

12 July 2018

# *VALUE INVESTING (ONLINE)*

Making intelligent investment decisions



# WELCOME TO VALUE INVESTING (ONLINE)



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# Why come to Value Investing (Online)?

# THIS COURSE MAY BE FOR YOU IF...

## You are an individual investor or a portfolio manager

Discover the value investing methodology

Learn how to look beyond the market “wisdom”

Uncover opportunities that others miss

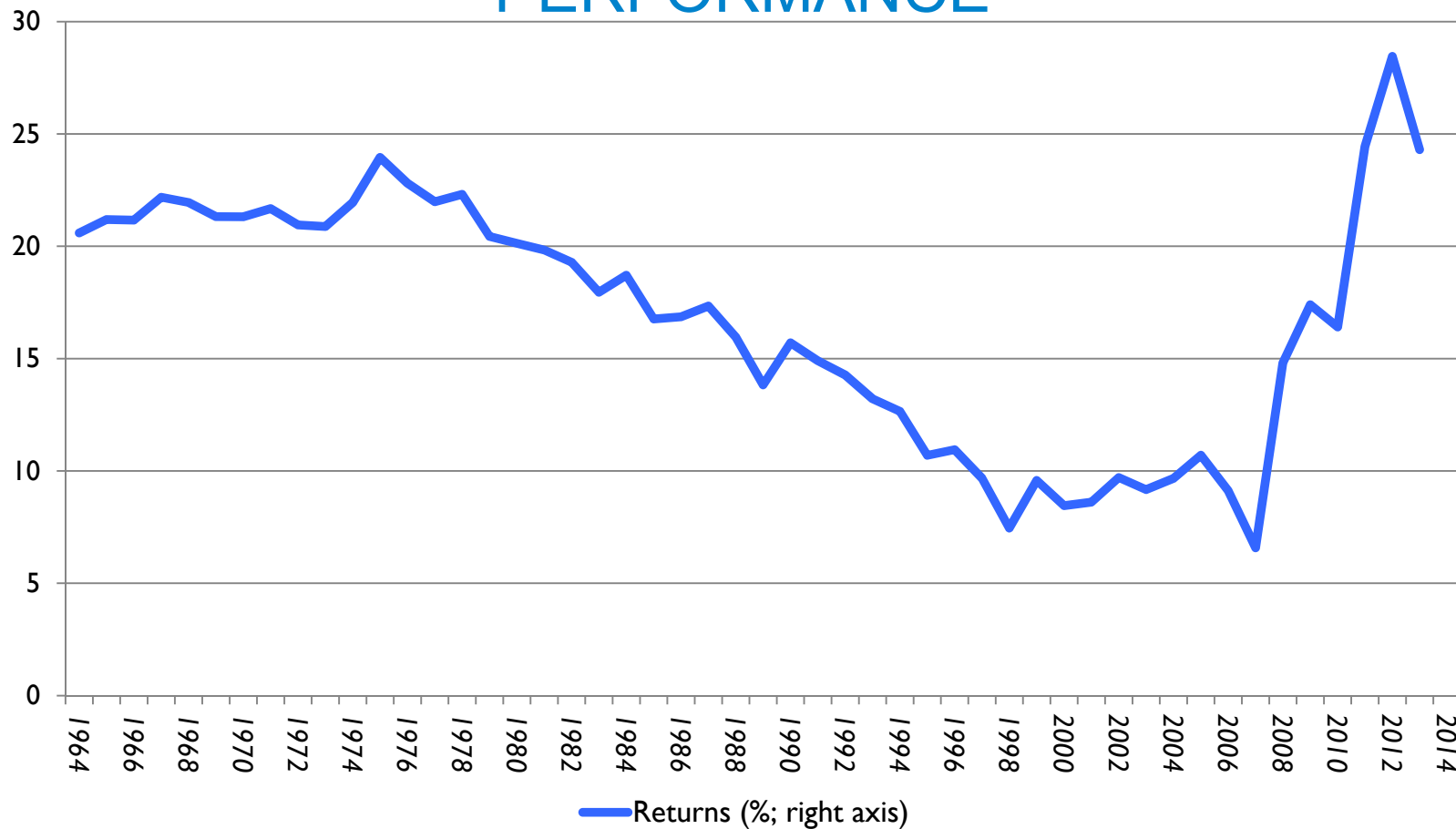
## You are a corporate decision maker

Enhance your analytical skills

Learn when growth creates value

Identify valuable competitive advantages

## WHY VALUE INVESTING? BUFFETT'S PERFORMANCE



Realized annualized return (in %) in 2014 of investing in Berkshire in a particular year

