

DAVID SPROTT DISTINGUISHED LECTURE BY

# EDUARDO S. SCHWARTZ



## EDUARDO S. SCHWARTZ University of California

Dr. Schwartz is the California Professor of Real Estate and Professor of Finance, Anderson Graduate School of Management at the University of California, Los Angeles. He has an Engineering degree from the University of Chile and a Masters and Ph.D. in Finance from the University of British Columbia. He has been in the faculty at the University of British Columbia and visiting at the London Business School, the University of California at Berkeley and the Universidad Carlos III in Madrid. His wide-ranging research has focused on different dimensions in asset and securities pricing. Topics in recent years include interest rate models, asset allocation issues, evaluating natural resource investments, pricing Internet companies, the stochastic behavior of commodity prices and valuing patent-protected R&D projects.

### David A. Sprott (1930-2013)

Professor David Sprott was the first Chair (1967-1975) of the Department of Statistics and Actuarial Science at the University of Waterloo and first Dean of the Faculty of Mathematics (1967-1972). The David Sprott Distinguished Lecture Series was created in recognition of his tremendous leadership at a formative time of our department, as well as his highly influential research in statistical science.

## the real options approach to valuation: challenges and opportunities

Thursday, September 25, 2014 | 2:30 pm

MC 4061, University of Waterloo

Reception will follow in the M3 Bruce White Atrium

This lecture provides an overview of the real options approach to valuation mainly from the point of view of the author who has worked in this area for over 30 years. After a general introduction to the subject, numerical procedures to value real options are discussed. Recent developments on the valuation of complex American options has allowed progress in the solution of many interesting real option problems. Two applications of the real options approach are discussed in more detail: the valuation of natural resource investments, and the valuation of research and development investments.



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