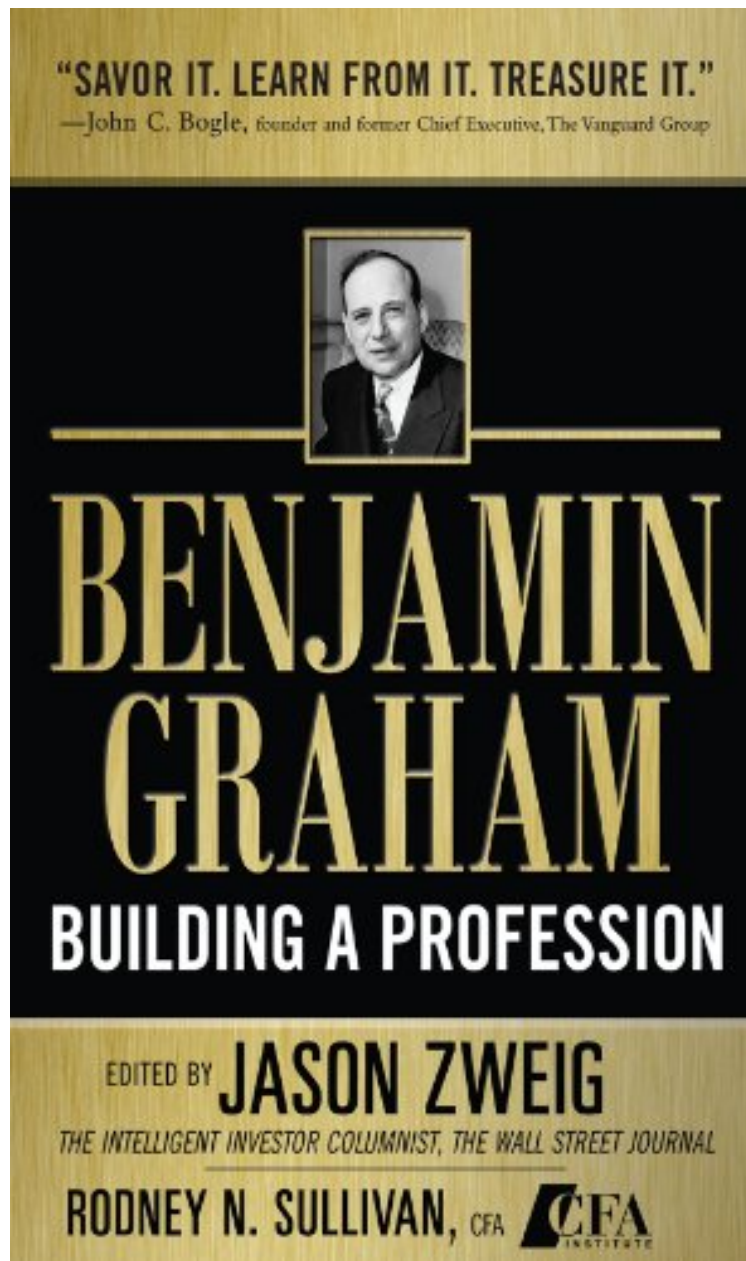


(Ebook free) Benjamin Graham, Building a Profession: The Early Writings of the Father of Security Analysis (Professional Finance Investment)

Benjamin Graham, Building a Profession: The Early Writings of the Father of Security Analysis (Professional Finance Investment)

Jason Zweig

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Jason Zweig : Benjamin Graham, Building a Profession: The Early Writings of the Father of Security Analysis (Professional Finance Investment) before purchasing it in order to gauge whether or not it would be worth my time,

and all praised Benjamin Graham, *Building a Profession: The Early Writings of the Father of Security Analysis* (Professional Finance Investment):

10 of 10 people found the following review helpful. An Undiscovered Gem. By Adam Smythe This book has been in print for about two months, and so far there are no reviews. It's not exactly a best seller, but for those with an interest in securities analysis, perhaps you should read on. I'll briefly cover the organization of this book and then state why I think it's an important read. First, the book is divided into four parts, each with an introduction written by Jason Zweig and Rodney Sullivan. Included in each of the first three parts are a half-dozen essays, on average, that were written by Benjamin Graham from the 1930s to the early 1960s. These essays and some later speeches are the heart of the book, which is why Zweig and Sullivan are editors, not authors. (Indeed, over 80% of the words in the book were written by Graham.) The good majority of Graham's essays appeared as articles in *The Analysts Journal*. The fourth part of the book begins with another introduction by the two editors, followed by a series of speeches or interviews given by Graham. The general theme of the articles and speeches is Graham's observations and arguments for the establishment of a profession of securities analysis. The need for professional standards may seem obvious today, but it was a somewhat heretical idea 70 years ago. Okay, so why might you want to buy this book? If you are like me, you'll likely read anything written by Graham that you can get your hands on. Though he wrote decades ago, the clarity and to-this-day timeliness of his writings are amazing. If you didn't know when these articles were written, in many cases you might have guessed they were written within the last 10 years. Further, although the main theme of this book is the establishment of a securities analysis profession, there is a lot of very pertinent and useful investment analysis in Graham's writings. For example, one of my favorite articles, "The New Speculation in Common Stocks," was written in 1958 and remains as clear, powerful and pertinent today as back then. In sum, Benjamin Graham famously wrote about undiscovered investment gems. For many of those interested in securities analysis, this is one of them.

