<table>
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<tr>
<th>Section</th>
<th>Title</th>
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<td>Educational Program Overview</td>
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<td>IV.</td>
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I. School of Finance Overview
About Us

Our Mission

- Group of financial industry experts engaged in investment banking, private equity and financial consulting services to provide students with a required level of knowledge for successful start of their career path in financial sector

Study Program

- We have created a 1-year program focusing on theoretical and practical courses in financial statement analysis, financial modeling, valuation principles, deal structuring and financing as well as industry analysis
- We conduct our lessons each Saturday on a no-fee voluntary basis free of primary education hours

Advantages for Students

- Financial industry expertise supported by day-to-day work experience
- Strong understanding of key topics and skills essential for a new intern or 1st year analyst
  - Financial modeling in MS Excel: DCF, merger model, debt modeling, LBO model
  - Fundamental analysis of various sectors
  - CFA L1 topics
  - Practical case studies
  - Interview sessions covering technical and motivation questions
- Close relationships with HR departments of the largest Russian and international financial companies which provide better understanding of their requirements for new candidates
- Assistance in exploring career opportunities through internal mentorship program
  - Regular communication to discuss and develop long-term career path
School of Finance Today

1. Founded in 2013, the only university school of finance in Russia

2. Well-educated instructors from the largest Russian and international financial companies

3. Strong relationships with the administration of the MSU Faculty of Economics

4. Assistance in building long-term career in finance and preparation for internships and full-time positions

5. Partnership with the leading educational projects in finance and communication with recruiting teams
Our Team

Unique Combination of Financial Sector and Industry Specific Experience

<table>
<thead>
<tr>
<th>Bulge Bracket / Private Equity / Mid-Cap &amp; Investment Boutiques</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goldman Sachs</td>
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<tr>
<td>J.P.Morgan</td>
</tr>
<tr>
<td>UniCredit</td>
</tr>
<tr>
<td>Russian Direct Investment Fund</td>
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<tr>
<td>SISTEMA</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Russian Corporate &amp; Investment Banking / Big-4</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBERBANK CIB</td>
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<tr>
<td>Aton</td>
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<tr>
<td>KPMG</td>
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<table>
<thead>
<tr>
<th>Industry Coverage</th>
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<tbody>
<tr>
<td>Rostec</td>
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<tr>
<td>Yandex</td>
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</table>
Established Partnership with MSU

Lomonosov Moscow State University, Faculty of Economics

- Founded in 1755, MSU is a coeducational public research university that caters for 38,000 students
  - Widely considered the **most prestigious university in the former Soviet Union**
  - The **highest-ranked university in Russia**, with a consistent position: top-100 of the QS World University Ranking and top-200 World University Ranking by Times Higher Education
  - Partnerships with around 60 higher education institutes around the world
- All lectures and workshops have been held at MSU, Faculty of Economics **starting from 2013**
- School of Finance is supported by the Applied Finance Research Center (AFRC) served under the Faculty of Economics, Moscow State University, one of the leading program in finance in Russia
  - Founded in 2009, AFRC provides educational and consulting services in finance
  - Key projects include
    - MSU IB Club – the leading university investment banking club in Russia
    - Preparation of the MSU team for the CFA Institute Research Challenge, an annual global competition that provides university students with hands-on mentoring and intensive training in financial analysis
    - Finance 360 – the first Russian financial analysis contest
Our Education Partners

KPMG is a professional service company, being one of the Big Four auditors, along with Deloitte, EY and PwC, and has three lines of services: audit, tax, and advisory.

PwC is the second largest professional services firm in the world, and is one of the Big Four auditors, along with Deloitte, EY and KPMG, with offices in 157 countries and more than 223,000 employees.

Renaissance Capital is a leading emerging and frontier markets investment bank with operations in Sub-Saharan Africa, Russia, Middle East, and Asia.

ATON is the oldest independent investment group in Russia offering its clients brokerage services and corporate finance solutions as well as wealth management and personal investment products.

Alfa-Bank offers a wide range of products and operates in all sectors of the financial market, including corporate and retail lending, investment banking and other ancillary services to corporate and retail customers.

