

Chapter 1 : Magic formula investing - Wikipedia

*THE LITTLE BOOK THAT STILL BEATS THE MARKET [JOEL GREENBLATT] on blog.quintoapp.com *FREE* shipping on qualifying offers. While the formula may be simple, understanding why the formula works is the true key to success for investors.*

He provides a "magic formula" that is easy to use and makes buying good companies at bargain prices automatic. Though the formula has been extensively tested and is a breakthrough in the academic and professional world, Greenblatt explains it using 6th grade math, plain language and humor. The method of picking stocks might work, but the writer could have explained it in one page instead. In his little book which is part of a larger series on investing, Greenblatt humourously invites us to a time tested fairly simple investing strategy called the "Magic Formula". I find Greenblatt to be a fantastic and amusing mentor that describes finance in a very simple and thorough manner. The introduction should be obligatory reading for all investors to put them in the right mindset. While not new Buffett, Graham, his light and easy-going way of describing what a business is and how to think about it, is stellar. While the method may not be for everyone, it is certainly a good starting point for everyone and there are some pretty bad investing books out there detrimental to the health of your wallet. This is not one of them. Its about picking stocks with high Return on Capital and available in bargain prices. Its a quite unique way of investing as you need to keep selling the stocks around one year mark and then buy new ones with the magic formula. The book is an easy read with nice examples to press forth the fundamentals of investing in general. It concentrates on the two main factors of businesses earning yield and return on capital which could be an accurate indicators of its success or failure. Author illustrates what could be the best number of stocks in ones portfolio, gives step-by-step guidance and so on! Overall "straight-to-the-point" kind of book! My brother, who is in finance, suggested this for me because it is easy to understand. He was completely right, Greenblatt was able to explain market analysis so well a 10 year old could go out tomorrow and be able to choose stocks well. He used interesting metaphors with his kids and their candy business as if they were a multi-million dollar company. After reading this Being interested in finance at an early age is pretty difficult for me because of all of the complex terminology and concepts. After reading this book I feel I can finally now understand what my brother and my dad are talking about at the dinner table. It is amazing that Greenblatt was capable of explaining something that people get paid millions of dollars to do, to a 15 year old. I would recommend this to anyone interested in finance. Creo que el autor subestima a los lectores. It is written in a way to be accessible to non-finance people, and offers a good explanation as to why certain companies outperform others. Most simplistically, you want to buy companies with above average earnings growth for below average prices But a nice reminder, and probably would be a good read for the average person. I knocked a star off due to the fact that calling this the "magic While a very simple and straightforward book, the concepts are actually very powerful and important. I knocked a star off due to the fact that calling this the "magic formula" is pretty corny, and the constant reference to the "magic formula" was a bit annoying. Sebastian Jul 08, This was a good book for me to read because it describes an important method for the valuation of companies and for making smart investments; this is usually a difficult subject that fills people with anxiety or puts them to sleep, but Greenblatt has written in a light and easy manner, with generous humour, and in such simple language that it removes anxiety, encourages the reader, and gets him excited to learn more, pick the right stocks, and give it a start. The book is easy to follow and understand even for those with no financial understanding to begin with. His formula explains how to locate undervalued stocks, and to hold these until the market gives them a fair value. Of course, there can be no guarantees when investing in stocks, and he gives you a fair warning, but the system should work. A year-old

could get this read and understood over a Sunday afternoon.

Chapter 2 : Joel Greenblatt - Wikipedia

Use a free and simple stock screening tool to select Magic Formula stocks, as described in Joel Greenblatt's book The Little Book That Beats the Market.

Apr 26, Jon rated it it was amazing This is just fantastic. In his little book which is part of a larger series on investing, Greenblatt humourously invites us to a time tested fairly simple investing strategy called the "Magic Formula". I find Greenblatt to be a fantastic and amusing mentor that describes finance in a very simple and thorough manner. The introduction should be obligatory reading for all investors to put them in the right mindset. While not new Buffett, Graham, his light and easy-going way of describing what a business is and how to think about it, is stellar. While the method may not be for everyone, it is certainly a good starting point for everyone and there are some pretty bad investing books out there detrimental to the health of your wallet. This is not one of them. Its about picking stocks with high Return on Capital and available in bargain prices. Its a quite unique way of investing as you need to keep selling the stocks around one year mark and then buy new ones with the magic formula. The book is an easy read with nice examples to press forth the fundamentals of investing in general. It concentrates on the two main factors of businesses earning yield and return on capital which could be an accurate indicators of its success or failure. Author illustrates what could be the best number of stocks in ones portfolio, gives step-by-step guidance and so on! Overall "straight-to-the-point" kind of book! Jan 15, Matt rated it it was amazing Being interested in finance at an early age is pretty difficult for me because of all of the complex terminology and concepts. My brother, who is in finance, suggested this for me because it is easy to understand. He was completely right, Greenblatt was able to explain market analysis so well a 10 year old could go out tomorrow and be able to choose stocks well. He used interesting metaphors with his kids and their candy business as if they were a multi-million dollar company. After reading this Being interested in finance at an early age is pretty difficult for me because of all of the complex terminology and concepts. After reading this book I feel I can finally now understand what my brother and my dad are talking about at the dinner table. It is amazing that Greenblatt was capable of explaining something that people get paid millions of dollars to do, to a 15 year old. I would recommend this to anyone interested in finance. Creo que el autor subestima a los lectores. It is written in a way to be accessible to non-finance people, and offers a good explanation as to why certain companies outperform others. Most simplistically, you want to buy companies with above average earnings growth for below average prices But a nice reminder, and probably would be a good read for the average person. I knocked a star off due to the fact that calling this the "magic While a very simple and straightforward book, the concepts are actually very powerful and important. I knocked a star off due to the fact that calling this the "magic formula" is pretty corny, and the constant reference to the "magic formula" was a bit annoying.

