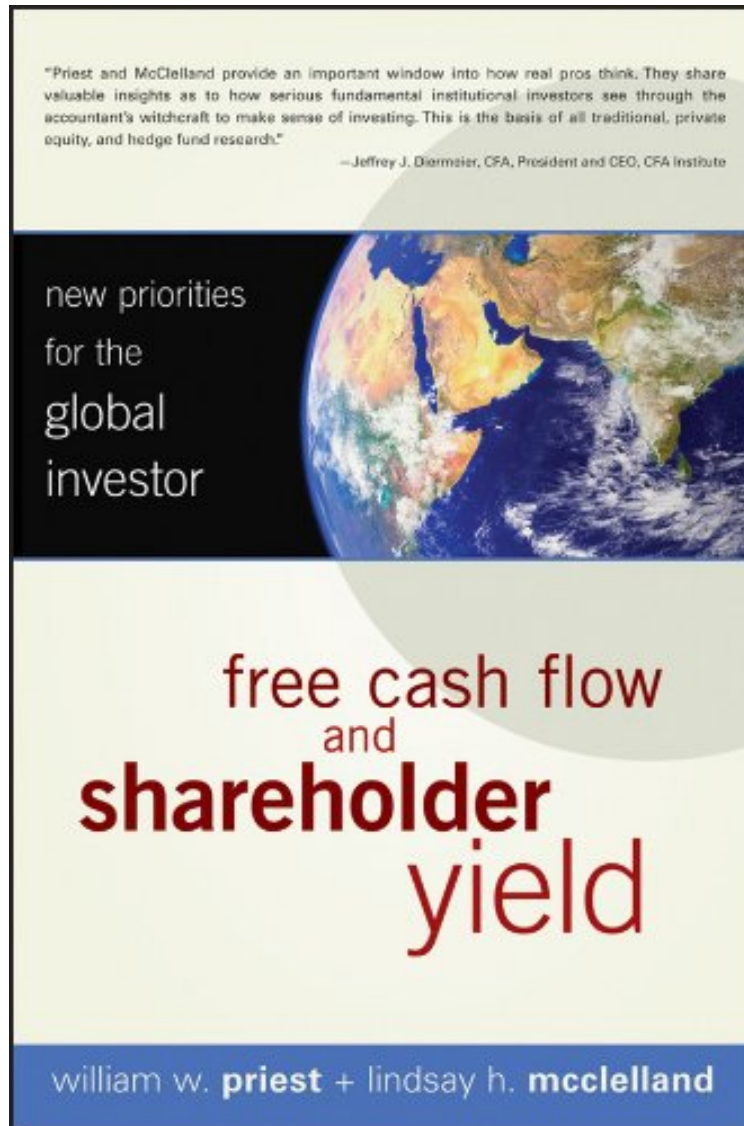


Free Cash Flow and Shareholder Yield: New Priorities for the Global Investor

William W. Priest, Lindsay H. McClelland
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William W. Priest, Lindsay H. McClelland : Free Cash Flow and Shareholder Yield: New Priorities for the Global Investor before purchasing it in order to gage whether or not it would be worth my time, and all praised Free Cash Flow and Shareholder Yield: New Priorities for the Global Investor:

1 of 1 people found the following review helpful. Good Investment Advice.By nj greasemanExcellent. Easy read. Information presented in style that is condusive to painless absorbtion of complex concepts.Recommend to those that are in investment mode.8 of 10 people found the following review helpful. Actors want to be singers, singers want to

be dancers...By Jagleanand, alas, investment advisers want to be listened to no matter how silly they prattle on...or, why you should never invite one to your cocktail party. At its core, the book has a valid and useful theme; free cash flow is the prime measure for judging a corporation's financial performance - not its price/earnings ratio. Priest stresses the point that the p/e ratio is a function of the accountants' (and management's) obscure and GAAP-driven analysis whereas free cash flow actually provides an investor an opportunity to intelligently assess the potential of a given enterprise for investment. Thus, inherent conflict can exist between the numbers that go into the "earnings" as manipulated by management and the numbers that are relevant to investors. Priest goes on to outline the three useful functions - to the investor - of free cash flow; cash dividends, share buybacks and debt reduction. I would argue mildly that share buybacks have a pretty checkered history with a large number of such buybacks taking place at exactly the wrong time. Still, these first several chapters are useful in reminding an investor what to keep his/her focus on and why. The following section, on globalization, could be or could have been, 10 years ago, an interesting magazine article or op-ed piece in the WSJ. In this book it is dated before publication and spins off into Priest's theory that we now live in the "dollar zone" which starts to sound a lot like we should all hold hands and sing - you know what. Worse in the same section, as throughout later parts of the book, Priest loudly warns of soon-to-be-present rising interest rates. Right. I'll hustle right out and buy a 7% CD. The consequence is that Priest undermines the efficacy of the other parts of the book. To his credit, Priest correctly warns of the housing bubble as well as a liquidity bubble but seems to confuse the consequences and outcomes thereof. I do confess, however, that after grinding through the blather on globalization I started reading very quickly and indifferently - there seemed to be little new or of particular value. I'm left somewhat disappointed, therefore, that what could have been a useful text on free cash flow spins down into some aimless cocktail party chatter that doesn't last as long as the resulting hangover. 6 of 11 people found the following review helpful. mike By roylopez the title of this book is actually a misnomer. this book is about economics and not about a book that will help analyze financial statements. for that look elsewhere. this book's title is misleading and is not about analyzing cash flow.

