

# 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

**Lauren Krueger '02**, Columbia Business School

**Michael Blizter '04**, Kingstown Capital

**Thomas Russo**, Gardner Russo & Gardner LLC

**Will Browne**, Tweedy, Browne Company, LLC

**Jennifer Wallace '94**, Summit Street Capital Management

**Budge Collins**, Collins/Bay Island Securities

**David Greenspan '00**, Slate Path Capital

**Andrew S. Gundlach '01**, Arnhold & S. Bleichroeder Advisors LLC

# Value Investing Faculty Affiliations

Arnaud Ajdler, Engine Capital	Peter Lawrence '11, Kinderhook Partners
Gavin Albert, Soros Fund Management	Mike Kimpel '12, Permian Investment Partners
Eric Almeraz '02, Apis Capital Advisors, LLC	Terrence Kontos '05, TIAA-CREF
Charles Angelucci, Columbia Business School	Dan Krueger '02, Owl Creek Asset Management, LP
Christopher Begg, East Coast Asset Management, LLC	Lauren Krueger '02, Columbia Business School
Naveen Bhatia, Blackstone Group LP	Jonathon Luft '08, Eagle Capital
Ethan Binder '06, Slate Path Capital	Keith Luh '03, Franklin Mutual Series
Ryan Brown, Davis Selected Advisers	Michael Mauboussin, Credit Suisse
Margaret Cannella '76, CHF International, LLC	Ian McDonald, Hilltop Park Associates
Ellen Carr, Weaver Barksdale	Justin Muzinich, Muzinich & Co
Jeff Cino '06, PIMCO	Kevin Oro-Hahn '10, Ingalls & Synder
Mark Cooper '02, First Eagle Investment Management	Stephen Penman, Columbia Business School
Mike Corasaniti '92, Tourmalet Advisors	T. Charlie Quinn '06, Gardner, Russo, & Gardner
Wouter Dessen, Columbia Business School	Eli Rabinowich '04, Pzena Investment Management
Cheryl Einhorn, CSE Consulting	Rishi Renjen, Maverick Capital
Peter Eliot '04, Capital World Investors	Jon Salinas '08, Plymouth Lane Capital
Jean-Marie Eveillard, First Eagle Investment Management	Tano Santos, Columbia Business School
Michael Gatto '93, Silver Point Capital	Guy Shanon '99, Kingstown Capital Management, LP
Kian Ghazi, Hawkshaw Capital Management	Ken Shubin Stein, Spencer Capital
Jefferson Gramm '03, Bandera Partners, LLC	Joseph Stiglitz, Columbia Business School
Joel Greenblatt, Gotham Asset Management	Tom Tryforos '84, Columbia Business School
Bruce Greenwald, Columbia Business School	Mark Unferth, Alder Hill Management
Scott Hendrickson '07, Permian Investment Partners	Artie Williams '02, Summit Street Capital Management
David Horn '02, Kiron Advisors, LLC	Dan Yarsky '06, Moore Capital
Munib Islam, Third Point LLC	Eric Yip, Alder Hill Management
Paul Johnson, Nicusa Capital Partners	

