

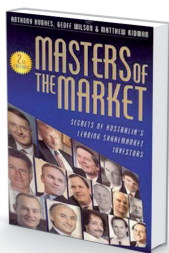
Recommended reading list #2



INTELLIGENT
INVESTOR
ANALYSIS & ADVICE

FOLLOWING ON FROM OUR FIRST READING LIST, HERE ARE ANOTHER 11 RESOURCES TO AID YOU IN YOUR KNOWLEDGE QUEST

12. Masters of the Market

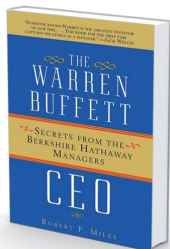


By Anthony Hughes, Geoff Wilson and Matthew Kidman
(ISBN 0-7314-0014-3)

We recommended this book in issue 142/Dec 03 as a good holiday read. The authors have compiled informative profiles and revealing interviews with many of Australia's best investors.

The highlights for us were Erik Metanomski, Sir Ron Brierley (and Gary Weiss), Robert Maple-Brown, David Paradise and Anton Tagliaferro. With many of these investors now running listed investment companies, this book provides an easy way to get to know

13. The Warren Buffett CEO



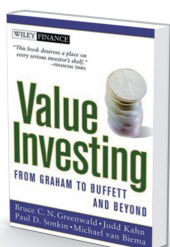
By Robert Miles
(ISBN 0-471-44259-3)

There are a lot of authors trying to cash in on Buffett's name by writing 'how to' guides on the Oracle of Omaha's methods. *The Warren Buffett CEO* is different. Author Robert Miles distilled more than 3,000 pages of interviews with, and research into, some of Berkshire Hathaway's key managers.

The insights are fascinating and, for those interested in investing, the chapter on Lou Simpson is worth the cover price alone. Lou is described as Buffett's 'backup'—currently he is the only person other than Buffett charged with allocating part of Berkshire's non-operating capital (through insurance subsidiary GEICO). The chapter reveals how Simpson spends his time, some helpful investing advice and insightful comments about Buffett.

The other 17 managers interviewed each provide their own nuggets of wisdom and Miles has included a couple of interesting chapters drawing comparisons between the managers and also postulating about the future of Berkshire post-Buffett.

14. Value Investing: From Graham to Buffett and beyond

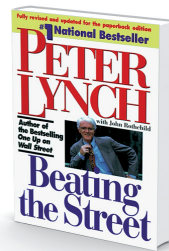


By Bruce Greenwald, Judd Kahn, Paul D. Sonkin and Michael van Biema
(ISBN 0-471-38198-5)

One of our analysts picked up this book while in the US for the Berkshire Hathaway annual meeting. While he hasn't finished reading it

cover-to-cover, the section titled 'Value Investing in Practice: Profiles of Eight Value Investors' alone makes the book worth buying. The chief author, Bruce Greenwald, carries on Ben Graham's legacy as the Robert Heilbrunn Professor of Finance and Asset Management at Columbia University.

15. Beating the Street



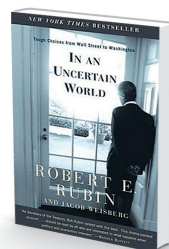
By Peter Lynch
(ISBN 0-671-75915-9)

This book follows Lynch's extremely popular first book, *One Up on Wall Street*, which appeared on our first reading list. While probably not as useful as his first effort, *Beating the Street* covers some good ground and many of 'Peter's Principles' sprinkled throughout the

book make good sense.

Number 17 is one of our favourites: 'All else being equal, invest in the company with the fewest color photographs in the annual report.' Lynch presents a lot of good, commonsense advice and *Beating the Street* is well worth the read.

16. In An Uncertain World: Tough Choices from Wall Street to Washington

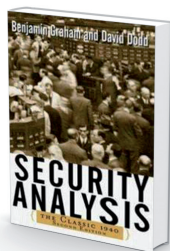


By Robert E. Rubin and Jacob Weisberg
(ISBN 0-375-50585-7)

Robert Rubin's resume is impressive. He spent 26 years at elite investment bank Goldman Sachs, six-and-a-half years in the White House and US Treasury, and then returned to the world of high finance by taking a board seat at Citigroup—the world's largest financial institution. The book covers a lot of ground, from the Mexican debt crisis of 1995, to the mathematics of financial arbitrage—an area which, for many decades, was extremely lucrative for Goldman Sachs.

Rubin's reflections on his time in the White House make for interesting reading too, as do the 10 principles which his colleagues framed and presented to him as 'The Rubin Doctrine of International Finance'. Number 10 has special relevance for sharemarket investors: 'Gimmicks are no substitute for serious analysis and care in decision making.' That piece of advice may come in handy next time a big, glossy prospectus lands on your doorstep.

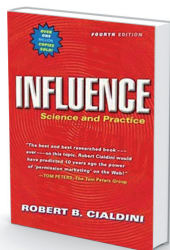
17. 1940 Security Analysis



By Ben Graham
(ISBN 0-07-141228-X)

Our original reading list contained the 'classic' 1934 edition of 'the bible'. Now the 'classic' 1940 edition has been reprinted and re-released. This edition is, reputedly, Warren Buffett's favourite. It's not one for beginners, but those with more experience should find it of tremendous value.

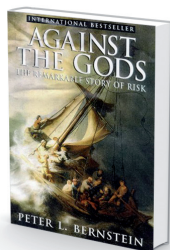
18. Influence: Science and Practice



By Robert Cialdini
(ISBN 0-688-12816-5)

This is not really an investing-related volume but there are some important lessons which can certainly be applied to the sharemarket. The book details six powerful 'Weapons of Influence' which are often used by people trying to persuade you to buy (or do) things that you don't really want to. It's a fascinating read, especially before talking to your broker.

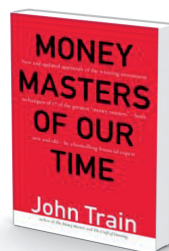
19. Against the Gods: The Remarkable Story of Risk



By Peter L. Bernstein
(ISBN 0-471-29563-9)

This is another one which is not investment-specific, it being a history of risk and probability dating back to ancient Greece. There are obvious benefits for investors in understanding these topics and Bernstein makes the potentially difficult subject matter quite easy to grasp.

20. Money Masters of Our Time



By John Train
(ISBN 0-88730-791-4)

Two books by John Train sit on our office bookshelf and we find each to be excellent reading. Unfortunately *The Money Masters* and *The New Money Masters* are now, apparently, out of print.

However, our helpful friends at The Educated Investor bookshop in Melbourne informed us that Train released a volume titled *Money Masters of Our Time* a few years ago. We've checked it out on the internet and it encompasses the most important investors covered in both of Train's previous works, which makes it great value.

21. www.tilsonfunds.com

Whitney Tilson is a fund manager, journalist and value investing devotee. His [website](http://www.tilsonfunds.com) is chock full of interesting articles and contains his extensive notes from the annual meetings of both Berkshire Hathaway and Wesco, chaired by Charlie Munger. It's certainly worth a visit.

22. www.tweedy.com

The rather odd-looking name of Tweedy, Browne Company is not well known outside of investing circles. In fact, it's not that well known inside most investing circles. But, within the comparatively small circumference of the value investing community, it is legendary.

The company has been employing its strict value investing methodology, in one form or another, for more than 80 years. The amount of engaging material on this [website](http://www.tweedy.com) makes it a valuable resource.

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