

Recommended reading list #1



INTELLIGENT
INVESTOR
ANALYSIS & ADVICE

A letter from the team

Dear Member,

Once you've been investing for a while, or if you're just starting out, you will eventually come across investing 'gurus' who are happy to tell you their secrets for a few thousand dollars. All you need to do is attend their seminar, buy their software or follow their video training program.

Unfortunately it's not that simple. Nothing in life that's worth knowing comes that easily and only those whose greed surpasses their intelligence think otherwise. We trust that you, having subscribed to our publication, are not one of them.

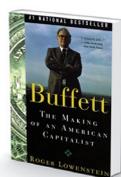
So, instead of wasting your money, spend just a few dollars and do something quaint, old fashioned and a hundred times more valuable: make yourself a pot of tea, sink into your favourite armchair and make a start on Intelligent Investor's recommended reading list.

You'll get far more value from your subscription and, more importantly, you'll learn all the skills you need to become a successful investor, as long as you are studious and patient in your desire to understand value investing and realistic about the riches it will bring. We wish you well.

If you're reading this on your computer screen you can click on the image of each book (with a few exceptions) to go to www.amazon.com. Alternatively, if you prefer to support local businesses, most of these titles are available in all the major bookstore chains and local outlets. Finally, please note that we do not earn a commission for recommending these books.

Kind regards,
The team at Intelligent Investor

1. Buffett: The Making of an American Capitalist



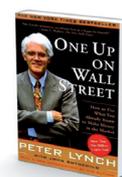
By Roger Lowenstein
(ISBN 0-385-48491-7)

This is an eminently readable, entertaining book on the life of the world's most successful investor, Warren Buffett. For new investors, it is a gentle introduction to the principles of value investing. It's told in a way that speaks to reason and commonsense rather than resorting to mathematical formulae and ratios. For the more experienced, it's a big step along the road to refining your skills.

It earns pride of place on our bookshelf as it introduces successful

investors like Benjamin Graham and Charlie Munger, providing some valuable insights into their investment approaches. It should whet your appetite for the more weighty material to follow and you'll get a great foundation from which to hone your skills.

One Up on Wall Street

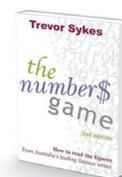


By Peter Lynch
(ISBN 0-7432-0040-3)

This book, by one of the best fund managers of the 1980s, remains very popular, with good reason. It introduces some basic analytical concepts without making them sound tedious and makes the notable point that you, the retail investor, have an ace up your sleeve.

It explains with practical, but American, examples how you can use what you already know to make investment decisions and outsmart the 'smart' money of the big institutions. It's a valid claimant a must-read that will inspire.

3. The Numbers Game



By Trevor Sykes
(ISBN 1-86508-493-X)

American gurus seem to have cornered the investment-book market so this is a nice break. From one of Australia's

best business journalists, it is a handy, readable book that gets you started on some of the analytical skills you'll need.

Sykes uses homegrown case studies and identifies many helpful warning signs to watch out for. It's sound advice from a very knowledgeable bloke.

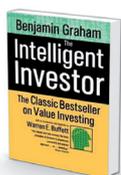
4. Berkshire Hathaway Letters to Shareholders

By Warren Buffett

By this stage you should be comfortable with the basics and keen to learn more. Available free at www.berkshirehathaway.com are all of 'Warren Buffett's Letters to Berkshire shareholders' from 1977 onwards.

We think you'll learn more about business and investing from these pages than an MBA student learns in years, which isn't saying a great deal, we know. Each year Buffett adds a chapter to what amounts to the man's own book on investing. This is investment education at its best—and it's free.

5. The Intelligent Investor

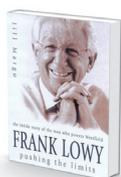


By Benjamin Graham
(ISBN 0-06-015547-7)

This book, our namesake, is a fantastic guide to intermediate fundamental analysis. If you understand the basics, are comfortable with concepts like PERs and dividend yields and are ready to take the next step, this is it.

Graham sets out his philosophy in a readable fashion and chapters eight and 20 are, according to Warren Buffett, the two most important chapters ever written about investing. The current version also includes an essay by Buffett entitled The Superinvestors of Graham-and-Doddsville which is worth the purchase price alone. This is compulsory reading for any serious investor.

Frank Lowy: Pushing the Limits

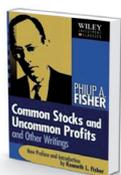


By Jill Margo
(ISBN 0-7322-6907-5)

It's time to take a break from facts and figures. Frank Lowy, head of the Westfield business empire, is the archetypal rags-to-riches character. Lowy arrived in Australia without a dollar, couldn't speak English and started his career as a factory worker. Humble beginnings indeed. Then he made the big step up to sandwich delivery boy.

It's an unlikely start for a man who would establish Westfield Group—now one of the largest shopping centre owners in the world. This great story shows how determination and hard work pays off.

7. Common Stocks and Uncommon Profits



By Phil Fisher
(ISBN 0-471-11927-X)

This great guide showcases Fisher's very successful investment strategy. He uses a 'rifle shot' approach, meticulously researching a few promising companies and then concentrating his portfolio in only those stocks. Also, chapter two (What 'scuttlebutt' can do) is very famous and worth reading even if you don't get through the entire tome.

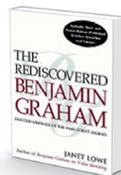
In three short pages Fisher describes an important method of information gathering that's useful to any investor.

CONGRATULATIONS!

Believe it or not you now know more than the vast majority of investors, including many so-called professionals, and have taken a huge step towards securing your financial future. And you won't have to pay 'experts' to do it for you. That wasn't too hard was it?

We won't pretend that this book is easy to read—which is the reason why we gave you the break with Lowy—but it is worth understanding, the material is top class.

8. The Rediscovered Benjamin Graham



By Janet Lowe
(ISBN 0-471-24472-4)

Back to the father of security analysis. This book contains articles written by Graham and other excellent material including a series of lectures he gave to the New York Institute of Finance.

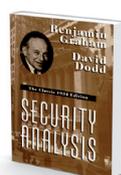
For those who've come this far, you'll find it very rewarding. Graham is a truly inspirational character—he translated Spanish poetry as a hobby—and in the two interviews in this book he set out some easy-to-follow guidelines for selecting bargain stocks.

9. Outstanding Investor Digest

www.oid.com

www.oid.com is the home of an American publication—and not cheap one at that—that contains a few free excerpts and interviews that are well worth a look. Our attitude to this publication is perhaps the same as yours is to Intelligent Investor—a few hundred dollars a year is great value if it provides you with just a few great investment ideas.

10. Security Analysis



By Benjamin Graham and David Dodd
(ISBN 0-07-024496-0)

You're already a well-educated investor but this is 'the bible'. For some reason the 'classic' 1934 edition is the easiest to come across, but you can also now buy the 1940 edition, which is also recommended. If you get through this and apply its teachings then you won't have to worry too much about your future investment results—you're almost certain to do well.

11. The Bold Riders and Two Centuries of Panic



Both by Trevor Sykes
(ISBN 1-86448-184-6 and ISBN 1-86448-934-0)

It's time to put some flesh on the bones of your newly found analytical skills with the meat of experience.

Either of these books will go some way to doing exactly that. Both deal with dramatic episodes in Australia's corporate history and, besides making interesting reading, offer more valuable warning signs of coming trouble.
