

In his recent book, Richard Oldfield reviews the various ways he has lost money in the financial markets.

Even though the book's true audience is amateur investors, professional money managers are still likely to find many pearls of wisdom.

Overall, we find the book to be a thoroughly enjoyable read, and we highly recommend it.

Simple But Not Easy - By Richard Oldfield

Common knowledge states that a smart person learns from his mistakes. Of course, a very smart person learns from other people's mistakes. This may be why Richard Oldfield starts off his very enjoyable book, "[*Simple, But Not Easy*](#)", enumerating the different ways he has lost money in the financial markets. Richard obviously hopes to prevent his reader from falling into the same pot holes that he encountered. But at the same time, by starting his book with an enumeration of his various mistakes, Richard also:

- ♦ Creates an immediate bond with his reader who will likely respond with thoughts along the lines of "yep. I've done that" or "that reminds me of the time I bought X".
- ♦ Establishes his immediate credibility as a money manager. Indeed, if nothing else, managing money teaches one humility and, as Richard points out towards the end of his book, investors who consistently talk up their gains are rarely the most successful over the long-term.

Having established both his credibility and a bond with the reader by the end of the first chapter, Richard can then proceed to the task at hand, namely share the rules he picked up in over thirty years of investing, first as a fund manager for Warburg and Mercury, then as the CIO of a London-based family office (which became a GaveKal client when Richard moved there, and still is today) and finally as the general partner of his own firm, Oldfield Partners (also a GaveKal client).

Over the years, Richard has obviously amassed a treasure trove of interesting quotes and surprising facts that he brings out to further a point, or simply make the book a lighter read. Indeed, books on financial markets and "how to invest without losing your shirt" can rapidly become tedious or preachy. [*Simple but Not Easy*](#) avoids this fate. Instead, the book is a highly entertaining read for anyone; even seasoned investment professionals will find nuggets of wisdom to ponder.

Beyond seasoned investors, the books' true audience is probably amateur investors and people who want to learn more about finance. Indeed, the chapters on the "types of investments"—or "hedge funds" or the "importance of fees" or "the importance of valuations"—will most likely offer the average GaveKal reader facts which, over the years, should have already been acquired. Still, even in materials which by this point should have been accumulated, we found pearls of knowledge that we had previously overlooked.

The book's subtitle, [*An Autobiographical and Biased Book About Investing*](#) perfectly announces the tone. Readers of [*Simple but Not Easy*](#) get to walk through Richard's interesting career, meet the interesting characters that populate the world of money management, and learn the rules that have served Richard well.

These rules are very much that of a "value investor". Richard shows that he has no problems buying more of a stock, or a market that has fallen a lot. He also thrives on investing in sectors or countries about which investors have forgotten. He remains wary of crowds as, inevitably, the excess of capital has to lead, down the road, to lower returns on capital. One idea which permeates the book is that capital tends to only be rewarded when it is scarce....

In a sense, maybe this is the "simple" part of investing. The "not easy" part comes in distinguishing whether capital is scarce because the prospects for a given company, industry or country stink; or because the market has simply overlooked a great opportunity.

One thing any investor will not want to overlook is purchasing this book and reading it. The book is a very enjoyable, light read and can easily be digested over a couple of long flights. In that sense, Richard has done a great job of packing a lot of interesting information into a fairly small amount of space. For trying to do the same thing all day every day, I know very well that such an endeavor is neither simple, nor easy!