

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 Dessen, 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

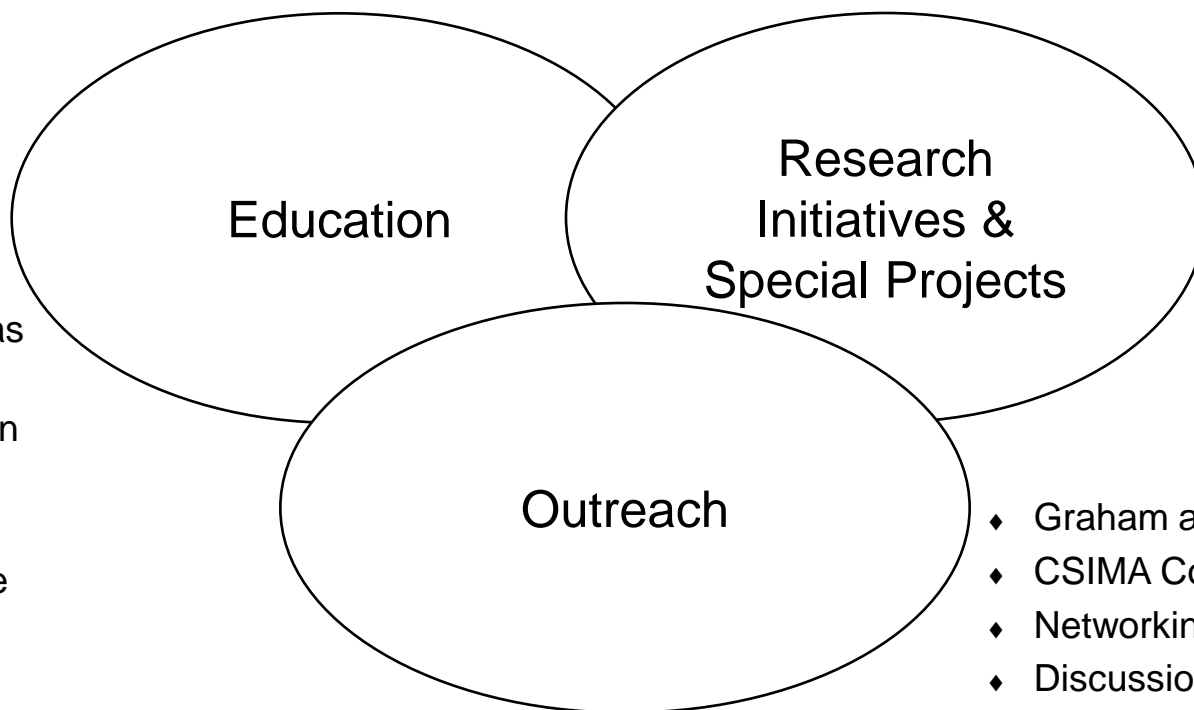
- Louisa Serene Schneider, Senior Director: 212-851-5992
- Marci Zimmerman, Associate Director: 212-851-9558
- Julia Kimyagarov, Assistant Director: 212-854-1933
- Contact Info:
 - Email: valueinvesting@gsb.columbia.edu
 - Offices: Centers' Suite, 2M
 - Office Hours: Email for appointment
 - Website: 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

