

A SAFAL NIVESHAK SPECIAL REPORT

Exclusively for Subscribers of *The Safal Niveshak Post*

**5 Books That Will
Make You
A Wiser Investor**

www.safalniveshak.com

This Special Report is exclusively for the subscribers of
The Safal Niveshak Post

If you are reading this report but have not yet signed up for
The Safal Niveshak Post – a free daily e-letter on investing that will help
you navigate the stock markets with confidence,
[click here to sign up now!](#)

Copyright © 2011 by Skylab Media & Research

All rights reserved. No part of this publication may be reproduced or transmitted
in any form or by any means, electronic, or mechanical, including photocopying,
recording, or by any information storage and retrieval system, without
permission in writing from the publisher.

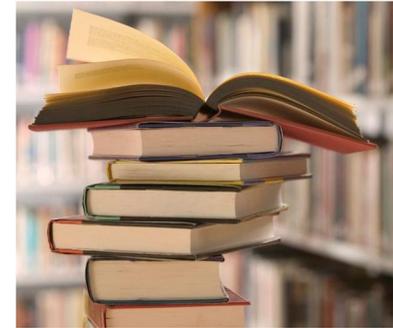
Published by:

Skylab Media & Research | Safal Niveshak
E-604, Neel Sidhi Splendour, Sector 15,
Belapur CBD, Navi Mumbai-400614.
Maharashtra. India.

Website: www.safalniveshak.com

Read, Read, Read

Reading the ideas and experiences of others is a great way of improving our own lives. And investing is no different. Those who know about the lives and investing experiences of legendary investors like Warren Buffett, Charlie Munger, and Philip Fisher, also know that they read a lot. And reading is one of the key reasons they have been so successful in their investing businesses.



In fact, people who have spent time with Warren Buffett notice one thing in particular. He reads – constantly. Sometimes he can spend his entire day reading. And it's not just for pleasure. He reads because he is hungry for information that will make him a more successful businessman. Very few people have the drive Warren Buffett has.

But if you have the drive, the zeal to learn how legendary investors have made so much money over their lifetimes, and how you can prepare yourself to make a lot of money for yourself by investing in the stock markets, I have something to offer.

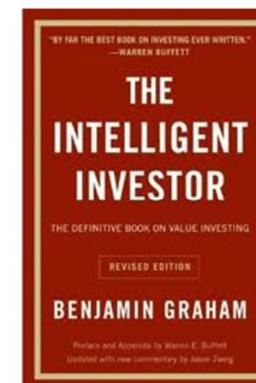
The investment scene is littered with books that outline the stock picking principles behind many legendary stock pickers. While by no means covering every single piece of literature ever written on investing, let me help you narrow down the field.

So, here are my top five picks of the greatest all time books on investing.

Read, enjoy, and become a wiser investor.

1. The Intelligent Investor – Benjamin Graham

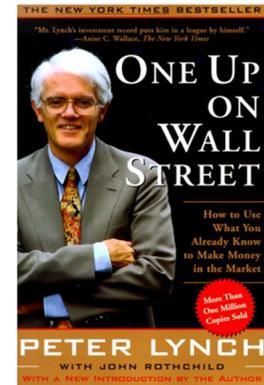
This was the first book on value investing ever read by Warren Buffett, who describes it as 'by far the best book on investing ever written'. *The Intelligent Investor* was first published in 1949, and its fourth and final edition was published in 1973.



As this book suggests, the hallmark of Graham's philosophy is not profit maximization but loss minimization. In this respect, *The Intelligent Investor* is a book for true investors, not speculators or day traders. Through this book, Graham provides, in layman terms, proper guidance to individuals in adoption and execution of a sound long-term investment philosophy. Graham mentions, where the speculator follows market trends, the investor uses discipline, research, and his analytical ability to make unpopular but sound investments in bargains relative to current asset value. Graham coaches the investor to develop a rational plan for buying stocks, and argues that this plan must act like a wall against emotional behavior that will always be tempting during abrupt bull and bear markets.

2. One Up On Wall Street – Peter Lynch

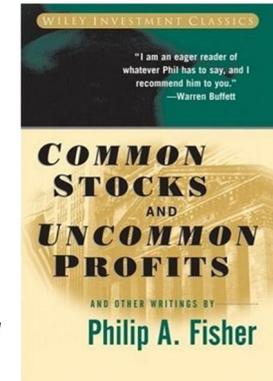
Apart from *The Intelligent Investor*, there is no better book to get started for beginners than Peter Lynch's *One Up On Wall Street*. The real beauty of this book is the easy-going review of the simplistic stock picking style that brought Lynch so much success in his profession as a fund manager at the US mutual fund company, Fidelity. This book is low on number crunching but high on anecdotal stories. Moreover, readers are given a clear picture on how to get off to a good start in the markets.



