
Price was hired by Max Heine of Mutual Series mutual funds right after Price graduated from college as a $200 per week research assistant. He worked for the company until the death of Heine in 1988, after which he took over the control of the fund and earned a return of 20 percent in that year. He later sold off the fund in 1996 to Franklin Resources for $670 million as he felt incapable of successfully investing the large amount of money which was under his management. Despite selling the fund, Price continued working there till 1998, after which he became the Chairman of the Mutual Series fund.

Price, the world's 271st richest person, is the President and Managing Partner at MFP Investors, LLC, which he started in 1991. He is also the Director at Liquinet Holdings. Price has been a prominent figure in the world of finance and has a lot of associations with some of the most eminent organizations; he is an active board member of The Albert Einstein College of Medicine, University of Oklahoma Foundation, Jazz at Lincoln Center, and Johns Hopkins.

Price is an active humanitarian who currently holds the position as the President of his foundation called The Price Family Foundation, which offers grants to individuals and households going through financial hardships. He established the Michael F. Price Center which is a 224,000-square-foot building for the Department of Genetic and Translational Medicine at The Albert Einstein College of Medicine, which aims to promote research towards the development of innovative treatment of various diseases.

It should also be noted that legendary investor Seth Klarman, credits Price as being one of his main mentors.

Michael Price INVESTMENT PHILOSOPHY
Much of Price’s investment philosophy is based on the teaching of Max Heine. Price started working for Heine at his Mutual Series mutual fund right after graduation and attributes his outlook to that of his mentor. The common investment philosophy could be the reason why Price was so successful at taking over Mutual Series fund after Heine’s death in 1988.

Heine was an opportunistic investor with a value-based approach towards investing. He realized the prospect for profits in firms which are in special situations like bankruptcy or re-structuring. One-third of his stocks were made up of stocks of companies with special situations while the remaining two-thirds were value stocks. As Price worked for and later managed Heine’s fund, it can be irrefutably said that his expertise is in the field of value investment and opportunistic investment and that is his area of competence.

Price takes on an inquisitive approach when looking at the companies to invest in. What he considers is how much the company would possibly be valued and bought by some investor of another party. He takes into consideration the intrinsic value of the company’s stock by adopting conventional metric like price over book value and price over cash flow.

Price extensively studied mergers and acquisitions to further research the buying patterns or interest of other investors. Despite being aware of the fact that not all firms are similar and each has its unique financial and managerial structure which determines growth and profitability of the company, Price observes the investing style of various firms and individuals and buys similar but undervalued stocks of the company.

For example, Price would consider purchasing a stock which is trading at 5x EBIDTA if he observes that a very similar company was bought for 10x EBITDA. He also carefully learns about the management of the company and determines whether they act on behalf of the interest of the shareholders without putting their personal motives first. Price further stresses the importance of determining the value of each segment of the company as separate entities. In short, Price evaluates a company by how much it would be worth if someone wanted to buy it today.

Regardless of how other investors are using the market-cap weighing index and most do not prefer investing in companies which are in trouble, Price with his firm belief in his investment philosophy, sticks with it in good and in bad times. In accordance to his investment philosophy, Michael Price buys stocks of companies which are in trouble and selling their shares 30 percent to 40 percent below their estimated intrinsic value.

The opportunity that lies in these companies which are selling its assets at a price lower than their actual value is that the investor can purchase large amounts of company shares at a low price before the company takes actions for re-structuring. Price also does some distress investing, but he is careful to invest in companies which has a management that act for the best interest of the shareholders and are able to lead the company after re-structuring.

Once last interesting thing that Price does with his portfolio is how he allocates his money. Price does not like holding onto a lot of cash because when the market rises, it is a big drag. On the other hand, it is necessary to have some cash for future purchases and to protect investors.
against market declines. Similar to Heine, Price has two-thirds of his portfolio in value stocks, and keeps one-third in special situations like arbitrage, distressed securities and some cash. Using this methodology, even when the market declines; Price's portfolio has been able to outperform since special situations tend to have less correlation to the overall stock market.

For a really good and detailed discussion of Price's investment strategy, I highly recommend reading *Value Investing: From Graham to Buffett and Beyond* by Bruce Greenwald. Greenwald devotes an entire chapter in the back of the book to Michael Price's strategy. The book itself is also a phenomenal read.

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**Michael Price CURRENT PORTFOLIO**

[Click here](#) for the current portfolio of Michael Price, and [here](#) for his latest transactions.

**Michael Price QUOTES**

“The worst mistake investors make is taking their profits too soon, and their losses too long.”

“We know it’s easy to get swept away in a growth market. But I've been in this business more than 25 years and I've watched investors figure out a way to justify incredible multiples, only to see valuations collapse back to the underlying worth of the company. We are value investors, and at these prices, we aren't going to buy names like Microsoft.”

“Whether they're jukebox musicals – I hate the term – or new and hip, you gotta pick songs that support the story. If you don't feel for the characters, if you're not worrying about what is going to happen, you're going to fail.”

**Michael Price BOOKS**

*Value Investing: From Graham to Buffett and Beyond* As mentioned above the book devotes a chapter to Michael Price's value strategies, along with detailed descriptions of some securities which he purchased in the past.

**Michael Price INTERVIEW**

*Graham & Doddsville - Spring 2011 Newsletter (Interview with Michael F. Price)*

**Michael Price NEWS**

Latest news:
2010:

Evermore Global Advisors Launches Two Mutual Funds: Evermore Global Value Fund And Evermore European Value Fund

2009:

Michael Price Buys Bank of America in Equity Sale

Will Hedge Stars Strike Out Again? - Barrons.com

2008:

Price Says He's Shorting Citi, Wachovia

2007:

Michael Price Buys Sallie Mae Stock on Estimate Cut

Dow Jones May Cost $100 a Share, MFP's Price Says

2006:

Some Mutual Funds Are Joining the Activist Bandwagon

2005:

Top manager exits Mutual Series funds FundWatch - MarketWatch

2004:

Spitzer, others fault mutual fund moves, (Limited View)

2001:

Investing; Caution is the Watchword as the Markets Gyrate

BULLETIN BOARD: Fund-Raisers Ignore Market Swings

1999:

INVESTING: DIARY: A Century's Top 10 List

THE MARKETS: Market Place; Successors to Michael Price Apply Pressure, Too

MUTUAL FUNDS REPORT: Trying to Make Hay Until the Sun Shines Again
1998:

Funds Watch; Goodbye, Mr. Price. Hello, Higher Fees.

The Markets: Market Place; The Pivotal Departure of a Value Investor

Investing; New Mutual Series Lineup Imparting Less Mutuality

International Business; Bondholders of Failed Barings Reject Deal to Recover Losses

1997:

Do Sales Multiply After a Split?

Pressure Rises as 2 Investors Buy Big Stakes in Dow Jones

Will the Dominoes Fall?

1996:

The Best Mutual Funds

Skirting Fees in a Takeover

Heads or Tails, a Star Investor Will Fill His Pockets

Fund Manager Has a Three-Step Strategy for Success (Limited View)

Mutual Series Funds Still Seeking a Buyer (Limited View)

1995:

Chase Investor Shows Impressive Record

Some Mutual Funds Found a Winner in Big Banking Merger

Market Place: TV assets help Belo shine in dull times for newspaper stocks.

Time to Break Up the Banking Behemoths?: Chase Manhattan Confronts Criticism That Its Reach Exceeds Its Grasp

Michael Price Videos

Michael Price Says Goldman Sachs Is ‘Great’ Value Stock
Michael Price Interviewed by Charlie Rose in 1996

More videos are embedded below: