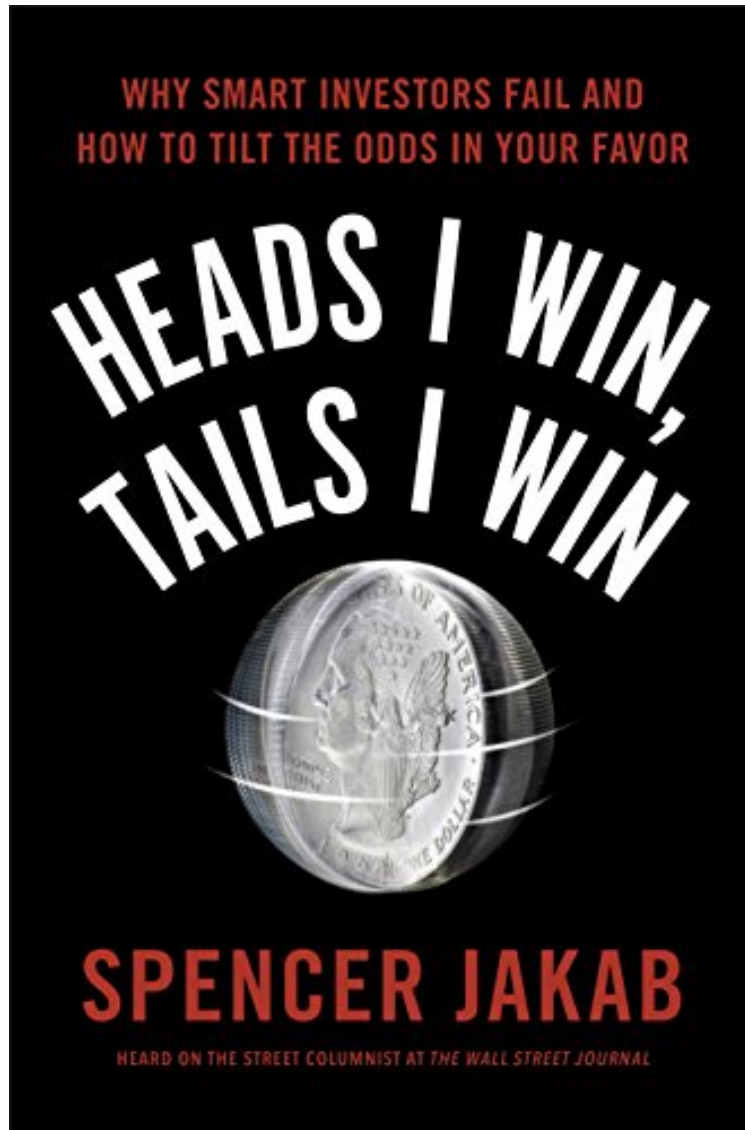


# Heads I Win, Tails I Win: Why Smart Investors Fail and How to Tilt the Odds in Your Favor

*Spencer Jakab*

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**Spencer Jakab : Heads I Win, Tails I Win: Why Smart Investors Fail and How to Tilt the Odds in Your Favor** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Heads I Win, Tails I Win: Why Smart Investors Fail and How to Tilt the Odds in Your Favor:

13 of 14 people found the following review helpful. Good Book - Research Convinces You To Invest for the Long Term in Public Equities By Big Wave Dave A well researched and written book. Referencing many great investors from Peter Lynch to Warren Buffett. "A central tenet of this book is that it's better in the long run to be smart