One Up On Wall Street offers insight into the mind of one of the greatest money managers of all times. Using humour, Lynch helps you discover that he is a normal guy who thinks rationally, believes in doing his own independent research on companies, asks plenty of questions, and gets caught off guard by the market at times, just like anyone else. Anyone thinking about buying individual stocks must read this book before they ever make their first stock purchase.

3. Common Stocks & Uncommon Profits – Philip Fisher

Philip Fisher was one of the most influential investors of all time. The best-known of his followers is Warren Buffett who has said on some occasions that ‘he is 85% Graham and 15% Fisher’.

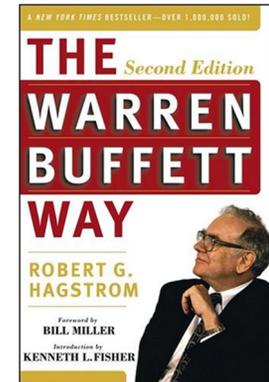


Fisher’s investment philosophies, recorded in his investment classic – *Common Stocks and Uncommon Profits* – are still relevant today and are widely studied and applied by investment professionals. ‘Common Stocks...’ was in fact the first investment book ever to make the New York Times bestseller list.

In this book, Fisher writes about his famous ‘fifteen points to look for in a common stock’, which act like a gospel for the entire value investing community. These points reflect common sense: Is there a market for the product? Are sales, production and research, the three cornerstones for success, in place? He stresses the need for an investor to know about the company and its management before investing in it.

5. The Warren Buffett Way – Robert Hagstrom

The Warren Buffett Way outlines the principles of value investing practiced by Warren Buffett. These principles include purchase of businesses with excellent long-term prospects, purchase of businesses at a large discount to their intrinsic value, purchase of businesses with a high return on invested capital, and purchase of businesses with honest managers.

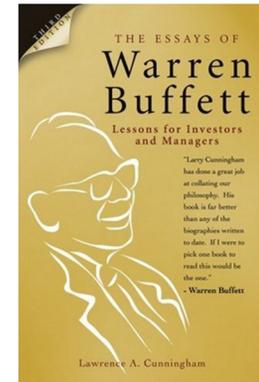


In essence, this book captures all the learning that Buffett has used and practiced to build his successful investment career. In simple terms, this book has the power to change the mindsets of all those who are just beginning with their stock market investments, and even those who are stuck with bad investments and know not what to do and to come out of their troubles.

This book, Hagstrom suggests, will assist those investors who are willing to help themselves by doing their own thinking, using relatively simple methods, and having the courage of their convictions. This is what the Warren Buffett way is all about.

5. Essays of Warren Buffett – Lawrence Cunningham

If you are ready to read all the annual letters that Warren Buffett has sent to his shareholders since 1965, you can visit his company's Berkshire Hathaway's website. But if you are looking out for a resource that compiles the core learning from all these letters and present in an easy-to-understand reference, this book is for you.



In fact, this book presents in one place all the priceless pearls of business and investment wisdom, woven into a delightful narrative on the major topics concerning both business managers and investors. 'Essays of Warren Buffett' is recommended for anybody interested in business or investing. Almost any investor or business manager will learn something from reading this book. Though most of the essays in the book are a few years old, their basic lessons have not gotten outdated.

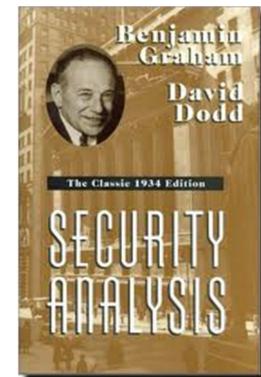
Also, while the book is not really an easy read for beginner investors, with a little effort to understand the financial terms, the readers of *The Essays of Warren Buffett* will be amply rewarded.

So that is my choice of the five best books ever written on value investing, that can help you become a wiser investor over a period of time.

Anyways, apart from these books that will teach you the principles of value investing, there are some other books that can help you develop an analytical bent of mind when it comes to investing. Here are three of them.

1. The Security Analysis – Benjamin Graham

Security Analysis was originally written by Benjamin Graham and David Dodd in 1934. Five editions and a million copies later, the seven hundred page investing treatise will teach you how to analyze and value almost any investment.

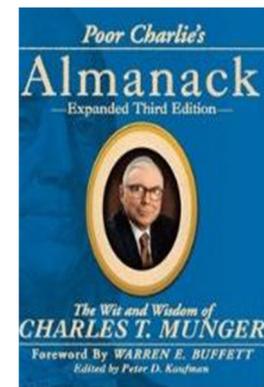


This book is often referred to as the 'bible of value investing', and is extremely thorough and detailed. It teems with investing wisdom for ages. Although many examples used by Graham & Dodd are dated, their lessons are timeless. Readers can expect to discover valuable ideas on nearly every page.

