

BOOK REVIEW

The Intelligent Investor

Book by **Benjamin Graham**

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Ms. K. Kedhareshwari,
II MBA Student,
ABBS, Begnaluru

Benjamin Graham, widely regarded as the father of value investing, wrote "The Intelligent Investor," an epic investment book. The book was first published in 1949 and has since become an everlasting investment guide for all levels of investors.

The author, Benjamin Graham, is considered one of the fathers of value investing, and his book is a guide to investing in a way that emphasizes long-term strategies, risk management, and the importance of fundamental analysis.

The book is divided into two sections: the first covers the fundamentals of value investing, and the second covers various investment strategies. Graham's central thesis is that investors should prioritize buying undervalued stocks over overvalued stocks. The book is a comprehensive guide to analyzing financial statements and calculating the intrinsic value of a stock.

The book's first section gives an overview of the stock market and values investing principles. Graham emphasizes the value of a long-term investment strategy, dubbed "Mr. Market."

Graham compares the stock market to a moody person who can be extremely optimistic one day and extremely pessimistic the next. He advises investors

to profit from market swings by purchasing stocks when they are undervalued and selling them when they are overvalued. The book's second section outlines specific investment strategies for readers to consider.

Graham discusses various financial statement analysis methods, such as earnings-per-share (EPS), dividend payout and book value analysis. He also defines a "margin of safety" as the difference between a stock's intrinsic value and its market price. The importance of diversification is one of the book's most important takeaways.

Graham contends that investors should spread their investments across multiple sectors and industries rather than putting all of their eggs in one basket.

Overall, "The Intelligent Investor" is a must-read for anyone with an interest in investing. Graham's insights and investment strategies have withstood the test of time and the book is still relevant today, more than 70 years after its initial publication. The book is written in a simple, easy-to-understand style that is suitable for investors of all levels of experience. It is highly recommended for anyone seeking to establish a strong foundation in value investing principles.