VTB Group is a global provider of financial services, comprised of over 20 credit institutions and financial companies operating across all key areas of the financial markets.

EY is one of the largest professional services firms globally and is one of the Big Four accounting firms, representing 250,000 employees in over 700 offices around 150 countries.
II. Key Achievements 2017 / 2019
Key Achievements 2017 / 2019

✓ 3,000+ applications received and 200+ graduates over the last 3 years covering top universities (Lomonosov Moscow State University, Higher School of Economics, Financial University, Plekhanov University, MGIMO, New Economic School)

✓ Invitations to bulge bracket, PE and VC internships in Moscow and London offices for top students

✓ Over 20 workshops held together with our education partners

✓ Established and led the first Financial Analysis contest (Finance 360)

✓ Inaugural mentorship program launched

✓ Get-together & graduation party with over 100 participants
Application Status 2015-2019

Number of Applicants

- 2014/2015: 283
- 2015/2016: 489
- 2016/2017: 702
- 2017/2018: 1,119
- 2018/2019: 1,194

- 26% HSE
- 26% MSU
- 16% FU
- 4% MGIMO
- 22% Other
1,194 applications received of which 112 were accepted.

79 students successfully passed mid-term and final exams.

Internships and full-time positions in top Russian and international financial companies.

Program Results 2018/19

- 29% HSE
- 18% MSU
- 13% FU
- 8% REU
- 6% MGIMO
- 27% Other

- Diploma with Honors 38% (62% Diploma, 38% Diploma with Honors)

Sponsors:
- Goldman Sachs
- SBERBANK CIB
- VTB
- Citi
- Deloitte
- UniCredit
- J.P. Morgan
- EY
- KPMG
- PwC
School of Finance Graduates Universe
### Selected Track Record of Our Graduates

<table>
<thead>
<tr>
<th># of Interns / Analysts</th>
<th># of Interns / Analysts</th>
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</thead>
<tbody>
<tr>
<td>Bank of America Merrill Lynch</td>
<td>5</td>
</tr>
<tr>
<td>Citi</td>
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</tr>
<tr>
<td>Credit Suisse</td>
<td>6</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>15</td>
</tr>
<tr>
<td>J.P. Morgan</td>
<td>4</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>1</td>
</tr>
<tr>
<td>Renaissance Capital</td>
<td>3</td>
</tr>
<tr>
<td>Rothschild &amp; Co</td>
<td>3</td>
</tr>
<tr>
<td>Sberbank CIB</td>
<td>9</td>
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<tr>
<td>UBS</td>
<td>2</td>
</tr>
<tr>
<td>VTB</td>
<td>11</td>
</tr>
<tr>
<td>KPMG, EY, PwC</td>
<td>&gt;25</td>
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</tbody>
</table>
## Workshops 2018

<table>
<thead>
<tr>
<th>Date</th>
<th>Discussion Topic</th>
<th>Companies Presented</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-Apr</td>
<td>ECM Trends in Russia</td>
<td></td>
</tr>
<tr>
<td>19-May</td>
<td>M&amp;A Case Competition 2018</td>
<td></td>
</tr>
<tr>
<td>27-Oct</td>
<td>IB Career Opportunities</td>
<td></td>
</tr>
<tr>
<td>10-Nov</td>
<td>Russian Macro Update</td>
<td></td>
</tr>
<tr>
<td>24-Nov</td>
<td>M&amp;A Structuring and Financing</td>
<td></td>
</tr>
<tr>
<td>1-Dec</td>
<td>Introduction to Rothschild &amp; Co</td>
<td></td>
</tr>
<tr>
<td>8-Dec</td>
<td>Corporate vs Investment Banking</td>
<td></td>
</tr>
</tbody>
</table>
# Workshops 2019

