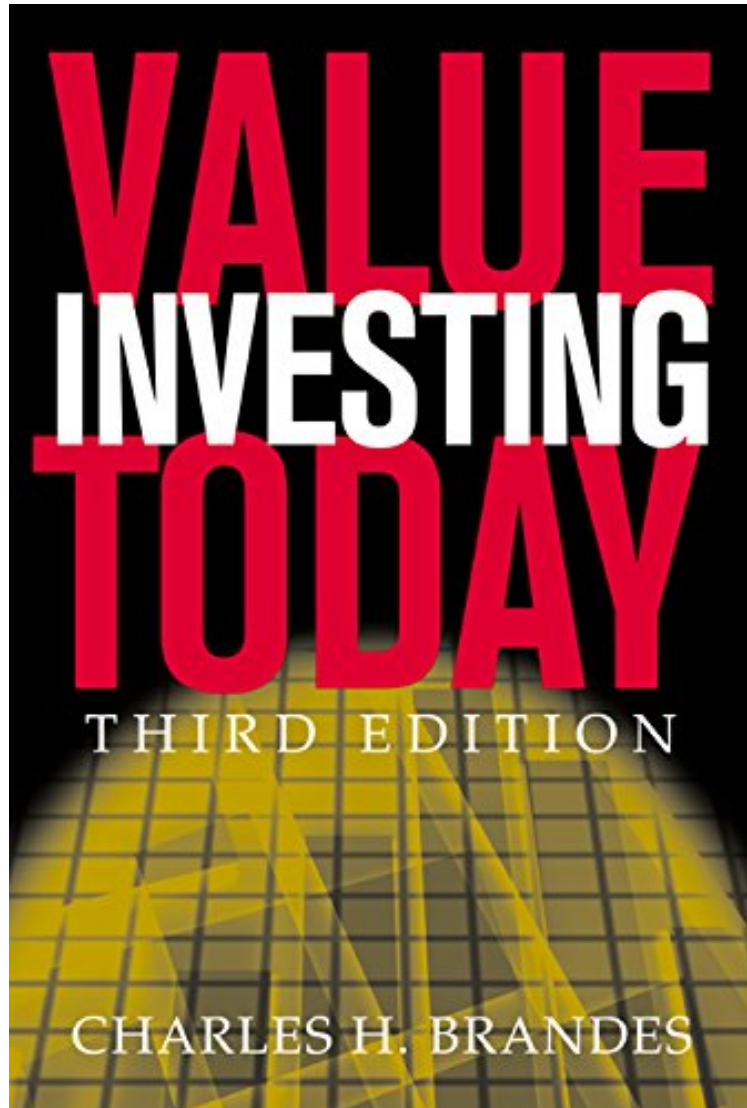


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Value Investing Today

Charles Brandes

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Charles Brandes : Value Investing Today before purchasing it in order to gage whether or not it would be worth my time, and all praised Value Investing Today:

0 of 0 people found the following review helpful. Meets expectations and adds something newBy DavidI learned practical skills from this book. When you say that it usually means "a borind/dry read." For some reason, this was neither boring nor dry. The length is appropriate.10 of 10 people found the following review helpful. Tests for Safety, Four step test for value, determining Share Price ValueBy Golden LionTests for Safety1. Debt-to-Equity is less than 12. Current Assets are twice liabilities3. Total Debt is less than twice net current assets4. Annual earnings growth is at least 7 percent over the last ten years5. No more than two year-to-year earnings declines of more than 5 percent during

the last ten years. Four step test for value

1. No losses within the past 5 years
2. Total debt is less than 100 percent of tangible equity
3. Share price is less than book value per share
4. Earnings yield is at least twice the yield on long term 20 year bonds

Share Price value

1. If a stock's price was less than two-thirds of net-net current assets per share. Investors buy excess cash for 67 cents on the dollar and get a full claim on the company's permanent assets for free. The company must be generating profits. To calculate intrinsic value investors rigorously examine qualities such as financial strength and earnings strength in context of the companies past results., its current operation, and its future prospects

What does price to earnings mean? If a share costs \$20 and reports a \$3 Earning per Share than P/E equals 6.7. The buyer is paying \$6.70 for every \$1 of earnings.

What is Net Current Assets? Net current assets is the amount of capital a company creates or consumes in a period of time. $\text{Net Current Assets} = \text{current assets} - \text{current liabilities}$.

What are Current Assets? Current assets is the amount of cash and cash equivalents (or inventory, etc that can be converted to cash quickly to pay the bills) and current liabilities are the bills that are due.

What is Book Value per Share? $\text{Book value per share} = \frac{\text{par value of an outstanding preferred stock} - \text{liabilities}}{\text{outstanding shares of stock}}$.

