foreward : The Eruption.

1. He's super- smart
2. He's guided by an overarching philosophy
3. He's mentally flexible
4. He's unemotional
5. He's contrarian and iconoclastic
6. He's counter - cyclical
7. He's has a long-term and is un concerned with volatility
8. He's unafraid to bet big on his best idea
9. He's willing to be inactive
10. Finally, he's ~~most~~ not worried about losing his Job.

Foreword to the First Edition.

chapter 1: A Five- sigma event

The world's greatest investor.

1. personal History and investment Beginnings.
2. Buffet partnership Ltd.
3. Berkshire Hathaway.
4. Insurance operations.
5. The man and His company.
6. Five - sigma Event.

chapter 2: The Education of warren buffet.

1. Benjamin Graham.
   - Security Analysis.
   - The intelligent investor.

2

Analysis 3-steps.

Descriptive Critical Selective.

Margin of safety.

1. Buy a company for less than 2-3 of its net asset value

2. Focus on stocks with low price earning ratio.

The theory of investment value (Harward Universities press).

2. Philip Fisher: Scuttlebutt – investor to identify outstanding investments.

3. Charlie Munger.

4. A Blending of intellectual influences.

The Warren Buffett Way – 3rd Edition – Robert G. Hagstrom.

Chapter 3: Buying a Business (The 12 immutable tenets).

1. Business tenets.
2. Management tenets
3. Financial tenets.
4. Market tenants.

1. Business tenets.
   1. Is the business simple and understandable?
   2. Does the business have a consistent operating history?
   3. Does the business have a favorable long term prospects?

Management tenets:

1. is management rational?

2. is management candid with its shareholder?

3. Does management resist the institutional imperative?

Financial tenets:

1. Focus on return on Equity. not earnings per share

2. calculate " owner Earnings"

3. Look for companies with high profit margins

4. For every dollar retained, make sure the company has created at least one dollar of market value.

Market Tenets:

1. what is the value of the business?

2. can the business be purchased at a significant discount to its value?

1. mngt tenets:

1. Rationality.

1. it can ignore the problem and continue to reinvest at below average rates

2. it can buy growth

3. it can return the money to shareholders.

2 methods available:

1. initiating or raising a dividend

2. Buying back shares.

2. Candor

Generally accepted accounting principles (GAAP).

1. Approximately how much is the company worth?

2. What is the likelihood that it can meet it's future obligations?

3. How good a job are its managers doing, given the hand they have been dealt?

3. The institutional imperative.

4. Taking the measure of management.

3. Financial tenets:

1. Return on Equity (EPS).

2. Owner Earnings

3. Profit margins.

4. The one-dollar premise.

4. market tenets.

1. Determine the value.

The theory of investment value – William Burr.

2. Buy at Attractive prices.

3. Anatomy of a long-term stock price.

4. The intelligent investor.

Chapter 4: Common stock purchases.

9-case studies.

1. The Washington Post company.

1. tenets: simple and understandable.
2. tenets: consistent operating History
3. tenets: Favorable long-term prospects
4. tenets: Determine the value
5. tenets: Buy at attractive prices
6. tenets: Return on Equity.
7. tenets: profit margins
8. tenets: Rationality.
9. tenets: The one-dollar premise.

2. GEICO corporation.

1. tenets: simple and understandable.
2. tenets: consistent operating History
3. tenets: Favorable long-term prospects.
4. Tenets: Candor.
5. tenets: Rationality
6. tenets: Return on Equity
7. tenets: profit margins.
8. tenets: Determine the value
9. ~~the~~ tenets: The one-Dollar value.

3. capital cities/ABC.
4. The coca-cola company.
5. General Dynamics.
6. Wells Fargo & company.
7. American Express company.

The Warren Buffett Way - Robert G. Hagstrom.

8. International Business machines.

9. H. J. Heinz company

Chapter 5: portfolio management.

- The mathematics of investing.

1. Building a portfolio for long-term growth

2. Alternative measuring stick for judging the progress of portfolio.

3. Techiques for coping with the emotional roller coaster that inevitably accompanies portfolio mngt.

2 comparing strategies.

1. Active portfolio mngt.

2. index investing.

1. The mathematics of focus investing.

2. probability theory and the market.

3. kelly optimization.

4. Munger on Betting odds.

5. The element of psychology.

6. From Theory to Reality.

1. Calculate probabilities

2. wait for the best odds

3. Adjust for new information.

4. Decide how much to invest.

7. Focus investors in graham-and doddsville.

8. John maynard keynes

1. intrinsic value.
2. A steadfast holding
3. Balanced investment position.

9. charles munger partnership.

10. sequoia fund.

11. Lou simpson.

12. Real measure of worth.

13. A variety of measuring sticks.

Chapter 6: The ~~Ph~~ pshychology of investing.

1. The intersection of psychology and economics
2. Mr. market
3. Behavioral Finance.
   1. over confidence
   2. over reaction Bias.
   3. Loss Aversion.
   4. mental Accounting.
   5. myopic loss Aversion.
   6. Lemming factor.
4. managing the emotional traps.
5. And on the other side, warren Buffet.
   1. Harry markowitz - covariance
   2. ~~Bil~~ Eugene Fama - The Efficient market
   3. Bill shape - Capital Asset pricing model.

6. Buffet on Risk and diversification.

7. why pshychology matters.

Chapter 7: The value of Patience.

1. For the long term

2. Rationality: The critical Difference.

3. slow-moving ideas

4. System 1 and system 2.

5. The mindware Gap

6. Time and patience.

Chapter 8: The world's gratest investor.

1. The private Buffet.

2. The Buffet Advantage

3. Behavioral Advantage.

4. Analytical Advantage.

5. organizational Advantage.

6. Learning to think like Buffet.

7. Business tenets:

1. is the business simple and understandable?
2. does the business have a consistent operating history?
3. does the business have a favorable long term prospects?

8. management tenets.

9. Financial tenets.

10. market tenets.

11. Find your own way.