

Fund Forum Lugano November 2016

VALUE INVESTING

I .History

Benjamin Graham (May 8, 1894 – September 21, 1976)

Economist, Investor and Professor at Columbia University

Idea: Buy securities at a 40- 50 % discount to Intrinsic Value

Intrinsic Value : What a knowledgeable investor would pay at an arms length transaction for a particular business

Diversify portfolios (50-100 stocks)

Graham-Newman Corporation over 20 % p.a. over 30 years

Transforming a possibility into a probability

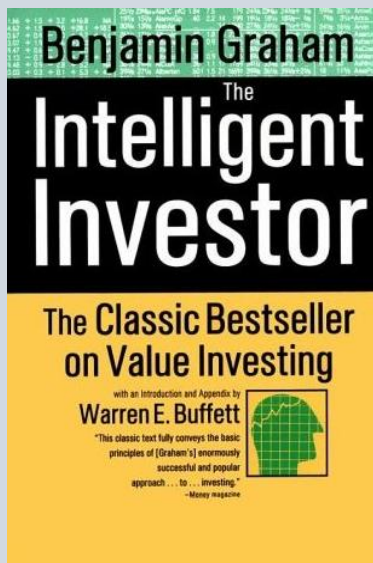
Risk is not volatility but the risk of Permanent Capital Loss



Literature

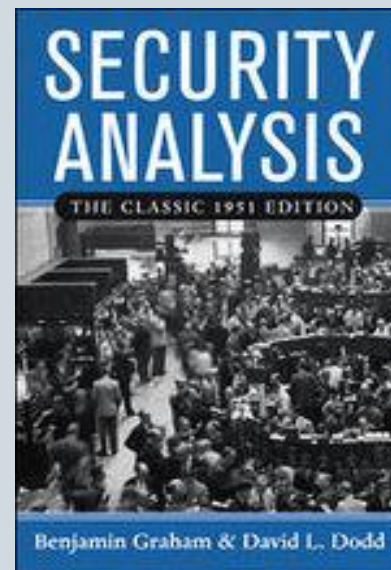
The Intelligent Investor, 1949 B. Graham

“Investment is most intelligent when it is most businesslike”



Security Analysis, 1934 (Graham & Dodd)

The interpretation of financial statements, 1937 B. Graham





Warren Buffett, Aug. 30 1930

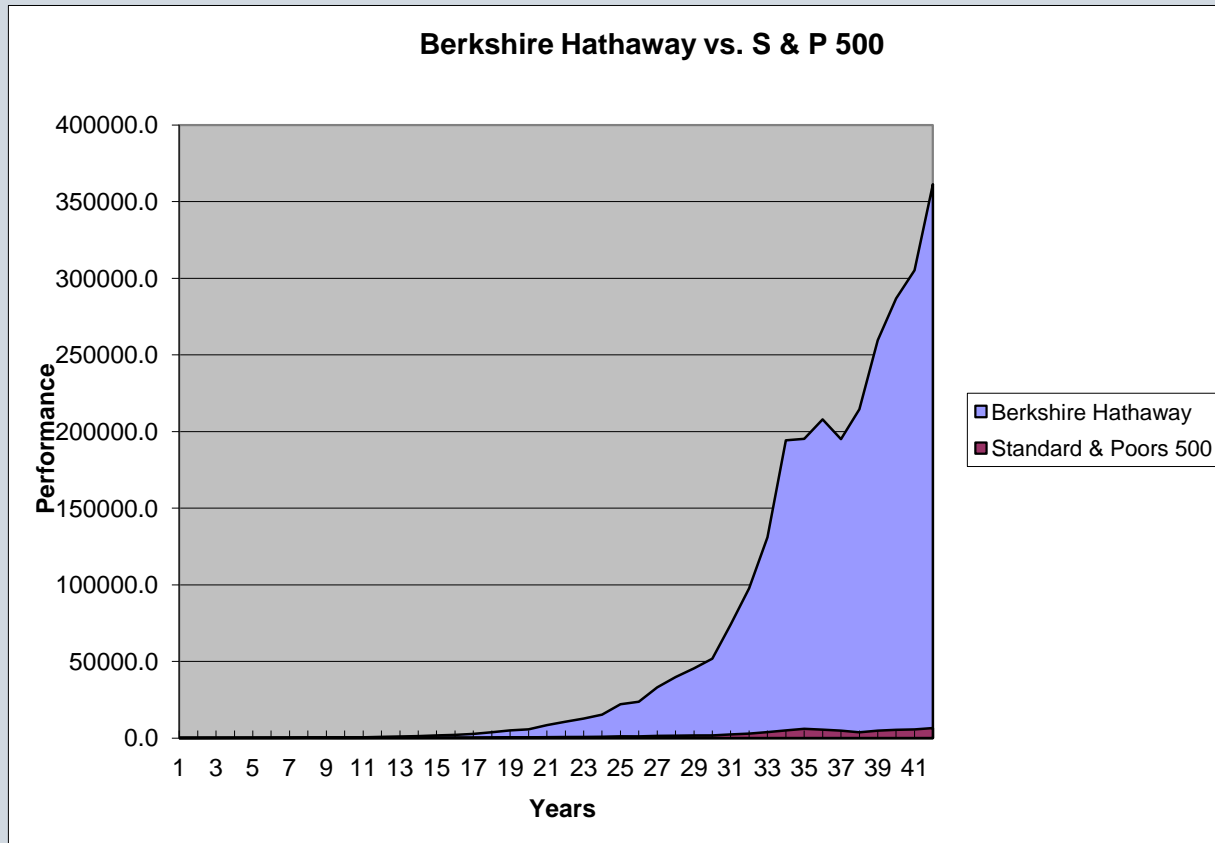
Studied at Columbia University, worked at the Graham Newman Corporation.

In 1957 established the Buffett Partnerships and then bought control of Berkshire Hathaway.

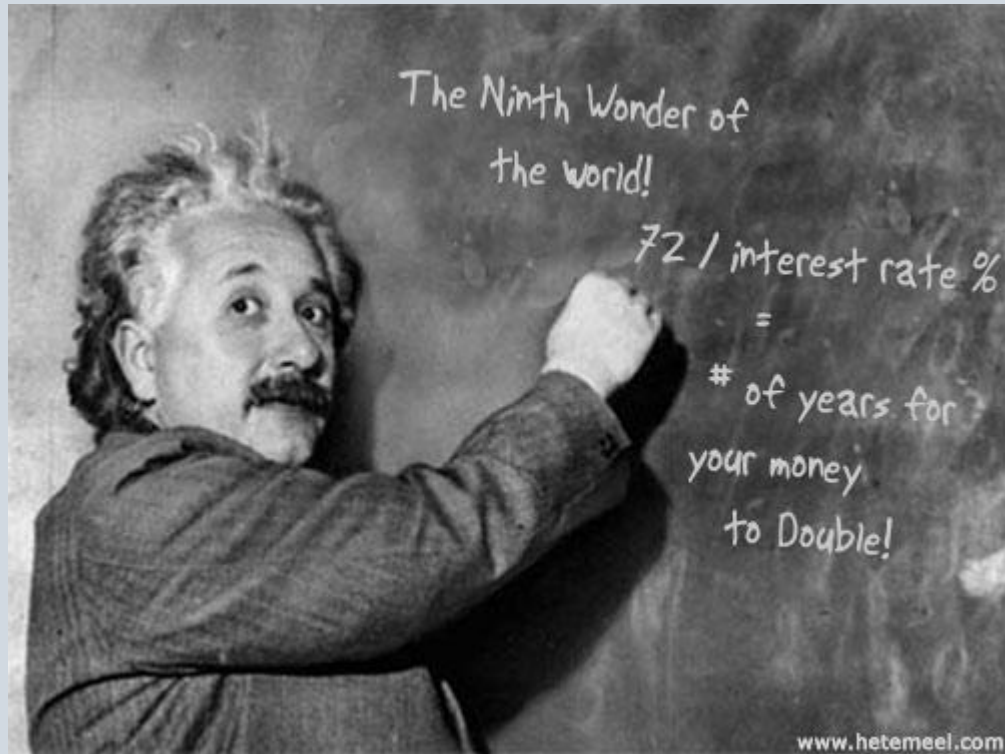
Prefers to buy good Businesses that have an «economic moat» ie. a strong market position and generate a lot of free cash flow. «owners earnings» and only buys businesses he understands.



Buffett's Holding Company



Albert Einstein (1879 –1955)



“The most powerful force in the universe is compound interest”

The Hare and the Tortoise

