Applied Value Investing  
Fall 2019 Bidding Syllabus

Professors:  
Scott Hendrickson  
Partner & Co-Founder, Permian Investment Partners  
Office Phone: 212-257-6065  
Email: shendrickson@permianlp.com

Mike Kimpel  
Office Phone: 718-564-9050  
Email: mbk2133@columbia.edu

Course Overview: Over the course of the semester, we will teach you to develop an investment process using frameworks to identity investment ideas. The class will also emphasize value-added research (VAR). We will guide you through exercises that go above and beyond the typical research process in order to create a differentiated mosaic of information. Ultimately, you will learn to boil your many research findings into a succinct and effective pitch. This will require you to synthesize the insights learned in core CBS courses including strategy, corporate finance, economics, accounting and management. The end goal of the course is to allow you to develop the skills needed in order for you to find and succeed in a buyside analyst position following graduation.

In addition to the core topics above, our course will be supplemented with presentations by a number of highly talented practitioners.

While we have very high expectations for the class – and we can’t overstate that this will be a significant time commitment - ultimately we want you to have some fun. If you apply yourself, this course will be stimulating and will allow you to end your semester equipped with a valuable (and differentiated) toolkit that you can carry with you throughout your career.

Class Expectations (What We Require):

- Rule #1: You are expected to work hard. Rule #2: Don’t forget rule #1.
- All materials are for your eyes only and are not to be shared outside of class
- Attire: Business Casual
- All classes are mandatory
- Homework: Due each Saturday at 6pm
- We have zero tolerance for plagiarism on individual assignments. Your work will be your own.
Class Goals (What You Get):
- Develop a thoughtful approach to analyzing both long and short investments
- Learn to conduct differentiated research and present ideas in a succinct and effective fashion
- Learn how to strategically approach the buyside interview process
- Complete at least one solid, deeply researched pitch to use in interviews

Required Pre-Class Reading:
- The Little Book That Beats The Markets, Joel Greenblatt
- The Outsiders, William Thorndike
- Competition Demystified, Bruce Greenwald
- Pitch the Perfect Investment, Paul Sonkin and Paul Johnson

Recommended Reading:
- You Can Be A Stock Market Genius, Joel Greenblatt
- Margin of Safety, Seth Klarmin (on reserve at the library)
- Common Stocks, Uncommon Profits, Phil Fisher
- The Intelligent Investor, Benjamin Graham

Method of Evaluation:
- Grades will be based on the following:
  - 50% Final Pitches
  - 50% Class Preparation/Participation

Feedback and Office Hours:
- Students will receive feedback throughout the semester, both before class and during the pitch process. We will not be holding formal office hours, but students should feel free to email questions or comments and we will respond as soon as possible.

Tentative Class Schedule:
*Please note that the timing of topics and guest speakers is subject to change throughout the semester

Permian Office Address (for sessions labeled “295 Madison”)
295 Madison Ave, 34th Floor (41st Street Between Madison and Park)

Class Time:
Permian (295 Madison Classes): 6:30pm-9:30pm
On-Campus (Uris 327 Classes): 5:45pm-8:45pm

Class # 1 –
- Course overview
- Review of outline and expectations
- Student goals
- Permian investment framework overview
- The importance of good management
- Idea sourcing
- Being an effective analyst
- Introduce mentors
- Investment Framework – Management Led Turnarounds
- Homework: Pitch #1 – Management review, initial VAR list, preliminary thesis

Class # 2
- **Guest Speaker: William Thorndike, Founder of Housatonic Partners and author of “The Outsiders”**
  - Presentation – Evaluating Management Teams
- **Guest Speaker: Kartik Nehru, Senior Analyst, Permian Investment Partners**
  - Presentation – Analyst Best Practices
- Homework: Finish Pitch #1

Class # 3
- Pitch #1 presentation
  - **Guest Judges: Various senior hedge fund professionals**
- **Guest Speaker: Michael Corasaniti, CIO of Tourmalet Advisors and CBS Professor**
  - Presentation – Yields across asset classes
- Homework: Pitch #2 – Management review, initial VAR list, preliminary thesis

Class # 4
- **CEO Guest Speaker**
- Starting your own fund / the analyst job search
- Homework: Continue working on Pitch #2

Class # 5
- Investment Framework – Asset Bubbles
- Investment Framework – TAM / Inorganic Compounders
- Homework: Continue working on Pitch #2

Class # 6
- **Guest Speaker: Ahmar Ahmad, Senior Analyst at BlueMountain Capital**
  - Presentation - Investing in emerging markets
- Investment Framework – Fad Shorts
- Homework: Finish Pitch #2

Class # 7
• Pitch #2 Presentation
  o Guest Judges: Various senior hedge fund professionals
• Investment Framework – Organic Compounders
• Homework: Begin Pitch #3

Class # 8

• Guest Speaker: Neal Nathani, Partner and Founder of Totem Point Management
  o Presentation – Structurally challenged / secularly declining shorts
• Guest Speaker: Chris Dion, Chief Investment Officer of Lowe, Brockenbrough & Co.
  o Discussion on raising capital for hedge funds and how to evaluate a hedge fund
• Homework: Pitch #3 – Mgmt review, initial VAR reach out list, preliminary thesis

Class # 9

• CEO Guest Speaker
• Guest Speaker: Cristiano Amoruso, Analyst at Lion Point Capital
  o Activist investing case study
• Homework: Continue working on Pitch #3

Class # 10

• Portfolio sizing exercise
• Homework: Interim draft of Pitch #3

Class # 11

• Portfolio management
• Homework: Finish Pitch #3

Class # 12

• Pitch #3 presentations
  o Guest Judges: Various senior hedge fund professionals

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