Value Investing Program
Student Information Session

Uris 301, 12:30 p.m.

February 18, 2016
Agenda

- Introduction to the Heilbrunn Center: Who we are and what we do
- Investing at Columbia: Something for everyone
- The Value Investing Program
  - Overview of the Application Process: Steps to Apply
  - Testimonials: Q&A with current Value Investing Program students
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.

Meredith Trivedi, the administrative director of the Heilbrunn Center for Graham & Dodd Investing, is responsible for all operational aspects of the Center.

Executive Advisory Board

William von Mueffling ‘95, Chair Cantillon Capital Management
Michael Blitzer ‘04, Kingstown Capital
Will Browne, Tweedy, Browne Company, LLC
Budge Collins, Collins/Bay Island Securities
David Greenspan ‘00, Slate Path Capital
Andrew S. Gundlach ‘01, Arnhold & S. Bleichroeder Advisors LLC

Lauren Krueger ’02, Columbia Business School
Thomas Russo , Gardner Russo & Gardner LLC
Jennifer Wallace ’94, Summit Street Capital Management
## Value Investing Faculty Affiliations

<table>
<thead>
<tr>
<th>Name</th>
<th>Affiliation</th>
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<tbody>
<tr>
<td>Arnaud Ajdler</td>
<td>Engine Capital</td>
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<tr>
<td>Gavin Albert</td>
<td>Soros Fund Management</td>
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<tr>
<td>Eric Almeraz ’02</td>
<td>Apis Capital Advisors, LLC</td>
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<tr>
<td>Charles Angelucci</td>
<td>Columbia Business School</td>
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<tr>
<td>Christopher Begg</td>
<td>East Coast Asset Management, LLC</td>
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<tr>
<td>Naveen Bhatia</td>
<td>Blackstone Group LP</td>
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<tr>
<td>Ethan Binder ’06</td>
<td>Slate Path Capital</td>
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<tr>
<td>Ryan Brown</td>
<td>Davis Selected Advisers</td>
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<tr>
<td>Margaret Cannella ’76</td>
<td>CHF International, LLC</td>
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<tr>
<td>Ellen Carr</td>
<td>Weaver Barksdale</td>
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<tr>
<td>Jeff Cino ’06</td>
<td>PIMCO</td>
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<td>Mark Cooper ’02</td>
<td>First Eagle Investment Management</td>
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<td>Mike Corasaniti ’92</td>
<td>Tourmalet Advisors</td>
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<tr>
<td>Wouter Dessein</td>
<td>Columbia Business School</td>
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<td>Cheryl Einhorn</td>
<td>CSE Consulting</td>
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<td>Peter Eliot ’04</td>
<td>Capital World Investors</td>
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<td>Jean-Marie Eveillard</td>
<td>First Eagle Investment Management</td>
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<td>Michael Gatto ’93</td>
<td>Silver Point Capital</td>
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<tr>
<td>Kian Ghazi</td>
<td>Hawkshaw Capital Management</td>
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<tr>
<td>Jefferson Gramm ’03</td>
<td>Bandera Partners, LLC</td>
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<tr>
<td>Joel Greenblatt</td>
<td>Gotham Asset Management</td>
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<td>Bruce Greenwald</td>
<td>Columbia Business School</td>
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<tr>
<td>Scott Hendrickson ’07</td>
<td>Permian Investment Partners</td>
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<tr>
<td>David Horn ’02</td>
<td>Kiron Advisors, LLC</td>
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<td>Munib Islam</td>
<td>Third Point LLC</td>
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<tr>
<td>Paul Johnson</td>
<td>Nicusa Capital Partners</td>
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Introduction: Heilbrunn Team

- **Meredith Trivedi**, Director: 212-851-5992
- **Emily McClain**, Senior Associate Director: 212-851-0150
- **Julia Kimyagarov**, Associate Director: 212-854-1933
- **Ashleigh Hussey**, Program Manager, 212-851-9558

- **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
  - 40+ investors teaching as adjunct faculty
  - Investment Ideas Club (IIC)
  - CSIMA education series
  - Class speakers
  - Pershing Square Challenge
  - Amici Capital Prize
  - Sonkin Prize
  - Practitioner Chair

Research Initiatives & Special Projects
- Walter Schloss Investing Archives / Library
- Newsletter – *Graham & Doddsville*
- Heilbrunn Research Board
- Heilbrunn Center Annual Letter
- Graham and Dodd Breakfast
- CSIMA Conference
- Omaha Dinner—"From Graham to Buffett and Beyond"
- Annual Omaha Student Trip
- Networking events
- Discussion forums
- Recruiting support – mentors, etc
- Recognition of excellence
- Industry Partnerships – NYSSA, etc.

