This class will introduce the principles of value investing. The first few sessions will focus on how to value a business and where to look for undervalued situations. The remaining classes will focus on particular applications of value investing. Topics discussed in class will include portfolio management, activism, spin-offs, behavioral finance, distressed investing, and private equity. A number of value investors will come address the class and discuss their own investment styles. If the schedule below changes based on the availability of these speakers, I will notify you well in advance.

Classes will take place on Thursday evenings. Attendance will be checked. If you expect to miss more than one class or regularly not be able to attend the class from beginning to end, I strongly suggest that you do not enroll in this class.

Moreover, if you have already taken or are taking Professor Greenwald’s class on value investing, I strongly suggest that you do not take this class. There is significant overlap between our course materials (and in addition, the class times overlap on Thursdays).

Readings are required for every class. If you have not been able to read the assigned materials (which I expect should be an exceptional circumstance), please let me know at least 2 hours before class to avoid a possible cold call.

### Readings

1. Bruce Greenwald et al., *Value Investing: From Graham to Buffett and Beyond*
2. Joel Greenblatt, *The Little Book that Beats the Market*
3. Lawrence Cunningham, *The Essays of Warren Buffett: Lessons for Corporate America*

### Grades

Grades will be based on class participation (20%), two individual mid-semester assignments (25% each) and a final group project (30%). The final project will be done in groups of two and will consist of assessing the attractiveness of a stock of your choice. The groups will present their findings to the class.
Class Schedule

Class one (1/9/2014)
- Introduction to value investing
- Why does value investing work?
- Search strategies
- Introduction to valuation

Readings:
- Greenwald, *Value Investing*, chapters 1-3
- Tweedy, Browne Company LLC, *What Has Worked in Investing* (located at http://www.tweedy.com/resources/library_docs/papers/WhatHasWorkedInInvesting.pdf) – Read the first 20 pages and skim the rest

Class two (1/23/2014)
- Valuation (asset value, earning power)
- Strategic analysis/competitive advantage
- Investment example

Readings: Greenwald, *Value Investing*, Chapters 4-5

Class three (1/30/2014)
- Valuation (value of growth)
- Strategic analysis/competitive advantage
- Investment example

Readings: Greenwald, *Value Investing*, Chapter 6

Class four (2/6/2014)
- Valuation (value of growth)
- Investment example
- Speaker

Readings: Greenwald, *Value Investing*, Chapter 7

Class five (2/20/2014)
- Speaker
- Mid-semester assignment due on 2/20/2014
Class six (2/27/2014)

- Valuation issues / speakers

Readings: Lawrence Cunningham, *The Essays of Warren Buffett: Lessons for Corporate America*, Introduction (pages 5 to 26)

Class seven (3/20/2014)

- Valuation issues / speakers
- Mid-semester assignment due on 3/20/2014

Readings: Lawrence Cunningham, *The Essays of Warren Buffett: Lessons for Corporate America*, Corporate Finance and Investing (pages 63 to 97) and Common Stock (pages 119 to 132)

Class eight (3/27/2014)

Readings: Joel Greenblatt, *The Little Book that Beats the Market*

Class nine (4/10/2014) and Class ten (4/24/2014)

- Presentations / speakers
- Final assignment due on 4/7/2014