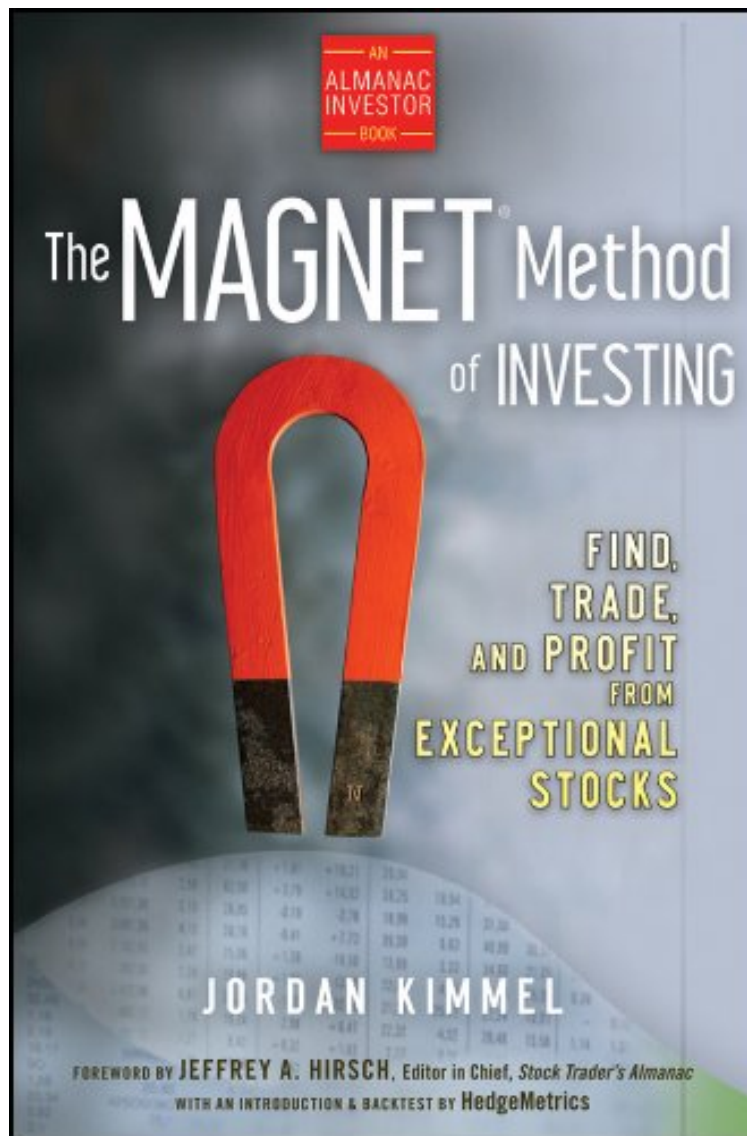


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The MAGNET Method of Investing: Find, Trade, and Profit from Exceptional Stocks (Almanac Investor Series)

Jordan L. Kimmel, Jeffrey A. Hirsch
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Jordan L. Kimmel, Jeffrey A. Hirsch : The MAGNET Method of Investing: Find, Trade, and Profit from Exceptional Stocks (Almanac Investor Series) before purchasing it in order to gage whether or not it would be worth my time, and all praised The MAGNET Method of Investing: Find, Trade, and Profit from Exceptional Stocks (Almanac Investor Series):

