



## Books Worth Reading

### SYNOPSIS

- The number of books on investing is truly overwhelming, but there are a few classics and recent publications that stand out as true masterpieces.
- The strategies that were taught decades ago still apply today, and they will most likely work for decades to come.
- Here is a list of books that have been published as far back as the nineteenth century that can help frame the world of investing.



## Books That Matter

An investor recently asked me for a list of recommended books for her son who recently graduated college and wanted to learn the basics of investing so that he could begin planning his financial future.

I found the timing of her request to be rather coincidental because just a few weeks' prior, another investor reached out with the same question, only this time it was a gentleman who recently retired and wanted to become more educated on the stock market.

The number of investing books is truly overwhelming, so I put some thought into those that have shaped my career. Then, I reached out to several colleagues to see which ones played an important role in their own personal development.

After compiling everyone's suggestions, I noticed three interesting commonalities:

1. **Been Around:** Most were published before 1970, and one even dates back to the Nineteenth century. These classics are as important today as they were decades ago.
2. **Fundamentally-Driven:** Not a single recommendation discusses strategies that utilize stock chart analysis and/or market timing. Nor do any of them attempt to teach a reader how to day trade stocks or other assets.
3. **Approachable:** The authors targeted these masterpieces to those without a PhD in finance.

Whether you are a recent college graduate, newly retired, or anywhere in between, the books below are a great way to become more educated in financial markets, economics, finance, and most importantly human behavior.



## *Reminiscences of a Stock Operator*

- **Author:** Edwin Lefevre
- **Summary:** Start here because this classic is probably the most recommended investment book over the last 70+ years. The lessons taught back then still apply to today, and they will continue for decades to come.
- **Purchase:** <https://amzn.com/0471770884>

## *The Most Important Thing*

- **Author:** Howard Marks
- **Summary:** This easy to read masterpiece was critical in shaping the way I think about investing. Mr. Marks is a legend in the investment world, so read his book to learn how to become a “second-level” thinker.
- **Purchase:** <https://amzn.com/0231162847>

## *A Random Walk Down Wall Street*

- **Author:** Burton G. Malkiel
- **Summary:** Probably one of the most famous books on financial markets ever written. While I don’t completely agree that markets are perfectly efficient, this book is a must-read for anyone who wants to learn more about how markets function.
- **Purchase:** <https://amzn.com/0393340740>

## *Extraordinary Popular Delusions and the Madness of Crowds*

- **Author:** Charles Mackay
- **Summary:** First published in 1841, this classic was my first introduction to behavioral finance. What’s interesting is that over all these years, the economic and investment bubbles that continue to surface bear so many similarities to the stories from long ago.
- **Purchase:** <https://amzn.com/B003I84MBO>

## *How The Economic Machine Works*

- **Author:** Ray Dalio
- **Summary:** Mr. Dalio explains how economies operate quite differently than mainstream academia, which is probably why he is regarded as one of the smartest investors of all-time. I am proud to admit that I have read this report more than once.
- **Free Download & Video:** <http://www.economicprinciples.org/>



## *The Intelligent Investor*

- **Author:** Benjamin Graham
- **Summary:** This is the “bible” for value investors. It’s a long one but also the most important book that I have ever read.
- **Purchase:** <https://amzn.com/0060555661>

## *Thinking Fast and Slow*

- **Author:** Daniel Kahneman
- **Summary:** This book took me a few months to finish because I took pages of notes and reread nearly every chapter. I don’t know if there is a better book on behavioral finance.
- **Purchase:** <https://amzn.com/0374533555>

## *The Art of Contrary Thinking*

- **Author:** Humphrey Neil
- **Summary:** The way to make money is to learn how to become comfortable with uncomfortable investments. This book will explain why buying when everyone else is selling is the key to long-term profits.
- **Purchase:** <https://amzn.com/087004110X>

## *The Money Game*

- **Author:** Adam Smith
- **Summary:** Comprehensive book on investing from a witty and entertaining author who explains why all of this is just a game.
- **Purchase:** <https://amzn.com/0394721039>



Sincerely,

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# THOUGHT FOR THE WEEK



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