Education

Outreach
“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
- Changes
  - 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

SEARCH

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

VALUATION

• Asset coverage
• Earnings Power
• Franchise & growth analysis

REVIEW & RESEARCH

• Key Issues
• Collateral Evidence
• Personal Biases

RISK MANAGEMENT

• Portfolio management
  • Insurance positions
  • Some Diversification
• Margin of Safety
• Patience – Default Strategy
# Heilbrunn Center Courses (2015-2016)

## Fall 2015

<table>
<thead>
<tr>
<th>Course Name</th>
<th>Professor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Investment Research ^*</td>
<td>Kian Ghazi</td>
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<tr>
<td>Applied Value Investing #*</td>
<td>Mark Cooper/Jonathon Luft</td>
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<tr>
<td>Applied Value Investing #*</td>
<td>Artie Williams/T. Charlie Quinn</td>
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<tr>
<td>Applied Value Investing #*</td>
<td>Rishi Renjen/Kevin Oro-Hahn</td>
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<tr>
<td>Applied Value Investing #*</td>
<td>Scott Hendrickson/ Mike Kimpel</td>
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<tr>
<td>Applied Value Investing ^*</td>
<td>Mark Unferth/Eric Yip/ Jean-Marie Eveillard</td>
</tr>
<tr>
<td>Credit Markets and Leveraged Buy-Outs (MBA) ~*</td>
<td>Margaret Cannella</td>
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<tr>
<td>Economics of Strategic Behavior #~*</td>
<td>Charles Angelucci</td>
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<tr>
<td>Mental Models #^*</td>
<td>Ethan Binder/Jeff Cino</td>
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<tr>
<td>Misunderstood Securities #^*</td>
<td>Lauren Krueger</td>
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<tr>
<td>Security Analysis -^*</td>
<td>Chris Begg</td>
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<tr>
<td>Security Analysis -^*</td>
<td>Guy Shanon</td>
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<tr>
<td>Seminar in Value Investing (EMBA) -^*</td>
<td>Paul Johnson</td>
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<tr>
<td>Special Situations #^-*</td>
<td>Joel Greenblatt/Dan Yarsky</td>
</tr>
<tr>
<td>Value Investing (EMBA) ~+</td>
<td>Tano Santos</td>
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</tbody>
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## Spring 2016

<table>
<thead>
<tr>
<th>Course Name</th>
<th>Professor</th>
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<tbody>
<tr>
<td>Accounting for Value ^-</td>
<td>Stephen Penman</td>
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<tr>
<td>Advanced Investment Research ^*</td>
<td>Kian Ghazi</td>
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<tr>
<td>Advanced Investment Research ^*</td>
<td>Cheryl Einhorn</td>
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<tr>
<td>Advanced Investment Research ^*</td>
<td>Ken Shubin Stein</td>
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<tr>
<td>Applied Security Analysis I &amp; II ~*</td>
<td>Naveen Bhatia</td>
</tr>
<tr>
<td>Applied Value Investing ^-</td>
<td>David Horn</td>
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<tr>
<td>Applied Value Investing ~*</td>
<td>Jon Salinas</td>
</tr>
<tr>
<td>Applied Value Investing (EMBA) ~+</td>
<td>Arnaud Ajdler</td>
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<tr>
<td>Applied Value Investing (EMBA) ~+</td>
<td>Tom Tryforos</td>
</tr>
<tr>
<td>Credit Markets and Leveraged Buy-Outs ~*</td>
<td>Margaret Cannella</td>
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<tr>
<td>Distressed Value Investing #^-+</td>
<td>Dan Krueger</td>
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<tr>
<td>Distressed Value Investing ~^</td>
<td>Michael Gatto</td>
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<tr>
<td>Economics of Strategic Behavior #^-+</td>
<td>Wouter Dessein</td>
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<tr>
<td>From Feast to Famine (And Back Again) ~^-+</td>
<td>Ellen Carr/Margaret Canella</td>
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<tr>
<td>Security Analysis ~^-+</td>
<td>Michael Mauboussin</td>
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<tr>
<td>Security Analysis ~^-+</td>
<td>Ian McDonald/Ryan Brown</td>
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<tr>
<td>Security Analysis ~^-+</td>
<td>Eli Rabinowich</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/ Jean-Marie Eveillard</td>
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<tr>
<td>Value Investing with Legends #^-^</td>
<td>Bruce Greenwald/ Tano Santos/ Jean-Marie Eveillard</td>
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## Tentative Summer 2016

