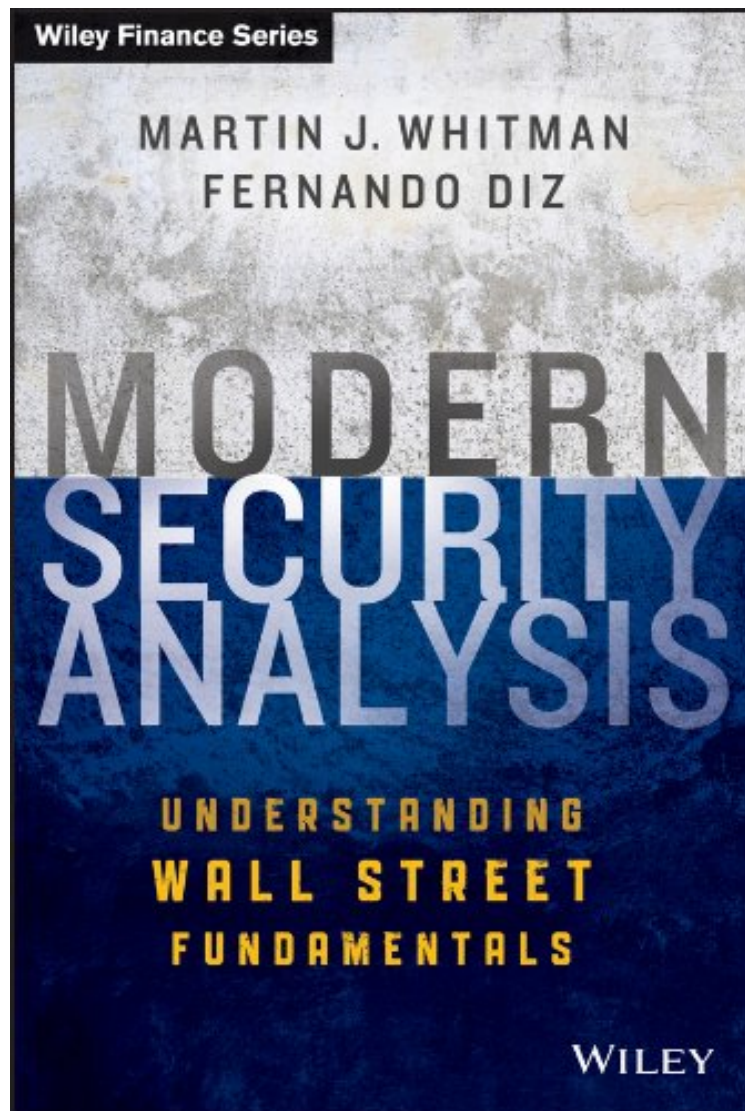


(Library ebook) Modern Security Analysis: Understanding Wall Street Fundamentals (Wiley Finance)

Modern Security Analysis: Understanding Wall Street Fundamentals (Wiley Finance)

Martin J. Whitman, Fernando Diz

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Martin J. Whitman, Fernando Diz : Modern Security Analysis: Understanding Wall Street Fundamentals (Wiley Finance) before purchasing it in order to gage whether or not it would be worth my time, and all praised Modern Security Analysis: Understanding Wall Street Fundamentals (Wiley Finance):

2 of 2 people found the following review helpful. A must read for stock investors and those interested in investingBy Victor Lee BurkeThis is Whitman's magnum opus. It summarizes, updates, and expands Whitman's thought that he has been developing for years (decades?). This book is probably over the head of a beginner so if you are trying to get

your fellow home-gamer to break into investing do not gift this book to him or her. If you are already a sophisticated investor you will still need the patience of Job to trudge your way through this tome. In short this is not light reading. Most of the propositions are debatable and my hunch is Whitman likes it that way. For instance the distinction he makes between an investment and a speculation is really stretching it but every person who has made this attempt has failed so I will not cast the first stone at Whitman either. Although I think that Carret, in his book on speculation, makes the distinction better you can sure tell that Whitman does not treat the distinction in a thoughtless manner. No Whitman is a deep thinker no doubt about it. For those of us who are students of investing much of this stuff is obvious. And yet... Whitman's take on the obvious is so original, deep, and thoughtful that he makes the obvious unique and wonderful. Note the tribute to Benjamin Graham in the title but even if you are not a Graham or Dodd value investor this book is great food for thought. Traders, momentum players, and trend followers might get bored and find their eyes glazing over but it is good to know thy enemy so they should read it anyway. Think of it as trader medicine: it might taste like crap but it is good for you. Bicker your way through this book if you must but you will find it rewarding especially if you are a fundamentalist.

