do treks to other cities including New York City in the spring semester.

Highlights from this semester's trip included:

- 19 of us met with four institutions in downtown Chicago
- Companies included **Allstate Investments** (\$83Bn in assets), **Neuberger Berman's Fixed Income Division** (\$114Bn in assets), the **Federal Reserve Bank of Chicago** and **Barchart** (a FinTech data and analytics company)
- We had the opportunity to meet with distinguished UW-Madison alumni:
 - Brad Tank – Chief Investment Officer of NB's Fixed Income Division
 - Mark Pittman – Head of Public Investments at Allstate
 - Tom McDonnell – VP, Investment Finance at Allstate
 - Mike Moran – Head of Private Investments at Allstate
- In addition, we met with a number of key business leaders not connected with UW:
 - Mark Haraburda – CEO of Barchart
 - Ashok Bhatia – Portfolio Manager at Neuberger Berman's Fixed Income Division
 - Karima Kenny – Chief Administrative Officer at NB's Fixed Income Division
 - Robert Rottman – Institutional Market Advisor at Barchart
- Toured the Federal Reserve Bank of Chicago



7. Nicholas Center Analyst Projects

Each of our Nicholas Center analysts contribute to thought-leadership activities outside of class. Our analysts will be delivering well-researched, high quality content (supervised by our Director) on topics that will be useful to our current students and alumni. The list of analyst projects is provided below.

Analyst Projects for 2018-2019 Academic Year

1. A Review of M&A Trends in the Healthcare Industry
2. Merger Arbitrage Analysis and Case Study
3. WeWork: A Business Model and Credit Analysis
4. A Review of the Modeling Impacts of Recent Tax Law Changes
5. Amazon's Impact on the M&A Landscape
6. Capital structure and credit analysis template
7. Automating Financial Models
8. A detailed comparable companies analysis template
9. A detailed precedent transactions analysis template
10. Fundamental analysis of oil prices and future outlook

8. Conclusion

As we reflect on the Fall 2018 semester, we are grateful for the opportunities to learn and engage with the world of finance and business, we are proud of our students' accomplishments and we look forward to setting our sights even higher in 2019!

Your Nicholas Center Program for 2018-2019 Academic Year