<table>
<thead>
<tr>
<th>Date</th>
<th>Discussion Topic</th>
<th>Companies Presented</th>
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</thead>
<tbody>
<tr>
<td>16-Feb</td>
<td>Build Your Career in Finance</td>
<td>Renaissance Capital</td>
</tr>
<tr>
<td>16-Mar</td>
<td>Metals &amp; Mining Trends</td>
<td>Renaissance Capital</td>
</tr>
<tr>
<td>23-Mar</td>
<td>Sales &amp; Trading Career Opportunities</td>
<td>Renaissance Capital</td>
</tr>
<tr>
<td>23-Mar</td>
<td>Oil &amp; Gas Valuation Aspects</td>
<td>Renaissance Capital</td>
</tr>
<tr>
<td>6-Apr</td>
<td>Introduction to Renaissance Capital</td>
<td>Renaissance Capital</td>
</tr>
<tr>
<td>13-Apr</td>
<td>Introduction to VTB Capital</td>
<td>VTB</td>
</tr>
<tr>
<td>27-Apr</td>
<td>Corporate vs. Private Banking</td>
<td>Credit Suisse</td>
</tr>
<tr>
<td>27-Apr</td>
<td>Build Your Career in Finance</td>
<td></td>
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</tbody>
</table>
Finance 360°

Financial Analysis Contest

- School of Finance team established and led the first Russian Financial Analysis contest organised by the Faculty of Economics, Moscow State University
  - Over 300 applications received
  - 24 students participated in the final stage in 2019
- More about Finance 360°
Mentorship Program

• Inaugural project launched in December 2018
  ✓ 57 mentors
  ✓ 77 mentees
  ✓ Regular communication to discuss and develop long-term career path
  ✓ Personal recommendations and professional tips
  ✓ Preparation for live interviews
Get-together & Graduation Party

✓ Over 100 participants including current and previous lecturers, graduates and education partners as well as EF MSU representatives
III. Educational Program Overview
## School of Finance Study Program

<table>
<thead>
<tr>
<th>1st Semester Program</th>
<th>2nd Semester Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Oct-19 / Dec-19)</td>
<td>(Feb-20 / Jun-20)</td>
</tr>
<tr>
<td>CFA Level 1 Preparation</td>
<td></td>
</tr>
<tr>
<td>Financial Statements Basics</td>
<td>Advanced Valuation Topics</td>
</tr>
<tr>
<td>Advanced Financial Statement Analysis</td>
<td>Deal Financing</td>
</tr>
<tr>
<td>Financial Modeling</td>
<td>Deal Structuring</td>
</tr>
<tr>
<td>Valuation Basics</td>
<td>Private Equity and Venture Capital</td>
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<tr>
<td>Industry Specific Fundamental Course</td>
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<tr>
<td>Individual and Team Case Studies</td>
<td></td>
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<tr>
<td>Mentorship Program</td>
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</tbody>
</table>
Indicative Day-to-Day Timeline

15.40 – 16.40: Financial Statement Analysis / Modeling / Valuation

16.40 – 17.30: Lunch

17.30 – 18.30: Financial Statement Analysis / Modeling / Valuation

18.30 – 18.40: Break

IV. Application Process Overview
Application Process Overview

CONNECT WITH US
- Review sfinance.org to learn more about our opportunities
- Attend our events and program presentations
- Meet and speak with our team

APPLY ONLINE
- Submit application via sfinance.org
- Complete online test

INTERVIEW WITH US
- Structured interviews assessing answers to competency, behavioural and technical questions
- 2-round interview with teaching assistants, mentors and lecturers
- Do not forget to prepare your CV

JOIN US
- If successful, you will join our 1-year educational program
Application Process

- 1st stage: online test
  - Complete online test covering basic CFA L1 topics as per the list of Study Sessions
- 2nd stage: personal interviews
  - 2-round interview with teaching assistants, mentors and lecturers
  - Candidate must know answers to the list of questions
  - We may also ask to solve any tests from CFA database as per provided list of topics
  - Candidate should be prepared to discuss your academic work and motivation for the program participation
  - We may invite candidates for the 3rd round of interview upon the request
Application Timeline 2019