How do you calculate the Fair Market Value of the Stock? Benjamin Grahams NCAVPS = $\frac{\text{current assets} - \text{total liabilities}}{\text{shares outstanding}}$

1 of 1 people found the following review helpful. Good overview/supplemental book

By SkyqiI consider this book a good overview or supplemental book for value investing. It provides a thorough introduction and arguments for why it works. This book is written for investors that already have some experience with the stock market. It was not intended to be a how-to book for beginners. The author wants to provide readers with an investment philosophy of developing patience and discipline which is absolutely necessary for this method. If value investing appeals to you, please continue to read other books that will give you the how-to details of picking stocks, evaluating companies and their financial reports.

Updated data and insights to help value investors address the realities of today's markets

On the heels of recent stock market tumbles and deceptions, value investing--the staple of investing greats from Benjamin Graham to Warren Buffett--has roared back into the spotlight. Value Investing Today returns with a new edition, filled with updated information and advice to give investors the skills and knowledge to become successful value investors. Broader in scope than previous editions, this third edition offers fresh lessons investors can use to uncover stocks that are, for whatever reason, underpriced in relation to their value. Updates to this edition include: New chapters on the psychology of investing and corporate governance Expanded discussions on the importance of margin of safety Increased correlations among world markets, and how to capitalize on them

From the Back Cover

Classic Strategies for Finding Investment Gems, Updated to Address the Realities of Today's Markets

Legendary investment pioneer Benjamin Graham called it his "margin of safety." Warren Buffett used its principles to make millions for patient investors, and amass one of the largest personal investment fortunes in history. It is value investing, and its simple principles of success have allowed investors for nearly a century to buy companies whose stocks were underpriced, then reap the rewards as those companies' true value was recognized and rewarded by the marketplace. First published in 1989, Value Investing Today has since become a staple of modern value investing. Now in its revised and updated third edition to reflect today's broad advances in behavioral finance, technology, communications, and productivity, let it provide you with:

- New chapters on the psychology of investing and the investor-driven focus on corporate governance
- Updated information on why value investing continues to work across all industries and market environments
- Fresh strategies designed to protect investors from severe loss and preserve the long term value of their portfolios

While the investment landscape has changed dramatically in the past decade, the tenets of value investing have continued to help millions of investors create and preserve wealth. Discover how to make those tenets work for you--today, tomorrow, and into the future--in Value Investing Today. "Achieving better-than-average returns depends upon thinking and acting differently than the average market participant." --From the Introduction

Value investing isn't about excitement, or headline-making discoveries, or any of the other things that light up journalists' eyes and stockbrokers' phones. Value investing is instead about companies with solid business fundamentals that, for whatever reason, have a current stock price that is less than their intrinsic value. It is about looking under the hood, kicking the tires, and buying the stock in those companies for seventy cents on the dollar or less. Value Investing Today, Third Edition, is written for investors who understand the importance of knowing what they buy, and who have learned--often through hard, costly experience--that quick fixes more often than not just as quickly fail. This hands-on value investing guidebook will show you how to: Identify value companies ahead of the crowd--what to look for, what to avoid, when to buy, when to sell Create an objective investment process to identify--and overcome--the pressures of today's marketplace Think globally, and extend the application of value investing principles to companies in newer or less well-known markets Learn and implement the skills necessary to build and maintain a portfolio of value stocks Establish and adhere to a dispassionate, often contrarian investment philosophy and process Most traders and investors want excitement in their stocks, news events that will propel stock prices into the stratosphere regardless of their true worth. Value investors, on the other hand, want stocks that are unnoticed by the crowd and, most important, selling for less than they are worth. They believe, and history has shown, that these

solid companies will continue to perform well, and the gap between their market price and fair value will eventually close. If you're looking for a stock poised to take the world by storm, a quick "ten-bagger," you should probably move on to more adventurous trading how-tos. If however, you are one of those serious investors willing to trade the dazzle of bright lights for the stability of substance and true worth, Value Investing Today is destined to show you how to construct a portfolio poised to stand the test of time, and get you to the finish line far.

About the Author
Charles H. Brandes, CFA is founder and a managing partner of Brandes Investment Partners, LLC, an investment firm serving institutional and private clients with more than \$50 billion under management as of December 31, 2002. A Chartered Financial Analyst for more than 25 years, Brandes had the tremendous fortune early in his career to meet and learn from Benjamin Graham, long considered the father of security analysis and value investing. He was able to learn firsthand the techniques Graham used to uncover bargain securities, and has used those basic principles as the foundation to achieve consistently superior results for his clients.