

Partridge, Matthew – Superinvestors

Harriman House, 2017, [Equity Investing] Grade ★★ ★

This book is at the same time in a rewarding but ungrateful genre. Learning from the best is always worthwhile and getting to know the secrets of those who have been the most successful in equity markets never fails to interest a wide audience. Still, profiling a collection of famous investors and turning this into a book has been done numerous times before – it is hard to add much to what has been written previously. In *Superinvestors* Matthew Partridge, a UK financial journalist, historian and previous investment bank employee, presents his selection of 20 investors to study. Further, the author takes on the hard task of rating those profiled and name the “best” investor of all times.

The structure of the book is – as expected – fairly simple. After a brief introduction 20 “super investors” are portrayed and the book finishes off with the conclusions the author draws from the many individual fates and fortunes. For each investor the reader is served with a short personal and professional history, a discussion on the investor’s method, his performance and potential mistakes made. Then Partridge seeks to distill some learnings from the above and ends the section with a rating where the investor gets a score from 1 to 5 on performance, longevity, influence and ease of replication for the private investor. Many of the profiled names like George Soros, Warren Buffett, Benjamin Graham and Peter Lynch will be well known to many readers.

Although it’s always arguable who should be included in such an illustrious group I would have made some different choices. Even if it is quaint that Paul Samuelson privately acted at odds with what he preached as the high priest of efficient market theory I don’t think that his profile, nor the one on fellow economist David Ricardo (1772-1823), adds much to the discussion and the venture capital pioneers of George Doriot and Kleiner & Perkins feels a bit misplaced. Further, there is obviously much to learn from Jack Bogle but he is more successful as a businessman and advocate of an idea than a successful stock market investor.

Mats Larsson, August 8, 2017

Who would I want to see instead? Jim Simons, James Chanos and Seth Klarman could in my view be fair alternatives. On the other hand the book benefits from the author’s deep knowledge of UK investors who are less documented in literature and Anthony Bolton’s track record in China will come as a surprise to many – as it did to me.

In my opinion the texts on UK investors Neil Woodford and Nick Train were the most interesting. Also, even though I had heard of Robert Wilson as an early short seller, I knew nothing of him. Overall Partridge, with some minor disagreements, in my view gives a short but fully accurate picture of the investors I had previous knowledge of. The author is clearly well read and even the cover is inspired by Ken Fisher’s 1984 book *Super Stocks*. My only objections are that I think George Soros’ concept of reflexivity is too vaguely described and given its huge influence on the hedge fund community and its closeness to the current concepts of complexity theory and adaptive markets it is a bit harsh to say that the theory has left little mark. Further, to describe what Ed Thorp did as “nothing new, but more systematic” is to diminish a person who long before academics Black and Myron Scholes came up with an option pricing model that allowed rational derivatives trading.

Even though the book is over 200 pages long it is an easy read and it is quite tempting to time after time read “just one more profile”. The conclusions at the end are sound but hardly novel. So who does Partridge rank as the best investor of all times? Those on the short list are Philip Fisher, Buffett, Bogle and Graham (skip Bogle and add Soros and Thorp and I would have agreed). The winner is Graham, much thanks to his huge influence on later day investors. A good choice.

It is never possible to do an investor justice over 6 to 8 pages. However, it is through books like this that many up and coming investors have gotten a glimpse of their role models for the first time.