# Introduction: Heilbrunn Team

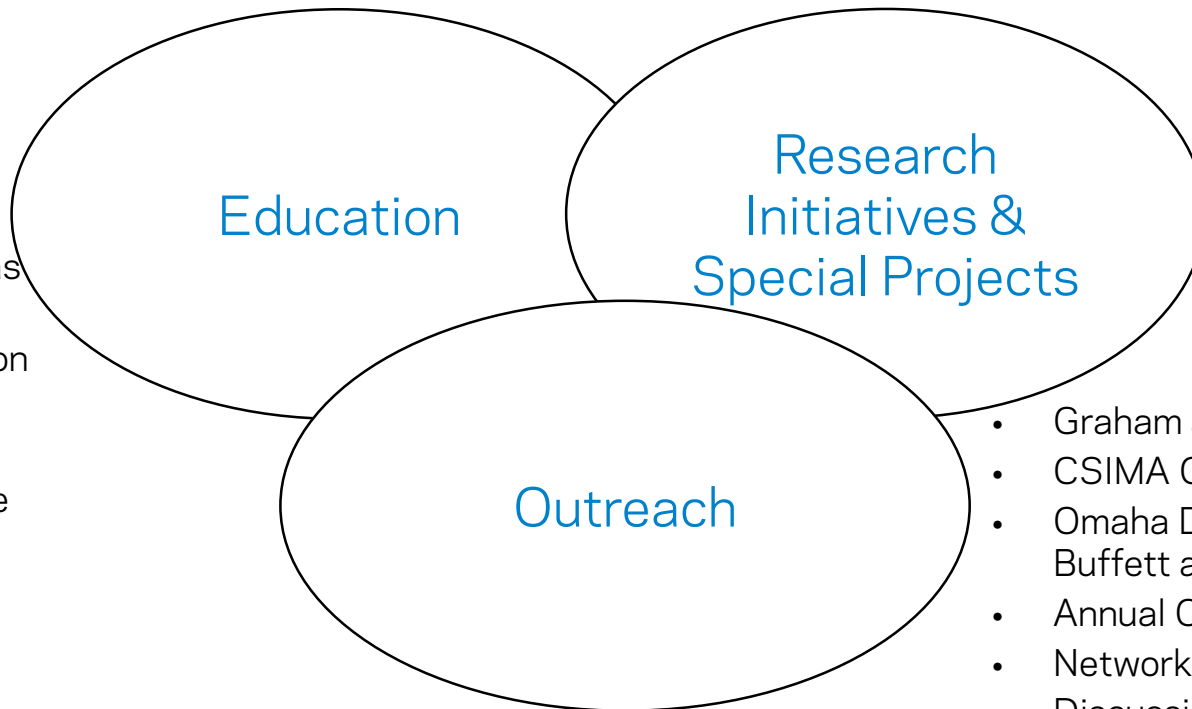
- Meredith Trivedi, Director: 212-851-5992
- Emily McClain, Senior Associate Director: 212-851-0150
- Julia Kimyagarov, Associate Director: 212-854-1933
- Ashleigh Hussey, Program Manager, 212-851-9558
- Contact Info:
  - Email: [valueinvesting@gsb.columbia.edu](mailto:valueinvesting@gsb.columbia.edu)
  - Offices: Centers' Suite, 2M
  - Office Hours: Email for appointment
  - Website: [www.grahamanddodd.com](http://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

