

# Contents

- Introduction 1

## Part I – Mindset 1

1. Breaking the Myths	8
• Stocks are risky	8
• Stocks are like gambling	10
• Gold is better than stocks	11
• Real-estate is better than stocks	12
• If stocks are best, why don't people invest?	16
2. Investor and Inflation	17
3. The Game Plan	22
4. Rules to Know	27
5. The Story	52
6. Investing and Trading	65
7. Investing and Speculating	68
• Understanding Risk	69
8. A Common Sense Exercise	76

## Part II – Investing

9. The Beginning	85
10. Individual Stocks	88
• Creating a Watchlist	90
11. Understanding Business: Part 1	92

• Evaluating Competitive Advantage, Moat	98
• Market Leaders	101
• Monopolies	102
• Understanding them Well	108
<b>12. Understanding Business: Part 2</b>	<b>115</b>
• The Time Tested Criteria	117
<b>13. When to Buy</b>	<b>145</b>
• Price & Value	147
• Strategies for Buying	154
• Estimating Intrinsic value	158
• Price to Book Value	160
• Price to Earnings Ratio	162
• PEG Ratio	165
• Dividend Discount Model	167
• IPOs	172
<b>Part III – Mindset 2</b>	
<b>14. Hold</b>	<b>173</b>
• Volatility	178
• Patience	182
<b>15. Designing a Portfolio</b>	<b>184</b>
• How Many?	186
• Portfolio Risk	187
<b>16. Debt Funds?</b>	<b>189</b>
<b>17. When to Sell</b>	<b>198</b>
<b>18. Dividends: Loyal Income for Life</b>	<b>206</b>
• Final Words...	218