

4 STEP LIST TO INVEST IN VALUE LIKE BUFFETT

- **Look for simple companies:** If you can't explain the business to a 10-year-old kid, then Buffett wouldn't touch it. Buffett's largest holdings have typically been large companies that sell everyday stuff (think Coca-Cola and Wal-Mart).
- **With strong brand image:** What Buffett looks for in stocks are firms which essentially own their customers with a really sticky brand loyalty. Think about people who are crazy about Apple's electronic products. They line up hours in the rain and snow to buy anything new the firm sells.
- **Focus on earnings:** Buffett looks for stable companies that earn a lot of cash. He's not interested in what future potential the firm may have in store (like a growth investor would). He wants to see cold, hard, consistent financial performance out of a firm.
- **Demand good management:** Buffett looks for firms with strong management and there are financial metrics to judge how well a company's management is performing.

NOW YOU TRY

Stock Name:

Ticker Name:

Today's Date:

Why would you consider this company simple?

Why would you say they have a strong brand image?

What are their current earnings? Compare their current to past earnings.

Describe what you've found about their management or the stability of their company.

How much did of their stock did you purchase and at what price per share?