So, if you take more than a casual interest in building your wealth, this book will change your life. But here's a caveat – Do not read Security Analysis like it is a novel. You need to take ownership of this book, and you do that by underlining, writing in the margins, and taking a yellow highlighter and making the book yours.

2. Poor Charlie's Almanack – The Wit and Wisdom of Charles T. Munger

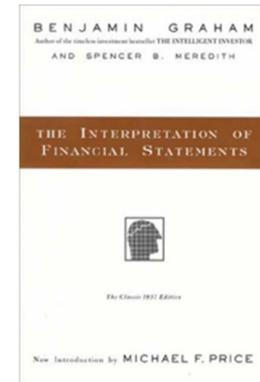
This book is a collection of essays, memoirs, interviews, and speeches regarding Warren Buffett's closest friend and business partner, Charles T. Munger. As Buffett wrote in his February 2010 Annual Report letter to Berkshire shareholders, “This book is something of a publishing miracle – never advertised, yet year after year selling many thousands of copies...” With over 500 pages, this book has something for everyone, and is an impressive and thorough tribute to one of the brightest and most practical investment minds ever.



It is generally said that the true test of a book is the influence it has upon the lives and conduct of its readers. This book has passed that test over the years, exerting a lasting influence on its readers. And you can be one of them too!

3. The Interpretation of Financial Statements – Benjamin Graham

This book was published shortly after Graham completed *Security Analysis*. This slim book provides an excellent primer for those who are looking for an introduction to reading financial statements. While this book is in no way a substitute for *Security Analysis* or *The Intelligent Investor*, it does pack in significant useful information in a small package.



The basic concepts of financial statements analysis that Graham discusses in this book are still relevant today. While it would be unwise to limit one’s toolkit for analyzing companies to the techniques Graham presents in this short book, this is worth reading for those interested in getting a quick read on financial statement analysis from the perspective of the founder of value investing.

As he writes in the preface, “If you have precise information as to a company's present financial position and its past earnings record, you are better equipped to gauge its future possibilities.”

By reading this book, readers will learn to analyze a company's balance sheets and income statements and arrive at a true understanding of its financial position and earnings record. Graham provides simple tests any reader can apply to determine the financial health and well-being of any company.

Highly practical and accessible, it is an essential guide for all business people, and makes the perfect companion to Graham's value investing masterpiece, *The Intelligent Investor*.

Anyways, before I end, here's a word of warning.

Any book, regardless of who wrote it, should not be viewed as gospel. These books can help us form a foundation for personal investing guidelines, but nothing more. You need to read and understand the guidelines provided in these books, suit them to your requirements, and then try to benefit from them.

And in doing that, you have my support and best wishes.

Know Someone Who Would Like To Benefit From This Special Report?

Thank you very much for signing up for *The Safal Niveshak Post*!

I hope you are enjoying the daily issues and are getting the value that you expect of it.

Now that you've come on board and have had a chance to read this Special Report, I'd like to ask you a small favour.

Provided you've liked what you've seen in this Special Report and in *The Safal Niveshak Post*, kindly share this report with your friends and colleagues who might be interested.

You can also send them to the following link where they can sign up for *The Safal Niveshak Post* themselves and receive this Special Report for free – <http://eepurl.com/cYgak>

Thank you again for being there!

About Safal Niveshak

Safal Niveshak is a movement to help you, the small investor, become intelligent, independent, and successful in your stock market investing decisions.

My name is Vishal Khandelwal, and I am the founder of *Safal Niveshak*.

Before starting work on the idea of *Safal Niveshak*, I was working as a stock market analyst for eight years.

During this period, I felt the pain of seeing small investors (like you) lose large amount of their hard earned money, for reasons ranging from:

- Scams...where companies simply vanished, to
- Speculation...to earn fast money, to
- Bad decisions...mostly backed by insensible and short-term advice from self-centred brokers and self-proclaimed stock market experts.

While the probability of a stock market analyst to work on a social cause is miniscule, here I am driving this movement called *Safal Niveshak* – to help you become intelligent, independent, and successful in your stock market investing decisions.

Through my experience in the stock markets, I have come to believe that:

- You alone are the most capable person alive to manage your money.
- Investing in the stock markets is not a rocket science. You just need to form the right habits, and behave yourself.
- Being smart about your money can be a lot of fun.
- You can create a lot of wealth for yourself doing it.

You can write to me at vishal@safalniveshak.com to know more about this initiative and how you can benefit from it and/or support it.

With respect,

Vishal Khandelwal

Founder, Safal Niveshak