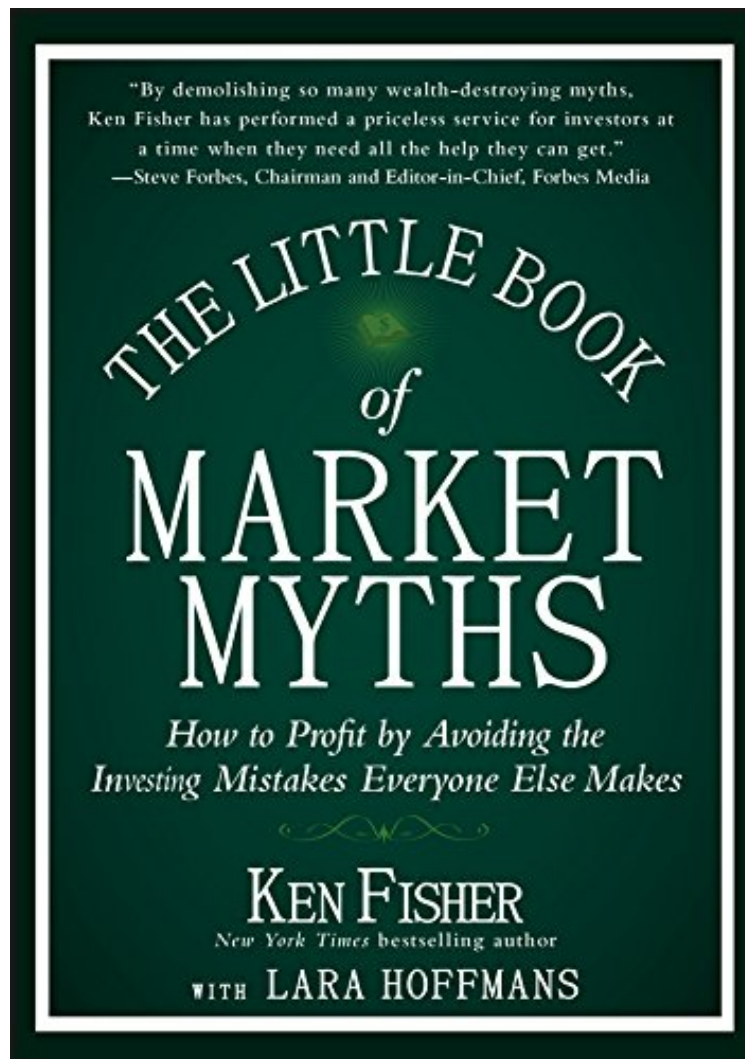


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## The Little Book of Market Myths: How to Profit by Avoiding the Investing Mistakes Everyone Else Makes (Little Books. Big Profits)

*Ken Fisher*

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**Ken Fisher : The Little Book of Market Myths: How to Profit by Avoiding the Investing Mistakes Everyone Else Makes (Little Books. Big Profits)** before purchasing it in order to gauge whether or not it would be worth my time, and all praised *The Little Book of Market Myths: How to Profit by Avoiding the Investing Mistakes Everyone Else Makes (Little Books. Big Profits)*:

28 of 28 people found the following review helpful. Myth-busting the stock market: QUESTION EVERYTHINGBy Alan F. SewellFor an instant, while skimming the Table of Contents, I thought this was going to be yet another vapid investment book filled with shopworn platitudes. Then it hit me (as I should have understood from the title) that this is