Chapter 3 : The Little Book That Still Beats the Market by Joel Greenblatt

Joel Greenblatt is a managing partner of Gotham Capital, a hedge fund that he founded in and Gotham Asset Management, a manager of hedge funds and long/short mutual funds. He is the former.

The portfolios themselves were equal weighted, so the actual yearly returns of each portfolio were just the average returns of the stocks within each portfolio. All of the portfolios beat the indexes by a wide margin. By combining liquidation value with smaller PE ratios, however, results exploded. Take a look at portfolio 4. During that time, the market fell from to 50, a decline of But at the end of the study, the market was still underwater The end result for the group of net net portfolios was very good. From a starting value of , each ended the 6 year period before taxes and fees as follows: In fact, most of my best performing stocks have been these sort of net nets. Also keep in mind just how tumultuous the markets were during that period which, as Greenblatt wrote, made for a much more robust test. Still, the more observant of you might have noticed a few potential flaws with the study and results. In fact, Greenblatt et al were out of the market entirely for a lot of and You can do it with ten. Lastly, remember that Joel Greenblatt et al only looked at companies with names that began with the letters A or B. That inevitably eliminated most net nets from contention. In my own experience, there are a lot of net net stocks available for smart investors willing to invest internationally. The second takeaway is that both quality and price have a major impact on returns. Likewise, when holding price to NCAV requirements constant, the portfolios that demanded more earnings for the price paid outperformed their peers. By combining both value and quality, as Greenblatt did in portfolio 4, an investor can do very well in the stock market. [Click Here to view my 10 month returns.](#) His study has had a huge impact on my own selection criteria. When selecting net net stocks, I look for firms that have a deep discount to NCAV but still focus on high quality situations. Joel Greenblatt would be proud. Make the most of your time by quickly finding the best net net stocks available. Get free monthly net net stock picks sent straight to your inbox each month. Enter your email address in the box below.

Chapter 4 : The Little Book That Still Beats the Market : Joel Greenblatt :

In The Little Book, Joel Greenblatt, Founder and Managing Partner at Gotham Capital (with average annualized returns of 40% for over 20 years), does more than simply set out the basic principles for successful stock market investing.

I like that Joel uses humorous writing to make something accounting less boring. In a net shell, he is promoting a strategy he calls "Magic Formula Investing". Building on the time-tested strategies of Ben Graham and Warren Buffet, Joel tells us to invest in companies that return very high return on capital AND high profit per share. He also sets the right expectations, by providing enough data to prove that it works mostly , and that it works if This is a fantastic read. He also sets the right expectations, by providing enough data to prove that it works mostly , and that it works if you have patience. He also wants us to know that investing in individual stocks is not for everyone surprise. Graham and Buffett have said the same. After some digging, I found that Joel has his own mutual fund with holdings chosen using the Magic Formula: Free books will usually do it! Picked this up at a recent trade show for investment professionals as I like to review what is available in the popular press so I can field questions and comments from clients. Explains why I subscribe to a lot of "financial pornography" like "Money", "Kiplingers" and "Consumer Reports". At any rate, this simplistic, repetitive and slender volume still contains some worthy ideas. The "magic formula" emphasizes investments in companies that com Want my attention? Take these two factors which equate to buying "good businesses cheaply", pick about 30 of the larger ones and go for the long haul to produce market beating returns. They have a website that will run the numbers and rankings for you. Normally when an investment technique is found to be successful, many folks jump on the bandwagon and the technique rapidly loses its advantage. Why does this continue to work? Simply because it does not always work. Sometimes over shorter periods of time growth stocks will beat this value approach, other times certain segments may fall out of favor and under-perform. As has been noted, in the short term "Mr. Market" can be an idiot; in the long term he tends to get it right and that is when this approach is most powerful. So, if you are going to put it to work, approach it with discipline and patience and it should reward your efforts. But, as they say, past performance is no guarantee of future results! While it is an entertaining and informative read, many important areas are glossed over such as taxes, asset allocation in general, the integration of investing with other financial planning issues and the development of alternate investment vehicles.

Chapter 5 : Greenblatt Magic Formula

Joel Greenblatt is the founder and a managing partner of Gotham Capital, a private investment partnership that has achieved 40% annualized returns since its inception in

Chapter 6 : The Little Book That Still Beats the Market (Old Edition): Joel Greenblatt: blog.quintoapp.com:

The Little Book that Still Beats the Market by Joel Greenblatt In , Joel Greenblatt published a book that is alreadyconsidered one of the classics of finance literature.

Chapter 7 : The Little Book that Beats the Market Summary - Joel Greenblatt | PDF

In , Joel Greenblatt published a book that is alreadyconsidered one of the classics of finance literature. In TheLittle Book That Beats the Market--a New York Timesbestseller with , copies in print--Greenblatt explainedhow investors can outperform the popular market averages by simplyand.

Chapter 8 : The Little Book That Beats the Market - Book Kindle

Joel Greenblatt (born December 13,) is an American academic, hedge fund manager, investor, and writer. He is a value

investor, and adjunct professor at the Columbia University Graduate School of Business.

Chapter 9 : Greenblatt's Magic Formula - Stock Screen

*Joel Greenblatt's *The Little Book That Beats the Market* is pitched not to the swells of Wall Street but to the novice individual investor. Greenblatt, the founder of hedge fund firm Gotham Capital, has taken what he has learned about investing and written this skinny, pocket-size book.*