

Share Buybacks and Asset Management

Design a portfolio strategy to beat the market

Share repurchases have become increasingly important around the world. In some countries, such as the US, they dominate dividends as a method to distribute cash to shareholders. As a buyback is at the same time a payout decision, a capital structure change and an investment decision, there is no shortage of motivations to justify buyback as a tool to increase long term shareholder value.

On the other hand, the popularity has made buybacks a controversial event that is often described as an EPS manipulation scheme at the expense of long-term shareholder value. This seems to be a particular concern in companies where managers receive bonuses tied to EPS targets. Many also question the CFO's ability to time the market, i.e. buying back stock when their shares are cheap.

In the **Share Buybacks and Asset Management** program you will examine whether this criticism is justified, using all available evidence on buybacks from around the world. Can managers time the market or are they simply overconfident or engaged in EPS manipulation? How can an investor or portfolio manager detect whether a repurchase is driven by "good" motivations or by other reasons that have nothing to do with misvaluation? Are "abnormal" returns simply a compensation for additional risk?

Share Buybacks and Asset Management will provide you with a solid understanding of share buybacks and the implications for asset management. Also the relation with other event-driven anomalies such as equity issues as well as the volatility literature will be explored.

How you will benefit

- Be able to improve your investment performance by using information about buyback announcements in your portfolios
- Be able to design your own buyback investment fund
- Learn how alpha depends on market cap, pre-buyback returns, market-to-book ratios, (idiosyncratic) volatility, and investment horizon, regulation and governance quality

EARLY ENROLLMENT DISCOUNT - Enroll more than 90 days in advance and receive a 10% discount on the program fee

	1 day
	€1200
	Investment Management
	English
	NEW PROGRAM!
	7 October 2016

Faculty

Theo Vermaelen is the UBS Chaired professor of Investment Banking at INSEAD. He received his MBA and PhD from the University of Chicago and because he has published numerous articles, books and case studies on share buybacks he is generally known as "Mr. Buyback" in the academic profession. He also applies his knowledge in consulting activities as well as asset management. In particular he launched several buyback funds and designed model portfolios for individual investors. He is Program Advisor to Amsterdam Institute of Finance, and co-author of the multi-award-winning paper *Contingent Capital: The Case for Coercs*.

Program Content

OVERVIEW OF THE CHARACTERISTICS,
MOTIVATIONS AND CONSEQUENCES OF
VARIOUS BUYBACK METHODS

- Buyback methods
- Good and bad motivations for buybacks (EPS management, liquidity provision, signaling, takeover deterrence, market timing, tax optimization)
- Consequences for shareholder value: the short run / the long run
- Fixed priced tender offers
- Dutch auction tender offers
- Open market repurchase programs
- Accelerated buybacks
- Writing put options
- Private repurchases
- Buying deep in the money convertible bonds
- The nature and persistence of buyback anomalies
- Market under-reaction to buybacks: the global evidence
- Governance quality and buyback returns

REGULATORY ENVIRONMENT

- Regulation and buyback returns
- Regulatory and governance characteristics (US and other countries)

DESIGNING A BUYBACK FUND

- Case preparation: designing a buyback fund
- Case discussion: designing a buyback fund

BUYBACK ANOMALY

- Buybacks and the net issue anomaly
- Tracking buybacks versus tracking insider trading
- Buybacks and the volatility anomaly

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Enrolling & Practical Information

Enrollment requirements

AIF considers each enrollment application carefully to ensure the quality and level of the program is maintained and that participation of candidates is beneficial to both themselves and their companies. The general prerequisite for all AIF programs is the possession of an academic or equivalent degree, as well as proficiency in English and practical experience.

How to enroll

Enrollment applications are available via www.aif.nl. There is no closing date for enrollment although it is advisable to enroll early as places are limited. General Terms & Conditions of enrollment are available via www.aif.nl

Program calendar

Program dates and information about all AIF programs are available at www.aif.nl or by contacting AIF directly.

Accommodation

AIF has special reduced rates available for participants at nearby hotels.

Program location

All AIF programs take place at AIF's premises in the center of Amsterdam. AIF's premises are easily accessible by public transport and car and are a 30-minute drive from Schiphol international airport and a 5-minute walk from Amsterdam's central train station.

Program fees

Program fees include all the comprehensive program materials, books, and software that are required per program, as well as daily luncheons. Accommodation is not included.

As an educational and not-for-profit foundation, AIF is exempt from charging VAT. For clients located within the Netherlands, the AIF program fee is exempt from VAT. For other EU and all non-EU clients, VAT may be due by client to the tax authority.

Certificates

An AIF certificate of attendance is awarded to all participants who successfully complete an AIF Open Enrollment or In Company program.

About Amsterdam Institute of Finance

AIF is a global financial education and innovation institute headquartered in Amsterdam. Through our programs (open enrollment and in-company) we connect ambitious professionals with the best minds in finance. Taking part in one of our programs or events is a direct investment in your personal future. Joining the AIF alumni network means connecting with the world's leading financial experts, in addition to professionals from more than 1200 organizations. Together with them we endeavor to impact your career and shape the future of finance.

This is what makes AIF and the AIF experience unique:

- We believe in responsible and sustainable finance
- AIF is a not-for-profit foundation which allows us to independently select our faculty from the world's leading business schools (such as INSEAD, NYU Stern, Berkeley, etc.) and other institutions
- Our clients, rather than profits, come first for us
- AIF delivers top quality. Our alumni give our faculty an average rating of 4.6 out of 5.0
- Enrollment in of one of our programs means you become part of the AIF network which connects you to professionals in more than 110 countries
- Our programs are applicable to daily practice and prepare you for the future of finance.

CONTACT US

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