- Launch of the application process: 27th July 2019
- Online test: end of August – beginning of September 2019
- Interview dates: 14th, 21st and 28th of September 2019
- Final list of the candidates selected for the 1-year regular educational program will be published by 10rd of October 2019
- We are currently aiming to select 75-100 applications for the 1-year program
- 2019/20 educational program starts on 12th of October 2019
How to Prepare

Books and 101 Questions
• Schweser CFA Study Notes – be prepared for any numerical exercises from this book
• Review the list of books published in VK group
• Prepare answers to the list of basic questions (see Appendix C)

Macro Environment and Precedent Transactions
• Read Vedomosti, Kommersant, Bloomberg, Reuters for the latest closed and announced transactions
• Find and review KPMG / EY / PwC / Deloitte / Mergermarket / Thomson Reuters latest Global and Russian M&A and IPO updates

Resume/CV
• Walk us through your resume. It should attract our attention! You will have up to 5 minutes to present yourself

Motivation
• Do you really know why are you applying for this program? If so, try to briefly describe the key reasons for this
Appendix A. School of Finance Courses
Courses (1/11)

CFA Level 1 Preparation

- Classroom concept checking tests
- Key topics:
  - Financial statement analysis
  - Corporate finance
  - Portfolio management
  - Equity investments
  - Fixed income
  - Derivatives
Courses (2/11)

Financial Statements Basics

- This core module provides you with essential financial statement analysis skills ahead of the modeling, valuation and deal structuring courses.
- We will start out by looking at companies’ financial statements and building a 3-statement model from the ground up, going through the Income statement, Balance sheet and Cash flow statement, and then linking them together.
- Key topics:
  - Income statement
  - Current assets and working capital
  - Non-current assets
  - Debt and equity
  - Cash flow statement
  - Earnings per share
Courses (3/11)

Advanced Financial Statements Analysis

- This course is designed to provide you with better understanding of advanced financial statements items which usually create learning difficulties among students but are crucial for financial performance analysis and valuation purposes.
- Key topics:
  - Financial assets (FVTPL, AFS, HTM)
  - Operating and capital leases
  - Deferred tax assets and liabilities
  - Net operating losses
  - Stock-based compensation
  - Pensions
  - Consolidated financial statements (investments in subsidiaries and associates)
Financial Modeling

- This module provides you with the skills necessary to build a variety of financial models. Cutting edge techniques are used to help build accurate, flexible and user friendly models.
- The entire course is based on a case study of selected companies, using historical filings.
- Key topics:
  - Financial modeling fundamentals
  - Three statement modeling
  - Integrity and error checking
  - Financial modeling and forecasting
  - Financial modeling from scratch
The module provides basics of corporate valuation methodologies in a way used by investment bankers.

In this course we will begin our discussion of valuation with an overview of how we use public comparable companies, precedent transactions and discounted cash flow analysis to value a company.

Key topics:
- Valuation overview
- Comparable companies analysis
- Precedent transactions analysis
- DCF analysis key issues
Courses (6/11)

Advanced Valuation Topics

- This module provides the advanced toolkit of corporate valuation methodologies
- In this course we will look deeper into DCF analysis techniques, understand how to put valuation technologies together and how to build a merger model
- Key topics:
  - Advanced DCF analysis
  - Present value of future stock price
  - Consolidating financial statements
  - Pulling the analysis together
  - Merger plans
Courses (7/11)

Deal Financing

- This module builds on the fundamentals of capital markets to introduce an understanding of the key products, issuers and investors for each product discussed

- Key topics:
  - Capital markets fundamentals
  - Equity capital markets (ECMs)
  - Fixed income fundamentals
  - Debt capital markets (DCMs)
  - Credit analysis fundamentals
  - Credit comparables
Courses (8/11)

Deal Structuring

- This module examines how to model and understand the impact of a transaction on the financial statements of a company. It then assesses the appropriate structuring of the transaction.

- In this course you will learn how to build an advanced LBO model that incorporates all 3 financial statements, pro-forma balance sheet adjustments and several tranches of debt from the revolver to PIK notes.

