

**Bolton, Anthony - Investing Against The Tide**

Pearson, 2009, *[Equity Investing]* Grade ★★★★★

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Most of us know of several successful US managers, but when it comes to European managers it's much more difficult. The author of this book is one of the most successful European investors, Anthony Bolton, who very successfully managed several Fidelity funds between 1979 and 2007. The foreword of the book is written by Peter Lynch, the American legend, whom which Bolton has worked with and shares a lot of investing principles with. The author's quotes from various friends/legends are all American, like Bill Miller (whose tenure at Leg Mason ended in tears), Jeremy Grantham and Warren Buffet.

The book is divided into three parts. The first part presents 17 principles (in 17 very short chapters) on how to run money. Bolton tells you his views on everything from company meetings to what personal traits a successful money manager should have. This is the best part of the book, where you actually can get the key point of the book by reading just chapters 1, 2, 6, 8, 9 and 12. The second part is more about his reflections from a life of running money and the third and final part is a shortlist on everything you should remember after reading the book.

Anthony Bolton writes very in an easy language and the book can easily be read in a day or during a long flight. Some might think it's too simple and yes, there are a lot of things that others have talked extensively about, but I appreciate most of his comments and I think most will find something that improves his or hers work in this industry. The book is a pleasure to read and Mr Bolton shares his experiences in a light way and has plenty to give.

There are a few chapters that I really like. Chapter 4, on sentiment is one. Here he observes the need to keep an open mind. "Once we buy shares we become less open to the idea

that our decision to buy was wrong. We close our mind to evidence that doesn't confirm our initial thesis" and "investors underestimate the likelihood of rare events happening when they haven't happened recently and overestimates them when they just have."

Chapter 16 is another great part. In just 2 pages he writes what to do when you are not doing well. (I am myself thinking of writing an entire book about this at some point since it's a fascinating topic.) Everyone in this industry, or private investors, will sooner or later have problems (witness Bill Gross and John Paulson's performance in 2011 for example). Just like athletes who are out of form, you need a reset, and your ability to deal with this is critical.

You should not read this book if you have read a lot of investment books and want to learn new things as most of his thoughts have been written extensively by others. In fact you could argue it's just a rehash of a lot of things others have said better. However, you should read this book if you want an easy to read introduction to financial literature, or are curious on how one of Europe's most successful investors did it. The latter reason is good enough for me.

As a final note, after retiring in 2007, Bolton decided to move to China and start a new fund in 2010, Fidelity China Special Situation. He had at this point decided that there were so many opportunities in China that he had to go there. The China fund had a good start, +30%, but then almost halved and he is lagging his benchmark badly. Now, for the first time, he is highly questioned, with limited use of his old track record of taking an investment of 1 pound to 148 pounds in 28 years in his old fund, Fidelity UK Special Situations. I personally hope he turns it around, and writes another book about that specific experience.

Bo Börtemark, February 3, 2012