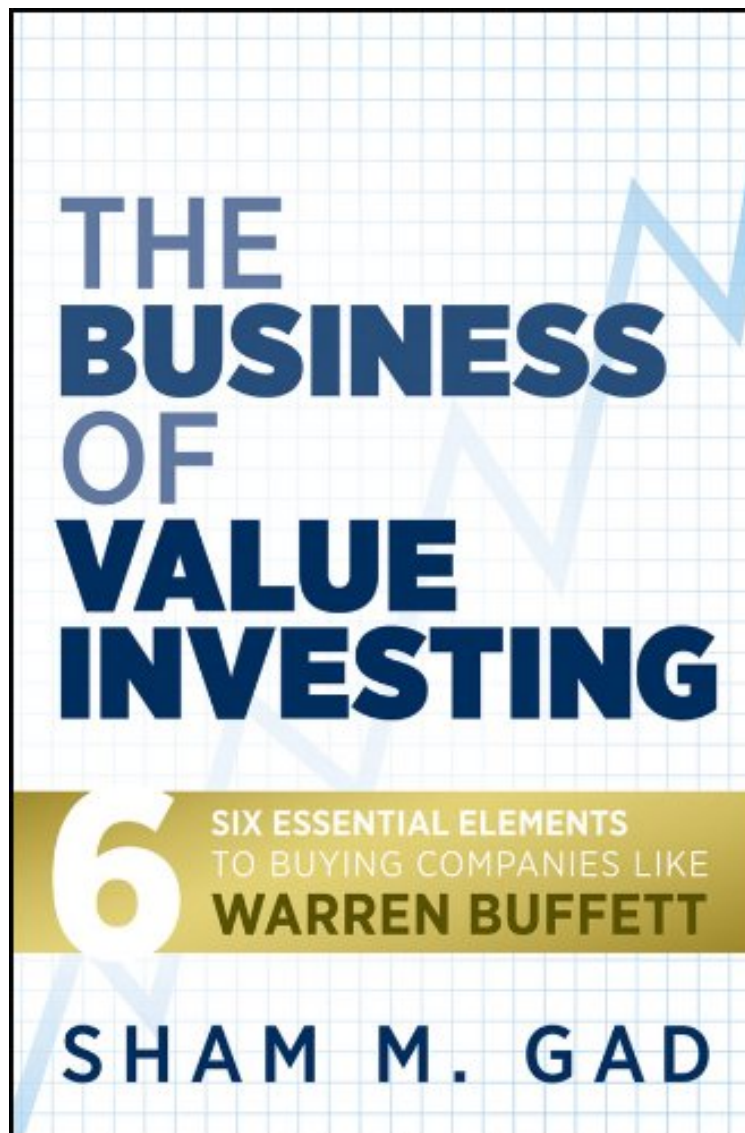


The Business of Value Investing: Six Essential Elements to Buying Companies Like Warren Buffett

Sham M. Gad

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Sham M. Gad : The Business of Value Investing: Six Essential Elements to Buying Companies Like Warren Buffett before purchasing it in order to gage whether or not it would be worth my time, and all praised The Business of Value Investing: Six Essential Elements to Buying Companies Like Warren Buffett:

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read it on the kindle. It definitely has a fantastic tone, one reviewer mentioned 'repetitive' as in 'parenting', will this is slightly the case, but it is good as some of us need saving from ourselves, and it's easy to do your dough! Lots of fantastic quotes from Buffett and others. Really a great many principles and examples to help illustrate selection of stocks/businesses. Tone and content is very good, I have bought some (kindle) books where it seems like the author is having a "me too!" attempt but this one is very intelligently written, prob for the beginner as others have said. 0 of 0 people found the following review helpful. review of business of value investing By gene The Book written by Sham M. Had shows the average or experienced investor that investing in stocks is buying a piece of a business with the six elements of intelligent investing used by the masters such as Warren Buffett. 1) develop investing philosophy 2) preservation of capital 3) business valuation 4) have discipline to say no. 4) The art of patience. 5) ignoring the media and then putting all together. then finally and the very end of the book it shows you how to start an investment partnership. The Business of Value Investing: Six Essential Elements to Buying Companies Like Warren Buffett 6 of 7 people found the following review helpful. The subtitle is the key By Bertilak First a disclaimer: I am not an expert. I am new to the concept of "Value Investing" Nearing retirement, I decided to take a bit more control of my investments. I read reviews of many of the investment advice books on , bought a few and read them cover to cover. I also perused many web sites covering the same ground. The books and web sites that impressed me the most were the ones advocating one flavor or another of what is commonly called "Value Investing", but I always felt I was missing key pieces of the puzzle. That is until I read Mr. Gad's book. I don't mean it made me an expert. Far from it, but I think it did show me the big picture such that I now feel I have all the pieces (the "elements" of the subtitle), even if not all the associated skills to best apply those pieces. This is actually a BIG step in learning about anything -- getting the big picture and knowing what it is you need to work on for a deeper understanding. Even though I still have a long way to go, I think Mr. Gad's book has taught me enough actual, practical, skills to make it even feasible for me to start managing my own investments. Some big things I got from this book: 1) It is an every-day occurrence for us to make judgment calls when buying things -- am I getting my money's worth? That's "value buying". "Value investing" is the same thing applied to investments. When you buy a stock you are buying part ownership in a company. The stock is a receipt confirming your ownership and what you paid for it. The price of the stock does NOT tell you the value of the company. That is for YOU to determine (as best you can). The price of a stock and the value of the company are not the same thing. The point is, you want to pay less than the true value. This is possible because the stock market is only efficient (at properly pricing stock) in the long run. In the short run, emotion and news (good or bad) cause price swings that do not reflect actual value. Don't you be distracted by the same information clutter. 2) Determining the value of a company is not easy and it is always an estimate. Much of a company's value can be estimated from its SEC financial statements, but one needs to apply judgment to those numbers, not just secret, magical, formulas. There are formulas that can help you understand the financial statements and help you apply that judgment, but still, the judgment is the key. So is other knowledge beyond the financial statements. All this is hard work. No magic available. 3) If you talk to investment advisors, they might not understand "Value Investing" in the same sense that this book (among others) defines it. Many see "Value" and "Growth" as opposite ends of a spectrum. What I have learned from this book is that this is a poor way to view things. Potential for growth is one of the main factors that define a company's value. Value investing tells you how to buy growth the smart way. You want to buy "growth at a reasonable price" (GARP). Yes, there are other approaches to investing and it is up to you to decide what you are most comfortable with. Maybe you will use different approaches for different investment goals. For example, someone looking for big fat dividends may not care much about a company's true value as long as it is pumping out the dividends. You may need to mix and match in your portfolio. This book should help you decide.

