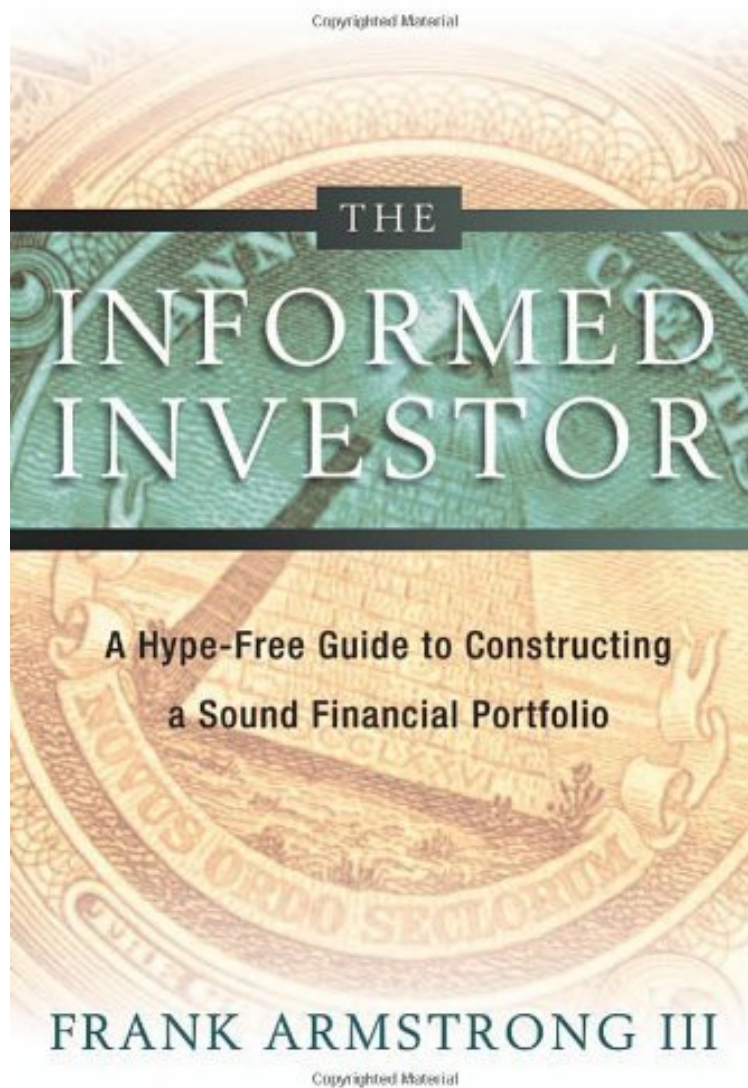


The Informed Investor: A Hype-Free Guide to Constructing a Sound Financial Portfolio

Frank Armstrong III

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Frank Armstrong III : The Informed Investor: A Hype-Free Guide to Constructing a Sound Financial Portfolio before purchasing it in order to gage whether or not it would be worth my time, and all praised The Informed Investor: A Hype-Free Guide to Constructing a Sound Financial Portfolio:

9 of 10 people found the following review helpful. A Way Through the MinefieldBy David DcostaWoody Allen once famously described an Investment Advisor as the guy "who invests your money until it's all gone." In the aftermath of the last market bubble, the implosion of Enron, and the "revelation" that all-too-many of the on-media advisers and