Data source: Business Insider



**Learn from the most revered Value Investing program in the world at Columbia Business School**

## PROGRAM FACULTY

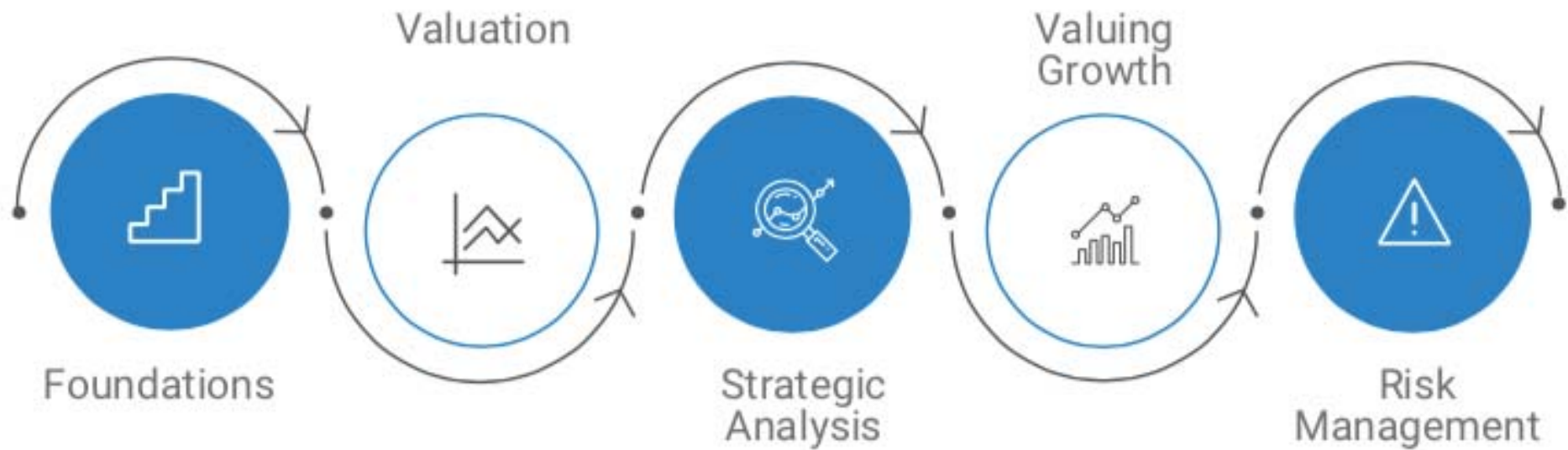


### **Tano Santos**

Faculty Director and Head of Research of the  
Heilbrunn Center for Graham & Dodd Investing;  
David L. and Elise M. Dodd Professor of  
Finance



# LEARNING JOURNEY





# MODULE 1: VALUE INVESTING FRAMEWORK AND ASSET VALUE

- Value investing is psychologically unnatural:
  - ① It requires looking at the ugly, despised firms.
  - ② It requires investing when (March 2009) and where nobody is (in car-related companies, for example).
  - ③ It requires patience and inaction.
  - ④ It requires holding positions for an extended period of time: Low turnover compared with mutual fund managers.
  - ⑤ It requires holding cash in the presence of roaring markets.
  - ⑥ Most importantly value investing requires discipline and humility, coming to terms with one's psychological flaws and a constant process of review

## MODULE 2: EARNINGS POWER VALUE

Assets	
Cash	\$19,001
Inv. Sec. av. for sale	\$19,002
Accounts receivable	\$563
Advances to LLC	\$2,057
Prepaid expenses	\$56
<b>Total curr. assets</b>	<b>\$40,679</b>
Note receivable from LLC	\$3,130
PPE	\$2,389
Invest. in LLC	\$22,306
Invest. in Kohala	\$4,962
<b>Total</b>	<b>\$73,466</b>

How much is LLC worth according to book?

