Value Investing Program
Student Information Session

Uris 301, 12:30 p.m.
Agenda

- Introduction to the Heilbrunn Center: Who we are and what we do
- Investing at Columbia: Something for everyone
- The Value Investing Program
  - The Application Process: What is entailed
  - Testimonials: Advice from second-years
Heilbrunn Center Leadership

Bruce Greenwald, the Robert Heilbrunn Professor of Finance and Asset Management, directs the Heilbrunn Center for Graham & Dodd Investing and the academic program in value investing.

Tano Santos, the David L. and Elsie M. Dodd Professor of Finance, is the research director of the Heilbrunn Center for Graham & Dodd Investing.

Louisa Serene Schneider, the administrative director of the Heilbrunn Center for Graham & Dodd Investing, is responsible for all operational aspects of the center.

William von Mueffling ’95, Chair
Cantillon Capital Management

David Greenspan ’00
Slate Path Capital

Edwin Schloss
Walter & Edwin Schloss Associates

Will Browne
Tweedy, Browne Company, LLC

Andrew S. Gundlach ’01
Arnhold & S. Bleichroeder Advisors LLC

Paul Sonkin ’95
GAMCO Investors, Inc.

Budge Collins
Collins/Bay Island Securities

Thomas Russo
Gardner Russo & Gardner

Jennifer Wallace ’94
Summit Street Capital Management
Value Investing Faculty Affiliations: 2013-2014

- Arnaud Ajdler, Engine Capital
- Eric Almeraz ’02, Apis Capital Advisors, LLC
- Christopher Begg, East Coast Asset Management
- Avi Berg ’97, Jennison Associates, LLC
- Naveen Bhatia, Blackstone
- Ethan Binder ’06, Slate Path Capital
- Michelle Borre ’96, Oppenheimer Funds, Inc.
- Ryan Brown, Davis Selected Advisers
- Margaret Cannella ’76, CHF International, LLC
- Ellen Carr, Weaver Barksdale
- Jeff Cino ’06, PIMCO
- Mark Cooper ’02, PIMCO
- Wouter Dessein, Columbia Business School
- Peter Eliot ’04, Capital World Investors
- Kian Ghazi, Hawkshaw Capital Management
- Jefferson Gramm ’03, Bandera Partners, LLC
- Joel Greenblatt, Gotham Asset Management
- David Greenspan ’00, Slate Path Capital
- Bruce Greenwald, Columbia Business School
- Scott Hendrickson ’07, Permian Investment Partners
- David Horn ’02, Kiron Advisors, LLC
- Munib Islam, Third Point LLC
- Paul Johnson, Nicusa Capital Partners
- Terrence Kontos ’05, TIAA-CREF
- Dan Krueger ’02, Owl Creek Asset Management, LP
- Lauren Krueger ’02, Esopus Creek Advisors, LLC
- Stirling Levy ’00, Hound Partners
- Keith Luh ’03, Franklin Mutual Series
- Michael Mauboussin, Credit Suisse
- Ian McDonald, Hilltop Park Associates
- Neal Nathani, Totem Point Management LLC
- Kevin Oro-Hahn ’10, Ingalls & Snyder
- T. Charlie Quinn ’06, Gardner Russo & Gardner
- Rishi Renjen, Maverick Capital
- Jon Salinas ’08, Plymouth Lane Capital Management
- Tano Santos, Columbia Business School
- Guy Shanon ’99, Kingstown Capital Management, LP
- Joseph Stiglitz, Columbia Business School
- Tom Tryforos ’84, Columbia Business School
- Artie Williams ’02, Summit Street Capital Management
- Dan Yarsky ’06, Moore Capital
Introduction: Heilbrunn Staff

- Louisa Serene Schneider, Senior Director: 212-851-5992
- Marci Zimmerman, Associate Director: 212-851-9558
- Julia Kimyagarov, Assistant Director: 212-854-1933

Contact Info:

- Email: valueinvesting@gsb.columbia.edu
- Offices: Centers’ Suite, 2M
- Office Hours: Email for appointment
- Website: www.grahamanddodd.com
- LinkedIn Group: Value Investing Network of Heilbrunn Center at Columbia Business School
Heilbrunn Center: Overview

● Our mission is to lead the theory and practice of investing

● Our approach

- VI Program for MBA students
- 41 investors teaching as adjunct faculty
- Investment Ideas Club
- CSIMA education series
- Class speakers
- Pershing Square Challenge
- Moon Lee Prize
- Sonkin Prize
- Practitioner Chair

- Walter Schloss Investing Archives / Library
- eNewsletter – *Graham & Doddsville*
- Heilbrunn Research Board
- Heilbrunn Center Annual Letter

- Graham and Dodd Breakfast
- CSIMA Conference
- Networking events
- Discussion forums
- Recruiting support – mentors, etc.
- Recognition of excellence
- Industry Partnerships – CSIMA, NYSSA, etc.
“Graham & Dodd” Investing