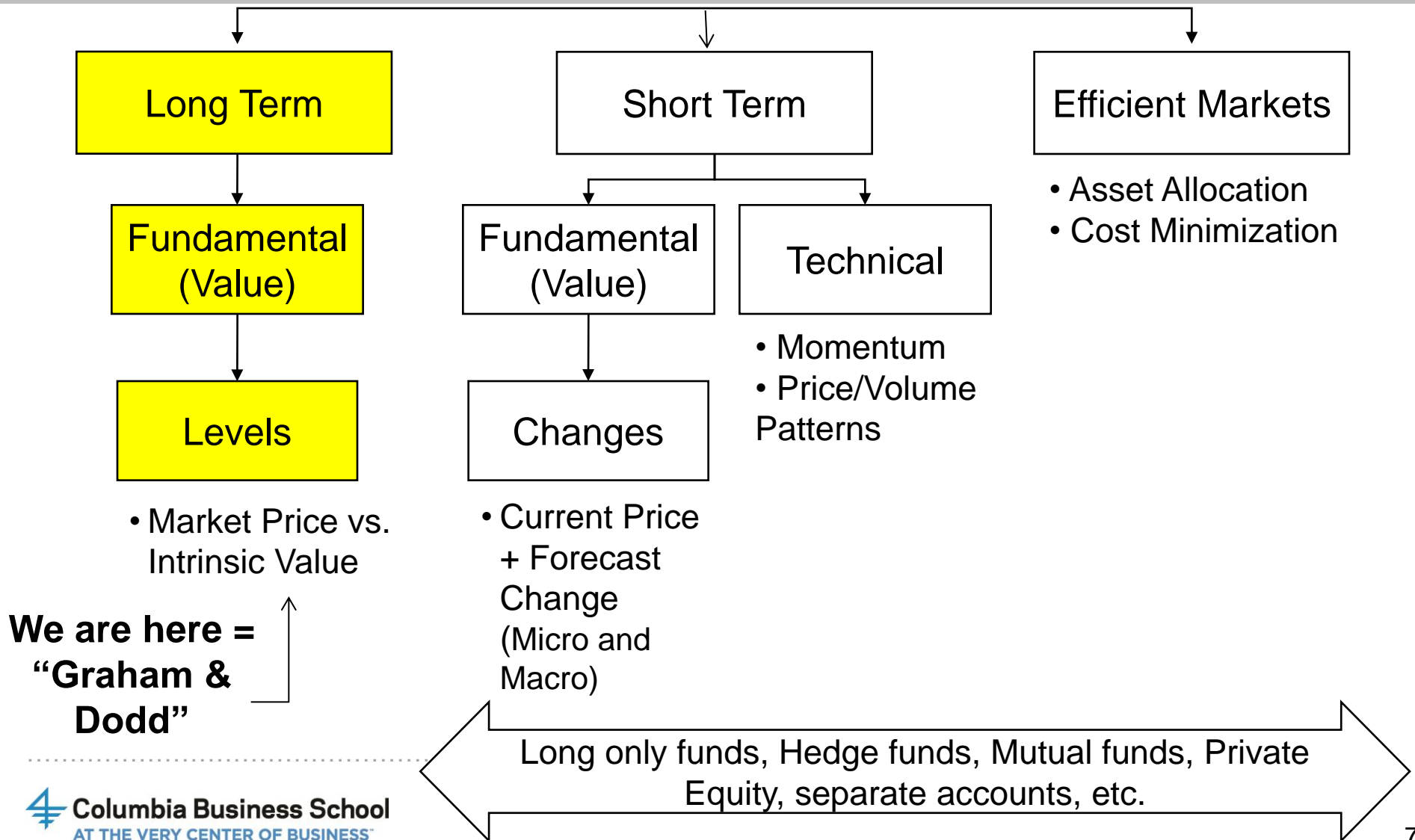


- ◆ Walter Schloss Investing Archives / Library
- ◆ eNewsletter – *Graham & Doddsville*
- ◆ Heilbrunn Research Board
- ◆ Heilbrunn Center Annual Letter

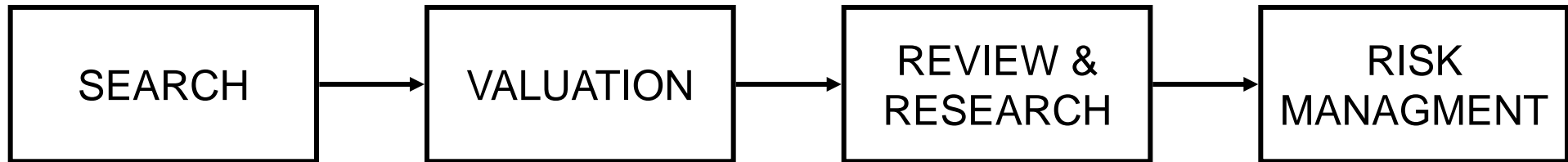
- ◆ Graham and Dodd Breakfast
- ◆ CSIMA Conference
- ◆ Networking events
- ◆ Discussion forums
- ◆ Recruiting support – mentors, etc
- ◆ Recognition of excellence
- ◆ Industry Partnerships – CSIMA, NYSSA, etc.

“Graham & Dodd” Investing

Approaches to Investing



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 (2013-2014)

Fall 2013	
Course Name	Professor
Applied Value Investing*	Avi Berg/Michelle Borre
Applied Value Investing*	Mark Cooper
Applied Value Investing [†]	Jeff Gramm/Terry Kontos
Applied Value Investing [†]	Munib Islam
Applied Value Investing*	Rishi Renjen/Kevin Oro-Hahn
Applied Value Investing*	Artie Williams/T. Charlie Quinn
Credit Markets and Leveraged Buy-Outs (EMBA) [†]	Margaret Cannella
Economics of Strategic Behavior ^{†*}	Wouter Dessein
Mental Models ^{‡*}	Ethan Binder/Jeff Cino
Misunderstood Securities: Investing in Uncertainty and Change ^{‡*}	Lauren Krueger
Security Analysis [†]	Guy Shanon
Special Situations*	Joel Greenblatt/Dan Yarsky
Seminar in Value Investing (EMBA/MBA) [†]	Paul Johnson
Value Investing (EMBA) [†]	Tano Santos

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

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

Summer 2014 (Tentative)	
Course Name	Professor
Advanced Investment Research [‡]	Peter Eliot
Globalization (EMBA) [†]	Joseph Stiglitz/Bruce Greenwald
Security Analysis [†]	Keith Luh

Value Investing Program for You (2014-2015)

- 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.

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 **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.....

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