

INDEX

- Abelson, Alan, 75
Alexander, Henry C., 74
American International Group, 122
American Stock Exchange
(AMEX), 32
America's Finest Companies®
America's Smartest Companies®
and, 60, 61
assembling a portfolio of, 14–15
common traits of, 60
companies dropped from,
132, 133
criteria for, 6
Directory, 6, 187–229
diversification and, 180–182
dollar cost averaging in,
122–123, 181
in Dow Jones industrials, 181, 182
guarantees, 58
investing in, 127–130
profiting from investments in, 8,
179–185
risk and, 41
Super 50 Team, 60–63
20 lowest annual dividend
yields, 162
America's Money Coach®, 15
America's Smartest Companies®,
60, 61
Anderson, Robert A., 74
Anheuser-Busch, 134–139
Arends, Brett, 88
Aristotle, 97
Arnott, Robert D., 151, 156, 157
Asness, Clifford S., 151, 156, 157
Asset allocation, 118
Atlantic Philanthropies, 91
Authers, John, 6
Babin, Charles E., 153
Baker, George F., 43, 11–15
Baker's Dozen Guided Portfolio®
(Staton), 128, 148–150
Bank of America, 134–138
Bankruptcy Abuse Prevention and
Consumer Protection Act
(2005), 108
Baruch, Bernard, 73
Battle for Investment Survival, The
(Hutton), 41
Bear markets, 47, 120
Beecher, Henry Ward, 89
Bergstresser, Charles Milford, 34
Berkshire Hathaway, 69, 117–118,
126, 142–143
Black Monday (October 19, 1987),
77–78
Blake, Eubie, 100
Blue chip stocks, 59. *See also*
Stocks
Bogle, John, 68, 84, 95, 115
Bond funds, 4
Bonds, U.S. government, 41
Bradford, William, 32

- Brealey, Richard A., 126
 Brokers, 30, 165–166
 Brown, Charles Farrar, 25
 Buffett, Warren, 3, 17, 67, 69, 85, 113, 114, 117–119
 on Ben Graham, 17–18
 charitable pursuits, 89–90
 largest stock investments, 162
 provisions for family of, 175–176
 sell discipline, 160, 161–162
 stock holdings, 119
 on stock performance
 evaluation, 163
 success factors, 142–143
 Burnick, Mike, 146
 Buttonwood Agreement, 30
 Buy/sell formula, 131–132
- Capital gains, 7, 159–160
 Carnegie, Andrew, 96
 Cash, 103, 105
 Certificates of deposit (CDs), 43
 Children, investing for, 173–178
 custodial accounts, 173–174
 IRAs, 174–177
 trust accounts, 176
 Chopra, Deepak, 90
 Cicero, Marcus Tullius, 23
 Clements, Jonathan, 83–85
 Coca-Cola, 134–138
 Cohen, Jerome B., 35
 Colgate, Joseph, 89
 Commissions, 165
 Common stock, 32. *See also* Stocks
 Compound annual returns, 5–8, 44–45, 93
 Compounded annual price growth rate (CAGR), 146
 “Conversation with Benjamin Graham” (*Financial Analysts Journal*), 52–53
 Cottle, Sydney, 48
 Creditors, 107–109
 Custodial accounts, 173–174
- Dalai Lama, 96
 Direct investing, 167–168
 Discount brokers, 166
 Diversification, 126–127, 180–182
 Dividend reinvestment plan, 165, 167
 Dividend reinvestment statement, 168–171
 Dividends, 6–7, 129
 Baker’s Dozen Guided Portfolio®, 148–150
 defined, 145
 dividend reinvestment statement, 168–171
 functions of, 155–156
 higher returns with, 150–157
 importance of, 145–148
 payment of, 169
 as predictor of growth, 156
 S&P dividend and nondividend payers, 155
 taxes on, 159
 Dodd, David, 17, 48
 Dollar-cost averaging, 121–126, 181
 Dot-coms, 39–40, 143
 Dow, Charles Henry, 34
 Dow Jones industrial average, 34–37, 57–59
 in 1973–1974, 47–48
 America’s Finest Companies® in, 181, 182
 annualized return of, 59
 reinvested dividends and, 153
Dow Theory Forecasts, 127
 Dreman, David, 75
 Dulles, John Foster, 73
 Dyer, Wayne W., 90
- Early start, in investing, 142
 Earnings per share, 150
 Edelston, Marty, 82
 Einstein, Albert, 45
Einstein: His Life and Universe (Isaacson), 142