$$\frac{\$22\text{m}}{.74} \approx \$30\text{m}$$

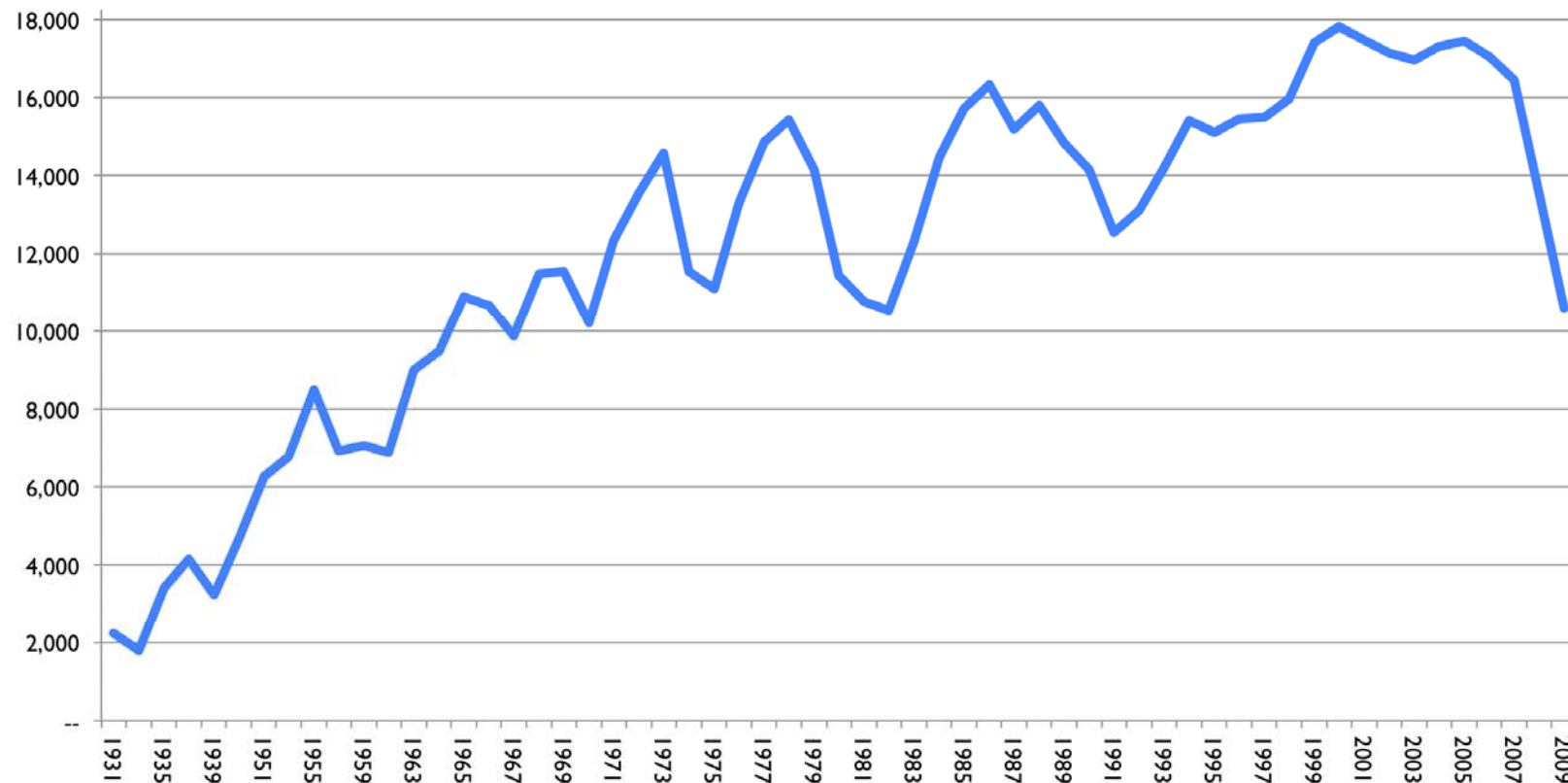
How much is it worth given what Lufthansa paid for it when it decided to exercise the option in September 98?

