

EQUITY RESEARCH FOR
THE TECHNOLOGY
INVESTOR



VALUE INVESTING IN
TECHNOLOGY STOCKS

SUNDEEP BAJIKAR

Equity Research for the Technology Professional

June 3, 2016



Sundeep Bajikar
WEMBA31

sundeep@bajikartechinvestor.com

<http://bajikartechinvestor.com>

Thank You*



** All logos, brands or trademarks are the properties of their respective owners, and have been used here in an editorial fashion only, to the benefit of their owners, with no intention of infringement*

Agenda

1. Introduce Equity Research
2. Discuss How I Can Help

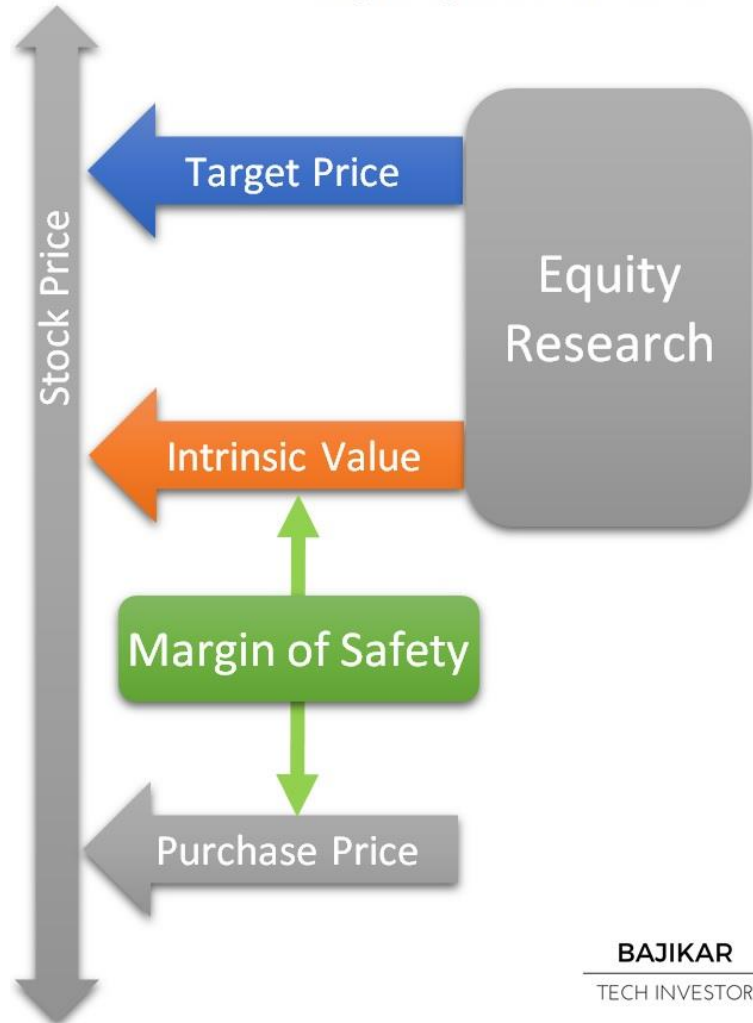
You can click most charts in this presentation for additional information

State of the Industry – My View

- Large Institutional Asset Managers losing assets
 - Smaller independent managers gaining
 - Robo Advisors gaining
- Early stages of secular disruption?
 - Tech advances = Commoditization of financial analysis
- Natural bias toward Value Investing
 - Requires Equity Research

What is Equity Research?

