

<b>AUTHOR</b>	<b>TITLE</b>	<b>COMMENTS</b>
Danial Goldie & Gordon Murray	<b>The Investment Answer</b>	An excellent book that de-mystifies the investment process and aims to teach people how to manage their money and protect their financial future.
Kevin Bailey	<b>Your Money Guide</b>	Kevin explains why you don't have to predict the future to be a successful investor; how the forces of fear & greed that so often drive us, paradoxically cause us to buy when prices are highest and sell when they are depressed. By following simple principles you can learn the questions to ask, how to manage risk, reduce costs & minimise tax on your investment returns.
Niall Ferguson	<b>The Ascent of Money</b>	The book upon which his Channel 4 series was based. It looks at a whole series of different asset classes and how they work. Interestingly, many of them have ended up in "bubbles" at one time or another.
Fred Harrison	<b>Boom Bust – House prices, banking &amp; the Great Depression of 2010</b>	Written in 2005 it explains why the market would need to crash by 2010. Obviously Fred got it wrong but only by being too optimistic and assuming the bubble would continue until 2010.
Robert Shiller	<b>Irrational Exuberance</b>	The term "irrational exuberance" derives from some words that Alan Greenspan, chairman of the Federal Reserve Board in Washington, used in a black-tie dinner. Immediately after he said this, the stock markets around the world fell sharply. It makes no sense for markets to react all over the world to a question casually thrown out in the middle of a dinner speech.
Peter L Bernstein	<b>Against the gods – the remarkable story of risk</b>	This book tells the story of a group of thinkers whose remarkable vision revealed how to put the future at the service of the present. By showing the world how to understand risk, measure it, and weigh its consequences, they converted risk-taking into one of the prime catalysts that drives modern Western society.
Niall Ferguson	<b>The House of Rothschild – Money's Prophets</b>	How did they do it? That's the recurring question in Niall Ferguson's formidable <i>The House of Rothschild</i> , a history of the legendary European-Jewish banking family.
Rothbard, Richardson & Snyder	<b>The Mystery of Banking</b>	A free downloaded book from the Austrian School of economics ( <a href="http://www.mises.org">www.mises.org</a> ). Bias warning- they believe government interference in the supply and price of money creates booms and busts.
Bruce J Feibel	<b>Investment Performance Measurement</b>	2003 Hardback 350 pages price \$90. Highly recommended. Example spreadsheets, single period, money weighted, time weighted, risk measurement, absolute, downside, assessing skill. Performance attribution and presentation to AIMR and GIPS compliant standards.
Roger C Gibson	<b>Asset Allocation</b>	1996 Hardback 307 pages. A good primer. Good Investment Policy Statement in the appendix.
William Bernstein	<b>The Intelligent Asset Allocator</b>	An interesting character – a neurologist by training – and an interesting book focused on the subject of asset allocation (i.e. the long-term mix of investments in a portfolio that have the best chance of meeting your financial goals). The book provides a good primer on the way in which portfolios can be sensibly constructed, covering how diversification works and some of the uses, challenges and limitations of software that is widely used in the industry to construct portfolios.
William Bernstein	<b>The Four Pillars of Investing</b>	2002 Hardback 297 pages. Follows up his 2001 and designed for clients. <i>The Four Pillars of Investing</i> details the following four areas you must study to have investment success: The theory of investing which discusses the academic research and data that is available; how to use it, and how not to use it. The history of investing which covers market bubbles and market depressions. The psychology of investing, as in why people make