10 of 11 people found the following review helpful. A sensible book for serious investors
By Aaron C. Brown
Let me start out by saying I believe that low-cost index mutual funds remain the best choice for most investors; and that the large majority of people who set out to do better, fail. However, I also believe that it is possible for disciplined, intelligent, serious investors to do a bit better; and that little bit can add up to a significant edge over extended periods of time. This is one of the few investment books that will help you if you choose the latter path. It sets out a sensible strategy based on fundamental analysis with an eye toward price movements. Pure fundamental analysis works on a Warren Buffet time-scale, but attention to price can help you get the value companies at the right times, so you don't have to wait 20 years to be proven right. Pure price movements can also eke out profits, but only if you have institutional market access. Most books of this type concentrate on blue chip value, great companies at a good price. Magnet investing is more ambitious, finding companies somewhat earlier than the usual advice, with more growth potential but less certainty. This has several advantages. It's more fun. It allows you to get a significant advantage with a smaller portion of your portfolio. It lets you concentrate more on things you know about, and where there is less institutional attention. However, that also makes it riskier if you allocate the same fraction of your portfolio; and it means your skill at implementing it makes more difference. I like some other things about this book. It's well-written. It gives a complete system, which is important to show the author has thought everything through and so you won't neglect an essential part. But it also explains the system so you can test it against your own knowledge and beliefs before betting your retirement on it. It gives evidence of how the system worked in the past, backed up by a long period of actual application, not just a theoretical backtest. The method is complete enough to give you an idea of how well it is likely to work, which is almost as important as working. Your investing success is determined not just by rate of return, but whether your financial plan is realistic enough to succeed with that return. Finally, the method is intellectually satisfying, which is both a virtue in itself, and makes it easier to stick to during inevitable market reverses. You don't need this book to invest, and it won't make you rich quickly. I do not use the method myself, but I employ similar principles and I learned some useful enhancements from reading it. If you're going to be an active investor, this is a good choice for a guide. If you follow the system, and watch your costs (including taxes and hidden transaction costs like bid/ask spreads), you have every chance of achieving reasonable financial goals.

15 of 19 people found the following review helpful. A variant of O'Neil's useless CANSLIM
By Husam Abu-Haimed
What a disappointment! I bought this book after reading several 5-star reviews, but was shocked by how naive and shallow it is. The author on page 33 says that he "learned a tremendous amount from [William O'Neil's] studies." Indeed, you can see that the Magnet method is just a variant of O'Neil's CANSLIM method. Not that O'Neil's method is a good one to begin with; I think both methods are naive and useless. The book is too verbose and repetitive. The first 3 to 4 chapters tell you nothing other than "diversification is bad." The author keeps repeating it until the reader kills himself out of boredom! The "Magnet Method" is not described until chapter 11! And even then, it is not really described; "The Magnet Stock Selection Process is a proprietary approach..." p132 of chapter 11. So, no details at all are given; just general useless statements like "buy companies with good management" or "buy companies with high earnings growth." The only thing I liked about the book is chapter 8 on the Baby Boomer generation and its impact (or lack thereof) on the economy and financial markets. The data and analysis given in this chapter is very interesting and useful. That is the only reason I gave the book 2 stars instead of 1!

4 of 5 people found the following review helpful.
Does not make the grade
By Customer
I read the reviews and wonder how anyone could like this book. The author lists items which make a stock look like a possible buy but is very vague about how to apply them stating he cannot list the math formulas used as they are proprietary. Then why buy the book if the method is not spelled out? He then lists some of the stocks that made his list which was several years ago. They have all tanked and some are not even traded. He does not say when to exit and admits mistakes. He puts a stop of 20 percent. WOW. Cannot recommend it.

Praise for The Magnetreg; Method of Investing "Rather than encouraging the scatter shot approach of broad diversification, Jordan focuses on the rifle-shot Magnetreg; method of identifying a limited number of quality stocks to improve your chances of beating the market." — Sam Stovall, Chief Investment Strategist, Standard Poor's Equity Research "Jordan Kimmel is one of the brightest market observers out there, and he is certainly a rising star that will be an important person to follow marketwise for many years." — Michael Burke, Coeditor, Investors Intelligence, Inc. "Jordan Kimmel's The Magnetreg; Method of Investing is an amazing, detailed, and intuitive book. I especially enjoyed Jordan's insights into diversification, the inefficient market, and identifying stocks that are in their 'sweet spot.' Jordan's writing style is also very straightforward and refreshing. He succeeds in taking complicated subjects and explaining them in an insightful way. This is simply an incredible book that is a must-read for both beginning and serious investors." — Louis G. Navellier, Chairman and founder, Navellier Associates, Inc. "The Magnetreg; Method of Investing examines investing from a different perspective than many investors often see, offering a unique alternative to diversification. Jordan Kimmel has analyzed the methods of the best investors through time and introduces his robust stock selection process." — David M. Darst, CFA, Managing Director and Chief Investment Strategist, Morgan Stanley Global Wealth Management Group "We welcome Jordan's book as a valuable perspective on investing. The Wall Street Transcript applauds money managers like Jordan who explain their philosophies clearly,

