Bruce Greenwald

Bruce Greenwald's Bio is from the Columbia Business School Website

BS, Massachusetts Institute of Technology, 1967; MS, MPA, Princeton, 1969; PhD, Massachusetts Institute of Technology, 1978

Joined CBS in 1991

Professor Bruce C. N. Greenwald holds the Robert Heilbrunn Professorship of Finance and Asset Management at Columbia Business School and is the academic Director of the Heilbrunn Center for Graham & Dodd Investing. Described by The New York Times as "a guru to Wall Street's gurus," Greenwald is an authority on value investing with additional expertise in productivity and the economics of information.

Greenwald has been recognized for his outstanding teaching abilities. He has been the recipient of numerous awards, including the Columbia University Presidential Teaching Award which honors the best of Columbia's teachers for maintaining the University's longstanding reputation for educational excellence. His classes are consistently oversubscribed, with more than 650 students taking his courses every year in subjects such as Value Investing, Economics of Strategic Behavior, Globalization of Markets, and Strategic Management of Media

Bruce Greenwald is the director of research at First Eagle Funds. First Eagle Funds are a family of Value Funds which were started over thirty years ago. The funds have all outperformed their comparative indexes by wide margins since inception.

The First Eagle Funds Describe their investment style as follows:

Conservative:

We seek to consistently generate positive absolute returns over the long-term through our conservative approach to global value investing. We believe that preserving capital is the foundation to growing wealth. We don’t need to win every day; we just need to win over time.

Cautious:
We construct a well diversified portfolio through cautious security selection with an emphasis on risk aversion. Our insistence on a substantial margin of safety, healthy balance sheets and clear business models enables the avoidance of risk and the allowance to generate positive absolute returns over time.

Conviction

We believe we create value through our investment team’s bottom-up, disciplined security analysis, independent of broad market conditions or industry trends. Our allegiance to the fundamentals of intelligent value investing has guided us to avoid detrimental market bubbles over time.

Source: First Eagle Funds

If you want to get a really good sense of Bruce Greenwald's value philosophy it is really hard to describe in a few paragraphs. I would recommend reading his book *Value Investing: From Graham to Buffett and Beyond.*

**Books Authored**

*Value Investing: From Graham to Buffett and Beyond (Wiley Finance)*

*Competition Demystified: A Radically Simplified Approach to Business Strategy*

*The Curse of the Mogul: What's Wrong with the World's Leading Media Companies*

*Globalization: n. the irrational fear that someone in China will take your job*

*Towards a New Paradigm in Monetary Economics (Raffaele Mattioli Lectures)*

**Quotes from Bruce Greenwald**
On Warren Buffett Purchase of BNI

"It's a crazy deal. It's an insane deal. We looked at Burlington Northern at $75 and I'll give you the exact calculation we did. You don’t have a high earnings return. They are paying 18 times earnings, but it's really much worse than that. They report maintenance cap-ex very carefully. They report depreciation and amortization, and they report only about 70% of the maintenance cap-ex. So they are under-depreciating, and their profit numbers are lower than the true profit numbers – and in a bad way, because the tax shield for the depreciation is undergone too. Their profitability is much lower than it looks."

"Buffett’s paying 18-times [at $100/share] and at $75 he was paying 16-times. Our calculation is he was paying 21-times..."

"It looked to us like an oil play. He has a history of making bad oil play decisions. And that was at $75/share, we thought there were better oil plays. At $100/share we think he (Warren Buffett) has lost his mind."

“What you want to do is to have a technology that brings all the available information to bear, so you can cross-correlate the asset values with the earnings-power values, with your judgment about whether there’s a franchise here. That if you're going to buy growth, you're absolutely certain that the franchise is there so the growth is going to be valuable... And then, only then, looking at the growth."

"In the long run, everything is a toaster."

On Value Investing: "You are looking for things that are ugly, cheap, out of fashion, etc. Ugly, traded-down, cheap, boring -- as opposed to glamorous, respectable, lottery-ticket type stocks, and prominent stocks -- are things that you want to be set up to look at as a value investor. So that's the first part of it. That's the search strategy. You have to have confidence in your valuation. And you have to have the discipline to stick with it, that if this is a good stock and nothing has changed about the underlying value of the company, then if it's a good stock at 8, then it's a better stock at 4, rather than people who will see a stock go from 8 to 4 and say, "Oh crap, something's going on here that I don't know about." Value investing consists of three things -- three things that you have to do to be a good value investor. To some extent, they are all rooted in the way Ben Graham approached things. The first thing is you have to understand the extent to which markets are efficient. It's just inescapable that whenever you sell a stock, somebody else is buying it; and whenever you buy a stock, somebody else is selling it. And one of you is wrong. Only in Lake Wobegon can more than 50% of the investors outperform the market. So there's an absolutely fundamental sense in which you've got to start off thinking that markets are efficient. You want to structure things so that you're on the right side of the trade, that the people on the other side of the trade are, in some sense, doing irrational things... The second thing you have to have is a good technology for valuing what you're buying... And the third thing you have to have is discipline and patience."

Articles about Bruce Greenwald
2010

There Are Few Women On Wall Street Because Women Are Timid And Suck At Networking

2009

Bruce Greenwald Calls Buffett's Purchase of BNI "Insane" Bruce Greenwald on Structural Problems

2008

Bruce Greenwald on Value Investing

Value investing is the new mantra

Passions Run High on Indexing

Is Japan's 'lost decade' a window to the future?

There's a bubble in making that may cause markets to crash The Paradox of Biotechnology

2007

Anticipation for Blackstone IPO saturates Street

Not Necessarily Toast First Eagle Fund Loses Four Execs

The Simplest Way to Beat 98% of Wall Street

Manufacturers keeping production at home

2006

StreetTalk With Bob Lenzner

Value into growth does go

Competitive strategy with a twist

2005

The Heresy That Made Them Rich

How The Mighty Fall
OFF THE SHELF: A Simpler Way to Beat the Competition

2004

Aging media giants' glamour fades

Value Investing 101

Identifying Franchises Bruce Greenwald Interview

Bruce Greenwald vs. Buffett on Efficient Markets

To Hold Cash or Not

The Art of Shorting

The One Investor to Bet On

2001

"Value" Investors: Pity Them No Longer

Videos of Bruce Greenwald

"Helping Infant Economies Grow" Bruce Greenwald and Joseph Stiglitz from Committee on Global Thought on Vimeo.

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