

Herrmann, Robert L. - Sir John Templeton

Templeton Foundation Press, 2004, [Equity Investing] Grade ★★★★★

When you hear the name “Sir John Templeton”, what is the first thought that shoots into your head? The pioneering global investor? The prayers before investment meetings as a symbol for getting the right mindset to think? The Bahamas? His frugality? The immortal “*Invest at the point of maximum pessimism*”? The Templeton Prize in Religion*? Or something else, even? To me, that says it all. The fact that Templeton (still) means so many things to such a wide array of different people puts him on a higher pedestal than most peers. As you would expect, there have been numerous books written about Sir John Templeton. He has also himself written more than ten books, mostly dealing with spiritual matters.

“*Sir John Templeton – Supporting scientific research for spiritual discoveries*” is arguably the richest when it comes to the person Sir John Templeton. Although it could be argued that it is always hard to separate the man from the investor, in this case it is virtually impossible. Case in point: “*Having spent my early career helping people improve their personal finances, helping them to grow spiritually began to seem so much more important*”. Moving permanently to the Bahamas in the 1960s in order to spend more time on religious matters, this proved to be the start of his most prosperous time as an investor as well. The absolute lion’s share of the 16 per cent annual compounding – about double the market – occurred after the move to Nassau.

Originally published in 1997 under the title “*Sir John Templeton – From Wall Street to Humility Theology*” as the official biography of Sir John, it is authored by Robert L. Herrmann, long-standing friend and co-member on the Templeton Foundation board of trustees. And when it comes to penning down the story of “the barefoot Tennessee boy” via the Rhodes scholarship, Yale, The Templeton Growth Fund and his philanthropic work, there could be none better placed. What really grew on me while reading the book was the extraordinarily amount of effort and funds Templeton spent on trying to answer the big

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questions, “the laws of life”. This was on full display during his tour de monde with a friend upon graduating from Oxford – which set the stage for his early embarkment on global investments – willingly living at the poverty level in order to understand the life of the masses. He has later stated that these seven months were among the most influential and formative of his entire life. Upon returning, he set out on his 80-hour week workload, again bringing to mind the realization that there seems to be no exception to the rule than behind every successful investor lies a (time)-neglected family.

The part about the evolution of his thinking around the principle of “Maximum Pessimism” is a highlight. The aforementioned quote has always fascinated me, as I try to settle the conundrum between the clear optimistic nature among most (all?) investor-greats and their uncanny ability to avoid being caught up in bubbles and frenzies, whereas Mr. Market might be explained as the exact reverse. This part really illuminated the issue in a good way.

Despite these and countless other “behind-the-curtain-observations”, the book is too much of a light-weight when it comes to the subject of covering the anatomy of Templeton as an investor. Dealt with in too few pages – excluding the nuggets in other parts of the book and the “personality factor” – it comes up far too short for a financial book website. Instead, “*Templeton’s Way With Money*” by Alasdair Nairn and Jonathan Davis is perhaps the best choice in explaining Sir John’s investment acumen to aspiring investors. As is his own every-word-matter masterpiece “*16 rules for investment success*”, first published in 1993 in *The Christian Science Monitor Monthly*. You do not have to share Templeton’s soft spot for asset backed value in order to appreciate these 16 pages of wisdom, but you have to believe in being different and putting ethics on top.

Now, let us pray.

*Always irate of the omission of a Nobel Prize for Religious progress, the statutes of The Templeton Prize mandate the money award to always exceed that of a Nobel Prize, currently SEK 10mn.