

Where to Look for Value?

Mechanical Investing

Avoid Value Traps

Needs Wide Diversification

Low P/B

Low P/E

Low EV/EBITDA

Screening

Magic Formula Investing

Market / Institutional Bias

Size Bias

Career Risk

Dislike Spinoffs

Glamour / Market Fancy

Aversion to recent poor performance

Extrapolation

Ethical Bias

Institutional Bias

NOT HERE

Well Discovered themes

High growth

High Margins

High RoC

Market Fancies

★ Fruitful Area's

Small Cap's

Boring Businesses / Boring Industries

Low Institutional Holding

See what respected Investors are buying

Good Biz masked by Bad Biz

★ In Search of Disaster

One time solvable crisis

Should not threaten existence

New Lows List

High Leverage

Low / Negative Growth

★ Out of Favour

Industry wide Overcapacity

Litigation

High Regulation

Excess Competition