

Measor, Tony – Successful Value Investing In Asia

Wold Scientific Publishing, 2007, [Equity Investing] Grade ★★★★★

As a former stock broker, fund manager, private investor and writer of investment columns, Tony Measor have more than half a century of experience from investing in Asia with apparently highly enviable results. Few would appear more qualified to explain the mysteries of value investing - specifically in Asia. The reader is presented with a text that ties together the story of Measor's upbringing and adult life with the author's ten key investment principles.

The main stage for Measor's life is Hong Kong. London and Singapore are the side stages. I will spend very little time on this first side story apart from saying that life is not always easy and the author seems to be a good guy. The story around Measor's investment principles reveals a classic value investor who also makes a number of references to Warren Buffett and others.

There is plenty of common sense in Measor's methods. He learns the – mainly blue chip – companies fundamentals through reading annual reports and looking at numbers rather than by meeting smooth talking CEOs, he prefers companies with high ROE that also have shown the ability to reinvest those returns wisely and he invests at a time when he deems a stock cheap on dividend yield, p/e-ratio and P/NAV. Into these valuation measures goes not broker estimates but historical actual numbers. By focusing on quality companies Measor argues that the investor have time on his side. Even if, in retrospect, the timing of the purchase was less perfect the ever improving results of the company will bail the investor out over time.

Measor also advice against investing in IPOs, to calculate the bets of each investment, not to use leverage, to analyse your own faults and mistakes to learn from them and to realize the strength of the generalist where the specialist might not see

the woods for all the trees. Perhaps not earth shattering new stuff but unfortunately still underappreciated practices. He also gives a very apt and even beautiful description of how “share portfolio is like a garden. It does need attention and full respect”. You have a multitude of plants that will flower at different times and there is a lot of weeding. The garden is never perfect and there is always work to be done. As Measor – burnt by the experience of how inflation can eat up the value of bonds – seems to be a buy and hold investor with a special inclination for investing in banks I only hope he managed to survive 2008.

This all sounds very fine, doesn't it? Well, it isn't. The book is unstructured, repetitive – even some of the ten principles are variants of the same theme – and not that rewarding to read. Many readers will have read many of these thoughts previously from other authors. My largest objection, however, is that I feel cheated. The title implies a book on value investing in Asia. What you get is thoughts on value investing by a person living in Asia. The reader who wanted to learn what the specifics for Asian value investing are draws a blank.

Measor is very open with his life in a way that breaths a wish to be seen and understood which makes it hard to be critical but I would not recommend Successful Value Investing In Asia. If you want a common sense investment text by a successful investor buy one of the books by Peter Lynch, if you want a general book on value investing why not try Bruce Greenwalds Value investing and if you want a book on value investing in Asia – well, I'm still looking.

This is a book on value investing, not on Asian value investing. But perhaps that's the message I'm not grasping – there is no difference?

Mats Larsson, September 30, 2011