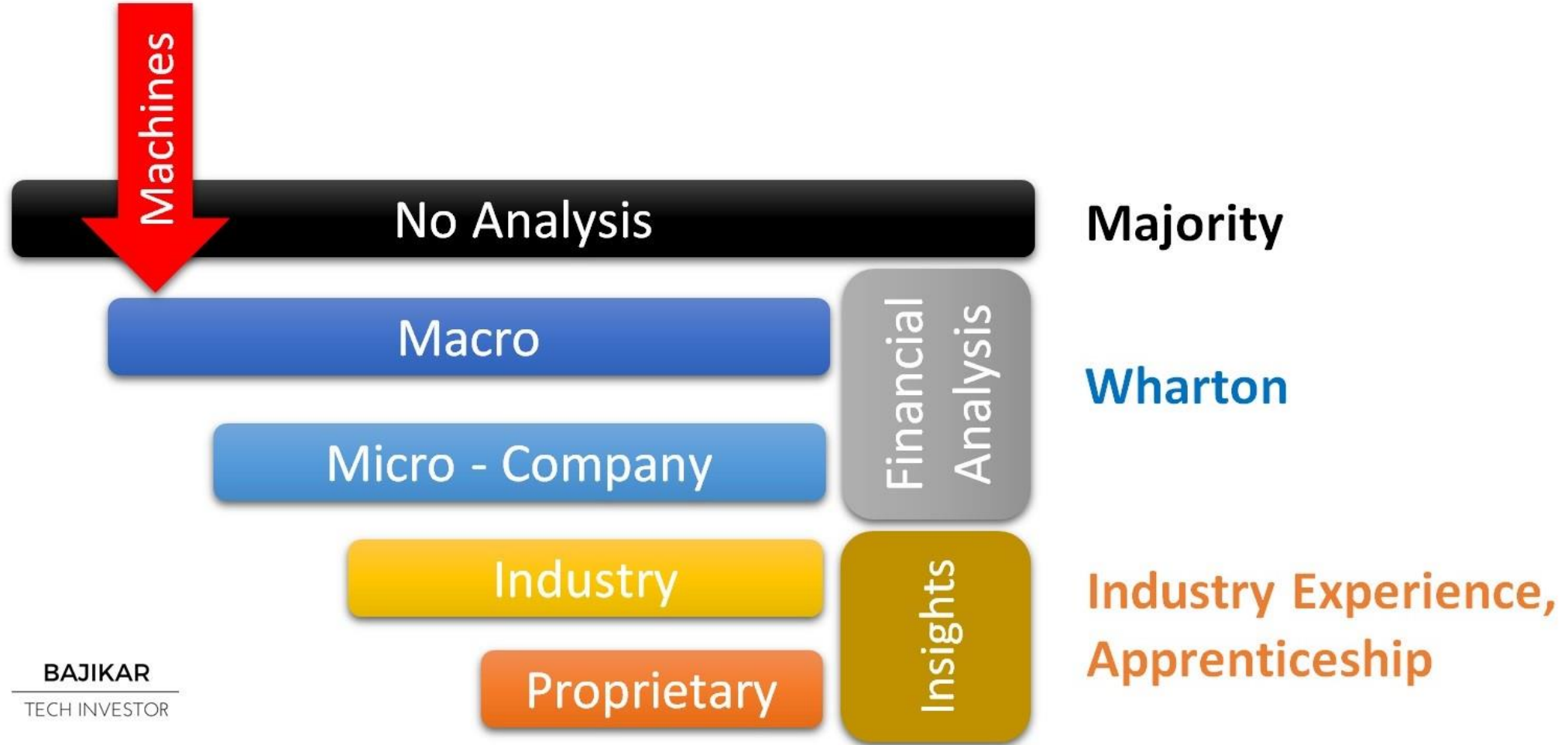
<http://bajikartechinvestor.com>



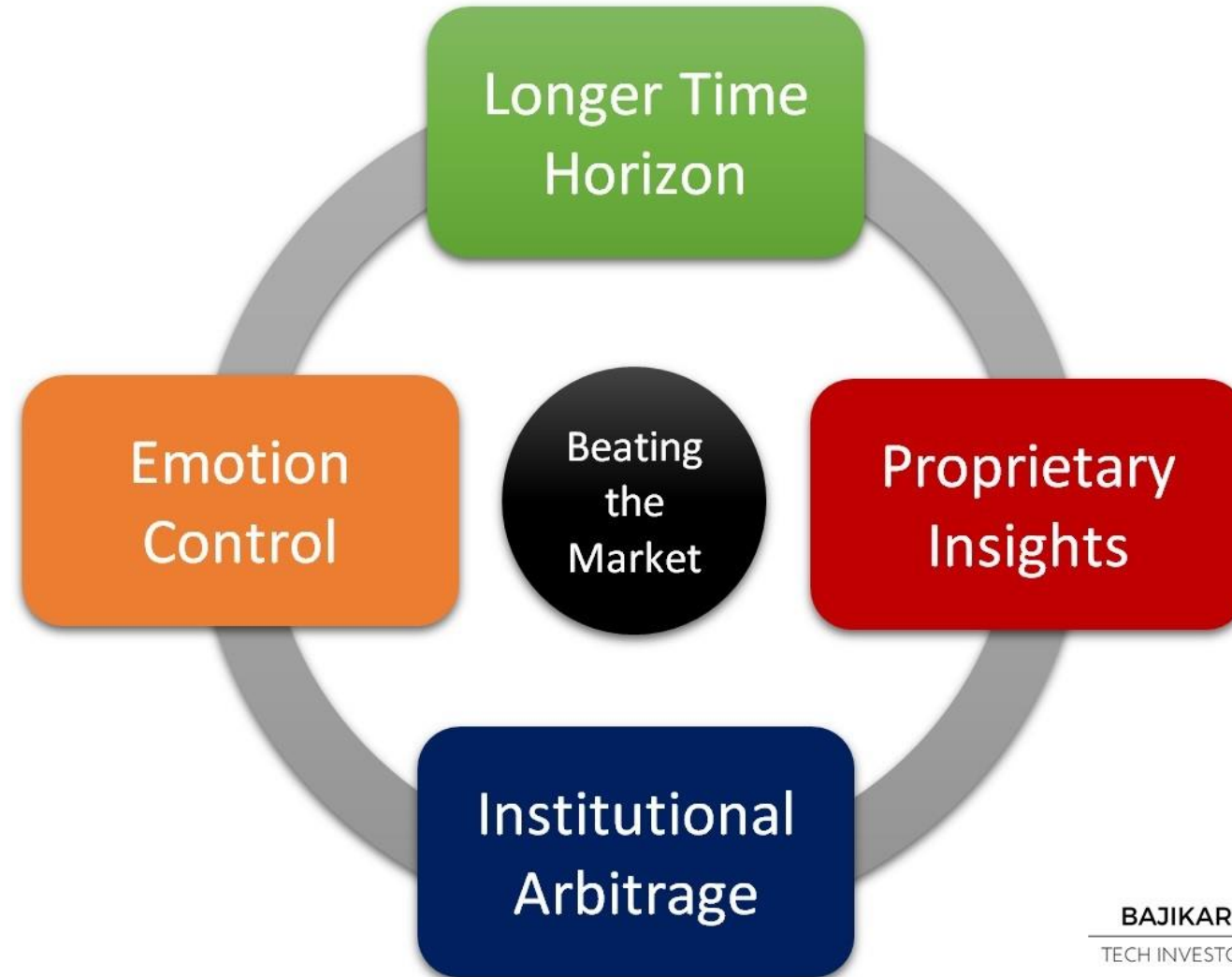
1. Estimate intrinsic value
2. Assess Margin of Safety

BAJIKAR
TECH INVESTOR

Analysis vs. Insight: The Machines are Coming

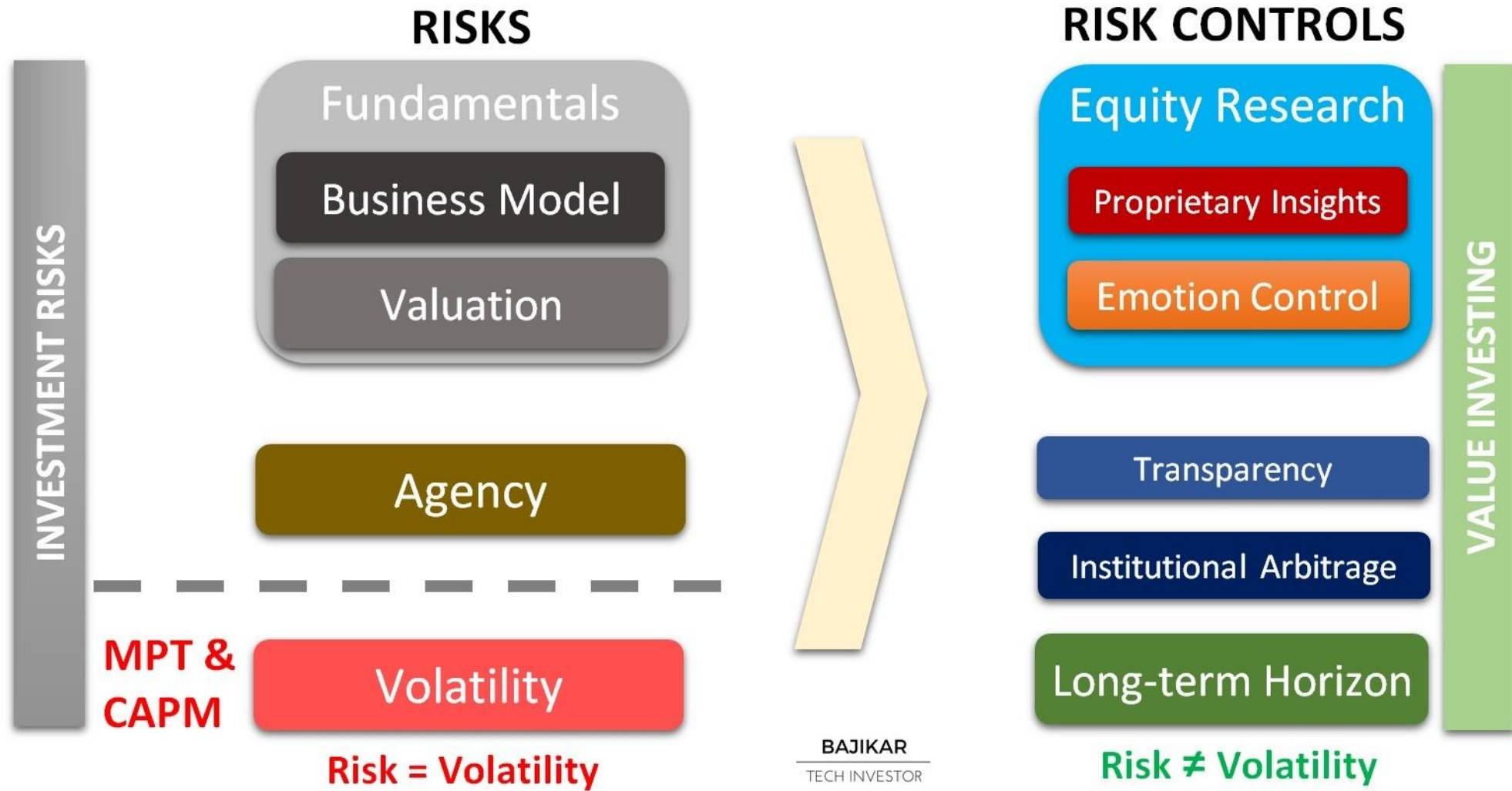


Beating the Market = Being Different



BAJIKAR
TECH INVESTOR

What is Risk?



Are Markets Efficient?

MPT & CAPM

Markets are efficient at all times

Market prices always reflect intrinsic value of a stock

The market understands everything about Tech

Value Investing

Markets tend to be inefficient over the short-term

Short-term volatility presents opportunities to invest

The average investor knows little if anything about Tech

Time Horizon ~ Look Ahead Distance

2.4 - Seeing

To be a safe driver you need to know what's going on all around your vehicle. Not looking properly is a major cause of accidents.

2.4.1 – Seeing Ahead

All drivers look ahead; but many do not look far enough ahead.

Importance of Looking far Enough Ahead.

Because stopping or changing lanes can take a lot of distance, knowing what the traffic is doing on all sides of you is very important. You need to look well ahead to make sure you have room to make these moves safely.

