

# FLAME Investment Lab With The Masters

## VALUE INVESTING & BEHAVIORAL FINANCE



FLAME was founded in 2004 with the concept of liberal education as its cornerstone. FLAME celebrates ideas, cherishes diversity, and strives to deliver an academic experience that fosters intellectual curiosity, a critical thought process, self-reflection, leadership and teamwork skills, a sense of commitment and professionalism and a heightened sensitivity to one's socio-cultural environment. FLAME aims to provide an interdisciplinary platform of education by propagating different models and paradigms through, but not limited to, history, philosophy, political sciences, psychology, business, economics, mathematics and finance. FLAME comprises of four schools – FLAME School of Liberal Education, FLAME School of Business, FLAME School of Communication and FLAME School of Performing Arts.

As part of its endeavor to constantly redefine education, FLAME inducted the FLAME Investment Lab (FIL), an initiative that strives to deliver the concepts of value investing to interested students. FIL believes in the dictum “invest in yourself”. It provides tools for self-learning and acquiring knowledge, constantly striving for intellectual stimulation and asking questions. FIL strives to widen your horizons, aiding you to connect the dots within seemingly disparate information. FIL truly believes that the best investment is investing in yourself. As Socrates has said, “I cannot teach anybody anything. I can only make them think.” After its first programme in June 2012, “FLAME Investment Lab With The Masters”, that covered topics like valuation, accounting shenanigans, investment checklists and mental heuristics amongst others, FIL brings to you, “FLAME Investment Lab With The Masters - Value Investing & Behavioral Finance”, that aims to go deeper into these specific topic areas, providing you with the tools needed for investment decision making.

# FLAME Investment Lab With The Masters – Value Investing & Behavioral Finance

## Our belief

Stock markets are difficult to understand and for one to be a successful investor, one needs to follow a well-articulated process of investing and also have the discipline and the self-control, to follow the process chosen, without being distracted by the noise of the markets.

Long term investing is the key to successful investing. Investing follows the Law of the Farm: You cannot sow something today and reap tomorrow. A seed takes time and has to go through various seasons before it turns into a fully grown tree. So is the case with investing. **There are no short cuts.**

## Our belief in practice

Indian equities have returned 18% per annum since 1980, which proves that equities as an investment class has done exceedingly well. However we find that investors have done poorly. This paradox can be explained by the study of Behavioral Finance, which is the important missing link in the study and the analysis of stock markets. Finance is  $1+1 = 2$ . However, when psychology and sentiments intersect Finance, then  $1+1+\text{Psychology} = 100, 2, 50$  or  $9$ .

Investors oscillate between greed and fear from time to time. If one has the courage to be a contrarian one can be a successful value investor. Investing is all about buying a business. Good businesses tend to be available often at values much less than the intrinsic value. Such an investment process is known as “Value Investing”.

## The Result

FLAME Investment Lab provides you an opportunity to attend a seven-day residential programme on “Value Investing and Behavioral Finance”.

The programme is divided into two modules: Value Investing & Behavioral Finance. It has been structured keeping in mind our conviction that value investing is the only proven successful investment process that has delivered above market returns through various market cycles. Coupled with the learnings of behavioral finance, it provides investors with various tools needed to form a temperamentally sound investment discipline.

# Programme Content

## Value Investing

1. Introductory session
2. Corporate governance
3. Ownership structure - Promoter led companies vs. Professional run companies
4. Getting the 7 footers to play basket ball for you – Why all businesses are not created equal
5. Crystal ball gazing - discounting the future to the present
6. Driving a 7 ton truck on a bridge which can withstand 100 tons – Margin of Safety
7. Leaving the party before the clock strikes 12 (Market cycles and why relative valuation may not make sense always).
8. Capital allocation & dividend policy
9. Is pure Benjamin Graham relevant in today's India (Cigar butts and net – nets)
10. The devil in the details (Relevance of understanding the accounting tricks and how everything that is legal for promoters and auditors may not be correct from the shareholder's perspective)
11. Avoid unforced errors (Temperament, client selection and institutional mechanisms)

The programme will be delivered in a highly interactive and focused environment using a combination of presentations, case studies, quizzes, videos and discussions.

