

Contents

Preface

xi

Acknowledgments

xvii

Prologue: A Short History of Investing

i

Introduction: Noise

17

PART ONE

Illusion

CHAPTER ONE

Opinions and Beliefs

25

CHAPTER TWO

Correlation of Errors

31

CHAPTER THREE

The Dark Arts

44

CHAPTER FOUR
Purveyors of the Dark Arts
50

CHAPTER FIVE
Victims of the Dark Arts
61

PART TWO
Verity

CHAPTER SIX
Logic—Data—Doubt
71

CHAPTER SEVEN
Investing as a Negative Art
80

CHAPTER EIGHT
Shaping the Investment Thesis
84

CHAPTER NINE
How to Be a Wise Investor
97

CHAPTER TEN
The Art of Looking
102

PART THREE
Foundations

CHAPTER ELEVEN
Price and Value
113

CHAPTER TWELVE
How to Value a Business
123

CHAPTER THIRTEEN
Risk and Uncertainty
131

CHAPTER FOURTEEN
The Simple Math of Valuation
138

CHAPTER FIFTEEN
Yield—Stability—Strength
154

PART FOUR
Diligence

CHAPTER SIXTEEN
Depth Analysis
173

CHAPTER SEVENTEEN
Dive for Strength
176

CHAPTER EIGHTEEN
Define Good Business
190

CHAPTER NINETEEN
Watch the Game
205

CHAPTER TWENTY
Meet the Managers
225

PART FIVE
Policy

CHAPTER TWENTY-ONE
Diversification
247

CHAPTER TWENTY-TWO
Another Way to Portfolio
253

CHAPTER TWENTY-THREE
Core Holdings
259

CHAPTER TWENTY-FOUR
Growth
266

CHAPTER TWENTY-FIVE
The Buffett Portfolio
276

Conclusion: Noise Control
291

Notes
299

Bibliography
313

Index
319