Approaches to Investing

Long Term
- Fundamental (Value)
  - Levels
    - Market Price vs. Intrinsic Value

Short Term
- Fundamental (Value)
- Technical
  - Momentum
  - Price/Volume Patterns
  - Current Price + Forecast Change (Micro and Macro)

Efficient Markets
- Asset Allocation
- Cost Minimization

We are here = “Graham & Dodd”

Long only funds, Hedge funds, Mutual funds, Private Equity, separate accounts, etc.
Value Investing Process

Graham & Dodd Investing Framework

- Cheap, Ugly, Obscure
- Otherwise Ignored
- Areas where you have expertise / ‘edge’ (circle of competence)

- Asset coverage
- Earnings Power
- Franchise & growth analysis

- Key Issues
- Collateral Evidence
- Personal Biases

- Portfolio management
  - Insurance positions
  - Some Diversification
- Margin of Safety
- Patience – Default Strategy
### Fall 2013

<table>
<thead>
<tr>
<th>Course Name</th>
<th>Professor</th>
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<tbody>
<tr>
<td>Applied Value Investing*</td>
<td>Avi Berg/Michelle Borre</td>
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<tr>
<td>Applied Value Investing*</td>
<td>Mark Cooper</td>
</tr>
<tr>
<td>Applied Value Investing †</td>
<td>Jeff Gramm/Terry Kontos</td>
</tr>
<tr>
<td>Applied Value Investing †</td>
<td>Munib Islam</td>
</tr>
<tr>
<td>Applied Value Investing*</td>
<td>Rishi Renjen/Kevin Oro-Hahn</td>
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<tr>
<td>Credit Markets and Leveraged Buy-Outs (EMBA)†</td>
<td>Margaret Cannella</td>
</tr>
<tr>
<td>Economics of Strategic Behavior †</td>
<td>Wouter Dessein</td>
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<tr>
<td>Mental Models †</td>
<td>Ethan Binder/Jeff Cino</td>
</tr>
<tr>
<td>Misunderstood Securities: Investing in Uncertainty and Change †</td>
<td>Lauren Krueger</td>
</tr>
<tr>
<td>Security Analysis†</td>
<td>Guy Shanon</td>
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<tr>
<td>Special Situations*</td>
<td>Joel Greenblatt/Dan Yarsky</td>
</tr>
<tr>
<td>Seminar in Value Investing (EMBA/MBA)†</td>
<td>Paul Johnson</td>
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<td>Value Investing (EMBA)†</td>
<td>Tano Santos</td>
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### Spring 2014

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<tr>
<th>Course Name</th>
<th>Professor</th>
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<tbody>
<tr>
<td>Advanced Investment Research ‡</td>
<td>Kian Ghazi</td>
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<tr>
<td>Advanced Investment Research ‡</td>
<td>David Greenspan/Stirling Levy</td>
</tr>
<tr>
<td>Applied Security Analysis 1 &amp; 2</td>
<td>Jon Salinas/Naveen Bhatia</td>
</tr>
<tr>
<td>Applied Value Investing (EMBA) ‡</td>
<td>Arnaud Ajdler</td>
</tr>
<tr>
<td>Applied Value Investing†</td>
<td>Eric Almeraz/David Horn</td>
</tr>
<tr>
<td>Applied Value Investing†</td>
<td>Scott Hendrickson</td>
</tr>
<tr>
<td>Applied Value Investing (EMBA) ‡</td>
<td>Tom Tryforos</td>
</tr>
<tr>
<td>Credit Markets and Leveraged Buy-Outs (EMBA)‡</td>
<td>Margaret Cannella</td>
</tr>
<tr>
<td>Distressed Value Investing*†</td>
<td>Dan Krueger</td>
</tr>
<tr>
<td>Economics of Strategic Behavior (EMBA)†</td>
<td>Bruce Greenwald</td>
</tr>
<tr>
<td>From Feast to Famine (And Back Again): Credit Markets &amp; Leveraged Buy-outs from 2003 to 2013</td>
<td>Margaret Cannella/Ellen Carr</td>
</tr>
<tr>
<td>Security Analysis†</td>
<td>Michael Mauboussin</td>
</tr>
<tr>
<td>Security Analysis†</td>
<td>Ian McDonald/Ryan Brown</td>
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<tr>
<td>Value Investing (EMBA)†</td>
<td>Tano Santos</td>
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<tr>
<td>Value Investing † (A Term)</td>
<td>Bruce Greenwald/Tano Santos</td>
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<tr>
<td>Value Investing with Legends*†</td>
<td>Bruce Greenwald/Tano Santos</td>
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### Summer 2014 (Tentative)

<table>
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<tr>
<th>Course Name</th>
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<tr>
<td>Advanced Investment Research ‡</td>
<td>Peter Eliot</td>
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<tr>
<td>Globalization (EMBA)†</td>
<td>Joseph Stiglitz/Bruce Greenwald</td>
</tr>
<tr>
<td>Security Analysis†</td>
<td>Keith Luh</td>
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Note: All VI classes have only one prerequisite: Capital Markets.
In some cases, Capital Markets can serve as a co-requisite (contact the Heilbrunn Center for more information). All courses depend on availability and are subject to change without notice.