## Behavioral Finance

1. Introduction to Behavioral Finance:  
The Prospect Theory and its Biases
2. Solutions to overcome these Biases
3. Mental Heuristics: Types of heuristics and their effect on Investment decisions
4. Mental Accounting
5. Decision Making: How we Think and why do we need a Nudge?
6. Understanding Stock Markets
7. Behavioral Science and the application of System thinking in Capital Markets
8. Why is Investing so confusing?  
The Psychology of Money
9. Corporate Behavioral Finance

## Faculty



Mr. Parag Parikh - Mr. Parag Parikh is one of the pioneers in the study of Behavioral Finance and an author of two books, “Stocks to Riches” and “Value Investing and Behavioral Finance”. Mr. Parikh is the founder and chairman of PPFAS Ltd., an Investment Advisory Firm. He has been accorded the “Certified Financial Planner” certification by the Financial Planning Standards Board of India.



Mr. Rajeev Thakkar - Mr. Thakkar is a core practitioner of value investing. He is the CEO and Executive Director of PPFAS Asset Management Company Pvt. Ltd. He has a very impressive track record as the portfolio manager of the “Cognito” portfolio management scheme at Parag Parikh Financial Advisory Services Ltd.

## Guest Speakers



Mr. Amit Goela - Mr. Goela is a partner at Rare Enterprises and is responsible for its research enterprises. Rare is the investment advisory firm of Mr. Rakesh Jhunjhunwala. At Rare, besides coordinating a team of analysts, Mr. Goela focuses on domestic and global macro indicators and top down research to generate trading opportunities across asset classes. Amit started his career with ITC in their financial services division and prior to joining Rare in 2007, he has worked with Reliance ADA group and Alchemy Stock Brokers.



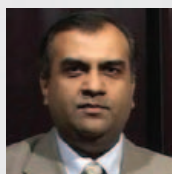
Mr. Anil Singhvi - Mr. Singhvi, Chartered Accountant, is presently Chairman of Ican Investment Advisors Pvt Ltd. In the past he has been associated as Managing Director & CEO of Ambuja Cements Ltd. He is a Director on various Boards of companies, some of them are Hindustan Construction Co. Ltd, Greatship India Ltd, IDFC Securities Ltd, Institutional Investor Advisory Services India Pvt Ltd, Lavasa Corporation Ltd and Subex Ltd. He is Founder Director of FLAME.



Mr. Chetan Parikh - Mr. Chetan Parikh is a director of Jeetay Investments Private Ltd., a portfolio management firm. He is also associated with [Capitalideasonline.com](http://Capitalideasonline.com), a website dedicated to investor education. He has been rated as amongst one of India’s best investors by Business India. He has obtained his MBA from the Wharton School.



Mr. Mahesh Chhabria - Mr. Chhabria is a partner at Actis Private Equity. Actis is recognised as a long-standing investor in India with an emerging market sector-based approach to investing both in minority and control deals. He previously worked at 3i India, where he was a partner in the firm's Growth Capital Group. Before making the move to private equity in 2006, Mahesh was co-head of investment banking at ENAM.



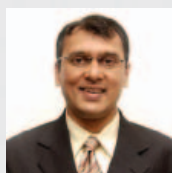
Mr. Manish Chokhani - Mr. Chokhani is the Managing Director and Chief Executive Officer at Axis Capital Ltd. which is one of India's leading investment banks and a subsidiary of Axis Bank, India's third largest private sector bank. Prior to this, Mr. Chokhani was the Managing Director and Chief Executive Officer at ENAM Securities.



Mr. Mukarram Bhagat - Mr. Bhagat is the Executive Director at ASK Group. His three decades of experience spans the areas of Mutual Funds, Equity Broking, Bond Analytics, Financial Media, Economics, and Financial Markets Database Services. In the past, he has served as the Resident Editor of the Economic Times, Mumbai.



Mr. Ramesh Damani - Mr. Damani, member of the Bombay Stock Exchange, is one of the most successful investors in India. A proponent of the Buffett style of value investing, Mr. Damani's views about equity markets are ardently followed. He completed his undergraduate at HR College and postgraduate at California State University.



Mr. Sameer Koticha - Mr. Koticha is the Vice-Chairman and Founder of ASK Group. Along with his brother Asit Koticha, the duo transformed a family owned business into a professionally run organization with interests in Portfolio Management of listed equities, Real Estate Fund, Private Equity Fund and Wealth Management. He has been instrumental in shaping the ASK Group into a leading Wealth Management entity.



Prof. Sanjay Bakshi - Prof. Bakshi is a teacher and a practitioner of value investing in India. As a professor at MDI Gurgaon, he teaches Behavioral Finance & Business Valuation and Financial Shenanigans & Corporate Governance. He is also an Adjunct faculty member at IIM Lucknow. As a practitioner of value investing, Prof. Bakshi leads a team of value investors at Tactica Capital Management where he is CEO and where his team members are his ex-students from MDI.



