Advanced Investment Research is an in-depth investigative research class that teaches students the AREA Method, a comprehensive, flexible and repeatable research and decision making process that they can use to investigate investment ideas. It teaches that decision making is fundamentally about following a quality research process and breaks it down into a series of easy to follow steps that follow a logical progression. It schools students in investigative journalism techniques to combine qualitative sleuthing with quantitative analysis. It also provides students with strategies for making analytical judgments to better evaluate evidence while being mindful of cognitive bias and mental shortcuts that impair our judgement and also incent the behavior of other information providers. Thus the course focuses not only on good process but also, and importantly, on good thinking.

Learning outcomes:

Course goals

1. To teach students the AREA Method, a comprehensive, flexible, easy to follow and repeatable research and decision making process that they can use to investigate investment ideas.
2. To be open-minded and thoughtful about their own perspective and the perspective of others.
3. To learn to craft clear, concise and cogent thesis statements
4. To learn to create a logical and compelling financial narrative for written and oral presentation.

Class Structure:

1. Discussion of HW
2. Presentations/Group Work
3. Speakers

Expectations:

- Computers / Wi-Fi will remain off during class unless otherwise specified
- HW Due Mon midnight each week
- Thoughtful, engaged participation in our class work, our homework and with our speakers that contributes to a positive learning environment and class culture
**HW before class begins:** Pre Class Assigned Reading

Read the assigned books and handout listed below and write a one page summary or bullet point list for each to answer the below questions:

1. What were the main points/takeaways for you?
2. How can you apply the lessons learned?

Books:
1. Behavioral Psychology: Influence, Robert Cialdini
2. Learning: Art of Learning, Josh Waitzkin
3. Research Process: Handout from Professor from her upcoming book *Problem Solved*: AREA=pages 1-26

Due before class begins. **The time stamp is meaningful.**

**This syllabus is subject to changes**


Class 1: What is VAR?

What is VAR? And how will we achieve it? The AREA Method

Part 1: The learning environment and keys to success in this course: An outline of expectations for participation, interaction, assignments and reflections

Part 2: Book summaries
Discussion of Cognitive shortcuts and Cheetah-like pauses

Part 3: The roadmap and the assigned readings:
Introduction to the AREA Method
Two examples of the AREA Method in action

Part 4: Case Study

Part 5: Your companies

Learning Objective: The AREA Method

HW From Class 1 (Understanding what your company does)

REMINDER HOMEWORKS ARE DUE MONDAY NIGHTS AT MIDNIGHT. THE TIME STAMP IS MEANINGFUL USE TYPE FONT 14.

1. Readings: AREA = A Absolute.
2. Read 10K
3. Company website information (pg 27-28)
4. Prepare questions for our speaker
5. Write a brief reflection of our Learning Objective from the first class.

Class 2: Business models and Numerical “Stories”

Part 1: Reflective assignment: Co-facilitator 1: AREA Method and Numerical Stories

Part 2: Company presentations: Story from the numbers & 10K
Part 3: Case Study: Discussion of business models and reconciling accounting and economic reality

Speaker: TBD

**Learning Objectives:**
- An understanding of what your company does and how it does it
- An ability to “read” numbers
- Finding management thesis statements in the MD&A
- An appreciation for the relationship between a business’ quality and its investment returns

HW from Class 2: Understanding Financial Model

1. Read most recent 10Q
2. AREA Book readings Pages 26-27 Corporate Public Communication:
3. Build a skeletal financial model (Each week update/refine to integrate AREA into your projections/assumptions)
4. Reflection on learning objective and outcomes from Class 2
5. Prepare questions for our speaker

Class 3: Financial Models, Press Releases & Websites

Part 1: Reflective assignment: Co-facilitator 2
- Discussion of readings
- Discussion and presentations of financial models

Part 2: Discussion of forward-facing information versus investor information:
- Incentives and alignment with audience
- Presentations of websites material and press release findings

Speaker: TBD

**Learning Objective: Thinking about points of leverage and vulnerability in your company’s operations**

HW from Class 3: Company History, Management, Share Price Performance, Shareholders, The Absolute Thesis
1. Readings pages 21-25, 28-31, 50-52
2. Memo on company’s history, management and board of directors.
3. Read the proxy
4. Learn about your company’s shareholders. Answer assigned questions in your Edge Journal and email in a copy, bring a copy to class and prepare to discuss.
6. Thesis statement from AREA A=Absolute
7. Make a list of current CCs and address in written form whether/how they differ from your AREA A=Absolute research and why?
8. Reflection on learning objective from Class 3 and key insights from speaker
9. Questions for our speaker

Class 4: Management, Share Price Performance, Shareholders & The Absolute Thesis

Part 1: Co-Facilitation 3 and reflection
   Presentations of company histories, management and boards of directors

Part 2: Discussion of shareholders
   Presentations of company ownership

Part 3: Thesis statements from AREA A=Absolute and Critical Concepts

Part 4: Discussion for expectations of literature reviews and earnings calls

Speaker: TBD

Learning Objective: The Relationship Between Perception And Reality

HW from Class 4: Literature Reviews, Earnings Calls

1. AREA Readings pages 32-33, 38-49, answer all questions in written form and be prepared to discuss in class.
2. Literature Reviews: Bring list to class
3. Listen to earnings calls and questions and as always answer the questions from the text
4. Reflection on class objectives and key insights on the speaker.
5. Questions for our speaker

Class 5: Literature Reviews, earnings calls and industry mapping

Part 1: Reflective assignment: Co-facilitator 4
   Discussion of the readings

Part 2: Discussion of literature reviews and earnings calls, and presentations
Part 3: Discussion of industry maps