How far Ahead to Look. Most good drivers look at least 12 to 15 seconds ahead. That means looking ahead the distance you will travel in 12 to 15 seconds. At lower speeds, that's about one block. At highway speeds it's about a quarter of a mile. If you're not looking that far ahead, you may have to stop too quickly or make quick lane changes. Looking 12 to 15 seconds ahead does not mean not paying attention to things that are closer. Good drivers shift their attention back and forth, near and far. Figure 2.6 illustrates how far to look ahead.

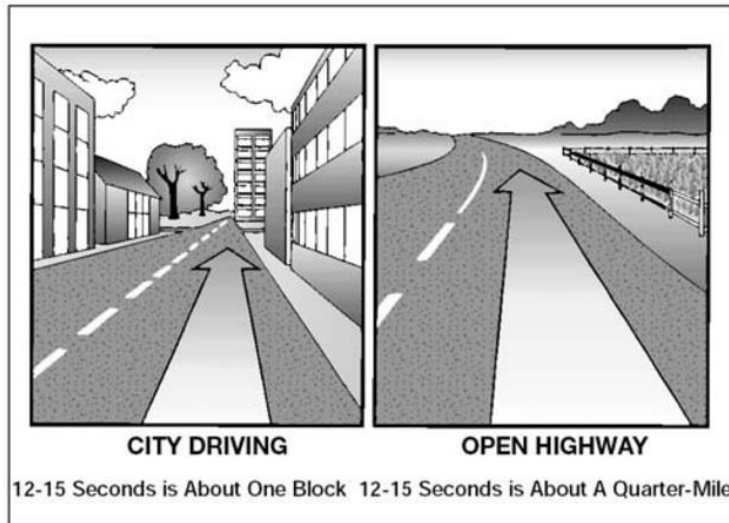
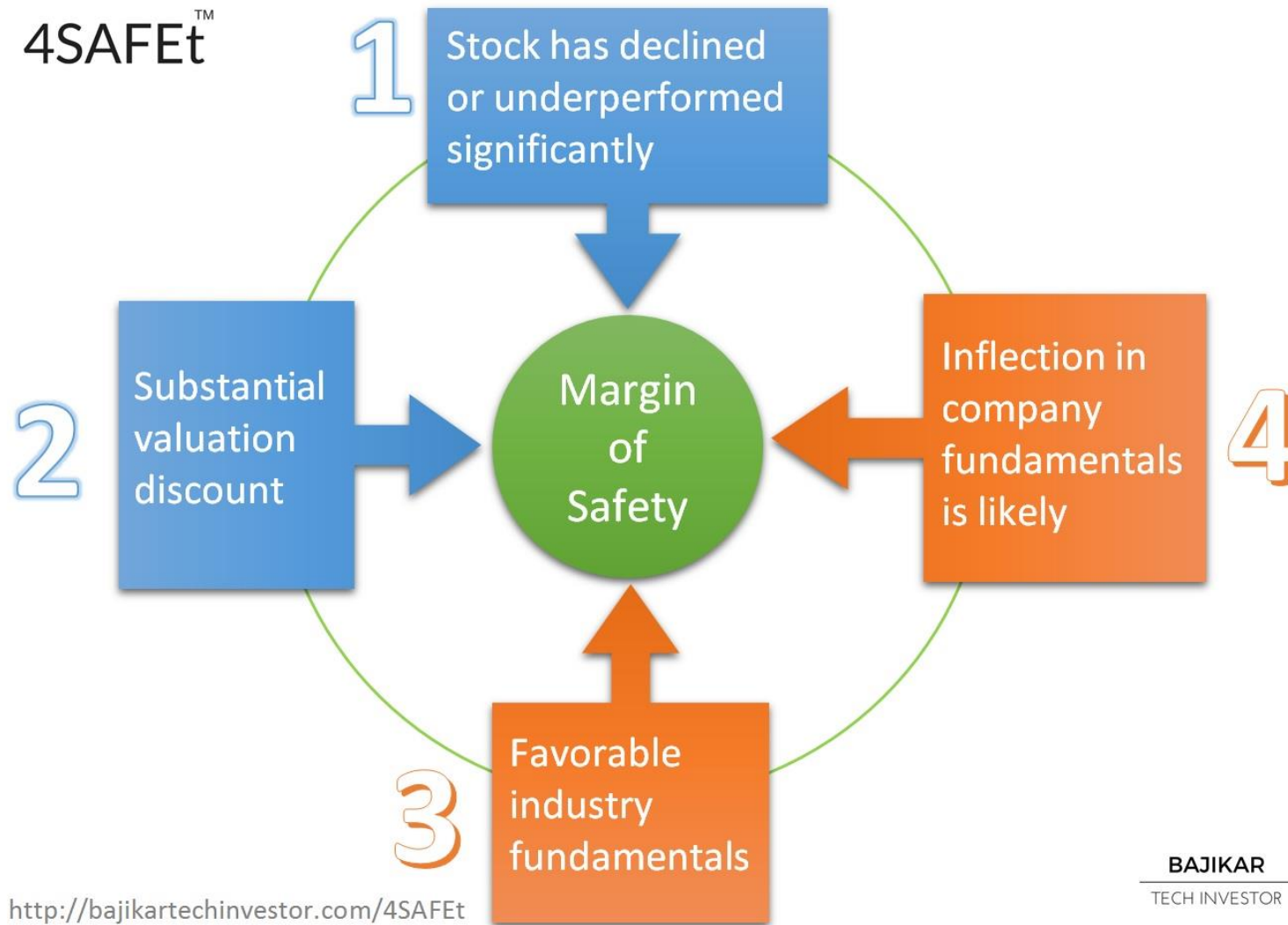
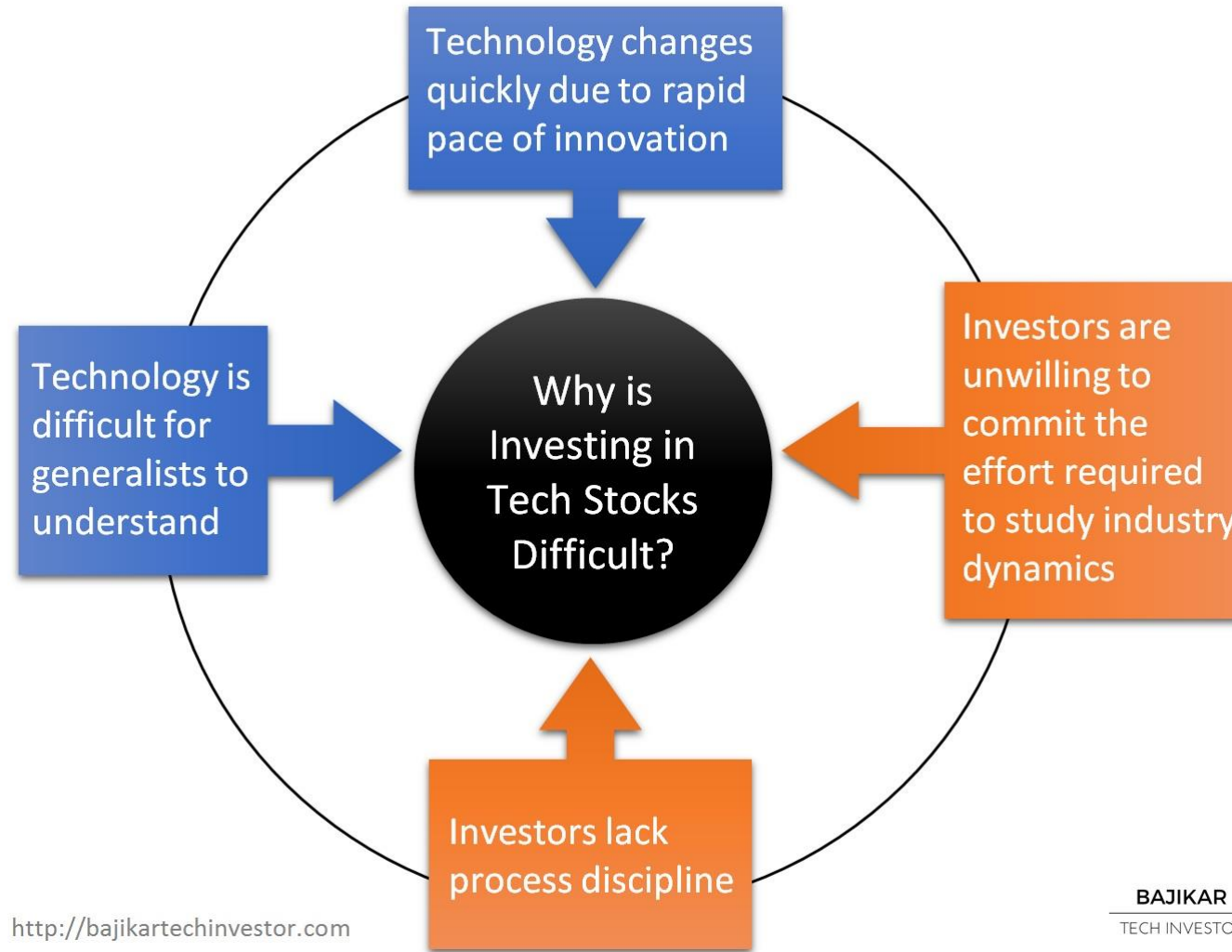


