

# WATHEEQA INVESTOR DIGEST

## About WID


Issue-01, 11-June-2009


Some of the world's renowned investors when asked what makes them great – the unusual but common answer is “We read and think”. The main goal of WID is to bring our clients the best interviews, articles, research and thought provoking material that we come across, read and thoroughly enjoy. Our collections are old, nevertheless timeless treasures while some are recent and highly recommended.

We thought; why not put these fascinating gems together each month and share the collective wisdom of what we read. WID is our contribution from that inspiring idea. We believe this will help us become continual learning machines and thinking investors. We suggest you archive our premium collections; read them and re-read them.


## What it takes to be great


“Painful and demanding practice and hard work” writes *Geoffrey Colvin*. He begins the article by questioning “What makes Tiger Woods great? What made Berkshire Hathaway Chairman Warren Buffett the world's premier investor? Well, folks, it's not so simple. For one thing, you do not possess a natural gift for a certain job, because targeted natural gifts don't exist. (Sorry, Warren.) You are not a born CEO or investor or chess grandmaster. You will achieve greatness only through an enormous amount of hard work over many years. And not just any hard work, but work of a particular type that's demanding and painful.

Buffett, for instance, is famed for his discipline and the hours he spends studying financial statements of potential investment targets. The good news is that your lack of a natural gift is irrelevant - talent has little or nothing to do with greatness. You can make yourself into any number of things, and you can even make yourself great.” [Read more](#) 

Source: *Fortune Magazine, October 19, 2006.* 


## Great first impressions: Ten signs of a strong company


The authors argue “An entrepreneurial investor seeks companies that offer lot of value for a low price, but prices fluctuate. Thus, price helps determine *when* to buy, but a host of other factors influence *what* to buy. We look for ten specific strengths when evaluating a company.” These are (1) A simple business model (2) Wide-moat (3) Recurring revenue (4) Low inventory risk (5) Alignment of interests (6) Healthy culture (7) Flat organizational structure (8) Low reinvention risk (9) Low capital requirements and (10) Favorable demographics. [Read more](#) 

Source: *West Coast Asset Management,* 


## Baupost Group – Seth Klarman's OID interview


“In addition to being a thoughtful writer and speaker on the subject of value investing, Klarman has an outstanding track record as an investor. Since its February 1, 1983 inception through December 31, his Baupost Partnership has provided its limited partners an average annual return of 16.5% net of fees and incentives, versus 10.1% for the S&P 500.

This is an excerpt from Klarman's comments and Q&A which followed at the Heilbrunn Center for Graham & Dodd Investing's 18<sup>th</sup> Annual Graham & Dodd Breakfast and at a symposium entitled “Celebrating 75 Years of Security Analysis” both of which were held on October 2<sup>nd</sup> in Manhattan.” – OID [Read more](#) 

Source: *Outstanding Investor Digest - OID, March 17, 2009* 


## TIFF Commentary – Seth Klarman's interview


In this insightful interview Seth Klarman discusses a wide array of topics ranging from his role models to what investing is all about – an art, science or craft. Seth explains “Investing, I would say art first and foremost, craft second, science third. To me, the science of valuing things and identifying when things sell at a discount is as straightforward as could be. It's a commodity these days; when you hire business school kids, they all know how to do that. There are nuances and places they might make mistakes, but I think that's the easiest part, albeit for a layperson it might seem like the hardest part. I think there is a big element of craft in showing up, especially for a value investor where part of the game is discipline.” Seth adds “It's like Warren Buffett says, you are in a game with no umpire and no called strikes so you can keep the bat on the shoulder for a long time. So the craft of showing up and saying “Nope, nothing interesting today. Nope still nothing interesting,” is really important.” [Read more](#) 

Source: *TIFF – The Investment Fund for Foundations, 22 July 2008* 

## JPMorgan Chase – 2008 Annual letter to shareholders

Stop whatever you are doing right now and read Jamie Dimon, Chairman and CEO's letter to shareholders. It's a 28 page fascinating piece. Next to Buffett, we would rate Jamie's address as one of the best shareholder letters we have ever read, from any CEO, ever.

In Berkshire Hathaway's annual meeting this year, Buffett said “I recommend Jamie Dimon's shareholder letter; Jamie did a great job. It's as good a shareholder letter as I've seen. It's a long letter, but worth reading. He did a great job writing about the crisis.” [Read more](#) 

Source: *JPMorgan Chase* 

# WATHEEQA INVESTOR DIGEST

## Share the wealth

In this age of information bubble, reading materials that truly inspire and further our learning – are far and few. That's the reason we chose to identify the best and share the wisdom with our readers. We suggest you do the same.

Please send us your feedback and any article, reports, links that you find are valuable keeping in mind the spirit of WID. This way we can learn together and much faster.

You may email us at: [intelligentinvestors@watheeqa.com](mailto:intelligentinvestors@watheeqa.com)

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