



### SPREADING THE WORD ON VALUE INVESTING

A few weeks ago I was having a conversation with my brother about investing and we ended up getting on to the subject of Value Investing. Naturally enough I talked about my favourite investor Warren Buffett and my aspiration to try to adapt his Value Investing approach to a style that suits me. Now my brother is an academic specialising in psychology but fortunately (or unfortunately as the case may be) he has never had to look at the psychology of investing. He therefore knows very little about the subject and given that he has a nice guaranteed pension from Edinburgh University there is probably very little he will ever need to know about it! (He uses that as an excuse for not reading my opinion pieces!)

During our conversation I mentioned that in the academic world Warren Buffett and the whole concept of Value Investing is not necessarily a standard part of the curriculum. I also mentioned that Columbia University in New York is probably the notable exception and the main University that does appear to give its full backing to Value Investing. My brother asked me why this was the case. I answered by telling him that Columbia was the alma mater of both Benjamin Graham and Warren Buffett and now has Professor Bruce Greenwald teaching a course on the subject. This was the first time my brother had heard me mention Benjamin Graham and Bruce Greenwald and I therefore proceeded to tell him a little bit about both of them. My brother then challenged me by saying that if I believed that the majority of the academic world is wrong in teaching “Modern Portfolio Theory” and Columbia is right why am I not doing more to spread the word of “Value Investing”? Luckily I was able to reply by saying that I had been working with a couple of friends on the whole idea of setting up an organisation that would promote the whole Value Investing philosophy in Ireland and possibly further afield. This organisation will have its own website and it will try to help educate and spark off some discussion. It will hopefully help people to learn more about Benjamin Graham and Bruce Greenwald and other famous names like Seth Klarman and Marty Whitman. It will hopefully also talk about a few individual value investments.

I am delighted that Gary Connolly has agreed to be Chairman of this organisation. Gary has worked in the investment world for many years and he has recently set up his own company.

He has also written a regular column for the Irish Sunday Times.

With Gary’s charm and good looks I can look forward to him being the face of the organisation and me being in the background like Charlie Munger at Berkshire Hathaway! (For readers that have not heard of Charlie Munger, he is the Vice Chairman of Berkshire Hathaway and one of Warren Buffett’s closest companions.) Gary will also make sure that the website reflects the various different approaches to Value Investing that exist among practitioners because each value investor seems to bring their own slant on the subject. Gary has even gone as far as editing and allowing

an article raising questions about how difficult it is to replicate the Buffett approach. (How could he?) I presume that I will have to respond to that one!

The first article I have written for the website looks at whether there are Value Investing opportunities in the Japanese stock market. Readers of my opinion pieces will be familiar with my views on Japan but this article goes into detail using a new case study as an example.

Friends of mine working in the investment industry can look forward to me trying to get them to give me new ideas for articles and if I am lucky I might even manage to convince them to give up their time to write them.

I am not sure as to the exact timing of the launch but watch this space because this is one initiative that I will highlight on my website.

In conclusion I just want to say that my brother really drummed into me the idea that I have a responsibility to do as much as I can to promote the things that I believe in. I hope this will go some of the way towards meeting that responsibility