Praise for Free Cash Flow and Shareholder Yield "Free Cash Flow and Shareholder Yield provides a provocative solution to the profound paradigm shift now redefining valuation standards for markets around the globe. In commonsense terms, it defines how the investment community has begun the journey of shifting to the more dependable, robust metric of free cash flow." — Rob Brown, Chief Investment Officer, Genworth Financial Asset Management, Inc. This graph tells a singularly compelling story of the changing order of the drivers of total equity returns. In Free Cash Flow and Shareholder Yield, you will learn how this story is the key to informed investing in an evolving global marketplace.

From the Inside Flap The current investment landscape is among the most dynamic and complex in the history of the capital markets. Today's investor must contend with dramatic alterations to the traditional methods of stock selection and portfolio construction as the order of the drivers of total equity returns are realigned and the irreversible effects of globalization take hold. Added to these powerful forces is the presence of a flat-to-rising interest rate scenario that could ultimately disrupt the equilibrium of the international marketplace. How can you, the informed investor, incorporate these new realities into an investment strategy that both protects and grows capital? Free Cash Flow and Shareholder Yield provides the key to making profitable investment decisions in a world that is characterized by unprecedented change. Researched and written by veteran investment industry professionals William Priest and Lindsay McClelland, this book shows how traditional investment metrics, such as the P/E ratio, are being eclipsed by a free cash flow-based approach to investing. To provide a functional framework for the application of the free cash flow philosophy, Priest and McClelland introduce the concept of Shareholder Yield: an innovative method of gauging investment opportunities by the magnitude of free cash flow that is generated by a company and the manner in which this free cash flow is deployed. Free Cash Flow and Shareholder Yield reveals how the robust, commonsense discipline of Shareholder Yield can reduce risk and enhance returns, even in the face of today's shifting investment paradigms. This book not only equips the reader with the Shareholder Yield toolkit, but also shows how this strategy fits into a larger understanding of the global macroeconomy. By exploring the topic of globalization in an investment-specific context, the authors show how the free cash flow philosophy can be directly applied to the increasingly borderless international marketplace. Similarly, this book examines how the future likelihood of flat-to-rising interest rates may result in the bursting of several economic bubbles, each of which may meaningfully affect the manner in which successful investments are made. The key to surviving these coming challenges and the secret to profiting from the forces of globalization reside in Priest and McClelland's free cash flow strategy as exemplified by Shareholder Yield. By presenting a comprehensive, unflinching perspective on today's changing investment landscape, Free Cash Flow and Shareholder Yield provides a must-read primer on the new priorities for the global investor. From the Back Cover Praise for Free Cash Flow and Shareholder Yield "Free Cash Flow and Shareholder Yield provides a provocative solution to the profound paradigm shift now redefining valuation standards for markets around the globe. In commonsense terms, it defines how the investment community has begun the journey of shifting to the more

dependable, robust metric of free cash flow." —Rob Brown, Chief Investment Officer, Genworth Financial Asset Management, Inc. This graph tells a singularly compelling story of the changing order of the drivers of total equity returns. In *Free Cash Flow and Shareholder Yield*, you will learn how this story is the key to informed investing in an evolving global marketplace.

About the Author William W. Priest, cfa, cpa, has forty years of experience in the investment management industry, almost all of it as an investment analyst and portfolio manager. Before forming Epoch Investment Partners with three associates in 2004, he spent most of his career at Credit Suisse Asset Management-Americas, and its predecessor firm, BEA Associates, where he was a cofounder in the early 1970's. Priest served as chairman, CEO, and portfolio manager of CSAM-Americas, and CEO and portfolio manager of BEA. He is a CFA, a CPA, and a graduate of both Duke University and the University of Pennsylvania Wharton Graduate School of Business. Priest is the author of several published articles on investing and finance including the book, *The Financial Reality of Pension Funding Under ERISA*. Lindsay Hatton McClelland was an investment banking analyst in Merrill Lynch's Retail and Consumer Products Group and an associate vice president at Financial Dynamics, where she specialized in corporate communications and investor relations. She is a graduate of Williams College and received her MFA from New York University's Graduate School of the Arts and Sciences.