“Deep value means I always start off with the balance sheet; that is the only thing that interests me. Lots of people try to argue that a stock is deep value when it has a low P/E or it has a high yield; that I don’t think is really value investing; that is something different. I really always start off with the balance sheet, and if that shows me it’s cheap, then I’m immediately interested. I’ve always worked on that basis.” -- Jeroen Bos

Jeroen Bos: Background & bio

Jeroen Bos has more than twenty years of investment experience and is one of the premier deep value investors in Europe. He worked as an early scout for Peter Cundill in the London market.

Jeroen Bos has lived in England since 1978. He has a diploma in Economics from Sussex University and has worked his entire career in the financial services industry, mainly in the City of London. He worked for many years at Panmure Gordon & Co, the stockbroker, and it was here that his interest in value investing developed. This process accelerated after the October 1987 stock market crash, during which time he took inspiration from The Intelligent Investor by Benjamin Graham.

At the end of 2003 Jeroen joined Church House Investment Management to manage CH Deep Value (Bahamas), which in March 2012 became the CH Deep Value Investments Fund.

Jeroen Bos: Investment philosophy

Jeroen Bos is a strict value investor. He follows the principles laid out by Benjamin Graham and focuses on the balance sheet rather than earnings power.
Jeroen Bos: Books

Deep Value Investing: Finding bargain shares with big potential by Jeroen Bos

Value investing is more art than science, and there are a number of important books that describe the principles underpinning the art. This year alone, at least 3 such books have been published. In contrast, there are relatively few detailed and recent case studies on value investments.

Deep Value Investing by Jeroen Bos fills the gap. It deals with a particular species of the value school. Target investments typically trade below the value of their current assets less all liabilities (so-called “net-nets” à la Ben Graham). No wonder these stocks are ugly, unloved, under-researched, … and hence exciting!

Jeroen Bos: Quotes

“Deep value means I always start off with the balance sheet; that is the only thing that interests me. Lots of people try to argue that a stock is deep value when it has a low P/E or it has a high yield; that I don’t think is really value investing; that is something different. I really always start off with the balance sheet, and if that shows me it’s cheap, then I’m immediately interested. I’ve always worked on that basis.”

“I look very much at companies that hit new lows on a 52-week basis, sectors that look very badly, because that is obviously where you’ll find them. It is generally where there’s bad news, where there has been a regulatory change…that is where you find them.”

“What I love are companies that are pretty simple, that have been around for a long time, and just are either called out by cyclicity or whatever is company-specific, and to see if they’ve been capable of actually generating money. Then it becomes a judgment: Are they ever able to get back to the level that they previously were?”

“I have had stocks for five years; I have had stocks for three months…As long as the balance
sheet doesn’t deteriorate, where my margin of safety continues to exist, I’ll stick with them. Obviously, I hope that management is working on shareholders’ behalf in rectifying the position, but I have patience for them.”

Jeroen Bos: Articles

Value Investing: Prepare for the deep dive with Jeroen Bos
‘Deep Value Investing’ Author Jeroen Bos Is Searching For Cheap Stocks Before They Skyrocket
Deep Value Investing: Learning from Peter Cundill Protégé Jeroen Bos
Why Church House Investments’ Jeroen Bos has cut cash to zero
Review: Deep Value Investing by Jeroen Bos – ValueWalk
Lessons From Peter Cundill’s Protege Jeroen Bos: Looking For Deep Value In London

Jeroen Bos: Videos

Jeroen Bos European Investing Summit 2014