$$\frac{\$30\text{m}}{.23} \approx \$130\text{m}$$

## MODULE 3: STRATEGIC ANALYSIS

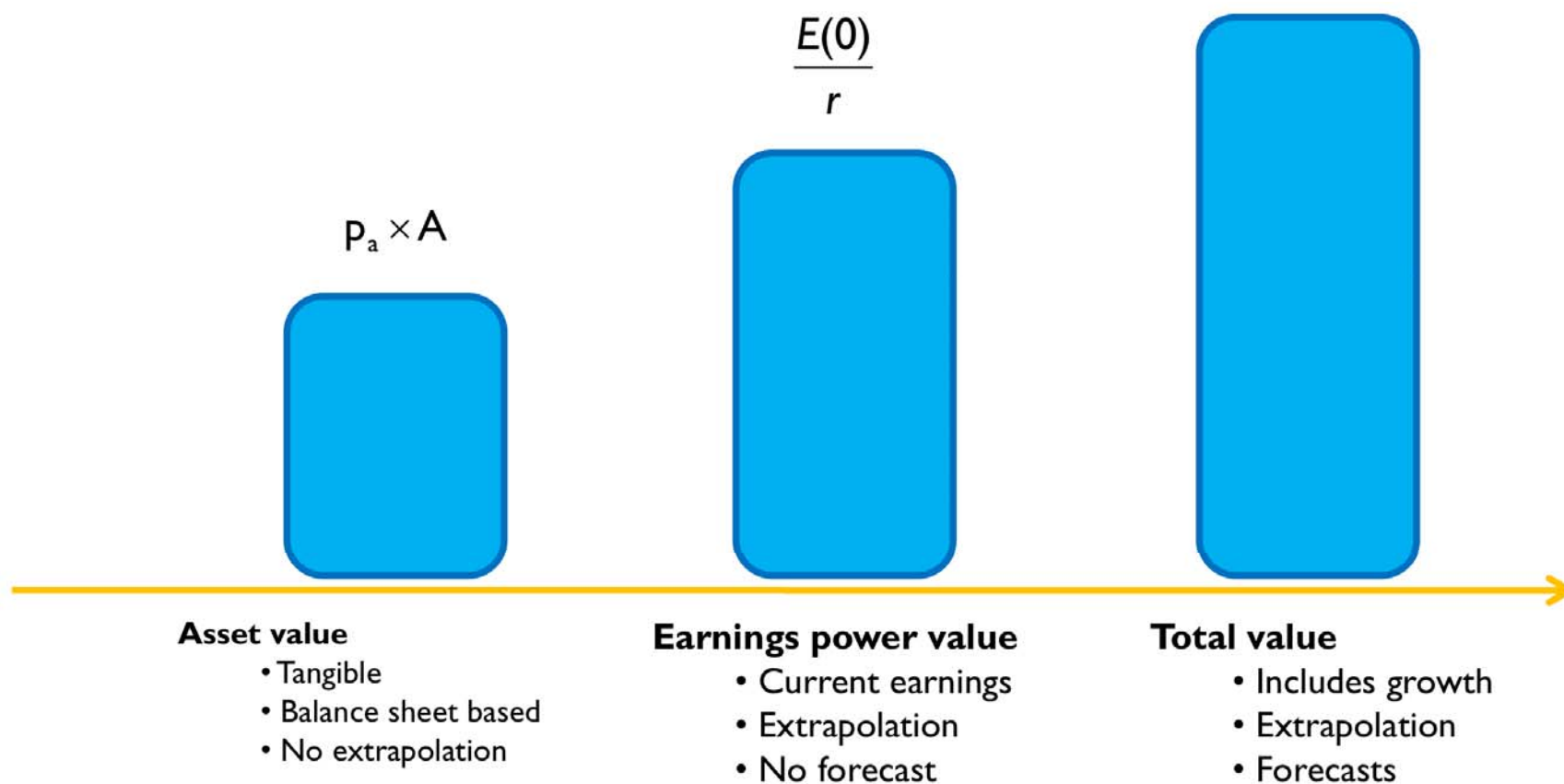
Supply based			Demand based		
		Example			Example
Patents	Expiration Technological innovation	QCOMM	Habits	Behavioral changes	Philip Morris
Unique access to critical input	Technological innovation	Airbus	Switching costs Network effects	Regulatory intervention	MSFT
Economies of scale	See below	WMT	Search	Drop in the costs of search	Specialized services