<table>
<thead>
<tr>
<th>Course Name</th>
<th>Professor</th>
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<tbody>
<tr>
<td>Advanced Investment Research</td>
<td>Peter Eliot</td>
</tr>
<tr>
<td>Globalization (EMBA) -^+</td>
<td>Joseph Stiglitz/ Bruce Greenwald</td>
</tr>
<tr>
<td>Security Analysis -^+</td>
<td>Keith Luh</td>
</tr>
<tr>
<td>Seminar in Value Investing (EMBA) -^+</td>
<td>Paul Johnson</td>
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**Course Key:**
- * MBA Courses, + EMBA Courses, # Value Investing Program Application, ~ Bidding, ^ Additional Screening Required

**Notes:**
- All Value Investing Program classes have two pre-requisites: Capital Markets & Corporate Finance
- 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.
The VI Program will be one block: CY16 = 9,000 points

The VI Program will consist of the following courses:

1. Applied Value Investing (3 Credits) – Fall 2016
2. Special Situations (3 Credits) – Fall 2016
3. Economics of Strategic Behavior (3 Credits) – Fall 2016 or Spring 2017
4. Distressed Value Investing (3 Credits) – Spring 2017
5. Value Investing with Legends (3 Credits) – Spring 2017

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 into 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

- All application based classes cost an additional **1,000 points**

- Other classes that are limited to students applying for the VI Program but not exclusive to the students in the VI program:
  - Mental Models - Fall 2016
  - Misunderstood Securities - Fall 2016

  o Even if you are admitted to the program, you are NOT assured a seat in Mental Models or Misunderstood Securities
  o 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 2016, Fall 2016, Spring 2017

- 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 information or advice regarding 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.

Interview sign-ups begin in the Heilbrunn Center 2M6:

10:00 a.m., Monday, March 21, 2016

Interview slots scheduled between:

Monday, April 4, 2016 – Friday, April 15, 2016

Deadline for Interview Sign-Up:

Friday, April 1, 2016 at 5:00 p.m.

**Timeslots will be filled on a first come first serve basis.**
Value Investing Program Application

- **Application:**
  
  Submit your application electronically by **Monday, April 25, 2016, 9:00 a.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 **Thursday, March 24, 2016**
  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 **Thursday, March 24, 2016**

- In the application, it helps to demonstrate interest in the subject matter, aptitude for investing, and commitment to the work.
Value Investing Program Application: Investment Write-Up

Investment Write-Up:

Write a 2 page memo analyzing an idea based on the options the Heilbrunn Center provides on Friday, March 24, 2016.

- 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 applying to the Value Investing Program applicants agree to accept the decision rendered on their application

- All decisions are final

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

- The courses offered as part of the Value Investing Program and the Heilbrunn Center are subject to change at any time without advance notice due to unforeseen circumstances or change in teaching schedules or adjunct availability
Debunking Myths About The Application Process

- This process is **not** one size fits all
- There is **no** set formula
- Highlight **your** interest and commitment to the subject
**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.
Q & A with current members of the Value Investing Program:

Rob Buesing ’16, Renjen/Oro-Hahn
Brandon Cohen ’16, Cooper/Luft
Oliver Garthwaite ’16, Williams/Quinn
Lauren Harmon ’16, Hendrickson/Kimpel
Thank you!