*Value Investing Program Application
†Bidding
*Additional screening required
• The Program will be one block: CY15 = 9,000 points

• The Program will consist of the following courses:
  1. Applied Value Investing (3 Credits) – Fall 2014
  2. Special Situations (3 Credits) – Fall 2014
  3. Economics of Strategic Behavior (3 Credits) – Fall 2014 or Spring 2015
  4. Distressed Value Investing (3 Credits) – Spring 2015
  5. Value Investing with Legends (3 Credits) – Spring 2015

• If you are admitted into the program you must complete all 5 classes to be considered a Value Investing Program Graduate.

• All courses depend on availability and are subject to change without notice.
Value Investing Program Courses

- POINTS: You will be charged **9,000** points for the five program classes, which you will be pre-enrolled in upon acceptance into the program:

  1. Applied Value Investing
  2. Special Situations
  3. Economics of Strategic Behavior
  4. Distressed Value Investing
  5. Value Investing with Legends

- If you have already completed any of the program classes, you will still be charged 9,000 points for the Value Investing Program.
Other Application Based Value Investing Courses

- Other classes that are limited to students applying for the VI Program but not exclusive to the students in the VI program (will cost additional 1,000 points each):
  - Mental Models – Fall 2014
  - Misunderstood Securities – Fall 2014

  Even if you are admitted to the program, you are NOT assured a seat in Mental Models or Misunderstood Securities. The professors for Mental Models and Misunderstood Securities will select their rosters based on your program application.

- Other classes that require application but are not part of the VI Program:
  - Advanced Investment Research – Summer 2014, Spring 2015

- In addition, the Heilbrunn Center may offer bidding only sections of Applied Value Investing

- Please schedule an appointment with the Heilbrunn Center if you would like thoughts on specific classes.
VI Sequence – Administrative Details

- **Enrollment Capacity:** Maximum 40 students

- **Interview:** You must sign up for and attend a mandatory interview with the Heilbrunn Center.
  
  - Starting **10 a.m., Monday, March 3, 2014,** you can sign up for an interview slot on the sign-up sheet at the Heilbrunn Center (Centers’ Suite, 2M)
  
  - There will be interview slots scheduled between **Monday, March 31, 2014 – Friday, April 11, 2014.**
  
  - Timeslots will be filled on a first come first serve basis.
  
  - The deadline to sign up for an interview is **5 p.m., Friday, March 14, 2014.**
Value Investing Program Application

- **Application**: Submit your application electronically by **Monday, April 21, 2014, 12 p.m. EST (no exceptions)** as a single PDF file named LastName_FirstName.pdf.

- Send it to valueinvesting@gsb.columbia.edu. You will receive confirmation that we have received your submission.

- Applications must include:
  1. Application Information Form – We will email form on **Tuesday, March 25, 2014**
  2. Cover Letter (1 Page) – Explaining why you want to be in program
  3. Resume (1 Page)
  4. Investment Idea (2 Pages) – Idea options will be emailed on **Tuesday, March 25, 2014**.

- In the application, it helps to demonstrate interest in the subject matter, aptitude for investing, and commitment to the work.
• **Investment Write-Up:** Write a 2 page memo analyzing an idea based on the options the Heilbrunn Center provides on **Tuesday, March 25, 2014.**

  – What value you assign to the company and why
  
  – What makes this idea attractive or unattractive
  
  – The competitive situation of the company (industry or peers)
  
  – Limit the text and financial analysis (charts, tables, etc.) to **2 pages (single-sided)**
Application Review Process

- Consideration will be given to interest level, preparation (books read, knowledge of industry, value techniques, etc.), and demonstrated commitment to investing.

- Application Review: Applied Value Investing professors and at least one member of the Heilbrunn Center staff.

- At the professor’s discretion, phone interviews may also be scheduled.

- The review/selection process is conducted with best efforts to match instructor/student preferences.

- **By submitting an application, you agree to the process and will accept the final decisions of the professors reviewing the applications.**

- **We are unable to provide specific feedback on any applications. By submitting an application you acknowledge that you understand this policy.**

- The courses offered are subject to change at any time without advance notice due to unforeseen circumstances or change in teaching schedules or adjunct availability.
**Professor Request:** Does not come into play until the class has been selected.

- **Notification:** By the 2nd week of June via your official CBS email account.