Guest Speaker: TBD

**Learning Objective: How narratives change with perspective**

HW From Class 5:

1. AREA readings pages 33-38. Based upon the industry map questions you answered from the AREA readings on pages 33-38 create an industry map. Prepare a 3 minute presentation
2. Craft a thesis statement from AREA R=Relative and be prepared to discuss it with the class. Update CC's. If the thesis and updated CC's diverge write out why they do and what next steps you need to investigate.
3. Readings pages 53-76 in AREA E=Exploration. Follow all directions and be prepared to discuss in class.
4. Make a source list, combining it with sources identified from your literature review and industry map and value the sources. Explain how you arrived at your valuations.
5. Write out your call pitch and bring to class to discuss
6. Reflective assignment on class learning Objective and key insights from our speaker
7. Prepare questions for our speaker

**Class 6: Industry Mapping, Area R Thesis Statements, Introduction to Developing Sources and Interviewing**

Part 1: Reflective assignment: Co-facilitator 5

Part 2: Industry mapping
   Presentations on industry maps

Part 3: Thesis statements from AREA R=Relative and Critical Concepts
   Presentations of AREA=R Thesis statements & CCs

Part 4: Discussion of the art of the question, call scripts and sourcing
   Rules about non-public information
   Presentations of questions and call scripts

Part 5: Discussion of Interview Guides

Speaker: TBD
Learning Objectives: Industry Mapping
The Interview Formula GP+GQ=IQ

HW from Class 6:

1. Readings pages 76-81, answer all questions in written form and be prepared to discuss in class.
2. Complete 10 interviews. Write up your notes.
3. AREA E Thesis Statements and update critical concepts. If they diverge, write out why. Make a list of next investigative steps.
4. Prepare a three minute presentation of where you are now that you’ve collected Absolute, Relative and Exploration research.
5. Prepare questions for our guest speaker.

VACATION MARCH 12, 19

Class 7: Interviews & Mid-Way Presentations

Part 1: Reflective assignment: Co-facilitator 6
Discussion of interviewing
Presentations of interview findings

Part 2: AREA Exploration Thesis Statements
Mid-way presentations

Part 3: AREA=Exploitation and Bull/Bear exercise preview

Speaker: TBD

Learning Objective: Understanding Investigative Journalism Techniques

HW from Class 7:
1. Summarize feedback you received from Mid-Way presentations in bullet point form and respond to it. What is your plan to address the suggestions?
2. Readings pages 82-88, AREA=Exploitation, follow all directions and be prepared to discuss in class.
3. Bull/Bear Analysis:
4. Continue Exploration Interviews
5. Reflection on our learning objective and key insights from speaker.
6. Prepare questions for our speaker

**Class 8: Bull/Bear Thesis Statements**

Part 1: Reflective assignment: Co-facilitator 7
Discuss feedback from mid-way presentations

Part 2: Discussion Exploitation
Presentations: Bull/Bear

Part 3: Competing Alternative Hypothesis Preview

**Learning Objective: Assessing Problems and Pitfalls in Our Thinking**

Speaker: TBD

HW from class 8:

1. Readings pages 88-94, answer all questions in written form and be prepared to discuss in class.
2. Craft a Competing Alternative Hypotheses matrix and analyze it as the reading directs
3. Revise and respond to Bull/Bear feedback and be prepared to discuss
4. Continue VAR / Exploration Interviews
5. Reflection on our Learning Objective, key insights from speaker.
6. Prepare questions for speaker

**Class 9: Competing Alternative Hypotheses**

Part 1: Reflective assignment: Co-facilitator 8

Part 2: Discussion of CAH
CAH Presentations

Part 3: Rethinking Bull/Bear

Part 4: Visual Map Preview
Speaker: TBD

Learning Objective: Competing Alternative Hypotheses

HW from class 9:

1. Readings pages 94-110, follow all directions and be prepared to discuss in class
2. Create a Visual Map
3. Scenario Analysis, Update Financial Model
4. Continue Exploration Interviews
5. Reflection from Learning Objective. Key insights from speaker.
6. Prepare questions for guest speaker

Class 10: Visual Mapping, Scenario Analysis, Plots & Ploys

Part 1: Reflective assignment: Co-facilitator 9

Part 2: Discussion of different ways to present data in story form
Presentations: Visual Maps

Part 3: Revisiting Plots & Ploys, Scenario Analysis & Financial Models

Part 4: Crystallizing an Investment Narrative

Speaker: TBD

Learning Objective: Visual Mapping & Pictorial Data Display

HW from class 10:

1. Readings pages 110-125, AREA=Analysis, follow all directions and be prepared to discuss in class
2. AREA Analysis Thesis Statement and update CC’s
3. Write up a brief memo about interviews conducted since the end of break and prepare to discuss
4. Bring all thesis statements to class
5. Craft a two page write up of your company’s investment story. You may have up to 3 pages of supporting material.
6. Reflection on our Learning Objective. Key insights form speaker. Bring copies of all reflections to class. Be prepared to discuss.

------------------------(TDB): Student Conferences------------------------

PLEASE SIGN UP TO MEET WITH THE PROFESSORS

Cheryl Strauss Einhorn                Columbia Business School
Class 11: Final Practice

Part 1: Reflective assignment: Co-facilitator 10

Part 2: Update of Interviews

Part 3: Discussion of readings

Part 4: The AREA Method final discussion

Part 5: Preparation for the final.

Guest Speakers: TBD Panel

Learning Objective: A Clear, Concise and Cogent Written & Oral Investment Story

HW from class 12

1. Refine your final narrative and your 3 pages of supporting documentation for the final exam.

Class 12: (April 28): FINAL EXAM

Judges: TBD

Co facilitation: 11

Closing discussion & Congratulations!