		<p>illogical, erroneous decisions over and over. And the business of investing, which tells you how Wall St works so you know what type of financial people to work with and which ones to stay away from.</p> <p>William Bernstein uses great analogies, humor, practical common sense and rock solid academic data to help you realize that anyone who says they can consistently beat market returns is lying. Four Pillars is a must read for any investor who plans on building a portfolio of financial assets (stocks, bonds, and funds).</p>
Roger Lowenstein	<b>When Genius Failed</b>	2001 Paperback 252 pages. The rise and fall of LTCM and some names you'll recognise!
Andrei Schleifer	<b>Inefficient Markets</b>	
Burton G Malkiel	<b>A Random Walk Down Wall Street</b>	Another classic, which at times irreverent provides an academically strong defence of the randomness of short-term stock prices, where future price movements cannot be determined by recent past movements. The implications are immense: Wall Street, with its analysts, economists, fund managers and traders is an institution based largely on sand. It arms the reader with the insight to challenge those who claim to be able to beat the market.
Gary Belsky & Thomas Gilovich	<b>Why Smart People Make Big Money Mistakes</b>	This book reveals the psychological forces, the patterns of thinking and decision making-behind seemingly irrational behavior. The authors explain why so many otherwise savvy people make foolish financial choices. The book covers numerous psychological barriers to wealth. This is an optimistic book. Optimistic, because it rests on the belief that ordinary individuals can enhance life's enjoyment by understanding and altering the way they deal with their money.
Tim Hale	<b>Smarter Investing</b>	Tim's book provides a very readable and down-to-earth insight into what investing is about, and how to build an investment philosophy to manage wealth effectively. In addition, Smarter Investing is UK oriented, unlike many of the other good investment books, and looks into the different building blocks that will form part of your portfolio, and how they can be put together to create robust portfolios for all investment seasons.
Nassim Nicholas Taleb	<b>Fooled by Randomness</b>	This is a wonderful and thought-provoking book that tackles the hard-wired human tendency to underestimate the role of chance and randomness in life and in the investment markets. Insightful as it is enjoyable, the book explores a wide range of topics including survivorship bias in life (e.g. today's traders are only those who have not been sacked, left the industry after failing to deliver, or failed yet!), and the seeming inability of many investors to believe in the presence of extreme 'black swan' events.
James Surowiecki	<b>The Wisdom of Crowds</b>	
Benjamin Graham	<b>The Intelligent Investor</b>	A true investment classic by one of the great investment advisers of the 20th Century, and a mentor to Warren Buffett, one of the 20th Century's most successful investors. Despite being written in 1950 it is still relevant today. Often described as the father of 'value' investing, Graham sets out the behavioural and business principles that lay the foundations for a rational and successful approach to investing. He is the forbear of many of today's widely accepted investment principles including his 'margin of safety' which makes avoiding losing money a top priority.
Charles Ellis	<b>Winning the Losers Game</b>	A seminal and internationally acclaimed book that has influenced the thinking of a generation of investors; it sets out, in a very readable way, a robust philosophy for investing. It exposes the investment game for what it is – a loser's game, as the title would suggest - unless investors stop trying to beat the markets and, as importantly, take control of their emotions. In his own words: 'benign neglect is, for most investors, the secret of long-term success...the hardest work in investing is not intellectual, it's emotional'.
John C. Bogle	<b>The Little Book of Common Sense Investing</b>	A truly excellent exposé of the passive versus active debate, by one of the industry's titans (he founded Vanguard, one of the leading passive fund management firms with more than \$1 trillion of client assets),

		described by Fortune magazine as one of the four 'Investment Giants' of the 20th century. The conclusions are compelling and backed by sound empirical evidence. Again, this book is highly readable and nontechnical. On trying to pick managers who beat the market his advice is as ever very straightforward 'Don't look for the needle; buy the haystack [i.e. the market]'
Charles MacKay	<b>Extraordinary Popular Delusions and the Madness of Crowds</b>	This book is an extraordinary account of human folly across the ages. Written in the mid 1800s, it captures the 'madness' of crowds as they become fixated on financial schemes, scams and bubbles (e.g. the South Sea Company and Tulip mania) and other 'delusions'. As relevant today as ever, given the creation of investment 'stars' by marketing departments, hedge fund managers claims on skill-based returns, and asset price bubbles such as technology stocks in the late 1990s.
Triumph of the Optimists –	<b>Dimson, Marsh, Staunton</b>	This book is a triumph in terms of its wide analysis (and cleaning of) global investment data. It provides academic comment, which is surprisingly readable, on a number of key investment issues including: capital market history; bond, equity and exchange rate discussion including, risk premia; the value and smaller company effects in global markets; and the prospects for the equity risk premia going forward, concluding that it would seem likely to be lower than in the past. While providing a wealth of data, it does not provide any data series which you can use for you own analysis - A book for those who really want to roll their sleeves up and read about capital markets in depth.
Barclays Equity Gilt Study	<b>Barclays</b>	This annual study is a useful source of UK (and US) investment data, as well as providing thoughtful comment on topical issues. Data series going back to 1900 for UK equities and Gilts and to 1926 for US equities and Treasuries, both before and after inflation, are provided. Index-Linked Gilts and UK Corporate Bond returns histories (for significantly shorter periods) are also provided. This is a useful source of annual data for anyone looking to explore the history of capital market returns, perhaps using a spreadsheet.
Ibbotson Yearbook		The Ibbotson Yearbook provides a similar approach to the Equity Gilt Study above. It also provides long-term data (1926-present) on US Value and Growth and Large and Small Cap equities, as well as data on US Treasuries, Corporate Bonds, and REITs (property shares). Useful for analysis, insight and perspective.
Fred Schwed	<b>Where Are the Customers' Yachts? or A Good Hard Look at Wall Street (A Marketplace Book)</b>	Sixty years old, and as accurate as ever. For everyone who thinks that technical analysis is gospel, for everyone who thinks high mutual fund fees are worth it, for everyone who complains that the "market makers" are manipulating the stock market, and most of all, for anyone who thinks that recent stock market events are unprecedented, you need this book! Schwed skewers classic Wall St archetypes that haven't changed a bit since 1940. It's a fun, funny read, and one we recommend highly, particularly to the Foolish.



Correspondence and registered address: 30 Charlton Road, Weston-s-Mare BS23 4HQ.

Taunton Office: 2 Chartfield House, Castle Street, Taunton TA1 4AS.

Torquay Office: 14 Fleet Street, Torquay, Devon TQ1 1DB

T: 0800 6122 835 E: [info@qedwm.com](mailto:info@qedwm.com) W: [www.qedwm.com](http://www.qedwm.com)