brokerages had other things in mind than the needs of their gullible audiences, the joke now seems a trifle hollow. So what hope remains for the nervous (and probably bruised) investor? How can he cut through the jungle of advice and advertising? He could do a lot worse than begin by picking up Frank Armstrong's book. This is a take-you-by-the-hand tour of the world of equities and bonds, but really offers something more important: a way to think intelligently about the risks and the rewards (and, indeed, the necessity) of investing for personal security. So you think you can pick a hot market-beating mutual fund? Or assemble a basket of high-rising stocks? Hop out of the market ahead of the next melt-down or jump early on the next bull? There are plenty of funds advertising just that, and no shortage of newsletters or pay-up-front gurus promising to guide you. Or just listen for free to their cousins on TV or radio. Welcome to the wonderful world of financial [investing]! As its consumers will too soon realize, all the excitement's in the expectation and the hangover can be fierce. Armstrong is an excellent antidote to wean you away from the dangers of the marketplace. He replaces the hype with easily-digested facts and statistics to bolster his advice that you eschew individual stocks and managed mutual funds. He urges you instead to assemble a portfolio of market-following index funds to match your need and comfort level. At the core of his portfolio plan is the concept of maximizing the (statistical) chance of market rewards whilst minimizing the necessary risk. This strategy of asset allocation involves the careful choice of a portfolio of market-specific index funds designed to tame the swings and dips of individual markets. Armstrong can list some impressive allies for his approach, and no individual investor trying to protect or nourish a nest egg can afford not to listen. After reading his book you'll be in a position to decide which camp you'd really be happiest in -- the heady world of "managed" investing (after all, you could beat the odds that have dealt out such widespread disappointments)-- or following the sober and less exciting "passive" approach. While Armstrong does suggest appropriate portfolio models to meet various needs, he doesn't spell out in detail the various individual funds you'll need to use. He does offer a sample equities portfolio that would involve choosing nine separate index funds (or Exchange Traded Funds) to properly allocate among the various markets and sectors, but it'll be up to you (or your advisor) to find the actual funds to make up the portfolio. This will take some research, but should not be beyond the reach of anyone who's absorbed the principles. And if you feel happier having an advisor, he spells out the best way to choose one. Few people can afford not to invest, and this is a book that can make both the decision and the process a good deal easier.

0 of 0 people found the following review helpful. Five Stars
By Don Grinwis
very practical approach to investing , lots if do's and don't
0 of 0 people found the following review helpful. Five Stars
By Thomas Luckenbach
Everyone with a retirement plan should read this book!

Most people are scared stiff by investment risk. But what most people don't know is that the biggest risk is simply investor behavior. Irrational and fearful, investors routinely chase after investment rainbows offering high returns with zero risk . . . or sell off stocks in a panic when the market is down . . . or hoard their money in T-bills, which historically have just barely outpaced inflation. The only way to eliminate such self-destructive behavior is to get hard facts on how the stock market really works. Fortunately, anyone can learn -- not just the analysts on Wall Street -- with *The Informed Investor*. Packed with eye-opening charts and graphs, this powerful book shows how to develop an investment strategy that yields the highest return with the lowest risk. *The Informed Investor*:
* Replaces ""voodoo investing"" methods with proven real-world strategies and groundbreaking academic research
* Provides a thorough education in financial economics
* Explains how to allocate assets to achieve specific goals
* Simplifies difficult subjects with clear language and straight-shooting advice

From Publishers Weekly
Geared to the skittish novice investor who may have been spooked by the September 11 fallout, *The Informed Investor: A Hype-Free Guide to Constructing a Sound Financial Portfolio* guides readers through the basics of investing with a reassuring tone and a relatively conservative long-term strategy. Frank Armstrong III, a former contributor to CNNMoney, explains how to assess risk, choose a mutual fund and interpret the advice of financial soothsayers. He weighs the relative advantages of mutual fund alternatives (like real estate investment trusts and variable annuities) and offers specific tips for parents worried about college tuition. Copyright 2002 Cahners Business Information, Inc.
From Library Journal
According to Armstrong, when it comes to investing in "Mother Market," there is no free lunch, and beware of the "performance fairies, voodoo priests, shamans, witch doctors, false profits and charlatans" who offer high returns but shrug their shoulders when the stock market goes south. A financial adviser and founder of Investor Solutions, Inc., Armstrong advises average investors to take responsibility for educating themselves, even when they use the help of stockbrokers. He offers some insight into how brokerage houses operate and cautions investors about reading popular money magazines and listening to what "Wall Street wants you to know." When it comes to stock selection, Armstrong recommends abandoning outmoded ideas. For example, he does not believe that timing the market and past-manager performance are criteria for making sound investments. Instead, he suggests replacing old thinking with new strategies for assessing risk tolerance, focusing more on asset allocation, and considering various types of mutual funds as a way to build a diverse portfolio. Combined with the additional resources listed, this book offers the average investor an adequate background in how to formulate a meaningful investment plan. Recommended for public libraries. Bellinda Wise, Nassau Community Coll. Lib.,

Garden City, NY Copyright 2002 Cahners Business Information, Inc. Armstrong's book cuts through the clutter, and focuses investors on the mission-critical issues. -- Petersburg Monitor August 7, 2002