- Key topics:
  - Leveraged buyout analysis
  - LBO modeling
Courses (9/11)

Private Equity and Venture Capital

- This course is designed to provide students with a deeper understanding of buy-side financial analysis and tools necessary to examine the complexities of deal-making through PE and VC

- Key topics:
  - Process of fund raising for PE
  - PE in start-ups, scaling-up cash-flow businesses and restructuring firms
  - PE investors’ exit strategies
  - Link between PE and VC
  - Case studies and workshops
Courses (10/11)

**Fundamental Analysis**

- Industry coverage
  - Banks
  - Metals&Mining
  - Oil&Gas
  - Retail
  - Telecoms

- Key topics:
  - Industry profile
  - Value chain analysis
  - Company profile
  - Industry specific valuation metrics
  - Banks / Metals&Mining / Oil&Gas / Retail / Telecoms operating model
  - Final examination: preparation of equity research report (incl. company-specific operating model)
Courses (11/11)

**Individual and Team Case Studies / Workshops**

- This module is designed to put studied topics into practice through students’ own research, analysis and conclusions made upon specific financial cases.

- Students will be involved in individual and team cases where they will analyze companies’ financials based on learned techniques, build operating and financial models, draw conclusions and present them in front of lectures and industry experts.

- Key topics:
  - M&A case study
  - Personal valuation study
  - Industry specific case study
  - Initiation coverage report
Appendix B. School of Finance List of Questions
List of Questions (1/7)

**Corporate Finance, Financial Markets and Portfolio Management**

1. What does NPV mean?
2. What does RRR (required rate of return) mean?
3. What does IRR mean?
4. What does WACC mean?
5. Why cost of debt is usually less than cost of equity?
6. How do you calculate cost of equity?
7. Walk me through CAPM
8. What does efficient frontier mean?
9. Plot CAL, CML and SML lines
10. What does risk-free rate mean?
11. What does beta mean?
12. How is ERP (equity risk premium) calculated?
13. Describe the difference between Asset beta and Equity beta
14. What are examples of companies with negative beta?
15. How can we calculate cost of equity WITHOUT using CAPM?
16. Should cost of equity be higher for a $5 billion or $500 million market cap company?
17. What about WACC – will it be higher for a $5 billion or $500 million company?
18. What is the relationship between debt and Cost of Equity?
19. How do you calculate WACC for a private company?
20. Provide Enterprise value (EV) calculation
List of Questions (2/7)

21. Provide EV to Equity value bridge
22. Should you use the book value or market value of each item when calculating Enterprise Value?
23. Could a company have a negative Enterprise value?
24. Could a company have a negative Equity value? What would that mean?
25. Why do we add Preferred stock to get to Enterprise value?
26. How do you account for convertible bonds in the Enterprise value formula?
27. What does Non-controlling interest mean? Why do you need to add the Non-controlling interest to Enterprise value?
28. Describe the difference between Unlevered (FCFF) and Levered (FCFE) free cash flows
29. Why do you add back non-cash charges when calculating the Free Cash Flow?

Financial Statements

30. Walk me through the key three financial statements
31. Can you give examples of major line items on each of the financial statements?
32. How do the three statements link together?
33. If I were stranded on a desert island, only had one statement and I wanted to review the overall health of a company – which statement would I use and why?
34. Let’s say I could only look at two statements to assess a company’s prospects – which would I use and why?
List of Questions (3/7)

35. What is the difference between capital leases and operating leases?

36. If you were buying a vending machine business, would you pay a higher multiple for a business where you owned the machines and they depreciated normally, or one in which you leased the machines? The cost of depreciation and lease are the same dollar amounts and everything else is held constant.

37. What is the difference between Basic and Diluted EPS?

38. What is the difference between authorized, issued, treasury and outstanding shares?

39. Assume equity (common stock) increased by $10. How will it affect three statements?

40. What is Stock-based compensation? Describe Treasury stock method. What is a difference between call and put option? Does equity-based compensation usually provided in form of call or put option?

41. Describe the difference between LIFO and FIFO

42. Assume Inventory decreased by $10. How will it affect three statements?

43. What is the difference between ETR (effective tax rate) and MTR (marginal tax rate)? Which one would you use for valuation purposes?

