Contents

	Preface to the Fourth Edition, by Warren E. Buffett	ix
	A Note About Benjamin Graham, by Jason Zweig	xi
	Introduction: What This Book Expects to Accomplish	1
	COMMENTARY ON THE INTRODUCTION	12
1.	Investment versus Speculation: Results to Be Expected by the Intelligent Investor	18
	COMMENTARY ON CHAPTER 1	35
2.	The Investor and Inflation	47
	COMMENTARY ON CHAPTER 2	58
3.	A Century of Stock-Market History: The Level of Stock Prices in Early 1972	65
	COMMENTARY ON CHAPTER 3	80
4.	General Portfolio Policy: The Defensive Investor	88
	COMMENTARY ON CHAPTER 4	101
5.	The Defensive Investor and Common Stocks	112
	COMMENTARY ON CHAPTER 5	124
6.	Portfolio Policy for the Enterprising Investor:	
	Negative Approach	133
	COMMENTARY ON CHAPTER 6	145
7.	Portfolio Policy for the Enterprising Investor:	
	The Positive Side	155
	COMMENTARY ON CHAPTER 7	179
8.	The Investor and Market Fluctuations	188
	COMMENTARY ON CHAPTER 8	213

vi Contents

9.	Investing in Investment Funds	226
	COMMENTARY ON CHAPTER 9	242
10.	The Investor and His Advisers	257
	COMMENTARY ON CHAPTER 10	272
11.	Security Analysis for the Lay Investor:	
	General Approach	280
	COMMENTARY ON CHAPTER 11	302
12.	Things to Consider About Per-Share Earnings	310
	COMMENTARY ON CHAPTER 12	322
13.	A Comparison of Four Listed Companies	330
	COMMENTARY ON CHAPTER 13	339
14.	Stock Selection for the Defensive Investor	347
	COMMENTARY ON CHAPTER 14	367
15.	Stock Selection for the Enterprising Investor	376
	COMMENTARY ON CHAPTER 15	396
16.	Convertible Issues and Warrants	403
	COMMENTARY ON CHAPTER 16	418
17.	Four Extremely Instructive Case Histories	422
	COMMENTARY ON CHAPTER 17	438
18.	A Comparison of Eight Pairs of Companies	446
	COMMENTARY ON CHAPTER 18	473
19.	Shareholders and Managements: Dividend Policy	487
	COMMENTARY ON CHAPTER 19	497
20.	"Margin of Safety" as the Central Concept	
	of Investment	512
	COMMENTARY ON CHAPTER 20	525
	Postscript	532
	COMMENTARY ON POSTSCRIPT	535
	Appendixes	
	The Superinvestors of Graham-and-Doddsville	537
	2. Important Rules Concerning Taxability of Investm	
	Income and Security Transactions (in 1972)	561

Contents vii

3.	The Basics of Investment Taxation			
	(Updated as of 2003)	562		
4.	The New Speculation in Common Stocks	563		
5.	A Case History: Aetna Maintenance Co.	575		
6.	Tax Accounting for NVF's Acquisition of			
	Sharon Steel Shares	576		
7.	Technological Companies as Investments	578		
Endno	tes	579		
Acknowledgments from Jason Zweig				
Index				

The text reproduced here is the Fourth Revised Edition, updated by Graham in 1971–1972 and initially published in 1973. Please be advised that the text of Graham's original footnotes (designated in his chapters with superscript numerals) can be found in the Endnotes section beginning on p. 579. The new footnotes that Jason Zweig has introduced appear at the bottom of Graham's pages (and, in the typeface used here, as occasional additions to Graham's endnotes).