a MYTH-BUSTING book. Author Ken Fisher isn't repeating the myths that most other investing books hawk, he's BUSTING them. Thus, his chapter "Stop-losses stop losses" doesn't advocate using stop-loss triggers (like most other investing books advise) but to AVOID using them. The chapter on "Superiority of Small-Cap Value" doesn't mean that small-cap stocks offer superior value (as most conventional theorists suppose) but the opposite, which is that small caps generally underperform. I also like his idea of "harvesting" your stock market profits from time to time instead of the shopworn cliché of "letting your profits compound." That's right, Fisher says it's perfectly OK, to take money out of your portfolio and spend it on other things you need. Other chapters debunk the macroeconomic myths touted by permabears who allege that the USA is going to collapse under its debt burden. The most potent aspect of the book is its repeated warning to "QUESTION EVERYTHING!" Investment mavens on TV and the financial press often traffic in dis-information either because they're trying to manipulate their own stock portfolios or because they're fallible human beings who are well-meaning in their advice but turn out to be wrong. They say "short the Euro, the European Union is about to implode." A year later the European Union is still here and the Euro is up 20%. Or they say "gold is going to \$2,000 on economic uncertainty." A year later gold has plunged from \$1,750 to \$1,300. Or they say "Apple will go from \$700 to \$1,000" and a year later it is \$450. They say "Sell now because it is going to \$300." As soon as they sound the "sell" alarm the stock starts to go up again. Because the Wall Street money funds are often in league with the business media much of this dis-information is propagated for the purpose of persuading the investing public to buy stocks at the highs and sell them at the lows. Hedge funds want the public to buy stocks at the highs so they can profit by shorting them. They tell their media buddies to tout the stock to get the public to buy into it. After the price runs up the hedgies crash the stock with massive short selling, then tell their media cronies to scare the public out of it by selling at the bottom. Then they cover their shorts, reload their long positions, and tell the media to start touting the stock again. Fleece the public again and again, rinse and repeat. The very market terminology of "flash crash, insider trading, dark pools, high frequency trading" and so on tells us that we're dealing with an unlicensed bedroom casino, not a real market where stocks are bought and sold on the basis of honest information. Ken Fisher teaches us to question the motives of those who propagate "information" that is used to manipulate the markets. IMO the book is timely because 2013 may be the year the stock market gets back into a secular bull market. Some market theorists would say that a new secular bull market started at the generational low of March, 2009 when the DOW bottomed in the 6,400's. But the market has been so volatile since then that investors don't feel like it's been a bull market. As of today (January 29, 2013) the SP500 is at the very same 1500 level it first reached in March 2000. In nominal terms the market has been flat for 13 years and adjusted for inflation has lost 29% of its value. The market has actually performed much worse than that because the extreme volatility within the 13 year bear market has created many crash-and-burn scenarios like the "flash crash" that induces small investors to buy the highs and sell the bottoms. Investors who followed the conventional wisdom of "buying and holding a well-diversified portfolio of blue chip stocks" have gone nowhere but down since 2000. Those who bought into the investment industry's pitch of "buying small cap growth stocks for superior returns" have fared even worse because these smaller cap companies were not only trashed by hedge funds, but were often managed by ethically-challenged insiders who watered the stock. Management awarded millions of shares of stock to themselves for free, while the public shareholders ate the dilution. Very few growth stocks can stay afloat when the owners are flooding them with water. On top of all that we've had nothing but recurring crises in the macro-economic world. Budget deficits; government shut downs; the Eurozone falling apart; nuclear reactors blowing up in Japan; wars and threats of wars in the Middle East. All of this taken together has made this the worst time in generations to be in the market. But could things be changing for the better? Could we be on the verge of ramping up another bull market whereby the stock market will be a tailwind that helps investors acquire wealth rather than a windshear that slams them to the ground? 2012 was a decent year with a 13.41% return. Volatility is going down. The Federal Reserve is keeping interest rates low. Employment is picking up. The European Union is settling down for the moment. A small bit of regulation is creeping into the market for the first time in decades. We've had 13 years of garbage in the stock market, so maybe it's time for 13 years of gains. If you're thinking along these lines read this book. It doesn't cover everything you'll need to know about investing in the market (It didn't for example cover my specialties of buying EFT's and REITS) so you'll have to read other books besides this one if you're not already up to date on those topics. But the book does serve its purpose of helping investors to keep from being misled by much of the bogus conventional wisdom that "investing 101" books preach. And it warns us not to rely on the loud-mouthed market mavens on TV and in the financial press who are almost always wrong. Ken Fisher's most important lesson: QUESTION EVERYTHING YOU HEAR. Don't believe a word of it until you have validated it for yourself.

1 of 1 people found the following review helpful. Helps provide insight on how ingrained ideas get repeated over ...  
By steve yearout  
Helps provide insight on how ingrained ideas get repeated over and over again. Even when the comments are rooted in decade's old understanding that don't provide insight, only dogma,  
1 of 1 people found the following review helpful. This book is about all the investment MIS-advice you will ...  
By Reader  
This book is about all the investment MIS-advice you will be getting from "financial advisors" and many how to invest books. Read this before you let anyone talk to you about your money. And then don't listen.

