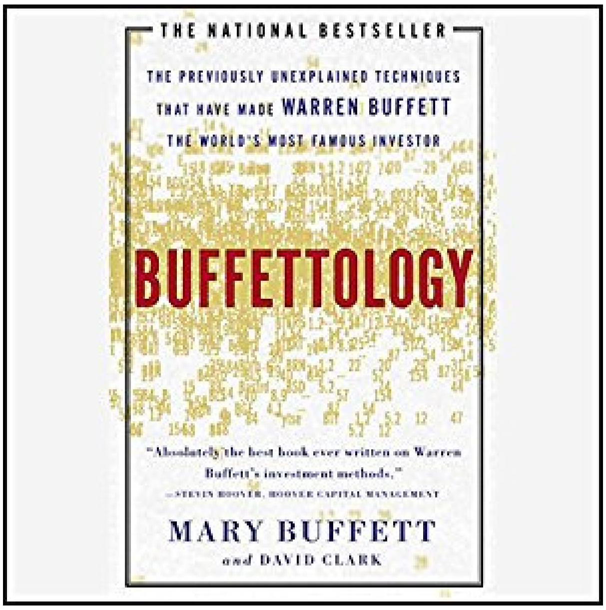
The book was found

Buffettology



Synopsis

HOW WARREN BUFFETT DID IT -- AND HOW YOU CAN TOO In the world of investing, the name Warren Buffett is synonymous with success and prosperity. Building from the ground up, Buffett chose wisely and picked his stocks with care, in turn amassing the huge fortune for which he is now famous. Mary Buffett, former daughter-in-law of this legendary financial genius and a successful businesswoman in her own right, has teamed up with noted Buffettologist David Clark to create Buffettology, a one-of-a-kind investment guide that explains the winning strategies of the master. * Learn how to approach investing the way Buffett does, based on the authors' firsthand knowledge of the secrets that have made Buffett the world's second wealthiest man * Use Buffett's proven method of investing in stocks that will continue to grow over time * Master the straightforward mathematical equipments that assist Buffett in making investments * Examine the kinds of companies that capture Buffett's interest, and learn how you can use this information to make your own investment choices of the future Complete with profiles of fifty-four "Buffett companies" -- companies in which Buffett has invested and which the authors believe he continues to follow -- Buffettology can show any investor, from beginner to savvy pro, how to create a profitable portfolio. --This text refers to the Paperback edition.

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Customer Reviews

This book is a mixed blessing. I have read a stack of investing texts over the last 10 years, and this is the first to introduce the concept of purchasing a stock on the basis of a calculable return, as one would any other investment such as a bond or T-bill. For this alone the book is worth reading.It's also a very enjoyable read. I couldn 't put it down. However, part of what made it so rivetting was the promise that the author(s) will (1) teach me exactly how Warren determines which companies to buy, and (2) the later chapters would teach me in detail how to value a stock and determine what price to pay for it just as Warren does. Unfortunately, the first promise falls a little short, and the second promise proves to be a flat-out lie.Problem 1: She tells us the math is so complex that she had to enlist the aid of a second author to help with that part of the book. But the math turns out to be junior high school level stuff. She shows us a couple of way theat one CAN attempt to calculate a reasonable price for a stock, but does NOT show us how Warren does it, nor does she show any current examples of how we can go about to a stock today.Problem 2: The truth is, she doesn't know how to apply Warren Buffet's techniques, because if she did, she would have included at least one CURRENT example (at the time of printing). She would have chosen a stock and explained why it is a great investment and would have told us what price to pay for it, and would have shown how she made these determinations. After all, that is why we are interested in learning Warren's methods, so we can buy excellent investments TODAY. Merely showing us how much money he made on some stock he bought 20 years ago doesn't prove that she knows HOW he did it.

Probably the best of the Buffett books. Mary isn't part of the Buffett gang anymore, so she doesn't have anything to protect, just plenty to tell.Mary Buffett and David Clark spell out Buffett's methodology as well as anybody. But once you get into the meat of the book, you realize that Buffett had (and has) a lot of advantages over most other investors. That, in and of itself, doesn't take away from the genius behind the method, just that you aren't going to approximate his returns without a lot of luck.Particularly interesting is that many of his "great" purchases were made either when the market had momentarily beaten down a good company, or when the market in general was on the ropes. Both situations recall the sage advice to "buy when blood is running in the streets." Sadly, most investors are usually loaded up with stocks (and paper losses) and without the wherewithal to buy more when these panics hit.That's where Buffett's business strategy comes in. By investing heavily in insurance companies early and often, he's the beneficiary of a steady stream of cash, ready to be put to use whenever the opportunity presents itself.The authors' advice to mimic Buffett in seeking out consumer "monopolies" with intangible assets is good; "an unregulated monopoly that the world hasn't recognized yet," as they say. However, thousands of Wall Street's brightest are hard at work all day and into the night looking for those same jewels. So you'll have plenty of competition.Two problems arise from this type of book. The first is that the assumptions made about the expected growth of earnings/dividends over the course of the next 10 years can easily go astray. The business environment is changing rapidly. Long-range predictions haven't held up well recently (and frequently don't).

Although I agree with some reviewers about the origin of the book I believe it should be judged by its merits rather than by whether or not Mary Buffett is capitalizing on her relationship with Buffet's son. The book makes a great deal of sense actually and I have made a great deal of money in the stock market using methods almost identical to those espoused in the book. However, the authors fail to explain why low debt, high return on equity companies are so attractive. They dance around but never hit the correct answer. This makes me wonder if they really understand it. For the reader's future reference, once this simple fact is truly understood the investor is on his or her way to understanding investment. Another difficulty is that there are mathematical errors in the book and simplistic mathematical calculations. But the errors induced thereby are not large and no one seems to realize that the calculations are just a poor man's replacement for calculus. As someone with a extensive mathematical background I find this perfectly acceptable. Quite frankly, I have never needed more than simple algebra to understand investments anyhow so restricting the reader to this is good. Also, some sections of the book wander about somewhat aimlessly trying to explain rather simple concepts. I just think the authors don't have a quantitative background. As I said above that is ok but these concepts can be explained better in words than they are in the book.Finally, other reviewers are correct. Mary Buffett using Warren said this and Warren said that etc. throughout the book grates after a very few pages.But in the final analysis the book is worth the time and effort.

Buffettology: The Previously Unexplained Techniques That Have Made Warren Buffett the World's Most Famous Investor The New Buffettology: How Warren Buffett Got and Stayed Rich in Markets Like This and How You Can Too! Buffettology