Intro:
If you want to become intelligent about investing, learn the emotional discipline needed to patiently play the decades-long investing game and understand how some of the wealthiest investors in the world think about money, this is almost a textbook to learn from. Apart from just stocks and bonds, there's a lot to learn about value investing, understanding financial markets, developing practical practices based on your personal risk-profile and the psychology of investing through this book.

The origin story:
Benjamin Graham is the father of value investing. He was an investor, economist, and professor. His investment philosophy was finding undervalued companies based on their fundamental value rather than market price. He believed in careful research, emotional discipline, and long-term investing. His ideas influenced generations of investors, including Warren Buffett, who considers Graham his mentor. This book was a step-up from his earlier book "Security Analysis" which specialised in analysing individual stocks

How it crossed my path:
I got my first full-time job with Schlumberger in 2017. In my mind, I wanted to become the wealthiest person in the world. Warren Buffet was the wealthiest investor in the world and 3rd richest person then, 1st two being Jeff Bezos and Bill Gates. So, I decided to understand how they did it. As I was going through the writings and videos of Warren Buffett, he regularly credited Benjamin Graham as his guru and also mentioned The Intelligent Investor as the "Best book on investing ever written", so I decided to study it and apply it

Feeling the feels:

The preface by Warren Buffet said "To invest successfully over a lifetime does not require a stratospheric IQ.....What's needed is a sound intellectual framework for making decisions and the ability to keep emotions from corroding that framework" With no background in finance, I'd expected this book to be beyond my understanding capacity, but it was a surprisingly intense yet easy read with a lot of basic statistics, numbers and practical examples in every chapter. It may be hard to grasp at first and needs a slow read. A key point that always stayed with me is that investing in stocks shouldn't be thought of as tickers in the market but as owning part of a company. If you owned or bought a company privately, you would care about its value proposition, its team, its financials, its industry and then take a decision to invest. Then, you should be okay never looking at how its market price fluctuates!

Surprisingly, a large part of the book is about what mistakes are commonly made, what pitfalls are faced by investors, funds, experts alike and how to avoid them. You can gain a lot of knowledge on the basic principles and historic patterns in financial markets. A lot of focus is put on the psychology and emotional discipline of investors even as stocks, bonds and markets go up and down due to forces no one can predict. It also has a lot of data backed solid explanations about trading, investing, IPOs, penny stocks, bonds, wealth, on being consistently rich that were quite counterintuitive to what I'd heard all my adult life about markets.

Few excerpts that are counterintuitive to what we've commonly heard all around us by experts and pundits and brokers and funds and advisors from this book:

1.
"What do we mean by "investor" Throughout this book, the term will be used in contradistinction to "speculator". As far back as 1934, in our textbook Security Analysis, we attempted a precise formulation of the difference between the two, as follows: "An intelligent investor is one which, upon thorough analysis promises safety of principal and an adequate return. Operations not meeting these requirements are speculative".....

….In our conservative view every non-professional who operates on margin should recognise that he is *ipso facto* speculating, and it is his broker's duty so to advise him. And everyone who buys a so-called "hot" common-stock issue, or makes a purchase in any way similar thereto, is either speculating or gambling…..

…..Stock trading is not an operation "which, on thorough analysis, offers safety of principal and a satisfactory return".....

…….To enjoy a reasonable chance for continued better than average results, the investor must follow policies which are (1) inherently sound and promising, and (2) not popular on Wall Street

"The most realistic distinction between the investor and the speculator is found in their attitude toward stock-market movements. The speculator's primary interest lies in anticipating and profiting from market fluctuations. The investor's primary interest lies in acquiring and holding suitable securities at suitable prices"

Throughout this book, investors and traders/speculators are clearly differentiated and elaborated. Personally, I was convinced to never get into trading as a result of reading this book. A maxim that I have maintained in my 7 years of investing.