Image credit: [California DMV Safe Driving Info](#)

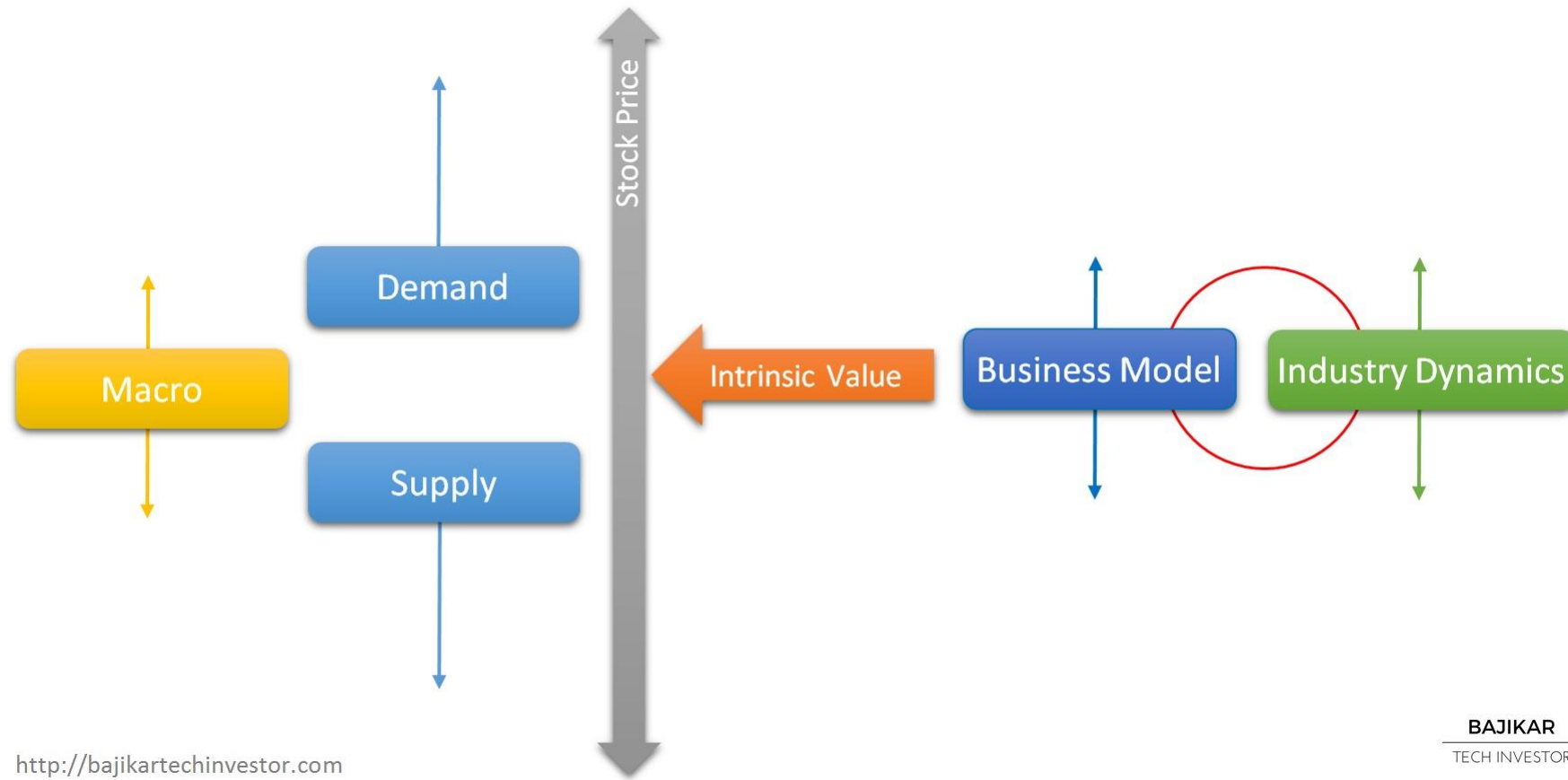
4SAFet™ – A Framework for Analysis



Why Tech Investing is Difficult

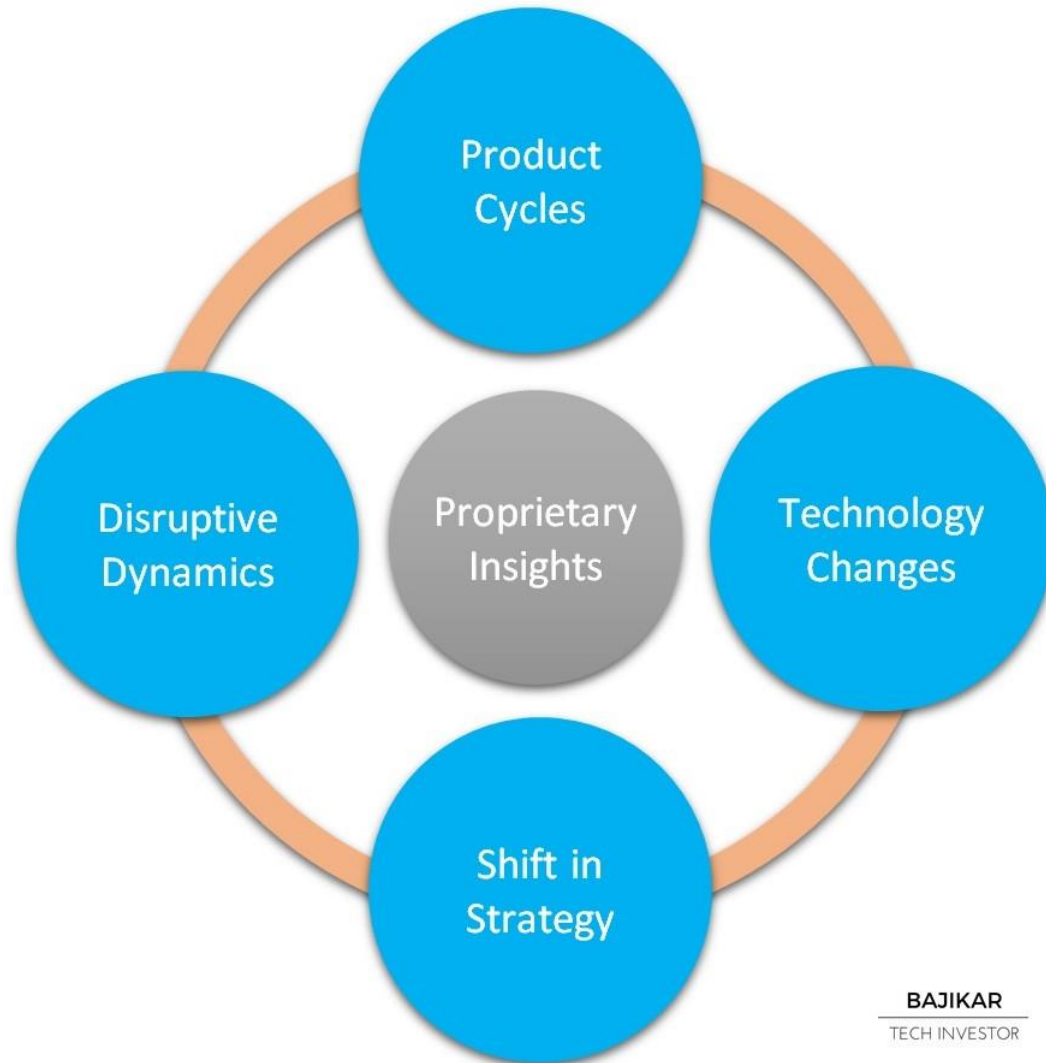


Your Advantage – Proprietary Insights



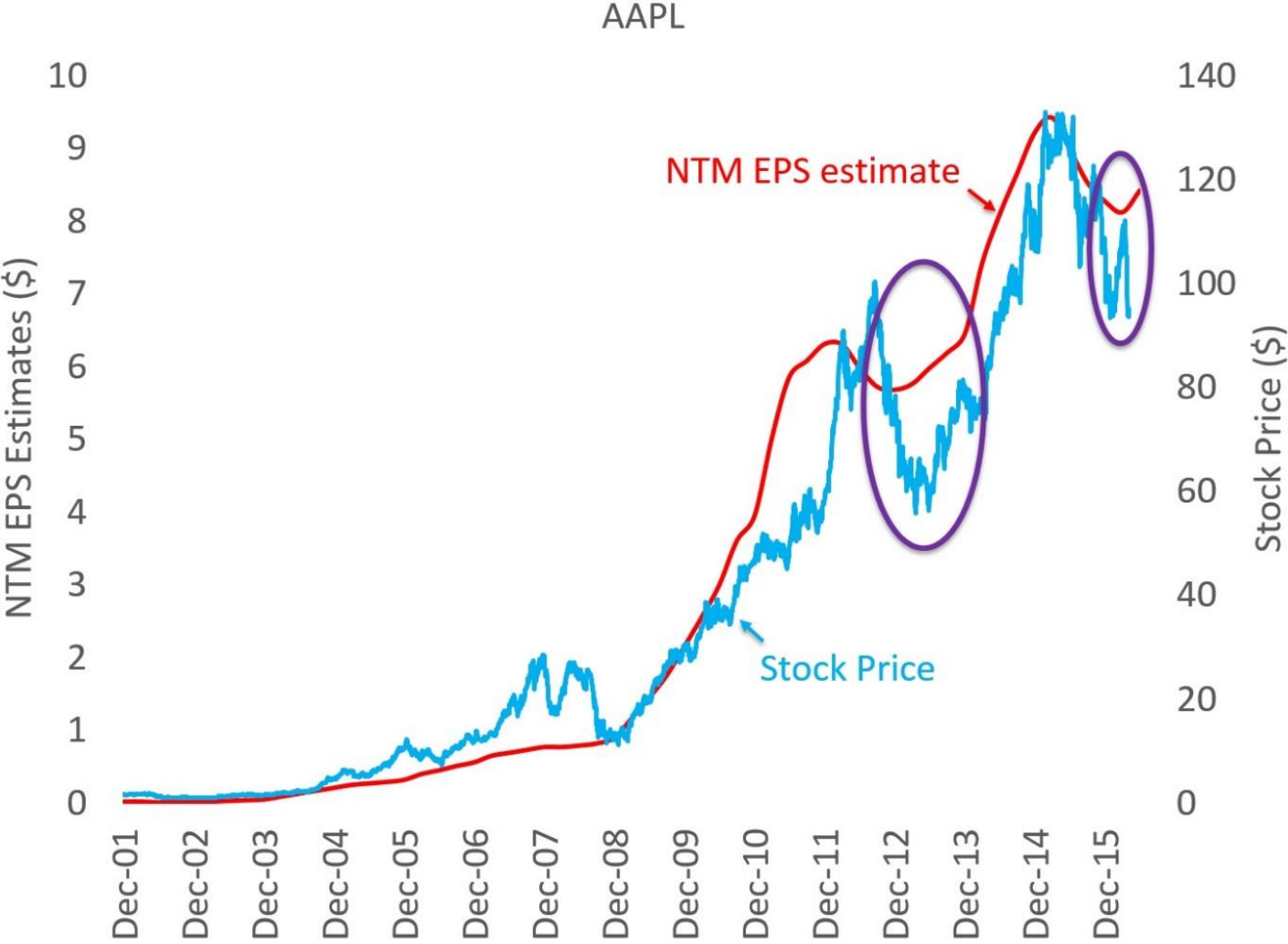
Proprietary Insights ≠ Insider Information

What's Proprietary Insights?