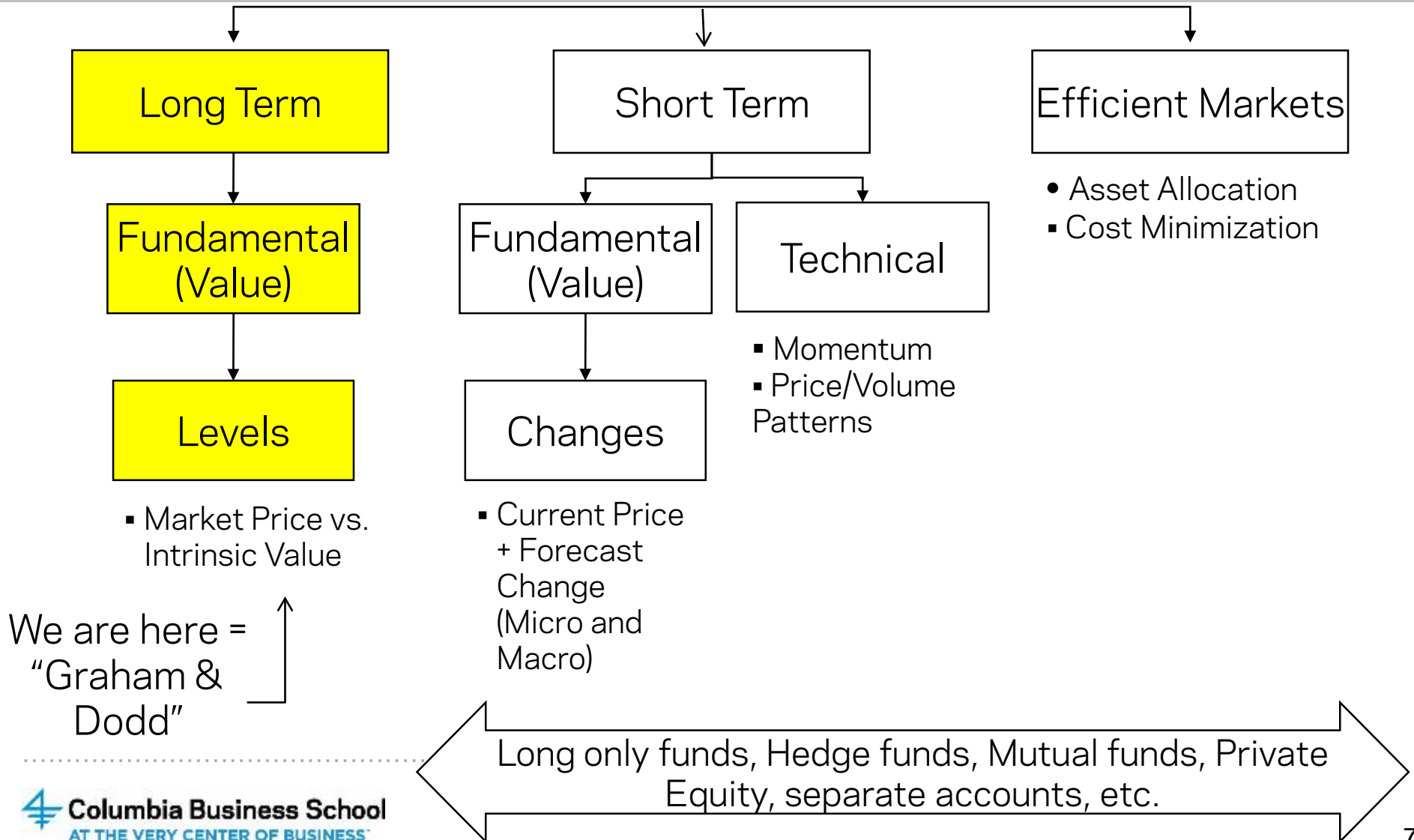


- Walter Schloss Investing Archives / Library
- Newsletter - *Graham & Doddsville*
- Heilbrunn Research Board
- Heilbrunn Center Annual Letter

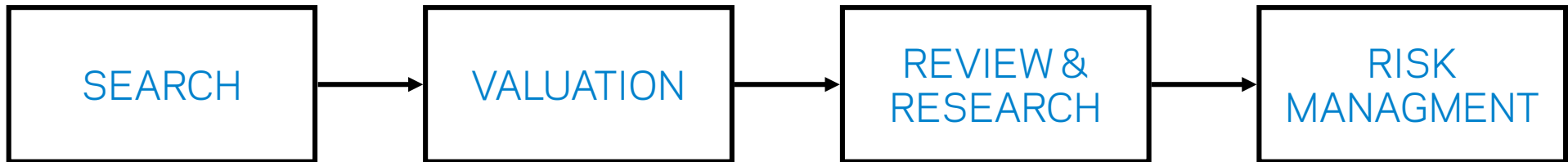
- Graham and Dodd Breakfast
- CSIMA Conference
- Omaha Dinner—"From Graham to Buffett and Beyond"
- Annual Omaha Student Trip
- Networking events
- Discussion forums
- Recruiting support - mentors, etc
- Recognition of excellence
- Industry Partnerships - NYSSA, etc.

# "Graham & Dodd" Investing

## Approaches to Investing



## 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



# Heilbrunn Center Courses (2015-2016)

Fall 2015	
Course Name	Professor
Advanced Investment Research <sup>^*</sup>	Kian Ghazi
Applied Value Investing <sup>#*</sup>	Mark Cooper/Jonathon Luft
Applied Value Investing <sup>#*</sup>	Artie Williams/T. Charlie Quinn
Applied Value Investing <sup>#*</sup>	Rishi Renjen/Kevin Oro-Hahn
Applied Value Investing <sup>#*</sup>	Scott Hendrickson/ Mike Kimpel
Applied Value Investing <sup>~*</sup>	Mark Unferth/Eric Yip/ Jean-Marie Eveillard
Credit Markets and Leveraged Buy-Outs (MBA) <sup>~*+</sup>	Margaret Cannella
Economics of Strategic Behavior <sup>#~*+</sup>	Charles Angelucci
Mental Models <sup>#<sup>^*</sup></sup>	Ethan Binder/Jeff Cino
Misunderstood Securities <sup>#<sup>^*</sup></sup>	Lauren Krueger
Security Analysis <sup>~*+</sup>	Chris Begg
Security Analysis <sup>~*+</sup>	Guy Shanon
Seminar in Value Investing (EMBA) <sup>~*+</sup>	Paul Johnson
Special Situations <sup>#*</sup>	Joel Greenblatt/Dan Yarsky
Value Investing (EMBA) <sup>~+</sup>	Tano Santos

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

## 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.

Tentative Summer 2016	
Course Name	Professor
Advanced Investment Research	Peter Eliot
Globalization (EMBA) <sup>~*+</sup>	Joseph Stiglitz/ Bruce Greenwald
Security Analysis <sup>~*+</sup>	Keith Luh
Seminar in Value Investing (EMBA) <sup>~*+</sup>	Paul Johnson

# Value Investing Program for You (2016-2017)

- 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
    - 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 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](mailto: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

## VI Sequence – Administrative Details (Continued)

**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!