A blueprint to successful value investing Successful value investors have an ingrained mental framework through which all investment decisions are made. This framework, which stems from the father of value investing, Benjamin Graham—who believed that investment is most intelligent when it is most businesslike—can put you in a better position to improve the overall performance of your portfolio. Written by Sham Gad—founder of the Gad Partners Funds, a value-focused investment partnership inspired by the 1950s Buffett Partnerships—The Business of Value Investing effectively examines the fundamental tenants of this approach and skillfully illustrates the six essential elements of the entire process. Opening with some informative discussions of how value investing focuses more on buying a piece of a business, and less on buying a company's stock, this reliable resource quickly moves on to detail exactly what it takes to become a successful value investor. Outlines the six essential elements required for a successful risk averse value investment approach Contains case studies that illustrate how to approach investing in an intelligent, businesslike fashion Walks you through the pitfalls that most investors initially fall into With The Business of Value Investing as your guide, you'll quickly become familiar with one of the most effective investment strategies ever created.

From the Inside Flap "Buy a business, don't rent stocks." —Warren Buffett While you've probably heard numerous "financial experts" talk about the many ways to make money in the markets, the fact is, there's only one strategy that has truly proven itself over the years. Thanks to the foundation laid out by Benjamin Graham and expanded upon by

Warren Buffett and others, value investing—which consists of buying the stock of companies that trade for less than their intrinsic value in order to maximize return while minimizing risk—has helped countless individuals consistently build wealth by avoiding permanent capital loss. Successful value investors have an ingrained mental framework through which all investment decisions are made. This framework, which stems from Graham's belief that "investment is most intelligent when it is most businesslike," can put you in a better position to improve the overall performance of your portfolio. Written by Sham Gad—founder of the Gad Partners Funds, a value-focused investment partnership inspired by the 1950s Buffett Partnerships—*The Business of Value Investing* effectively examines the fundamental tenants of this approach and skillfully illustrates the six essential elements of the entire process. Opening with informative discussions of how value investing focuses more on buying a piece of a business and less on buying a company's stock, this reliable resource quickly moves on to detail exactly what it takes to become a successful value investor. Develop a sound investment philosophy Have a good search strategy Know how to value a business and assess the quality of management Have the discipline to say no Practice the art of patience Have the courage to make a significant investment at the point of maximum pessimism Along the way, you'll become familiar with specific case studies that illustrate how to approach investing in an intelligent, businesslike fashion. Each one—all of which were actual investments made by the author at one time or another in his career—offers a different way to determine whether a company under investigation is indeed a bargain investment opportunity. For those willing to put forth the effort and show some patience, the stock market offers the greatest forum for wealth accumulation. Filled with in-depth insights and practical advice, this reliable resource can help you make the most of your time in today's markets, by following a value-oriented approach to investing that continues to make sense. From the Back Cover Praise for *The Business of Value Investing* "Sham Gad's *The Business of Value Investing* is an excellent primer on value investing. The book chronicles the step-by-step process of successful value investing. It will keep you reading and learning. And learn you will."—Vitaliy Katsenelson, Director of Research at Investment Management Associates, Inc., and author of *Active Value Investing: Making Money in Range-Bound Markets* "Sham Gad's new book does a great job of teaching the most important lesson in the business world: discipline, a predefined and strictly adhered-to philosophy, temperament, hard work, and a willingness to learn from mistakes are much more important than innate IQ. *The Business of Value Investing* spells out exactly what Warren Buffett means when he says, 'I am a better businessman because I am an investor; I am a better investor because I'm a businessman.'"—Mark Sellers, Managing Partner, Sellers Capital, LLC About the Author Hesham M. Gad, an up-and-coming value investor, is the Managing Partner of the Gad Partners Funds. Prior to managing the Gad Partners Fund, he ran the Gad Investment Group from 2002 to 2005, a concentrated value fund that delivered annualized returns of 22 percent. He has written hundreds of investment articles and currently contributes to *TheStreet.com* and *Investopedia.com*. Gad holds an MBA in finance from the University of Georgia, during which time he met with Warren Buffett for lunch.