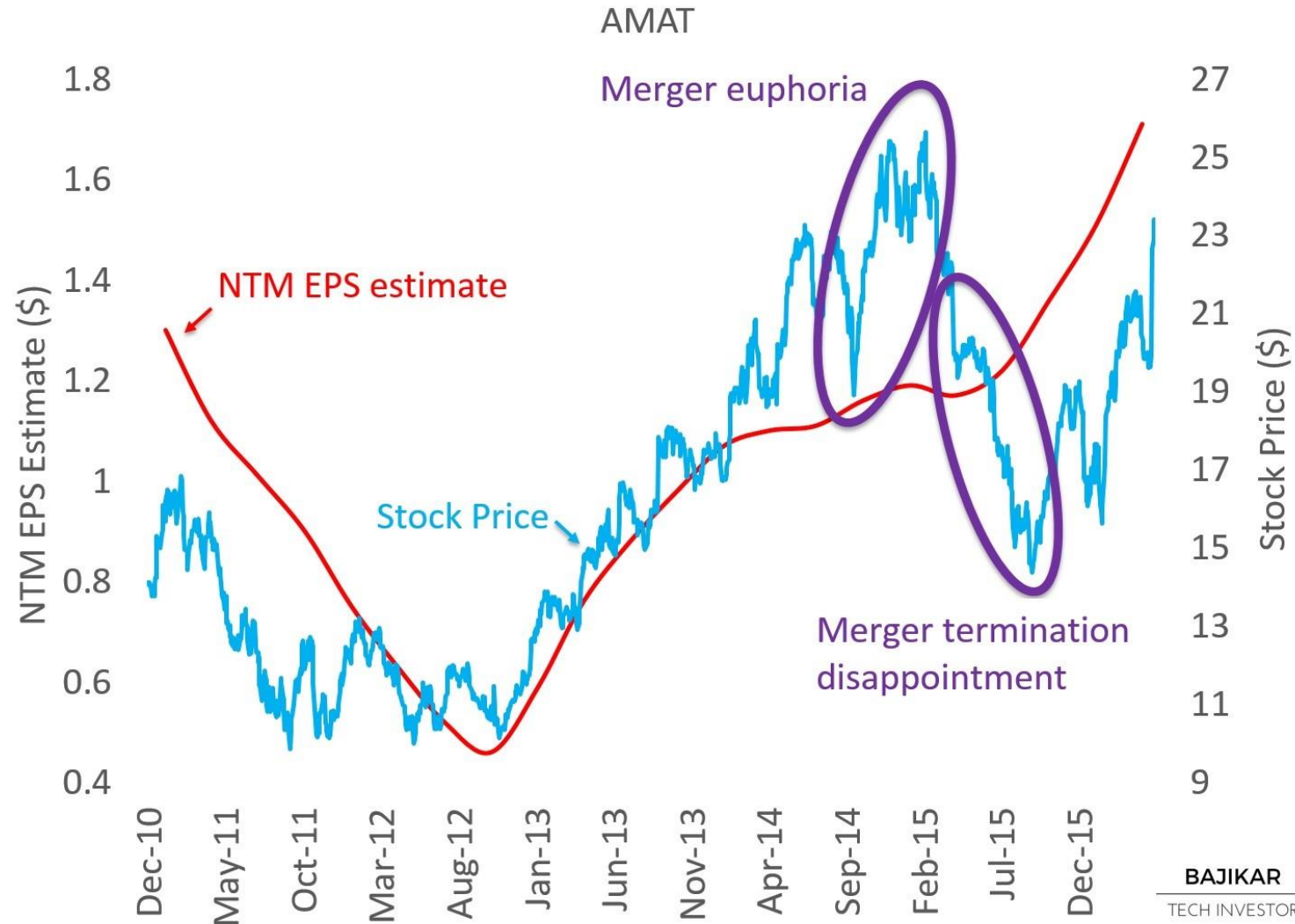


1. Unique interpretation of data
2. Intuition

Example #1: AAPL – Predictable Disappointment

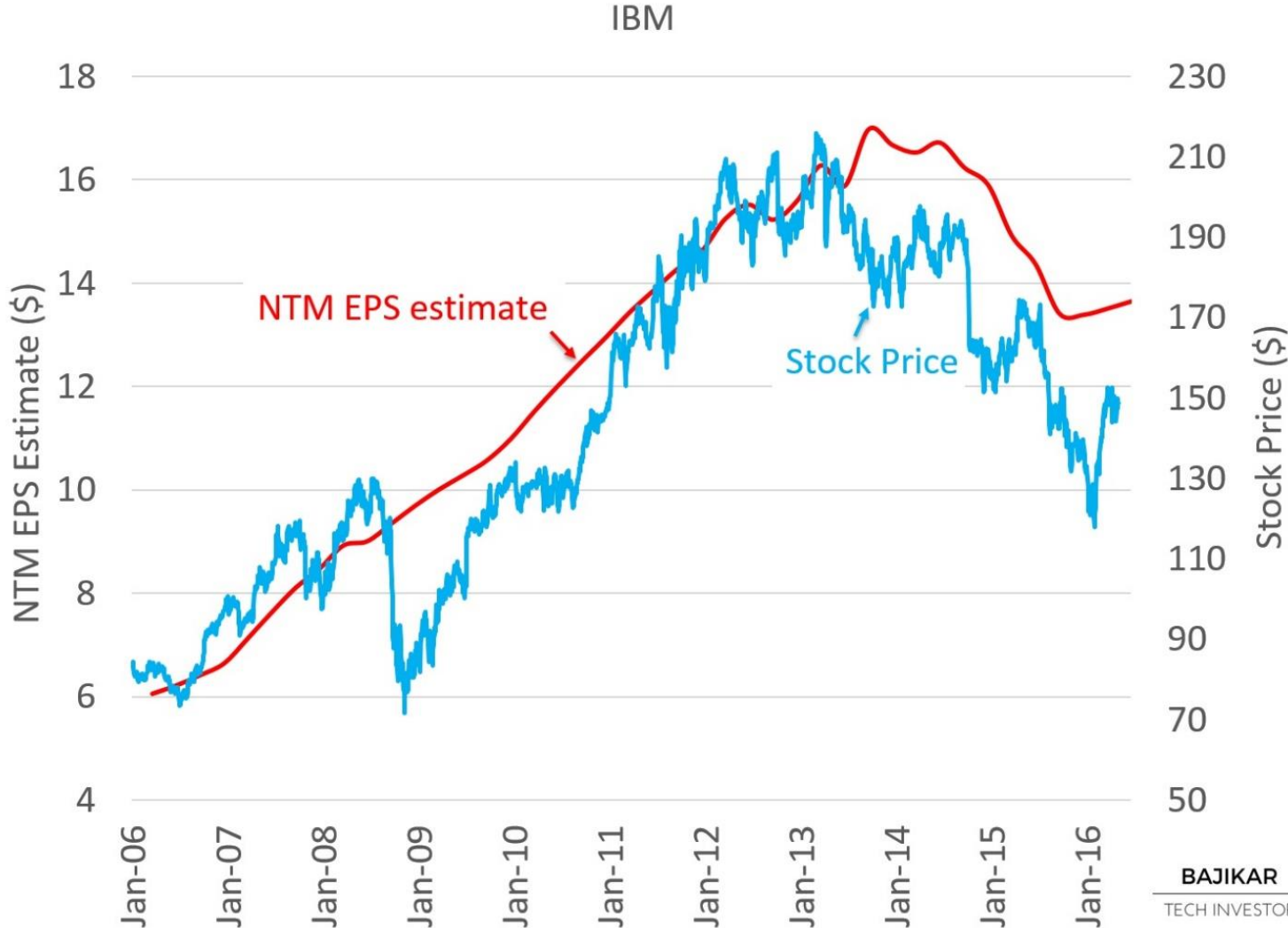


Example #2: AMAT – Focus on Events

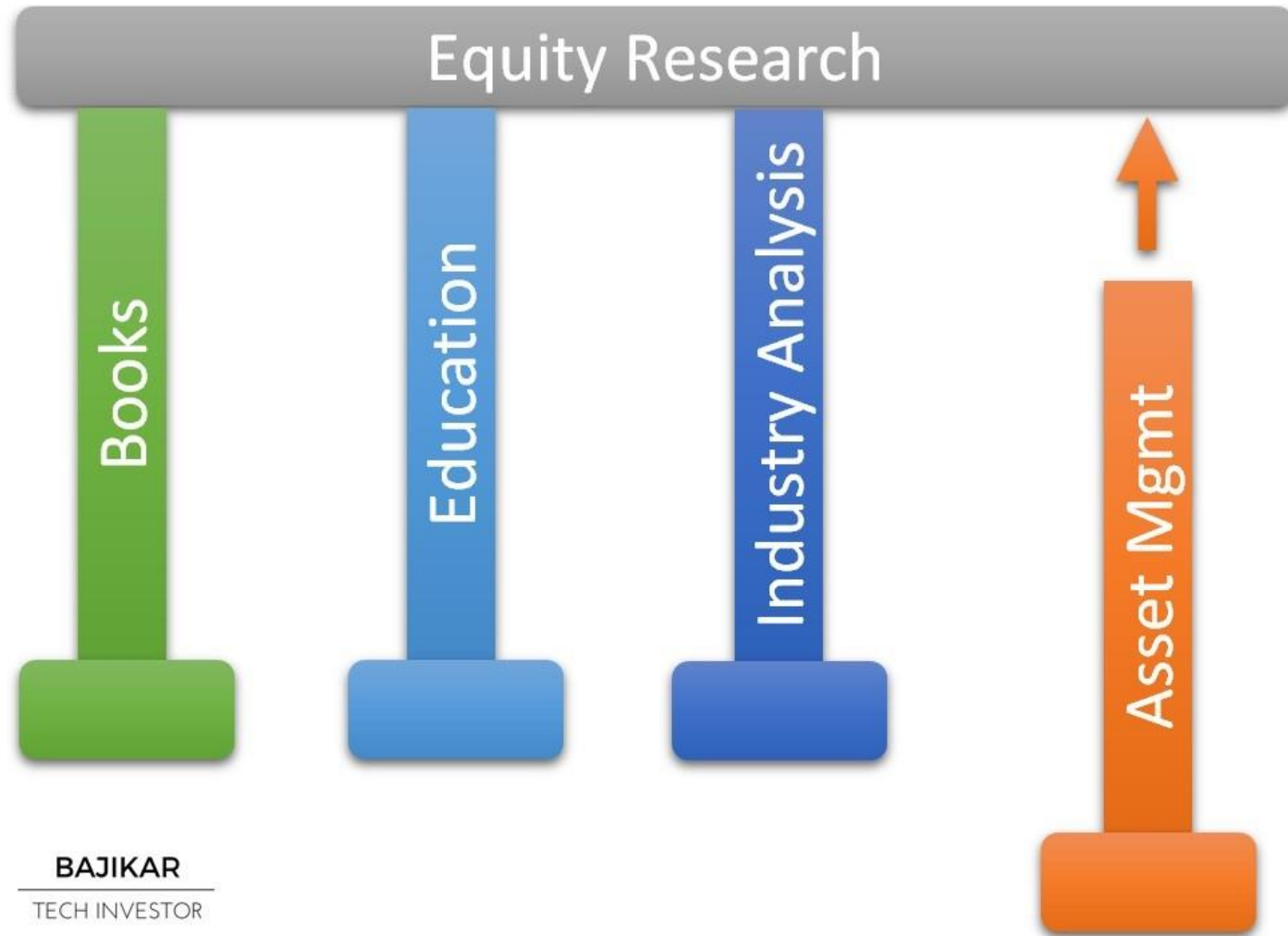


BAJIKAR
TECH INVESTOR

Example #3: IBM – Short-term Focus



How I Can Help



Career Changers

- I switched from Tech to Finance during WEMBA
- It was a difficult journey to Senior Analyst on the Sellside
- I am glad I made the change
- Happy to discuss your situation