Exposes the truth about common investing myths and misconceptions and shows you how the truth shall set you free; to reap greater long-term and short-term gains Everybody knows that a strong dollar equals a strong economy, bonds are safer than stocks, gold is a safe investment and that high PEs signal high risk...right? While such "common-sense" rules of thumb may work for a time as investment strategies, as New York Times and Wall Street Journal bestselling author, Ken Fisher, vividly demonstrates in this wise, informative, wholly entertaining new book, they'll always let you down in the long run. Ken exposes some of the most common; and deadly; myths investors swear by, and he demonstrates why the rules-of-thumb approach to investing may be robbing you of the kinds returns you hope for. Dubbed by Investment Advisor magazine one of the 30 most influential individuals of the last three decades, Fisher is Chairman, and CEO of a global money management firm with over \$32 billion under management Fisher's Forbes column, "Portfolio Strategy," has been an extremely popular fixture in Forbes for more than a quarter century thanks to his many high-profile calls Brings together the best "bunks" by Wall Street's Master Debunker in a fun, easy-to-digest, bite-size format More than just a list of myths, Fisher meticulously explains of why each commonly held belief or strategy is dead wrong and how damaging it can be to your financial health Armed with this book, investors can immediately identify major errors they may be committing and adjust their strategies for greater investing success

From the Inside Flap Everybody knows that a strong dollar equals a strong economy, bonds are safer than stocks, stocks are more volatile now and stop-losses are a smart, money-saving tactic . . . right? These are just a few widely believed but potentially dangerous market myths New York Times and Wall Street Journal bestselling author Ken Fisher dismantles in this wise, informative, wholly entertaining new book. As a long-term Forbes columnist and CEO of a global money management firm managing tens of billions for high-net-worth individuals and institutions, Ken knows a thing or two about what works and what's bunk when it comes to investing wisdom. Bringing together some of Ken's best myth debunking and market sleuthing of the past twenty-five years, in an easy-to-digest, bite-sized format, The Little Book of Market Myths exposes some of the most common; and deadly; myths investors swear by. And he demonstrates why subscribing to the rule-of-thumb approach to investing could prevent you from reaching your long-term investing goals. But this book is more than just a list of myths. One after another, Ken takes each commonly held belief or "surefire" strategy and explains why the myth persists, why it doesn't work and just how damaging it can be to your financial health. And each chapter is a primer on how you can apply the same "debunking" tactics yourself, now and for the rest of your investing time horizon. Whether you're a novice investor or a longtime veteran, this book arms you with priceless insights to help you identify major errors you may be committing and help you see the world clearer; so you can improve your investing results. Fun, insightful, at times, irreverent, The Little Book of Investing Myths offers vivid proof of the old adage "the truth shall set you free"; to increase the odds you achieve your long-term investing goals From the Back Cover "By demolishing so many wealth-destroying myths, Ken Fisher has performed a priceless service for investors at a time when they need all the help they can get." —Steve Forbes, Chairman and Editor-in-Chief, Forbes Media Learn the truth about common investing myths and the truth shall set you free Have you ever asked if what you believe to be true actually is? If not, why not? A huge amount of what most investors believe is actually wholly or partially untrue; utter market myth leading to, at times, costly errors. But investors don't follow myths because they know they're wrong. They follow myths because they seem like smart, common sense, "everyone knows" market wisdom. How can you tell the difference between myth and reality? By questioning. And in The Little Book of Market Myths, CEO and bestselling author Ken Fisher questions everything. From the belief that bonds are always safer than stocks to the idea that America's big debt must spell economic doom. He stamps out rules of thumb and overturns decades of widely accepted but ultimately misguided market wisdom. In doing so, he shows readers how they, too, can question everything and see the world more clearly. And by seeing the world more clearly, they can begin seeing better investing results. Read The Little Book of Market Myths yourself and start investing based on reality, not "everyone knows" mythology. About the Author KEN FISHER is best known for his prestigious "Portfolio Strategy" column in Forbes magazine, where his over 28-year tenure of high-profile calls makes him the fourth longest-running columnist in Forbes's 90-plus-year history. He is the founder, Chairman and CEO of Fisher Investments, an independent global money management firm managing tens of billions for individuals and institutions globally. Fisher is ranked #271 on the 2012 Forbes 400 list of richest Americans and #764 on the 2012 Forbes Global Billionaire list. In 2010, Investment Advisor magazine named him among the 30 most influential individuals of the last three decades. Fisher has authored numerous professional and scholarly articles, including the award-winning "Cognitive Biases in Market Forecasting." He has also published nine previous books, including national bestsellers The Only Three Questions That Count, The Ten Roads to Riches, How to Smell a Rat, Debunkery and Markets Never Forget (But People Do), all published by Wiley. Fisher has been published, interviewed and/or written about in many major American, British and German finance or business periodicals. He has a weekly column in Focus Money, Germany's leading weekly finance and business magazine. LARA HOFFMANS is Vice President of Content at Fisher Investments, managing editor of MarketMinder.com, a regular contributor to Forbes.com and coauthor of the bestsellers, The Only Three Questions That Count, The Ten

Roads to Riches, How to Smell a Rat, Debunkery and Markets Never Forget (But People Do).