- Emerson, Ralph Waldo, 184
 Emotion, and investing, 125
 Energy saving, 177
 ERISA, 108
 Estrada, Javier, 116
 Exchange-traded funds (ETFs), 68
- Feather, William A., 87
 Federal Deposit Insurance Corporation (FDIC), 41
 Feeney, Charles, 91
 Fees, 71–72, 79–80, 166–168
 Fisher, Irving, 73
 Forecasting, 72–77
 401(k) and 403(b) plans, 101–102, 111
 Franklin, Benjamin, 115, 116, 147
Futurist, The, on forecasting, 76
- Gates, Bill, 89–90, 143, 160
 Gates Foundation, 89–90
 Gehrig, Lou, 171
 General Electric, 35
 Goizueta, Robert, 74
 Goodspeed, Bennett W., 76–77
 Government bonds, 41
 Graham, Benjamin, 17, 56, 71, 114, 117
 background, 48–51
 final interview, 52–53
 Intelligent Investor, 51, 58
 lessons from, 54
 margin of safety concept, 49
 Security Analysis, 48, 49, 50
 wisdom of, 51–53
 Graham, Eddie, 175
 Graham-Newman Corporation, 48, 49
 Grandchildren. *See* Children, investing for
 Gray, Florence, 9–10
 Crash of 1987, 27, 77
 Great Depression, 115, 124
 Green, Alexander, 103
 Green, Hetty, 94
 Gross, Bill, 91
 Growth, dividends and, 150–157.
 See also Dividends
- Hack, Ed, 9
 Healey, Thomas, 13
 Heller, Joseph, 95
 Henry, Patrick, 36
 Hoffer, Eric, 75
 Homer, Sidney, 45
 Hoover, Herbert, 73
 Hough, Jack, 151
 Hutton, E.F., 41
 Huxley, T.H., 88
- InBev, 134
 Income, 130
 Indexes, outperforming, 8
 Individual investor, 70–75
 advantage of, over professional, 53, 54, 71
 Graham's rules for, 53
 Individual retirement account (IRA), 97–98
 bankruptcy/lawsuit seizure and, 107–109
 beneficiary and contingent beneficiary of, 110
 for children and grandchildren, 174–177
 earnings, 175
 multiple IRAs, 110
 protecting, 109–110
 rollovers into, 108, 111–112
 self-directed, 101
 SIMPLE, 108
 withdrawals from, 109
- Inefficient markets, 143
 Inflation
 average, 83
 history of dollar value, 36–37
 retirement and, 101, 103–104, 106
 stocks as hedge against, 6

- Intelligent Investor, The* (Graham), 51, 58
- Intense interest, in investing, 142
- Introduction to Risk and Return from Common Stocks, An* (Brealey), 126
- “Invest,” defined, 4
- Investing and investments. *See also* Money management (self)
- belief in self, 182–185
 - buying less and investing more, 177–178
 - buy/sell formula, 131–132
 - direct investing, 167–168
 - dividend reinvestment statement, 168–171
 - eliminating costs of, 166–168
 - emotion and, 125
 - factors working against investors, 131
 - getting started, 165–171
 - over long-term, 82–85
 - process of, 4
 - profitability of stocks, 18–23
 - psychology of, 38–42
 - simplicity and, 55–63
- Investing Secrets of the Masters* (Babin), 153
- Investment Analysis and Portfolio Management* (Cohen and Zinbarg), 35
- Investment trusts, 66
- IRA (individual retirement account). *See* Individual retirement account (IRA)
- Jaffe, Chuck, 4
- Jensen, Michael C., 157
- John Neff on Investing* (Neff), 147
- Johnson, Luke, 185
- Johnson, Spencer, 182–183
- Jones, Charles P., 5
- Jones, Edward Davis, 34
- Junior Achievement, 176–177
- Kahneman, Daniel, 38–40
- Keynes, John Maynard, 102, 126–127, 146
- Lao Tzu, 72, 77, 95
- Lehman Brothers, 122
- Leveraging real estate, 105–106
- Levine, Leon, 160
- Liscio, John, 119–120
- Load funds, 79
- Loeb, Gerald M., 41
- Loss aversion, 39
- Lump sum investing, 120–121
- Lynch, Peter, 117, 154
- Madison, James, 30
- Majors, Powell, 100
- Margin of safety concept, 13, 49
- Market timing, 116–117, 125
- Martians of Science, The: Five Physicists Who Changed the Twentieth Century* (Hargittai), 142
- Martin, Thomas, 27
- Material goods, 177
- Money management (professional), 67–68
- complexity of, 57
 - cost of, 79–80
 - disadvantages of, 77–80
 - errors in “expert opinion,” 75
 - fees, 71
- Money management (self), 11–14, 68–70, 113–143, 185.
- See also* Investing and investments
 - America’s Finest® Companies and, 127–130
 - belief in self, 182–185
 - direct investing, 167–168
 - diversification, 126–127

