

Motley Fool Makes Investing Fun Again

## Pranks a Million

by Angele McQuade

The world of investing has definitely changed in the 13 years since David and Tom Gardner published their first book, *The Motley Fool Investment Guide*. OK, so maybe some days it seems as if the stock market is headed right back down to 1996 levels, but things really are different.

Just look at the Internet, which many investors were only starting to explore back then. A dozen years later, it has become an absolutely essential research tool for most of us.

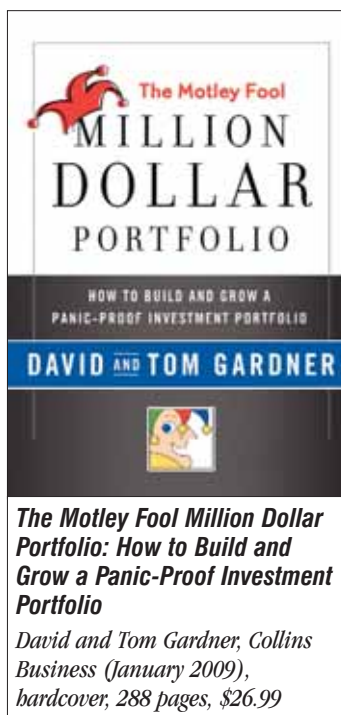
David and Tom were among the first to capitalize on this vast source of investment information with the launch of their online bulletin board in 1994 (their own independent site went live in 1997) as well as a series of best-selling books. The brothers' trademark style — serious investment education delivered with a generous dollop of fun — attracted information-hungry investors eager to build an active online community alongside them.

Their Fool empire has grown to include a variety of investment services available by subscription. Among them is the experimental Million Dollar Portfolio, which allows members to watch Tom invest \$1 million of the Motley Fool's own money in real time. Although the portfolio service is currently closed to new members, the brothers' latest book offers us a look into how it works while outlining strategies we can use to build similar portfolios.

The first step: "It is through the habit of continual saving, the discipline of regular investment, the deployment of fifth-grade mathematics, the use of a collection of superior investment strategies and the power of your imagination," the authors assure us, "that you will meet with enduring success." David and Tom also challenge investors who want to build their own million-dollar portfolio: Buy at least 12 stocks and hold them for a year or more.

Readers expecting a single targeted investment strategy will instead find a combination of what the Gardners consider their "very best strategies across all stock-picking disciplines." These are featured in chapters devoted to selecting your very first stock, dividend-paying stocks, blue chips, small-caps and rule breakers (the authors describe these as companies that "challenge the conventional wisdom and change the way we live"), among others.

*Million Dollar Portfolio* also offers very topical advice. Because publishers only rarely send changes to the advance



copies of books I'm considering for this column, a relative deluge of revisions and updates coming my way — including one for this book — tells me authors are struggling to play catch-up with today's market gyrations and economic changes right along with everyone else.

The Gardners expanded their preface and even changed the book's subtitle to reflect a greater focus on security. Those alterations provide fearful readers with a cogent summary of what went wrong and how to avoid future trouble, but they don't change the book's message: Live within your means, and when selecting investments, watch out for excessive leverage, low market volatility and bubbles. Oh, and one more bit of Fool-inspired wisdom: "Stay far away from companies that are lining up for their piece of the government's bailout package."

Another trend in the investment books hitting my desk is that more and more of them refer readers to some sort

of subscription or fee-based service for further details.

I'm starting to wonder whether I should add a permanent disclaimer that my review applies only to the book mentioned and not to any affiliated websites or services. These ancillary products may likely bring in more profit than the books themselves, but it's still tough not to get a bit cynical about this increasing transformation of books into thinly disguised promotional tools published mostly to drive traffic to other products.

Although the Motley Fool has more than enough good will built up to counter this perception, be aware that you'll find mild recommendations for various fee-based services throughout *Million Dollar Portfolio*. If this sort of cross-promotion (gentle as it may be here) bothers your sensibilities, consider yourself warned.

So what hasn't changed with the Motley Fool? Most important, the Gardners' insistence on a lighthearted approach to serious information. *Million Dollar Portfolio* emphasizes their belief that individual investors can build a profitable portfolio just as well as the professionals can (and probably even better).

If you've read any previous Motley Fool books, you'll recognize a familiar — and effective — reliance on personal stories as teaching tools. Even if you don't agree with every idea in the book, you'll find them easy to understand, if not apply. **B**