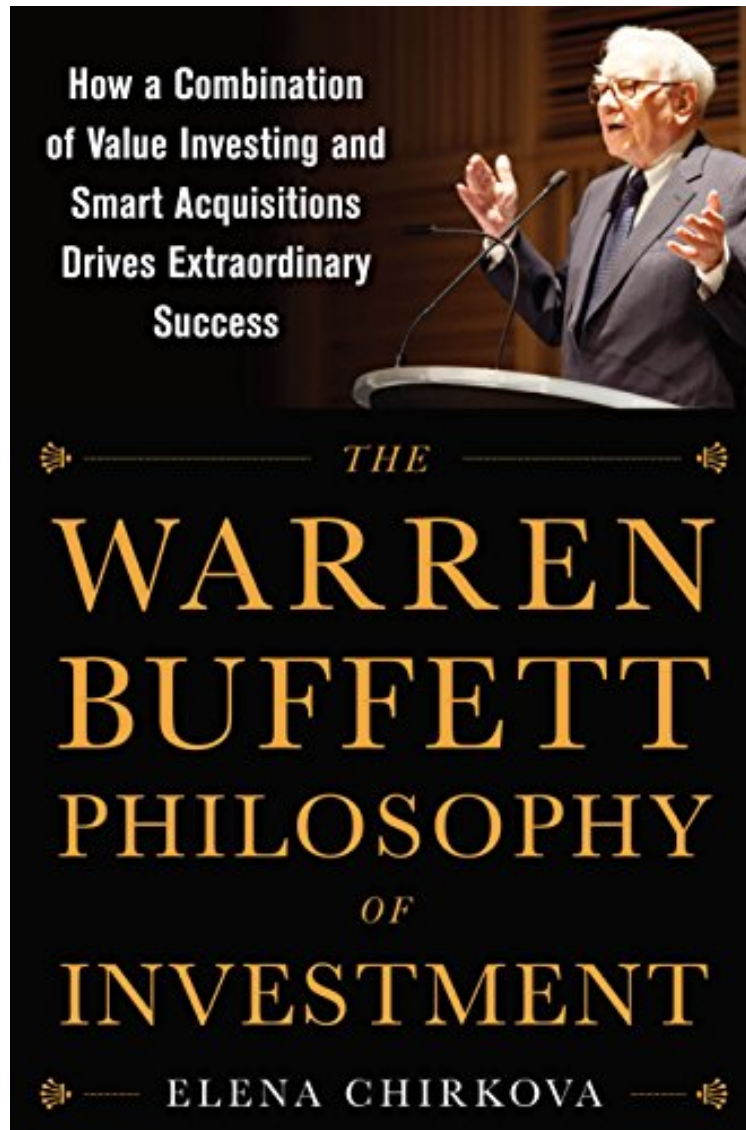


(Download) The Warren Buffett Philosophy of Investment: How a Combination of Value Investing and Smart Acquisitions Drives Extraordinary Success

The Warren Buffett Philosophy of Investment: How a Combination of Value Investing and Smart Acquisitions Drives Extraordinary Success

Elena Chirkova

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Elena Chirkova : The Warren Buffett Philosophy of Investment: How a Combination of Value Investing and Smart Acquisitions Drives Extraordinary Success before purchasing it in order to gage whether or not it would be worth my time, and all praised The Warren Buffett Philosophy of Investment: How a Combination of Value Investing and Smart Acquisitions Drives Extraordinary Success:

1 of 1 people found the following review helpful. I would highly recommend this to any serious Buffettologists

By Adam Smith I've read just about everything on Warren Buffett, from dozens of books (some solely on him/Berkshire, some mentioning him in passing), BRK shareholder letters and Buffett partnership letters. This book definitely adds something valuable and is a very worthy edition. I would highly recommend this to any serious Buffettologists. The most valuable contribution is the critical analysis of his investing mistakes that are too often wrapped up in folksy commentary by other authors which only focuses on his winners. A great example was Coca-Cola - a brilliant investment in the late 80's and early 90's when Buffett caught a real inflection in the businesses' international growth (and multiple). But the decision not to exit in 1998 when Coca Cola traded at 50x PE was a disaster for shareholders and cost billions (even taking into account cap gains taxes which would have been paid). Other businesses like Washington Post was held for a long period after growth stopped and also cost billions. A lot of the other "gems" in the BRK portfolio (eg See's) are also ex-growth cash-cows which require very high level of embedded leverage from here to generate high ROE's on true underlying business value. Also book is peppered with anecdotes which help you understand WB's and Munger's style evolution towards quality- effectively they are now (disciplined) growth stock pickers. The example where Buffett bought 5% of Disney in the 60's for \$4M is amazing and the decision to sell is very clearly his worst decision (although much harder to criticize than Coca Cola)

This is probably one of the most penetrating analyses on Buffett and BRK, that has relevance to investors on a go-forward return basis. I would call it a must read and find the mixed views on rather bizarre.

0 of 0 people found the following review helpful. Awesome overview of Buffet's investment philosophy

By Chi Fan Johnson Cheng This book really changed how I think about investments. I recommend it to all my friends. I'd suggest three improvements to the book: 1, put all footnotes and references to the back. This shouldn't read like an academic paper; 2, talk more about how retail investors can apply those principles; 3, add more anecdotes and pictures to make it less boring.

3 of 4 people found the following review helpful. I found this book to be quite interesting even though ...

By Gary Maxwell I found this book to be quite interesting even though there is very little that is new presented in the book. Buffett is such a compelling figure that his intelligence, analytical ability, and humor just carry things along. The main insight I gained from the book is that any expectation that Berkshire will continue to deliver returns in excess of the market after Buffett's departure (and, to a lesser extent, after Munger's departure) is a pipe dream. Although Buffett has succeeded in creating a Berkshire culture in his image, and certain aspects of that culture will undoubtedly continue for a time after he leaves, there is nothing that can replace Buffett himself. He has built a sterling personal reputation. He has connections everywhere that just cannot be duplicated. His reputation and connections give him access to situations and deals that others can only dream of. This goes way beyond his vaunted investment acumen and is unique to him. After reading this book I feel that investing in Berkshire or any fund that has a sizable position in BRK would be a mistake. When he leaves he will take with him the "special sauce" that built Berkshire and I don't think anybody else will be able to duplicate that recipe.

Revealed! The secret behind Warren Buffett's 20% return rate over 60 YEARS

The Warren Buffett Philosophy of Investment reveals— for the first time— how the world's #1 investor combines his trademark value investing with a unique approach to mergers and acquisitions. The huge interest in Warren Buffett stems from the challenge to understand his history of earning more than 20% on capital annually during the last 60 years. Modern financial theory does not allow for this degree of success, nor has anyone else been able to replicate it. The book argues that Buffett's secret can be explained only if one looks beyond the theory of investing. The author sees the major drivers of his success as the transformation of Mr. Buffett's name into a super-brand of mergers and acquisitions, as well as his hands-off policy with respect to the acquired companies. As a result, Buffett enjoys numerous opportunities to buy first-class companies at moderate prices and keeps the existing good managers responsible for further value creation.

Elena Chirkova is a professor of finance in the Higher School for Economics in Moscow and was previously Head of Corporate finance for Deloitte's office in Russia.

About the Author

Elena Chirkova is an associate professor of finance in the Higher School for Economics in Moscow and worked previously in the Financial Advisory Services Department in Deloitte and in the investment bank N.M. Rothschild in Moscow.