Applied Equity Research Course Proposal

- Collection of case studies
- Analyze Tech Stocks with real data
- Each case study generates a reasonably complete investment thesis

**Take the Survey (via email):
Would you like to take a short course on Applied Equity Research?**

Equity Research Blog

- <http://bajikartechinvestor.com/blog>
- Growing resource for Tech Investing
- Weekly updates
- Sign up for email updates at: [Equity Research Blog Sign Up](#)

Special Discount on My Book

EQUITY RESEARCH FOR
THE TECHNOLOGY
INVESTOR



VALUE INVESTING IN
TECHNOLOGY STOCKS

SUNDEEP BAJIKAR

100% Original Content.

>90 Color Illustrations.

Applies Value Investing
to Tech Stocks.

Discussions on AAPL,
MU, and other popular
stocks.

Overview of Financial
Services industry.

Written by a Global Technology Equity Research
Analyst with many years of Tech-Industry Experience.

<http://bajikartechinvestor.com>

BAJIKAR
TECH INVESTOR

- WEMBA discount available today on Paperback edition

- Includes 1x1 time* with me

- Limited quantity

* approximately 60 minutes of 1x1 time included in price of book

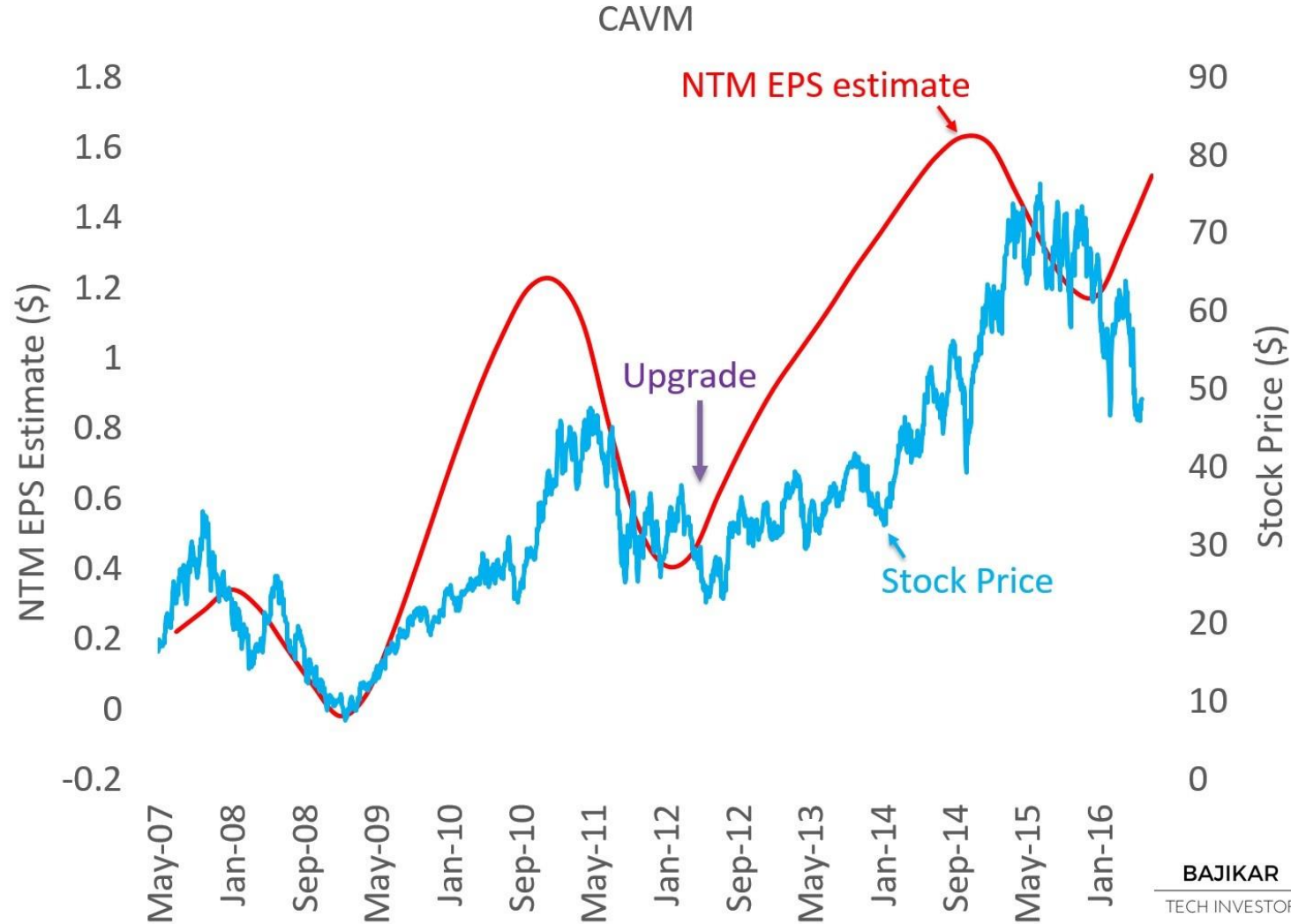
Equity Research Workbook Coming

- Template to follow 4SAFET™ Process
- Collection of Case Studies based on 4SAFET Process
- Ideal for leading group projects in a classroom setting
- Sign up for updates at: [Equity Research Workbook](#)

