

# Great Investors.

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The world of investing contains countless individuals but few people of distinction and influence. The wisdom they have gathered throughout their lives can help anyone become a great investor.

While the path to success always has its challenges, many have to face trials needlessly put in front of them. Fortunately for investors, Geraldine Weiss is one to meet her problems head on. Her career has proven that the only thing that matters is what's being said, not who's saying it.

Geraldine Weiss was born "Geraldine Schmulowitz" in San Francisco in 1926. After meeting anti-Semitism throughout school, her father decided to change the family name to "Small" while Weiss was still in high school. Following the change, Weiss found she was more accepted by her classmates. Early on, she learned that something as superficial as a name can make all the difference in the world.

Weiss, whose father was a realtor, had grown up with a strong interest in business. After finishing high school, she pursued a degree in business and finance at the University of California, Berkeley, graduating in 1945. She then met and married her husband, a naval officer, and began a family. Her young children and her husband's frequent base reassignments kept her very busy during her 20s and 30s.

## Geraldine Weiss

**Born:** March 16, 1926

**Investing Style:** Dividend Focus

**Company:** Investment Quality Trends

**Best Investment:** Blue Chip Stocks

Weiss' *Investment Quality Trends* became the first investment newsletter to be successfully published by a woman.

Because of initial rejection, Weiss used the name "G. Weiss" for more than 10 years before revealing she was a woman.

In 1962, she began to try her hand at investing and had some early success. Weiss started to read prolific amounts of investing literature and took some courses in economics. After a few years, she began visiting brokerages, trying to find work as a broker or an analyst. Every company dismissed her request. No business believed she could be a successful broker, but they readily offered to hire her as a secretary.

Weiss had a goal and was not about to settle. She was 40 years old and eager to work in investing. She collaborated with her broker, Fred Whitmore, and together they started the newsletter *Investment Quality Trends* in 1966. Though they sent out identical newsletters, each signed their name to half the copies. Those signed "Fred Whitmore" got responses, those signed "Geraldine Weiss" did not. It seemed that investors, like brokers,

did not believe a woman could invest successfully.

Confident she could make the newsletter a success on her own, Weiss bought Whitmore out a year later. She then began signing her newsletters "G. Weiss." Within a couple years, she had a loyal readership making tidy profits off her advice.

Weiss continued to study the market and improve her newsletter. Her analysis of blue chip stocks was excellent, saving her readers the tiresome work of security analysis. Weiss was all about safe companies with good dividends; though she never made investments that returned huge profits, her style brought consistent success.

It was not until she began appearing on the talk show *Wall Street Week* in 1977 that "G. Weiss" revealed herself



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to be a woman. By the time it happened, Weiss was unconcerned about the response. She had only disguised her name to get the chance that no one would give her. She knew her advice was good, and her readers knew it too.

Weiss's profile continued to rise through the '80s, earning the nickname "the Grande Dame of Dividends." She began appearing more regularly on talk shows, in magazines and at investor conferences. She also co-authored two books on investing, *Dividends Don't Lie* and *The Dividend Connection*. In 2002, after 36 years of analysis and writing, Weiss passed *Investment Quality Trends* over to Kelley Wright.

## Weiss on Investing

*"[Paying dividends] is perhaps the most sacred of all corporate financial components, and the measure of value we hold in the highest regard."*

At the core of Weiss' philosophy was simplicity and value. In the days before instant online analysis, Weiss hunted down and uncovered the best blue chip stocks that promised great dividends for their prices. To Weiss, dividends were the ultimate driver of shareholding. Dividends were what connected stocks to corporate profits.

*"A clever accountant can make earnings appear good or not so good, depending on the season or the objective. There can be no subterfuge about a cash dividend. It is either paid or it is not paid."*

But just because Weiss was interested in dividends, it didn't mean she ignored share price. She was a student of Ben Graham's books and had learned to look for value. Weiss had noticed that most blue chip companies with consistent dividends were market fixtures. When the market got ahold of something new and trendy, interest in "boring" blue chips waned

and their prices dropped. As soon as a stock's price-to-dividend ratio was low enough, Weiss advised her readers to snap it up. When the price went back up, Weiss' readers could sell their shares for profit and top off their dividend earnings.

*"Never is there a better time to buy a stock than when a basically sound company, for whatever reason, temporarily falls out of favor with the investment community."*

To help her know the optimal times to buy and sell, Weiss created charts of the historical price-to-dividend ratios for as many blue chip stocks as she could. She tracked their average ratio values as well as their historical highs and lows. She found that many of the stocks kept fairly consistent ratios, behaving much as they had in the past. When one moved away from its average, Weiss could easily check to see how far it had fluctuated in the past and what price she might expect to see this time.

*"Successful investing in the stock market is not brain surgery. Anyone can be a successful investor."*

Weiss was a focused investor and had no desire to distract herself with researching every stock available. It was better for her to know a fraction of the market well than know a bit about everything. Weiss did not want her readers to be distracted either; she recommended they keep only 10-20 stocks. To help, *Investment Quality Trends* regularly reported her "Lucky 13," the blue chip stocks with the best current price value.

*"When bad things happen to good companies, it must be viewed as a buying opportunity rather than a bailout".*

Because her approach used blue chip stocks, Weiss' returns were never the spectacular payouts seen by other

famous investors. However, the annualized return of Investment Quality Trend's "Lucky 13" has typically been around 12 percent for the past 25 years—a solid return for investors who had to do little more than listen to what Weiss had to say.

*"Dividends don't lie."*



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