3 of 3 people found the following review helpful. Investing in its infancy. By Don I picked up a copy of Benjamin Graham, *Building a Profession: The Early Writings of the Father of Security Analysis*. I like to read these books about historical finance because everyone has forgotten about what investing was like in olden times. To remember what has just happened requires a constant struggle! When Graham started in 1914, investors often had to go to the library of the NYSE to view annual reports. There was much less information, and what was available was harder to obtain. Of course, now the situation has inverted, and it is easier and cheaper to invest from somewhere else. Basing your investment operation in Manhattan is obsolete. Investors were also much more skeptical of stocks: "[T]he determiners of price change were thought to be an entirely different set of factors - all of them very human," a concept which validates Prechter's theory of the market. In 1924, when *Common Stocks as Long Term Investments* was written, the title was intended to be provocative, as "no respectable person believed that stocks should be regarded as investments at all." Or, as we say on *Credit Bubble Stocks*, "stocks are for selling, bonds are for buying." The most interesting takeaway was the extremely low valuations that prevailed during Graham's early years. There is an amazing story of IBM stock in 1916 (then known as CTR, Computer-Tabulating-Recording Co). At that time, the stock had a 7% dividend yield, traded at a third of book value, and less than ten times earnings! And people still said it was overpriced and they wouldn't "touch it with a ten-foot pole"! Valuations were spectacularly low in 1932 at the stock market bottom. Graham studied 600 industrial companies listed on the NYSE and found that 200 were selling for less than their net quick assets. As he put it, businesses had come to be valued "on an entirely different basis from that applied to private enterprise." But, "if the commitment would be attractive as an ordinary business venture, it should be even more attractive as part of a publicly held enterprise, with the added advantage of... ready marketability." Corporate governance is the same sad story it has always been; the intractable agency problem in human affairs. It is telling that by the end of his career, Graham basically gave up on it.

4 of 5 people found the following review helpful. First, Do Not Lose (Harm) - As In The Hippocratic Oath. By James East To abstain from doing harm, or more colloquial as in - 'First, do not harm' which is believed to have been written by the famous Greek physician Hippocrates is the basis of Benjamin Graham's writings and teachings in his theme of 'margin of safety'. In connection with the release of the sixth edition to *Security Analysis*, which I would comment is very good, this companion reader of that release is a collection of shorter writings by Graham. The compilation covers the time frame of '32-'77. In the book you will be introduced to some items that main street is not that aware of in that Graham was not strictly a cigar-butt or a net-net investor only. One learns that his investment style was more nuanced than simply a statistically cheap asset, as he was not shy about arbitrage or good quality growth stocks. From 'Toward a Science of Security Analysis', - "A case can be made for putting all your growth eggs in the one best or a relatively few best baskets." However, one will no less get a heavy dose of the first do no harm aspect of investing. To stress this point with more gravitas, Warren Buffett loves quoting the following rules on investing which is "Rule #1: Don't Lose Money, and Rule #2: Don't Forget Rule #1". So, if wisdom comes either from Hippocrates of Kos, or by Warren Buffett of Omaha, this book will reinforce that the precondition for sustaining a high compound rate of growth is dictated by avoiding serious loss. Reference: *Security Analysis: Sixth Edition*, Foreword by Warren Buffett (Security Analysis Prior Editions)

Learn and profit from the early writings of a financial genius Benjamin Graham is widely known as the father of Value Investing, and mentor to Warren Buffett. But Graham made another critically important contribution by advocating that securities analysts should meet minimum requirements of knowledge, and be held to high standards of ethical conduct—in short, that the profession should be treated as seriously as other fields of study, like accounting, medicine or law. Benjamin Graham and the Birth of the Professional Financial Analyst showcases Graham's important contribution to remaking investment analysis as a profession. This fascinating collection spanning 30 years offers us valuable perspectives on investing and financial markets—many as vital in the present day as they were in Graham's own tumultuous mid-twentieth century—and reveals the evolution of Graham's passionate belief in the creation of a financial profession and a science of financial analysis. Features: Updates and commentary by Jason Zweig, The Wall Street Journal's "Intelligent Investor"; Rare articles from The Financial Analysts Journal Created with the cooperation of the CFA Institute

About the Author Jason Zweig writes the "Intelligent Investor" column for The Wall Street Journal. He has been a senior writer at Money, mutual funds editor at Forbes, and guest columnist at Time and CNN.com. Zweig is the editor of the 2003 revised edition of Benjamin Graham's book The Intelligent Investor and the author of Your Money and Your Brain (2007). Rodney N. Sullivan, CFA, head of publications for CFA Institute, serves as editor of the Financial Analysts Journal and several other leading publications. He was director of research for Trigon Healthcare, Inc. (now Anthem Healthcare, Inc.) and a senior portfolio analyst for Aris Corporation.