44. What is DTA and DTL?

45. What is Loss carryforward?

46. Describe types of financial investments reported in Balance sheet

47. Describe Equity method approach used for investments in associates / JVs

48. Walk me through key components of Operating / Investing / Financing cash flow

49. How to calculate NWC (Net working capital)?
50. What does negative Working capital mean? Is that a bad sign?
51. If Depreciation is a non-cash expense, why does it affect the cash balance?
52. Where does Depreciation usually show up on the Income statement?
53. Assume Depreciation increased by $10. How will it affect three statements?
54. What do 10-K and 10-Q mean?
55. What is the main difference between IFRS/US GAAP and RAS (Russian accounting standards) in terms of financial disclosure?

Valuation
56. What do you actually use a valuation for?
57. Describe three main business valuation methods
58. What other valuation methodologies are there?
59. When would a Liquidation valuation produce the highest value?
60. When would you use Sum of the parts analysis?
61. When do you use LBO analysis as a part of your valuation?
62. How do you apply three valuation methodologies to actually get a value for the company you're looking at?
63. How would you present these valuation methodologies to a company or its investors?
64. How do you value a private company?
65. How do you value banks and financial institutions differently from other companies?
List of Questions (5/7)

66. What types of discount rate are generally used in financial models? When do you use cost of equity instead of WACC as a discount rate in DCF analysis?
67. Describe mid-year convention adjustment
68. Describe growing perpetuity and Exit multiple approaches to Terminal value calculation
69. What is an appropriate growth rate to use when calculating the Terminal value?
70. Why would you use Gordon Growth rather than the Multiples method to calculate the Terminal value?
71. How do you select the appropriate exit multiple when calculating Terminal value?
72. How do you know if your DCF is too dependent on future assumptions?
73. Which has a greater impact on a company’s DCF valuation – 10% change in revenue or 1% change in the discount rate?
74. What about 1% change in revenue vs. 1% change in the discount rate?
75. Walk me through sensitivity analysis
76. Walk me through DDM (Dividend discount model)
77. Walk me through multiples approach to valuation
78. How do you select Comparable companies / Precedent transactions?
79. Why would a company with similar growth and profitability to its Comparable companies be valued at a premium?
80. How do you take into account a company’s competitive advantage in a valuation?
81. Do you always use the median multiple of a set of public company comparables or precedent transactions?
List of Questions (6/7)

82. Why is P/S (Price-to-Sales) bad multiple?
83. Why is P/B (Price-to-Book) multiple can be negative?
84. Provide PEG (Price-to-Earnings-to-Growth) formula
85. Provide the most common multiples examples
86. Give advantages and disadvantages of multiples
87. Describe industry multiples
88. Two companies have the exact same financial profiles and are bought by the same acquirer, but the EBITDA multiple for one transaction is twice the multiple of the other transaction – how could this happen?
89. How far back and forward do we usually go for public company comparable and precedent transaction multiples?
90. Why might we discount the public company comparable multiples but not the precedent transaction multiples?

Consolidated Accounting

91. What does Goodwill mean?
92. Why do Goodwill & Other intangibles get created in an acquisition?
93. Normally Goodwill remains constant on the Balance sheet – why would it be impaired and what does Goodwill Impairment mean?
94. Why are deferred tax liabilities (DTLs) and deferred tax assets (DTAs) created in M&A deals?
List of Questions (7/7)

95. Why would an acquisition be dilutive?
96. A company with a higher P/E acquires one with a lower P/E – is this accretive or dilutive?
97. Walk me through an example of how to calculate revenue / cost synergies

IPO and M&A

98. Walk me through an IPO process for a company that is about to go public
99. Walk me through the process of a typical sell-side / buy-side M&A deal
100. Provide examples of the recent / largest IPOs and M&As in Russia / EMEA / Global
101. What is included in a pitch book?
Official website: sfinance.org
VK: vk.com/sfinancegroup
Linkedin: linkedin.com/company/SchoolOfFinance
Instagram: Instagram.com/sfinance_official
Facebook: facebook.com/sfinancegroup