Mr. Sanjoy Bhattacharya – Mr. Bhattacharya is a Partner at Fortuna Capital. He has earned a PGDM from IIM Ahmedabad. He was the erstwhile Chief Investment Officer of HDFC Asset Management Company prior to which he was associated with UBS Warburg. He is a value investor with an abiding interest in behavioral finance. He writes a monthly column titled the Consilient Investor for Forbes India. Apart from investing, he has a passion for bridge and the visual arts.



Mr. Sunil Singhania – Mr. Singhania is Head of Equity Investments at Reliance Mutual Fund. He completed his Chartered Accountancy from the ICAI, Delhi with an all India rank. He has also earned the right to use the Chartered Financial Analyst designation, conferred by CFA Institute, USA. He is also presently the Founder President of the Indian Association of Investment Professionals, the CFA India society.

Note: While we have received confirmations from all speakers, the speaker list could change.

## Selection Criteria

Candidates who have the aspirations for a successful career in investment management are encouraged to attend. This programme is highly recommended for candidates who share our conviction in value investing and behavioral finance. Each applicant will be evaluated on several criteria to ensure that the participants selected for the programme are well-rounded individuals with capacities of contributing to classroom participation and peer learning. Acknowledging that learning also comes from the diverse backgrounds

- Quantity and quality of work experience
- Commitment and passion for the field of investments
- Evidence of professional success
- Likelihood of benefitting from the programme and contributing to the programme
- Education qualifications

FLAME reserves the right for selecting participants to this programme.

# Application Details

## Application Procedure

To apply the applicant must:

- Download the application from the FLAME website at [www.flame.edu.in](http://www.flame.edu.in)
- Complete the application and attach a colour photograph
- Provide details of two professional contacts in the application (ideally your current / previous supervisors)
- Attach current resume
- If sponsored by employer, attach sponsorship letter on company letterhead
- Mail the completed application to [fil@flame.edu.in](mailto:fil@flame.edu.in)

## Application Deadline

April 30th, 2013

## Accommodation

Accommodation will be provided to all participants at the FLAME campus in Pune for the duration of the programme on a twin-sharing basis.

## Date

The programme registration starts at 10:00 am on 9th June, 2013. The programme will start at 11:00 am on 9th June, 2013 and conclude at 2:00 pm on 15th June, 2013 at the FLAME campus in Pune.

## Venue

Foundation for Liberal And Management Education  
Gat No. 1270, Taluka Mulshi, Village Lavale,  
Off. Pune - Bangalore Highway, Pune - 411 042, India.

# Programme Fee

- INR 50,000 which includes tuition, course materials, meals and on campus accommodation
- Fee does not include travel and other incidental expenses
- Fees should be paid in cheque or demand draft and made payable to “Foundation for Liberal And Management Education” in Pune
- Payment should be mailed to -  
**Foundation for Liberal And Management Education, 401, Phoenix Complex, Bund Garden Road, Opp. Residency Club, Pune - 411001, Maharashtra, India**
- For cancellations, please send an advance notice to the programme team at [fil@flame.edu.in](mailto:fil@flame.edu.in)
- You can avail a full refund if cancellation is made 3 weeks before the commencement of the programme; half the fee refund if cancellation is made 2 weeks before the commencement of the programme. There will be no refund if cancellation is made less than 2 weeks before the commencement of the programme.
- Candidates who are not selected to the programme will receive a full refund of the programme fees.

## Facilities & Infrastructure

FLAME offers 75 acres of tranquil space, just 13 kms. from the Pune University main gate. It is an eco-friendly campus adjoining a 18-hole golf course. FLAME has a football ground, international size cricket ground, tennis courts, basketball and volleyball courts, gymnasium and an outdoor swimming pool. FLAME also has a floodlit indoor sports hall with facilities for badminton, snooker and table tennis.

Its academic spaces include lecture theatres, conference rooms, a performing arts studio, a visual arts studio, a sculpture studio, Physics, Chemistry & Biology labs, and amphitheatres. Some of the other amenities include cafes, Wi-fi connectivity, an infirmary and an ambulance in case of emergency.

During the duration of the program, participants are encouraged to explore the campus and use the facilities FLAME offers.

## Contact

Toll-free No  
E-mail  
Website

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