2. "Among the get-rich-quick toxins that poisoned the mind of the investing public in the 1990s, one of the most lethal was the idea that you can build wealth by buying IPOs…At first blush, investing in an IPO sounds like a great idea….

……Finally, most of the high returns on IPOs are captured by members of an exclusive private club - the big investment banks and fund houses that get shares at the initial (or "underwriting"), before the stock begins publicly trading….

Most important, buying IPOs is a bad idea because it flagrantly violates one of Graham's most fundamental rules: No matter how many other people want to buy a stock, you should buy only if the stock is a cheap way to own a desirable business. At the peak price on day 1, investors were valuing VA Linux's shares at a total of $ 12.7 Billion. What was the company's business worth? Less than 5 years old, VA Linux had sold a cumulative total of $ 44 million worth of its software and services- but had lost $ 25 million in the process…The business, then, was losing almost 70 cents on every dollar it took in. VA Linux's cumulative deficit (the amount by which its total expenses had exceeded its income) was $ 30 million.

If VA Linux were a private company owned by the guy who lives next door, and he leaned over the picket fence and asked you how much would you pay to take his struggling little business off his hands, would you answer "Oh, $ 12.7 billion sounds about right to me?" Or would you instead, smile politely, turn back to your barbeque grill and wonder what on earth your neighbor had been smoking?....

…..But when we're in public instead of in private, when valuation suddenly becomes a popularity contest, the price of a stock seems more important than the value of the business it represents…..

…..After going up like a bottle rocket on that first day of trading, VA Linux came down like a buttered brick. By Dec 2002, three years to the day after the stock was at $239.5 VA Linux closed at $1.19 per share….

…More accurately it (IPO) is shorthand for:

It's Probably Overpriced
Imaginary Profits Only
Insiders' Private Opportunity
Idiotic, Preposterous, and Outrageous

It was a drastically different viewpoint than the one I'd heard around me and in the news for years. I'm not surprised that on reading this book, I never invested in any IPO.

3. "When you add up all their handicaps, the wonder is not that so few funds beat the index, but that any do. And yet, some do. What qualities do they have in common?

Their managers are the biggest shareholders:
The conflict of interest between what's best for the fund's managers and what's best for investors is mitigated when the managers are among the biggest owners of the fund's shares
They are cheap:
High returns are temporary, while high fees are nearly as permanent as granite
They dare to be different:
When Peter Lynch ran Fidelity Magellan, he bought whatever seemed cheap to him - regardless of what other fund managers owned. In 1982, his biggest investment was treasury bonds; right after that, he made Chrysler his top holding, even though most experts expected the automotor

to go bankrupt; then in 1986, Lynch put almost 20% of Fidelity-Magellan in foreign stocks like Hinda, Norsk, Hydro, and Volvo

They shut the door

The best funds often close to new investors - permitting only their existing shareholders to buy more…Some companies with an exemplary record of closing their own gates are Longleaf, Numeric, Oakmark, T. Rowe Price, Vanguard and Wasatch.

They don't advertise

The steady little Mairs & Power growth fund didn't even have a website until 2001 and still sells its shares in only 24 states. The Torray fund has never run a retail advertisement since its launch in 1990…

….Most fund buyers look at past performance first, then at the manager's reputation, then at the riskiness of the fund, and finally (if ever) at the fund's expenses. The intelligent investor looks at those same things - but in the opposite order"

These gave me good fundamentals and realisations to apply in my own investment journey, even startup journeys and helped make value for money decisions.

Parting thoughts:

The 3 excerpts are not at all enough to explain the different essences this book offers! Each chapter seems like a day's lecture in a university. I enjoyed this book as it treats investing like a piece of art. Graham even suggests maintaining a fake ledger and practicing researching and investing for a year in a book without actually investing money in the market.

In today's world, with social media, we are surrounded by market experts, financial advisors and more data and opinions than we could possibly comprehend if we didn't know what to look at. So, this book offers a fresh breath of air and it's great that it's tried, tested and then recommended by people who have won the investments and wealth game for decades!