BOOK



VALUE

The FINE ART of INVESTING WISELY

ANURAG SHARMA

Columbia Business School

Contents

Preface
xi
Acknowledgments
xvii

Prologue: A Short History of Investing

i
Introduction: Noise
17

PART ONE Illusion

CHAPTER ONE
Opinions and Beliefs
25

CHAPTER TWO
Correlation of Errors
31

CHAPTER THREE
The Dark Arts

viii Contents

CHAPTER FOUR
Purveyors of the Dark Arts
so

CHAPTER FIVE
Victims of the Dark Arts
61

PART TWO Verity

CHAPTER SIX
Logic—Data—Doubt
7i

CHAPTER SEVEN
Investing as a Negative Art
80

CHAPTER EIGHT
Shaping the Investment Thesis
84

CHAPTER NINE
How to Be a Wise Investor
97

CHAPTER TEN
The Art of Looking
102

PART THREE Foundations

CHAPTER ELEVEN
Price and Value
113

Contents ix

CHAPTER TWELVE
How to Value a Business
123

CHAPTER THIRTEEN
Risk and Uncertainty
131

CHAPTER FOURTEEN
The Simple Math of Valuation
138

CHAPTER FIFTEEN
Yield—Stability—Strength
154

PART FOUR Diligence

CHAPTER SIXTEEN
Depth Analysis
173

CHAPTER SEVENTEEN
Dive for Strength
176

CHAPTER EIGHTEEN
Define Good Business
190

CHAPTER NINETEEN
Watch the Game
205

CHAPTER TWENTY
Meet the Managers
225

x Contents

PART FIVE Policy

CHAPTER TWENTY-ONE
Diversification
247

CHAPTER TWENTY-TWO
Another Way to Portfolio
253

CHAPTER TWENTY-THREE
Core Holdings
259

CHAPTER TWENTY-FOUR

Growth

266

CHAPTER TWENTY-FIVE
The Buffett Portfolio
276

Conclusion: Noise Control

Notes

Bibliography 313

Index 3i9