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 its second programme, "Value Investing and 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 – 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 in to 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+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 five-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. Last season’s fashion – why being late to the party may be good in most cases
9. Capital allocation & dividend policy
10. Is pure Benjamin Graham relevant in today’s India (Cigar butts and net – nets)
11. Fishing in troubled waters – Turnaround investing
12. 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)
13. Special situations investing
14. Activist investing – making the vote count
15. How Financial Weapons of Mass Destruction (Derivatives and Structured Products) can find a place in the value investors arsenal
16. Avoid unforced errors (Temperament, client selection and institutional mechanisms)

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. Winner’s Curse: Competitive bidding and Human Behavior
6. Decision Making: How we Think and why do we need a Nudge?
7. Understanding Stock Markets
8. Behavioral Science and the application of System thinking in Capital Markets
9. The Psychology of Initial Public Offers
10. The Psychology of Index Investing
11. Why is Investing so confusing? The Psychology of Money
12. Corporate Behavioral Finance: Two Case Studies: One Indian and one International
13. Success and Failure

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

Mr. Parag Parikh

Mr. Parag Parikh, 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” will take up the Behavioral Finance module. Mr. Parikh is the founder and chairman of PPFAS Ltd., an Investment Advisory Firm.

Mr. Rajeev Thakkar

Mr. Rajeev Thakkar, a core practitioner of value investing, CEO and Executive director of PPFAS Asset Management Company Pvt. Ltd. will take up the “Value Investing” module. He has a very impressive track record as the portfolio manager of the “Cognito” portfolio management scheme at Parag Parikh Financial Advisory Services Ltd. having returned 18% per annum to the investors, since the inception of the scheme in 1996.

Who should attend?

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 and want to enhance their understanding in the principles of these disciplines.

Selection Criteria

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 of the participants, the selection of the participants will be made considering a combination of many factors including:

- 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
Application Details

Application Procedure

To apply the applicant must:

- Download the application from the FLAME website at 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

Application Deadline

September 30th, 2012

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 starts at 11:00 am on 17th October, 2012 and concludes at 2:00 pm on 21st October, 2012 at the FLAME campus in Pune.

Venue

Foundation for Liberal And Management Education

Programme Fee

- INR 40,000 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, 150/7, ”Jaideep” Prathamesh Park, Baner-Balewadi Road, Pune - 411045, India
- For cancellations, please send an advance notice to the programme team at 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.