

# Guide to Stock Picking Strategies Passed Down from Benjamin Graham and Warren Buffett

Benjamin Graham and Warren Buffett are widely regarded as two of the greatest investors of all time. Their stock picking philosophies and strategies have helped them generate incredible wealth over the years. In this guide, we will explore some of the key stock picking strategies passed down from these two investing giants.

## Benjamin Graham's Value Investing Approach

Benjamin Graham was known for his value investing approach. This approach involves buying stocks that are trading below their intrinsic value. Graham believed that stocks that are trading at a discount to their intrinsic value have the potential for long-term growth.



**Value Investing : A guide to stock picking. Strategies passed down from Benjamin Graham, Warren Buffett, Peter Lynch, Carl Icahn, Bill Ackman, and more.**

by Joseph Bottum

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To determine the intrinsic value of a stock, Graham used a variety of factors, including the company's earnings, dividends, and assets. He also looked for companies with strong management teams and sustainable competitive advantages.

### **Key Principles of Graham's Value Investing Approach:**

- Buy stocks that are trading at a discount to their intrinsic value.
- Focus on companies with strong fundamentals, such as earnings, dividends, and assets.
- Look for companies with strong management teams and competitive advantages.

### **Warren Buffett's Value Investing Approach**

Warren Buffett also follows a value investing approach, but he has a slightly different interpretation of it than Graham did. Buffett believes that the intrinsic value of a stock is based on the company's future earning potential.

To determine the future earning potential of a company, Buffett looks for companies with strong competitive advantages, sustainable business models, and a track record of profitability. He also considers the company's management team and corporate culture.

### **Key Principles of Buffett's Value Investing Approach:**

- Buy stocks of companies with strong competitive advantages.

- Focus on companies with sustainable business models and a track record of profitability.
- Consider the company's management team and corporate culture.

## **Key Stock Picking Strategies Passed Down from Graham and Buffett**

Here are some of the key stock picking strategies that Graham and Buffett have passed down to investors:

1. **Invest in companies with strong fundamentals.** This means investing in companies with strong earnings, dividends, and assets. It also means investing in companies with strong management teams and sustainable competitive advantages.
2. **Buy stocks at a discount to their intrinsic value.** This means buying stocks that are trading below their estimated future earning potential. To determine the intrinsic value of a stock, you can use a variety of factors, such as the company's earnings, dividends, assets, and competitive advantages.
3. **Have a long-term investment horizon.** Graham and Buffett both believed in investing for the long term. They believed that the stock market is a volatile place in the short term, but that over the long term, the stock market has a tendency to trend upwards.
4. **Be disciplined.** Investing is not always easy. There will be times when you will be tempted to sell your stocks when the market is going down. However, it is important to stay disciplined and stick to your investment plan.

Benjamin Graham and Warren Buffett are two of the most successful investors of all time. Their stock picking strategies have helped them generate incredible wealth over the years. By following these strategies, you can improve your chances of success as an investor.



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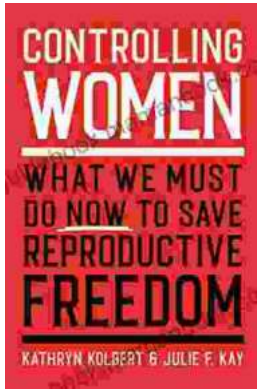
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