## MODULE 4: MAGNA CASE STUDY

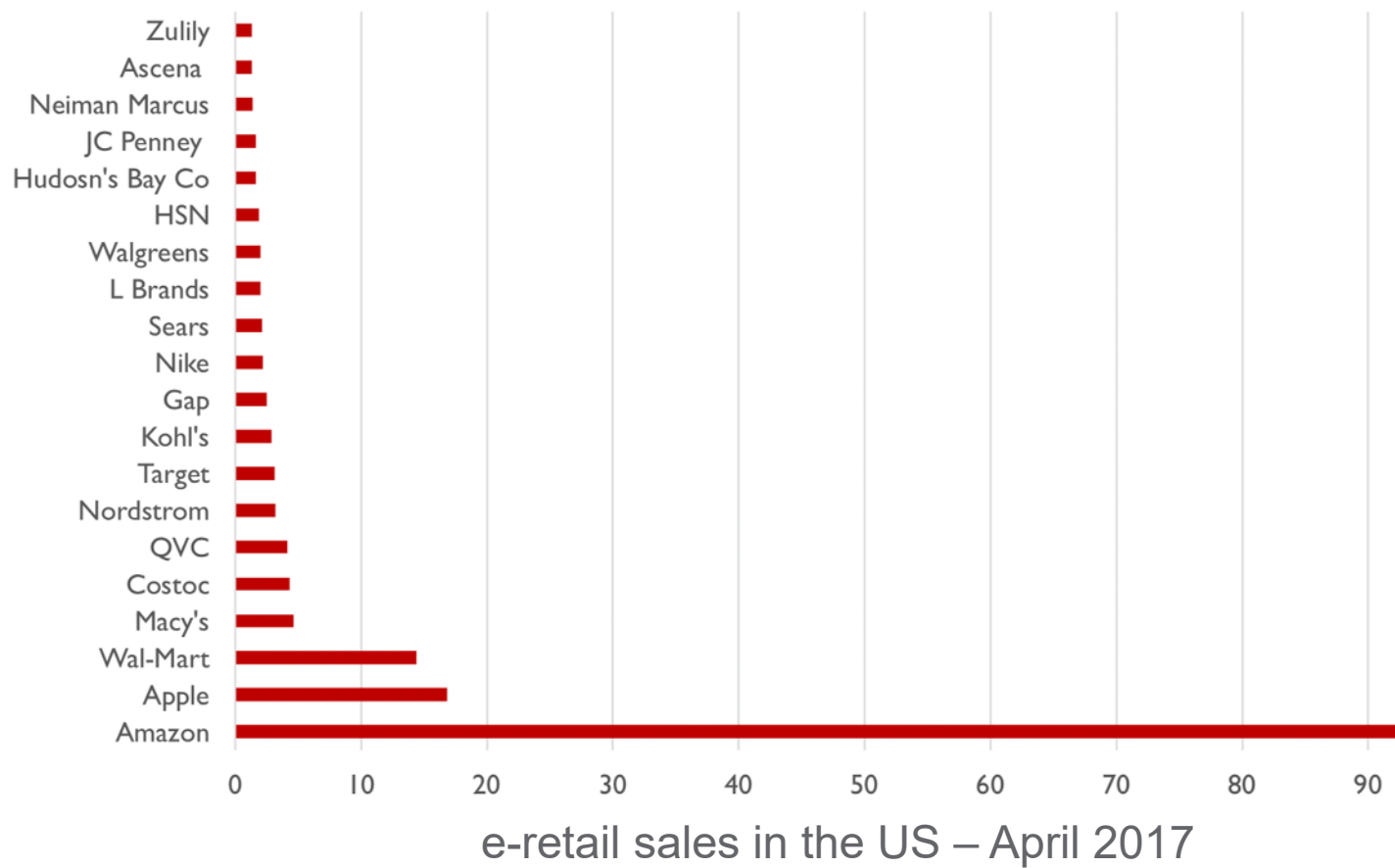


1931-2009: Cars and light truck sales, in thousands. Source: Ward's

## MODULE 5: GROWTH AND VALUE



## MODULE 6: AMAZON CASE STUDY



# MODULE 7: RISK MANAGEMENT

## The market and the economy

- Monitoring
- Hedging
- Asset classes

## Portfolio

- Hedging
- Position sizing
- Contract design

## Stock

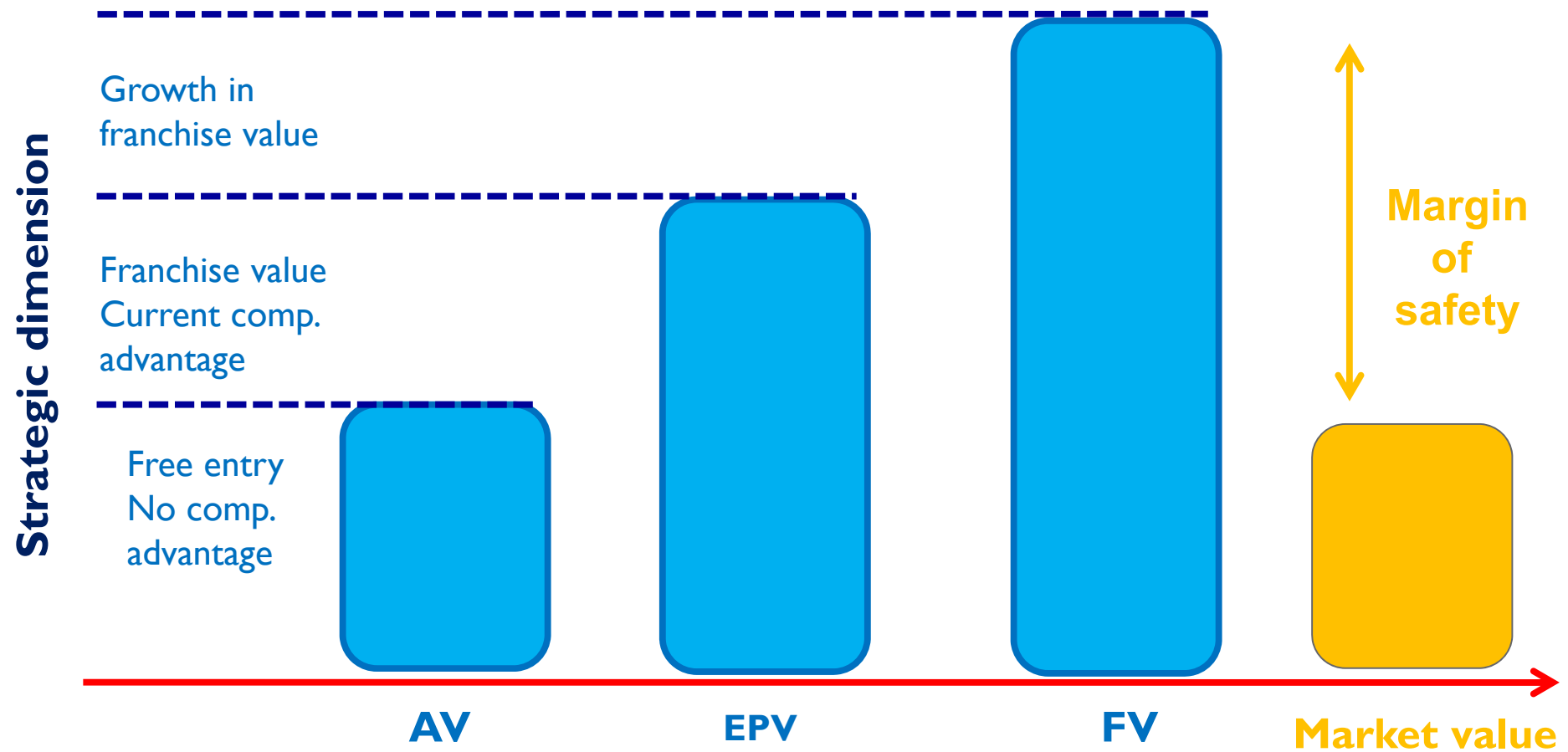
- Margin of safety
- Pre-mortems
- Investment horizon



## MODULE 8: DEERE CAPSTONE CASE STUDY



# THE DECISION TO BUY



# PROGRAM HIGHLIGHTS



175

Video Lectures



8

Exercises



8

Case Studies



## WORKFORCE VALUATION:

Santos Sangria has 900 salaried blue collar employees all of which are located in New York.

The national average blue collar employee makes \$35,000 annually. The average blue collar employee in the Southeast makes \$30,000 annually while the average blue collar employee in the Northeast makes \$40,000 annually.

What would we have to pay to recreate Santos Sangria's workforce?



Walmart 

amazon 

intel 

  
JOHN DEERE

# HEARING FROM FORMER PARTICIPANTS....

*I really liked the concise nature of the videos. For me as a working professional, it is much easier to keep up with the course materials. I liked the practical application with Wal-Mart and the Santos Sangria hypotheticals. They both provide a grounded way to put the concepts into practice.*

*The simplistic presentation of the materials is what I like the most. It is easy to follow and not over saturated with technical terminology. The material is very practical and not theoretical.*

*I really liked how the examples brought the course material to life. It was clearly explained, and I feel that I have a firm grasp of the subject matter.*

*The Nestle exercise forced us to understand the brands and how to evaluate and review barriers to entry. Very helpful to have an explanation video following the exercise to clarify and solidify ideas for completion of strategy.*

*The exercises although simple in nature, really taught you to think beyond the quantitative nature of evaluating a company and look at qualitative items with great importance.*



## NEXT STEPS

### Value Investing (Online): Making Intelligent Investment Decisions

Date  
Jul 25-Sep 25, 2018      \$3,750

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# Questions & Answers