- dollar-cost averaging, 121–126
- maintaining same dollar amount in each, 130–131
- Munger advice, 140–143
- patience and, 43, 114–121
- rule recap, 132–134
- sell discipline, 131–132
- start-up funds, 139–140
- success in, 133, 134–139
- Money market funds, 43
- Montagu, Ashley, 99
- Morningstar
 - on commission fees and other expenses, 80
 - on fund expenses, 67
 - mutual fund study, 4
- Munger, Charles T., 65, 67, 69–70, 118, 185
 - advice for a well examined life, 143
 - success factors, 141–143
- Municipal bonds, 4
- Murchison, Clint Jr., 90
- Mutual funds, 3–4
 - administrative expenses, 80
 - cash available for redemption of shares, 77
 - fees, 67
 - forced panic selling, 77
 - load, 79
 - management fees, 80
 - services rating, 79
 - stock funds, 81–82
 - taxes, 79–80
 - trading costs, 80
 - turnover rates, 80
 - 12b-1 fee, 80
 - underperformance of, 67–68
- “Mutual Fund Trading Costs,” 80
- Ned Davis Research, 7
- Neff, John, 147
- Newman, Jerome, 17, 49
- Newman & Graham, 49
- New York Stock Exchange, 30, 31, 32
- Nissim, Doron, 157
- Nixon, Richard, 74
- No-load mutual funds, 79
- Nucor, 134–139
- Oshida, Mark, 13
- Panic selling, 77
- Paralysis from Overanalysis, 77
- Pareto, Vilfredo, 70
- Pareto principle, 70
- Pasteur, Louis, 179, 183
- Patience, 43, 114–121
- Patton, George S., 165
- Peale, Norman Vincent, 184
- Perry, H. Bradley, 35
- Picasso, Pablo, 88
- Polanyi, 31
- Poor Charlie’s Almanack: The Wit and Wisdom of Charles T. Munger* (Kaufman), 69
- Power of Intention, The* (Dyer), 90
- Power of Positive Thinking, The* (Peale), 184
- Prechter, Robert, 28
- Predictions. *See* Forecasting
- Professional money management, 67–68
- Prospect theory, 39
- Psychology, of investing, 38–42
- Railroad industry, 142–143
- Reagan, Ronald, 74
- Real estate, 104–106
- Real estate investment trusts (REITs), 10–11, 105
- Redford, Robert, 99
- REITs. *See* Real estate investment trusts (REITs)
- Retirement planning and accounts, 87–112, 130