than lucky." "If you take away only one lesson from Head I Win, Tails I Win, then, it's that being smart is way more important than being lucky. Investing is a repeatable exercise and there's no avoiding losing money or, almost as painful for some people, letting a hot stock tip go by that makes someone else a fortune. The people who wind up with the biggest pot of money at the end, though, are almost always the ones who didn't worry about that and played the odds correctly." While some people magically (i.e. fluke luck) predicted the financial crisis, virtually none of those people got fully reinvested in the stock market (i.e. dumb strategy), and missed out on tremendous gains from 2009 through 2016. Stocks pose risk, and markets will undoubtedly crash again in the future, but for investors that can stomach the volatile moves, long-term gains will be there. "Therein lies the rub of investing in stocks. In order to unlock their extra return, you have to be willing to accept big losses in the interim. Reacting to those ups and downs by selling or buying at the wrong times is a big reason why investors wind up living in Lake Moneybegone." "Simply checking your investments less frequently decreases the odds of doing something silly." Short-term trading can hurt returns, drive up costs, and be tax inefficient. While having the data to support investing in broad benchmarks (e.g. SP 500), the book does briefly address value investors (e.g. Warren Buffett) and companies with long-term sustainable dividends have the potential to outperform the market. The next time markets crash, stay invested, and invest more. Typically the best percentage gains come in the early part of any recovery. Also, if you go towards a passive investing approach, try to save as much on fees as possible (i.e. buy Vanguard index funds). I would recommend this book to a novice investor looking for an investing philosophy. I would also recommend this book to a sophisticated hedge fund manager looking for research to make them a more long-term oriented investor. Broker-dealers that generate revenues from trading commissions probably would prefer you do not read this book (as you may become a better, less trading oriented investor after reading this book). 2 of 2 people found the following review helpful. Trust me, read it By Financebookguy This excellent guide for individual investors from Wall Street Journal investing columnist Spencer Jakab is a rarity. It's written in a way that even novices will grasp but it has plenty of nuggets that made this veteran say: "Gosh, I never thought about it that way." Oh, and it's really funny. How many investing books can say that? My favorite part - and I'll try not to ruin it - is when it uses the plot of "Back to the Future 2" to explain why the reason so many investors fall short is that they fail to be in the market on the right days, weeks, and months. Great stuff. I'd recommend this book for almost any level of investor. 1 of 1 people found the following review helpful. Wish he wrote it 25 years ago By RobRoy If only this book was published 25 years ago! Ranks with the elite investing books e.g. Peter Lynch classics for common investors. Powerful argument for index- and low cost diversified funds, torches market-timing, exposes human nature that curtails our returns hellip; in witty, amusing prose, spiced with author's personal experiences. Up to date with recent history such as Great Recession of 2008. Considered myself a savvy investor until I read this book. I've owned a brokerage account (3 portfolios) for 25 years and it never occurred to me to investigate their website page benchmarking my returns against market index! I'm humbled, but better educated.

INVESTING IS ONE OF THE FEW AREAS IN LIFE WHERE EVEN VERY SMART PEOPLE LET HOPE TRIUMPH OVER EXPERIENCE nbsp; According to Wall Street Journal investing columnist Spencer Jakab, most of us have no idea how much money we're leaving on the table - or that the average saver doesn't come anywhere close to earning the "average" returns touted in those glossy brochures. We're handicapped not only by psychological biases and a fear of missing out, but by an industry with multimillion-dollar marketing budgets and an eye on its own bottom line, not yours. Unless you're very handy, you probably don't know how to fix your own car or give a family member a decent haircut. But most Americans are expected to be part-time fund managers. With a steady, livable pension check becoming a rarity, we've been entrusted with our own finances and, for the most part, failed miserably. Since leaving his job as a top-rated stock analyst to become an investing columnist, Jakab has watched his readers - and his family, friends, and colleagues - make the same mistakes again and again. He set out to evaluate the typical advice people get, from the clearly risky to the seemingly safe, to figure out where it all goes wrong and how they could do much better. Blending entertaining stories with some surprising research, Jakab explains nbsp; middot; How a typical saver could have a retirement nest egg twice as large by being cheap and lazy. middot; Why investors who put their savings with a high-performing mutual fund manager end up worse off than if they'd picked one who has struggled. middot; The best way to cash in on your hunch that a recession is looming. middot; How people who check their brokerage accounts frequently end up falling behind the market. middot; Who isn't nearly as good at investing as the media would have you think. nbsp; He also explains why you should never trust a World Cup - predicting octopus, why you shouldn't invest in companies with an X or a Z in their names, and what to do if a time traveler offers you economic news from the future. nbsp; Whatever your level of expertise, Heads I Win, Tails I Win can help you vastly improve your odds of investment success. From the Hardcover edition.