Dr. Victor Lee Burke Ph.D. Economic and Investing Sociologist: Yep there really are such people hey look at the founder of the hedge fund. 1 of 2 people found the following review helpful. re-lables/re-names so many topics and concepts offered and discribed by many others (in better and more importantly simpler ways) By Prince-Minneapolis I was so looking forward to reading this book, which unfortunately turned out to be one of the biggest dissapointments that I have experienced in a long time. This book does a lot of dancing in cirles, re-lables/re-names so many topics and concepts offered and discribed by many others (in better and more importantly simpler ways) and provides a lot more additional information, which is unfortunately very little useful knowledge. It appeared to me that the authors of this book were trying to "reinvent the wheel", rewrite the "Ten Commandments" (and add a few of their own), but unfortunately reading this book turned to be nothing more than mouth diarrherea. I am happy however for all those who found it helpful. As for me, I had to stop reading it, it became too painful. Thank God for Benjamin Graham and Warren Buffett....they make investing "simple, but not easy".....My advise to anyone is to study Ben Graham and Warren Buffett and it will all make sense. As for Warren Buffett, even though he began with Ben Graham who provided him with the framework and foundation, his investing philosophy and style have been for many years quite a bit different from Graham as Buffett has evolved and changed (partly because of Charlie Munger, but mostly because of his own genius). It took me a while to learn this, but that was the fun part.....money making is just a side show. Good luck and happy value investing to all. 0 of 0 people found the following review helpful. Five Stars By Connie Libby AAA

A legendary value investor on security analysis for a modern era This book outlines Whitman's approach to business and security analysis that departs from most conventional security analysts. This approach has more in common with corporate finance than it does with the conventional approach. The key factors in appraising a company and its securities: 1) Credit worthiness, 2) Flowsmdash;both cash and earnings, 3) Long-term outlook, 4) Salable assets which can be disposed of without compromising the going concern, dynamics, 5) Resource conversions such as changes in control, mergers and acquisitions, going private, and major changes in assets or in liabilities, and 6) Access to capital. Offers the security analysis value approach Martin Whitman has used successfully since 1986 Details Whitman's unconventional approach to security analysis and offers information on the six key factors for appraising a company Contains the three most overemphasized factors used in conventional securities investing Written by Martin J. Whitman and Fernando Diz, Modern Security Analysis meets the challenge of today's marketplace by taking into account changes to regulation, market structures, instruments, and the speed and volume of trading.

Idquo;Modern Security Analysis is full of useful discussions of such standard topics as creditworthiness, market efficiency, diversification, and financial accounting. But it also includes descriptions of more controversial ideas about the overriding importance of tangible net asset value, the shortcomings of the Grahamndash;Dodd approach to value investing, and the irrelevance of both modern capital theory and broker/dealer research.rdqquo; mdash;CFA Institute Book From the Inside Flap With the crash of 2008 still ringing in the market's collective ears, the value investing philosophy has never seemed more relevant or sound. But in the eighty years since Benjamin Graham and David Dodd's Security Analysis took the investing world by storm, much has changed in the investing environment. Working from the simple guiding principle that "safe and cheap" is the most reliable way to minimize investment risk while maximizing long-term returns, Whitman, over the course of his more than fifty years as an investor and fund manager, has developed an investing approach that has made fortunes for his many clientsmdash;and himselfmdash;in all economic climates. A book that is sure to become an investing classic, Modern Security Analysis reveals the details of Whitman's approach to analyzing businesses and the securities they issue. While conventional approaches to investing, including Graham and Dodd fundamentalism and academic finance, take a top-down approach to analyzing securities and businesses, the bottom-up approach you'll discover here looks at companies not merely as aggregates of operational cash flows and earningsmdash;their pure going concern attributesmdash;but also as entities actively involved in wealth-creating "resource conversion" activities. In essence, that entails identifying a company's potential

for generating wealth in many different ways, in addition to flows from operations, including mergers and acquisitions, spinoffs, recapitalizations, liquidations, changes of control, having attractive access to capital markets, and more. Clearly accessible with the help of numerous examples and several case studies, Martin Whitman and co-author Professor Fernando Diz describe proven methods for:

- Developing a thorough understanding of many companies' business and wealth generating attributes
- Appraising business managers not only as operators but also as dealmakers, investors, and financiers
- Understanding the importance of credit worthiness for any economic entity
- Understanding the important differences between control and passive investing
- Appraising and avoiding investment risk
- Choosing the right amount of diversification or the level of portfolio concentration
- Buying growth without paying for it
- Avoiding the many pitfalls of following conventional wisdom
- Understanding the significance of resource conversion activities in the generation of business value
- Understanding what value investing is relative to other forms of investing
- Offering a unique opportunity to learn a proven, time-tested alternative to conventional security analysis

from an investing legend, this book is must-reading for finance professionals, including security analysts, money managers, institutional investors, finance academics, and economists as well as anyone seeking to invest with a large margin of safety.

From the Back Cover High praise for value investing legend MARTIN WHITMAN "For Third Avenue, a principal goal is to buy growth; but don't pay for it. This philosophy has served the firm and its investors well for decades. Marty Whitman and Professor Fernando Diz have been teaching this philosophy to Syracuse University Whitman School of Management students for years. This book is the culmination of that disciplined process. The experiential learning vehicle at Syracuse, the Orange Value Fund, is a practical approach to executing the book's investment approach, which has consistently proven its value. As a Syracuse University trustee and Whitman School alum, I am proud to be associated with this program and the book's authors. I would highly recommend the book to anyone interested in investing." —Darlene T. DeRemer, Managing Partner, Grail Partners LLC

"Modern Security Analysis is another hallmark of Marty Whitman, and a must-read for any investor who wants to invest 'safe and cheap.' Mr. Whitman and Professor Diz evolve conventional wisdom and take value investing to the next level. For achieving investment success, this book will be a must-read for many years to come." —Bruce Flatt, CEO, Brookfield Asset Management

"Martin Whitman is not only a successful professional investor, he's also a first-class theoretician. Value investing is a big tent: at one end, Ben Graham, the founder of the value school, at the other end, Warren Buffett with major adjustments to the teachings of Graham. And in between, Martin Whitman, who refines his own approach in his new book. Anybody with an interest in investing should read this book: value investing makes sense and it works over time. So why bother with anything else?" —Jean-Marie Eveillard, Senior Advisor, First Eagle Investment Management

"A carefully reasoned, clear explanation of how to invest with the best potential for profit measured against tolerable risk by focusing on the issuers of securities and the terms of the securities they issue—the authors combine real-world experience at the highest levels with academic excellence—and they bring home their erudition with numerous examples." —Arnie Jacobs, Lawyer

"Modern Security Analysis provides extraordinary insight into investing in commercial enterprises and the securities they issue. Marty Whitman and Fernando Diz reward the reader with a thorough and comprehensive analysis of a wide range of relevant topics—while expertly combining theory with practical real-world experience. This will prove invaluable reading for novice and seasoned investors alike." —Andrew P. DeNatale, Partner, Stroock Stroock Lavan LLP

"What a treat to see such skill and common sense in evaluating securities analysis! Since the invention of the computer, its great number-crunching power has been directed at designing and marketing all manner of misleading mathematical formulae which pretend to be authoritative. And, so, have been spawned such foolish ideas as capitalized leases, options valuations, cost of capital, and discounted cash flow enterprise valuations. If Whitman and Diz's work is read by all, it will elevate the general quality of securities analysis." —Michael E. Tennenbaum, Senior Managing Partner, Tennenbaum Capital Partners, LLC, and longtime value investor