- Retirement planning and accounts
(continued)
 budgeting formula, 91–95
 charitable giving, 89–91
 contributory retirement plans,
 102–104
 determining retirement needs,
 106–112
 401(k) and 403(b) plans,
 101–102
 funding, 97–106, 139–140
 high-yield stocks held in, 160
 inflation and, 101, 103–104, 106
 investing as a mission, 95–97
 IRAs, 97–98, 107–110
 lendership *vs.* ownership,
 104–106
 life after work, 99–102
 mutual funds and, 79
 pretax dollars, 102
 real estate and, 104–106
 risk, 103
 SEP/KEOGH growth, 141
 shortfall risk, 103
 taxes and, 159–163
 withdrawals, 102
- Returns
 compound annual, 5–8
 inflation-adjusted, 6
- Rinfret, Pierre, 74
- Risk, 103
- Roach, Stephen, 75
- Robbins, Tony, 95
- Robinson, Edward G., 152
- Rockefeller, John D., 146
- Rodney L. White Center for
 Financial Research, 80
- Rogers, Will, 42, 75
- Rollover IRAs, 108, 111–112
- Roosevelt, Eleanor, 92
- Roosevelt, Franklin, 38
- Roth IRA, 102, 108–109
- Rothschild, Baron Nathan, 45, 78
- Round-trip trade, 80
- Russia, 31
- Ruth, Babe, 124
- Salomon, Robert S., 27
- Savings bank accounts, 41, 43
- Schloss, Walter, 100
- Schwed, Fred Jr., 66, 85
- Security Analysis* (Graham and
 Dodd), 17, 48, 49, 50
- Sell discipline, 131–132, 160
- Seven Spiritual Laws of Success, The*
 (Chopra), 90
- Sharp, Robert M., 145
- Shaw, George Bernard, 106
- Shortfall risk, 103
- Siegel, Jeremy J., 36–37
- SIMPLE IRA's, 108
- Simplicity, in investing, 55–63
 America's Smartest
 Companies[®], 60
 characteristics to look for, 58–60
 strategy, 55–58
 Super 50 Team, 60–63
- Sivananda (Swami), 90
- Skousen, Mark, 149
- Sloan, Laurence H., 153
- Solomon, Ezra, 114
- Speculating, 50
- Standard & Poor's
 components of total nominal
 return, 155
 compounded annual price
 growth rate (CAGR), 146
 on dividends, 154
 percentage gains/losses, 148
 quality rankings, 152–153
Standard & Poor's Fact Sheets, 150
 stock market index, 7, 57, 81,
 115, 124
- Staton Financial Advisors LLC, 15
- Staton Institute[®] Inc., The, 6
- Staton's E-Money Digest*, 67

- Staton, \$ E-Money Digest* (Staton), 128, 148
- Stock funds, 3–4, 81–82
 commissions, 84
 failure to meet benchmark index, 85
 minimum investment in, 85
- Stocks
 advantages of, 4, 26–29, 42–45
 annual compound total return, 50
 blue chip, 59
 buying and holding, 114–121
 buying highest-quality shares, 9–14
 common stock defined, 32
 compound annual returns, 5–8
 dividends, 6–7, 145–157
 explained, 32–34
 Graham on common stocks, 52
 higher payouts equal higher returns, 150–157
 history of, 29–32
 industry diversification, 129–130
 inflation and, 6, 13, 104–105
 profit in, 18–23
 risk and, 11–12, 37–38
 shares, 32–33
 upward trend of, 115
- Stock Trader's Almanac*, 18, 41
 record keeping pages, 19–20
 weekly indicator data, 21–22
- “Study of Real Real Returns, A,” 4
- Successful companies (America's Finest Companies® Directory), 187–229
- Super 50 Team, 60–63
- Tao Jones Averages, The: A Guide to Whole-Brained Investing* (Goodspeed), 76–77
- Taxes
 minimizing, 160–163
 retirement and, 159–163
- Templeton, Sir John Marks, 4, 89
- Thornburg, Garrett, 4
- Thornburg Investment Management®, 4
- Timberland, 104
- Tomkins, Richard, 75
- Trading costs, 80
- Transfer agents, 168
- Travers, William R., 65–66
- Treasury bills, 103
- Trust accounts, 176
- Tversky, Amos, 38–40
- 12b-1 fee, 80
- United States government bonds, 41
- United States securities market history, 29–30
- Value Line Investment Survey, The*, 150
- Value of Believing in Yourself, The: The Story of Louis Pasteur* (Johnson), 182
- Vonnegut, Kurt, 95
- Wallace, Henry C., 73
- Wall Street, 31
- Wall Street Journal*, 34
- Wal-Mart Stores, 10, 134–139
- Walton, Sam, 10
- Walton family, 160
- Ward, Artemus, 25
- Washington Real Estate Investment Trust, 10–11
- Wesco, 141
- Wesley, John, 1
- Wharton School (University of Pennsylvania), 36
- Where Are the Customers' Yachts? Or a Good Hard Look at Wall Street* (Schwed), 66, 85

Williams, Ted, 127–128
Wilson, Jack W., 5
Wisdom for a Richer Life
 (Franklin), 116
Wolff, Patrick, 142

Wood, Arnold S., 68
Wooden, John, 142

Zinbarg, Edward D., 35
Ziv, Amir, 157

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>