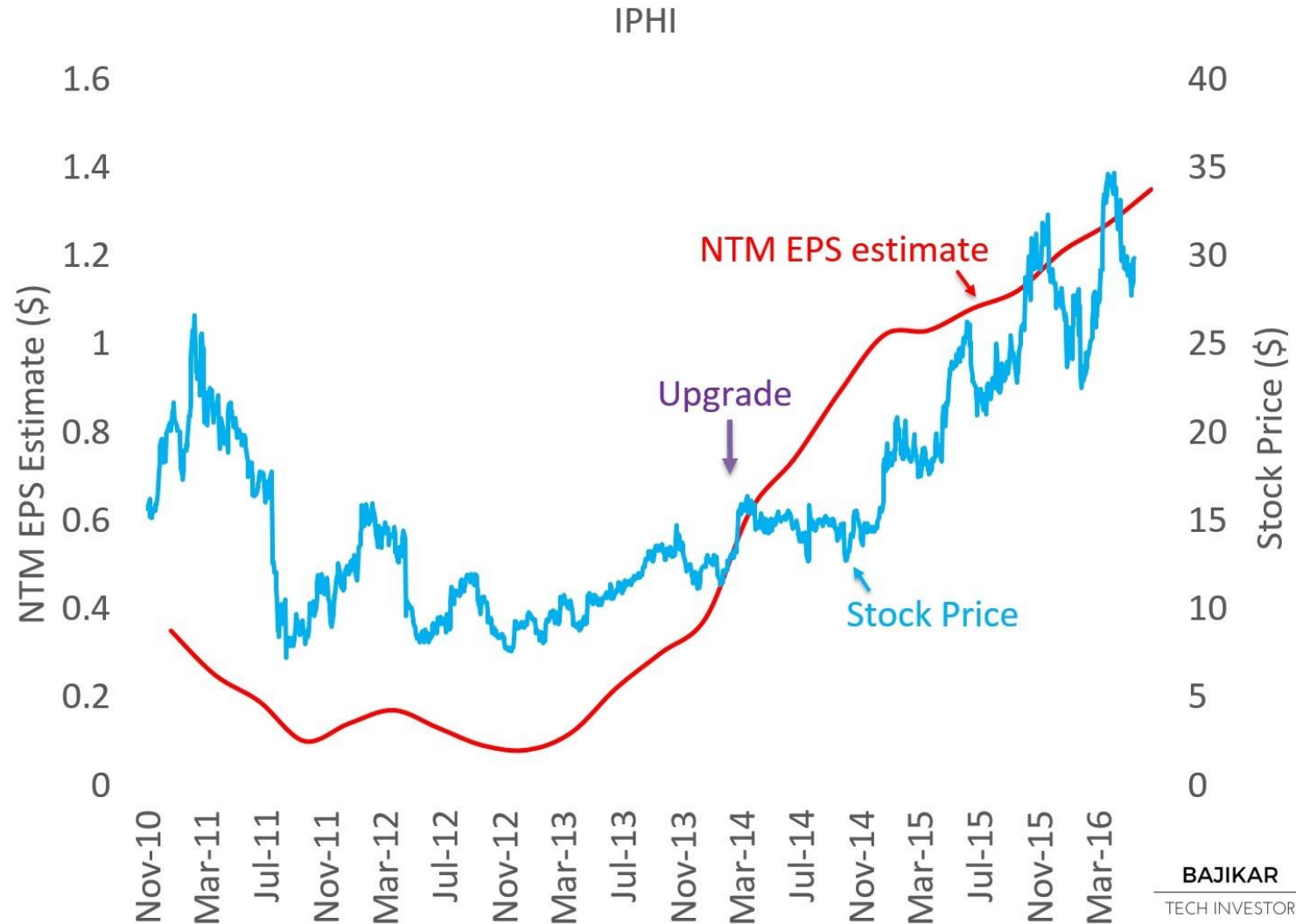
More Examples

- CAVM
- IPHI
- QCOM

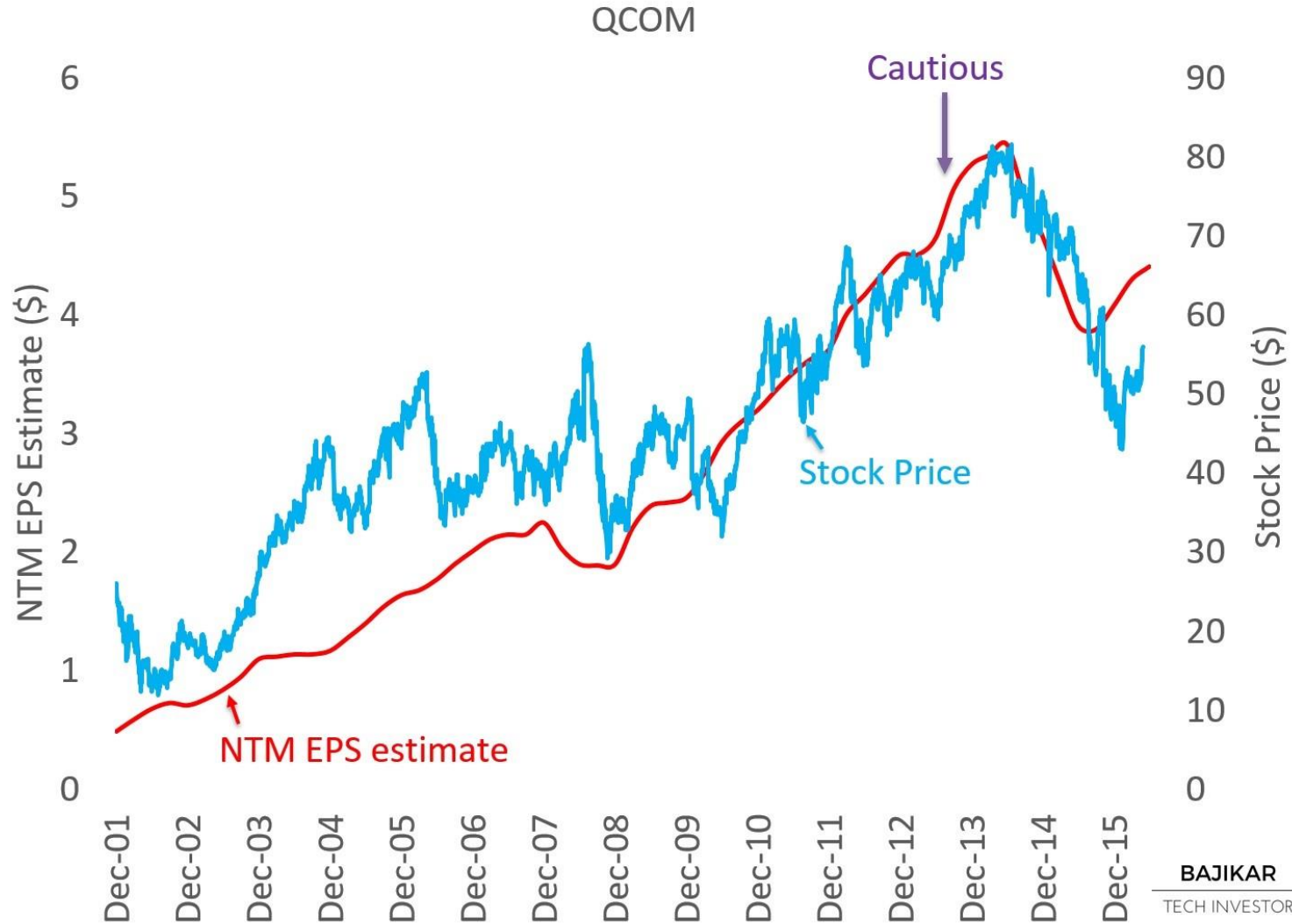
CAVM – Anticipated Entry into Wireless BTS



IPHI – Anticipated 100G Opportunity



QCOM – Anticipated Share Loss to Samsung



What About Mistakes?

- Of course I made a few
- Primarily due to deviation from process
- Increased conviction in 4SAFEt™ Process

My Bio

Now

- Author & Consultant

Previously – 18 years

- Jefferies LLC
- Morgan Stanley
- Intel Corporation

Education

- MBA in Finance, Wharton – WEMBA 31
- Graduate Engineering Coursework, Stanford University
- M.S.E.E. & M.S.M.E., University of Minnesota
- B.S.M.E., College of Engineering, Pune

Disclosure & Disclaimer

Articles or other materials provided through BAJIKAR TECH INVESTOR (via website, blog, newsletter, email, or other forms of distribution) are not research reports. They are provided for educational purposes, to illustrate how stock analysis is conducted and how stock pitches are written. Access to certain case studies will be provided to you after you explicitly opt in to receive such materials, by furnishing your name and email address. Such articles or other materials should not be copied or redistributed without my (Sundeep Bajikar's) prior consent. Such articles or other materials contain my opinions and ideas, which may not be suitable for every individual. No warranties or guarantees exist regarding the realization of any particular results, and I specifically disclaim responsibility for any loss incurred as a consequence of the application of the contents of such materials.

Please note that I am managing an investment portfolio, may have investment positions in stocks mentioned in such materials, and may trade in and out of those or other stocks or investments at my free will, without providing advance notice. I am also serving as consultant to Vine Street Capital Management, LLC and others, who may hold positions and/or trade in and out of stocks or other investments mentioned in such materials at their free will, without providing advance notice. Materials provided through BAJIKAR TECH INVESTOR should not be considered specific investment advice, and such materials are not substitutes for personalized investment advice received from a qualified and appropriately licensed investment professional, following a thorough discussion of your individual situation, goals, and risk tolerance, among other things.

I, Sundeep Bajikar, am currently not a registered investment advisor. I do not currently hold active securities licenses. Previously, for almost a decade, I held the following securities licenses: Series 7, Series 63, Series 86 and Series 87.

You are solely responsible for your investment decisions.

Data for charts presenting stock market information (stock prices, NTM EPS estimates, NTM P/E, etc.) are provided by [Sentieo](#). Data pertaining to DRAM/NAND pricing are provided by [inSpectrum](#). Mobile device industry data are provided by [Counterpoint](#).

[Additional Disclosures and Privacy Policy](#)