"As Pogo used to say, 'We have met the enemy and he is us.' In this delightfully written book, full of wonderful anecdotes, Spencer Jakab shows us how to win the investment game by avoiding the stupid choices that

even 'investors make' — BURTON G. MALKIEL, author of *A RANDOM WALK DOWN WALL STREET* 'Treat this like a lengthy dialogue with a kind, funny, and very wise friend who takes you through all the key principles of how not to lose money, and does it in wonderfully simple language without ever getting bogged down in numbers or jargon.' — JOHN AUTHERS, chief investment columnist at *FINANCIAL TIMES* 'Jakab has written a very clear guide to managing your money in a very clear, witty, and easy-to-read style. This is the book you should read and then give a copy to your kids and friends.' — JOHN MAULDIN, chairman of MAULDIN ECONOMICS 'Jakab provides readers with a road map of the numerous investing mine fields they'll encounter on their way to financial independence. By avoiding them, readers can win by not losing. Read it and reap.' — MEL LINDAUER, author of *THE BOGGLEHEADS*'S GUIDE TO INVESTING and *THE BOGGLEHEADS*'S GUIDE TO RETIREMENT PLANNING 'Spencer Jakab has distilled investing down to its most important parts, wonderfully explaining why so many investors go astray and how you can learn from their folly. Spencer's columns amaze me for their ability to pack a punch in just a few paragraphs, saving readers from unnecessary jargon and fluff. He's topped himself with this book.' — MORGAN HOUSEL, columnist at *THE MOTLEY FOOL* 'This engaging and hugely insightful book helps individual investors understand how the markets really work and how they should think about their investments. Jakab takes a seemingly complex topic and makes it accessible to investors of all shapes and sizes.' — BEN CARLSON, author of *A WEALTH OF COMMON SENSE* 'Jakab is one of the smartest financial journalists I have come across in my three decades in this business. He is the rare bird who can combine expert financial knowledge in a package that is consumable by the masses. While he knows his Wall Street alphas and betas backwards and forwards, *Heads I Win, Tails I Win* is never Greek to those on Main Street.' — JOHN BUCKINGHAM, publisher, *The Prudent Speculator*, chief investment officer, AFAM Capital 'The book gives a deep and realistic insight into how investing really works; while most people can't fix the appliances in their home, they are now required to be part time money managers of their retirement investments through their 401k or IRA plans. Unfortunately, most people woefully lack the financial education to do so. His book makes a dent in that knowledge deficit, at least for those who read it.' — SIMON CONSTABLE, *Forbes* 'Jakab has plenty of sensible advice — especially for the novice, who is unlikely to be able to select securities or even to pick people who have that skill. He laments that people who would never presume to fix their own refrigerator have the burden of managing their money.' — ROGER LOWENSTEIN, *Fortune Magazine* 'Jakab's efforts to acquaint readers with the basic realities of the market and to provide an insider's view of how to approach money management will be comprehensible to even the most intimidated reader. Energetic and engaging, this is required reading for anyone who'd like to retire ahead of the game.' — PUBLISHER'S WEEKLY 'Jakab has crafted a cool-headed guide for those who are of necessity the part-time financial managers of their own retirement accounts; *Heads I Win, Tails I Win* provides a plain-spoken and accessible starting point for busy part-timers anxious to improve their odds. If you're one of those people for whom investing is more art than science, this book is for you. Even if you think it's more science than art, it's also worth reading, if only to learn how the other half thinks.' — *BARRON'S MAGAZINE* 'About once a decade a fun-to-read book comes out with good practical advice for investors. This book is it. It gets across the important points that investors need to know without being dry or dull. It is destined to become an investment classic along the lines of *A Random Walk Down Wall Street*.' — JAMES ANGEL, Ph.D., professor of finance, Georgetown University  
Author SPENCER JAKAB writes for and edits the "Heard on the Street" column for *The Wall Street Journal* and previously wrote its daily investing column, "Ahead of the Tape." He has also written about investing for the *Financial Times*, *Barron's*, and *Dow Jones Newswires*. Prior to becoming a journalist, he was a top-rated stock analyst covering emerging markets at *Credit Suisse*. This is his first book.