support them with research, and back them up with performance data. This is a great addition to any investing reading list." —Andrew Pickup, Publisher and CEO, The Wall Street Transcript "The Magnetreg; Method of Investing takes on the important issue of diversification, which has been oversold to Main Street. This is yet another example of the need to 'go against conventional thinking' if you want to achieve superior results." —Stan Weinstein, Editor and Publisher, Global Trend Alert

From the Inside Flap"Future top-performing stocks are like needles in a haystack. Find them by turning your portfolio into a magnet for pulling in these hidden gems. The name of the game is isolating these future runaways, focusing your efforts on really getting to know and understand them, and then concentrating your capital on these hidden values at the right time." —From the Foreword by Jeffrey A. Hirsch Early on in his career, market strategist Jordan Kimmel realized that an overemphasis on diversification, asset allocation, and the use of modern portfolio theory yielded unacceptably mediocre returns and limited the creation of wealth in a portfolio. With this in mind, he set out to find a better way to invest and ended up creating The Magnetreg; Stock Selection Process. Now, with The Magnetreg; Method of Investing, Kimmel shares his insights into this effective approach with you. The Magnetreg; Stock Selection Process uses conventional technical and fundamental factors within a theoretically sound framework—and follows a clear set of practical rules—to select a limited number of stocks expected to outperform broad market averages such as the SP 500 and Russell 2000 indexes. While this strategy challenges the popularly held belief of passively holding a large number of diversified securities, its ability to identify superlative stocks during the early stages of a company's greatest growth phase has allowed investors to capture profits for over two decades. Throughout these pages, Kimmel skillfully discusses his proven strategy—from conception to application—and outlines the entire process of focusing on fewer stocks to gain greater returns in straightforward and accessible terms: Management Acceleration of earnings, revenues, and margins Growth must exceed current valuation New product or management may be the driver Emerging industry or product creates great opportunity Timing needs to be right Drawing on the results of his own research over the past twenty-five years as well as his relationships with other top money managers of this era, Kimmel shows you how The Magnetreg; Stock Selection Process can put you in a better position to enhance the overall performance of your equity portfolio. The important lessons to be learned from The MAGNETreg; Stock Selection Process could not be made available at a more opportune time. Survival and future success will rely on following a sound investment discipline with strong fundamental, valuation, and technical underpinnings. During the current economic downturn and beyond, The MAGNETreg; Method of Investing is the perfect guide to seeking out, identifying, and profiting from the few truly superlative stocks.

About the Author JORDAN KIMMEL has been the Portfolio Manager and President of MAGNET Investment Group since 1997. He graduated from Bronx High School of Science and holds a BA in economics and an MS in urban policy science. Kimmel appears regularly on CNBC, ABC, and Fox News, and hosts his own radio show, Magnet Investing with Jordan Kimmel, on the VoiceAmerica Business Network. As a frequently requested speaker, Kimmel is known as a straight shooter unafraid to expose Wall Street's shortcomings. JEFFREY A. HIRSCH is Editor in Chief of the Stock Tradetr's Almanac and Almanac Investor newsletter. He started with the Hirsch Organization in 1990 as a market analyst and historian under the mentorship of his father, Yale Hirsch. He regularly appears on major news networks such as NBC, CNN, Fox News, and Bloomberg, and is widely quoted in many major newspapers and financial publications. Hirsch also writes numerous financial columns.