

## How to Be A Growth Investor

By Valerie F. Malter and Stewart P. Kaye  
McGraw-Hill, 1999  
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This book, part of the McGraw-Hill "Mastering The Market Series," is especially well written and informative. In a concise, no-nonsense 180 pages, the authors explain in plain English what it takes to build wealth through proper investing. The title to the first chapter, "Why Investing in Stocks That Deliver High Earnings Growth Can Help Create Wealth," is a really a theme for the entire book.

As a fan of checklists and user-friendly graphics, I was happy to see that the authors use these extensively.

In a chapter entitled the "Malter Way," the authors issue a 13-point checklist on buying growth companies at reasonable prices. Their advice is so close to NAIC principles that I almost thought I was reading a book published by NAIC. Example: "In summary, we believe investors will be most rewarded over time by buying growth stocks with good long-term fundamental prospects, which include:

Stable or growing market share

High unit volume

An expertise in controlling costs

Great management

The ability to deliver consistent and sustainable earnings growth....."

Another chapter title is "Don't Cut Your Flowers and Water Your Weeds." They advise readers to let their winners run and sell the losers, although they acknowledge that many investors do just the opposite. They give real-world, market examples of why their advice is true and summarize by saying ".....price appreciation, in and of itself, is not sufficient reason to sell a stock. Those companies with good fundamentals can continue to be good stock market performers over extended periods of time. Companies with poor fundamentals are likely to be poor performers over time."

I recommend this as a "must-read" for any serious growth investor.

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-Roger S. Cannon  
Director  
Florida Space Coast Chapter