Seth Klarman's Recommended Books

I cannot begin any article about Seth Klarman without stating he is one of the best investors ever. Seth Klarman's Baupost Group now manages ~$20 billion, and has averaged returns of nearly 20% annually since their inception in 1983. Warren Buffett named Seth Klarman as one of his three favorite investors.

Since Klarman speaks so rarely every word he says is precious. That is why when Seth Klarman recently gave his book recommendations I took notice.

Klarman himself has written one of the most coveted books on value investing, Margin of Safety. The book is out of print, is one of the most stolen books from libraries, and sells for thousands of dollars online. At the recent CFA Institute Annual Conference, Klarman stated which books he recommends investors read.

Below is the list:

Benjamin Graham's The Intelligent Investor

: This is not surprising, as the Intelligent Investor is literally the bible of value investing

Joel Greenblatt's You Can Be a Stock Market Genius: Uncover the Secret Hiding Places of Stock Market Profits

: Greenblatt's book explains how best to invest such as spin-offs, mergers, risk arbitrage, etc. There are a lot of similarities between Greenblatt's book and Klarman's Margin of Safety.

Martin Whitman's The Aggressive Conservative Investor

: Martin Whitman is one of the greatest thinkers, and Value investors of our time. Whitman is chairman of Third Avenue Funds. The book contains a lot of value concepts, and practical
applications that are vital for a value investor to be familiar with.

James Grant is the author of The Interest Rate Observer. You can add James Grant to the list of people who predicted the housing bubble. Grant was a huge critic of Greenspan's low interest rate policy, which Grant believes caused the bubble. Klarman has recommended any book by James Grant. Below are a list of books authored by Grant:

Mr. Market Miscalculates: The Bubble Years and Beyond

Money of the Mind

Minding Mister Market:: Ten Years on Wall Street with Grant's Interest Rate Observer

John Adams: Party of One

The Trouble With Prosperity: The Loss of Fear, the Rise of Speculation, and the Risk to American Savings

The Trouble With Prosperity: A Contrarian's Tale of Boom, Bust, and Speculation

Bernard M. Baruch: The Adventures of a Wall Street Legend (Trailblazers, Rediscovering the Pioneers of Business)

Klarman has recommended any book by Roger Lowenstein. This list would include:

Buffett: The Making of an American Capitalist

: One of the best books about Warren Buffett.

While America Aged
: A great book about the big, and increasing problems of unfunded pension funds in private companies, and the public sector.

**When Genius Failed: The Rise and Fall of Long-Term Capital Management**

: This bestseller is the tale of the collapse of Long Term Capital Management (LTCM) in 1998. The Hedge fund management team consisted of some of the greatest minds of our time.

**The End of Wall Street**

: Lowenstein's tale of the financial crisis.

**Origins of the Crash: The Great Bubble and Its Undoing**

: Lowenstein's tale of the tech bubble, and the collapse of Enron, and Worldcom.

Klarman recommends any book by Michael Lewis, this list includes:

**Moneyball: The Art of Winning an Unfair Game**

, **Liar's Poker**

, and **The Big Short: Inside the Doomsday Machine**

. All these books were bestsellers when they were released, and are still quite popular many years after their release. **The Big Short: Inside the Doomsday Machine** is Lewis's most recent book which discusses several, obscure individuals who shorted the housing market before its crash.

**Too Big to Fail**

: This phenomenal book by Andrew Ross Sorkin about the financial crisis was the #1 best seller for many weeks in a row.

Also check out - [Jamie Dimon's recommended reading list](#) and Warren Buffett's recommended reading list.