

WATHEEQA INVESTOR DIGEST

About WID


Issue-02, 06-July-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 gems together each month and share the collective wisdom of what we read. WID is our contribution from that inspiring idea. We truly believe – what you read and how much of that you internalize; reflects who you are. We suggest you archive our premium collections; read them and re-read them.

Best advice I ever got

In a world of uncertainty, we could all use a little advice. Fortune magazine asked a host of influential leaders (from the field of sports, banking, investing and technology) to share some wise words that changed their lives forever. Among those leaders Jim Rogers, investor and commodities guru's advice: *Read everything.*


“The best advice I ever got was on an airplane. It was in my early days on Wall Street. I was flying to Chicago, and I sat next to an older guy. Anyway, I remember him as being an old guy, which means he may have been 40. He told me to read everything. If you get interested in a company and you read the annual report, he said, you will have done more than 98% of the people on Wall Street. And if you read the footnotes in the annual report you will have done more than 100% of the people on Wall Street. I realized right away that if I just literally read a company's annual report and the notes -- or better yet, two or three years of reports – that I would know much more than others. Professional investors used to sort of be dazzled. Everyone seemed to think I was smart. I later realized that I had to do more than just that. I learned that I had to read the annual reports of those I am investing in and their competitors' annual reports, the trade journals, and everything that I could get my hands on. But I realized that most people don't bother even doing the basic homework. And if I did even more, I'd be so far ahead that I'd probably be able to find successful investments.” **Read more** 

Source: Fortune Magazine, July, 2009 **WID**

Genius: The Modern View

David Brooks writes “The key factor separating geniuses from the merely accomplished is not a divine spark. It's not I.Q., a generally bad predictor of success, even in realms like chess.


Instead, it's deliberate practice. Top performers spend more hours (many more hours) rigorously practicing their craft.”

Read more 

Source: The New York Times, April 30, 2009 **WID**


Taking improbable events seriously

Nassim Nicholas Taleb, scholar, trader and author of two bestsellers “Fooled by Randomness” and “The Black Swan” argues “My idea in The Black Swan is to make people think of the unknown and of the potency of the unknown, particularly a certain class of events that you can't imagine but can cost you a lot: rare but high-impact events.

So my black swan doesn't have feathers. My black swan is an event with three properties. Number one, its probability is low, based on past knowledge. Two, although its probability is low, when it happens it has a massive impact. And three, people don't see it coming before the fact, but after the fact, everybody saw it coming. *So it's prospectively unpredictable but retrospectively predictable.* **Read more** 


Source: The McKinsey Quarterly, Dec, 2008 **WID**

Peter Bevelin – Seeking Wisdom – Interview part I

Bevelin argues “Look around you – observe reality. What can explain this? Learn some core concepts that account for reality. Start from the basics for each discipline and emphasize the understanding of general principles and use simple real-life examples to illustrate principles. Read, read and think about what you have read. Look for understanding. What is going on here? What is the core idea? What is the evidence that it is right? Also remember what Richard Feynman once asked someone who remarked that he had read a book. “*But, did you learn anything?*” Understand an idea's meaning and applications. Focus on useful and obviously important and correct general ideas, concepts and principles. What does it mean? What happens? What is the effect?” **Read more** 

Source: Valueinvestingworld.blogspot.com , Joe Koster Oct 2007 **WID**

Peter Bevelin – Seeking Wisdom – Interview part II

Bevelin seeks wisdom by “Generally, keep it simple and use some filters. Some questions I ask myself: Is it important? If yes, is it knowable? If yes, is this within my circle of competence? Which of course assumes that I know what I know and can do, and what I don't know and can't do. Otherwise I exclude and throw it in to too hard pile. If within, then, any testable argument should be tested – What is the evidence? Can I disprove it? Compared to what (including negative cases and non-events)? Randomness content? If I believe this, what would follow? What would I have to check out? What ideas can help me?” **Read more** 

Source: Valueinvestingworld.blogspot.com , Joe Koster May 2009 **WID**

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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.

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

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