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## Value Investing in Modern Times

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**Abstract:** The goal of this study is to examine the relevance of the value investing strategy in today's dynamic market environment. The study provides the most valuable information about the value investing strategy, its assumptions, benefits, drawbacks, and results of the suggested strategy that is based primarily on Benjamin Graham's approach to financial markets. The research is conducted by backtesting on, in total, a 5-year sample using a platform GuruFocus. The assumptions of the research are based on a literature review in the field of finance, usage of historical data, and calculation of the return rate from various variations of the strategy, as well as the computation of indicators such as Upside Potential Ratio, Downside Risk, and Omega. The work demonstrates that the value investing strategy remains a viable investment approach in today's market. The findings suggest that focusing on the financial fundamentals of companies and picking stocks, which are in accordance to conducted analysis undervalued, can still yield satisfactory investment results compared to the S&P500 main index. Investors should still consider using this somewhat old strategy, but they must be aware of the challenges and risks associated with investing.

**Key words:** value investing, value investing principles, strategy verification, investment analysis, Benjamin Graham strategy

## 1. Introduction

Since the time that money was invented by Phoenician traders, it has been essential for the development and enlargement of mankind. Since then, money has served several crucial functions in society like medium of exchange, unit of account, store of value and so on. Currency is also vital from an investment perspective because it provides the means to allocate resources efficiently, manages risk, and pursues financial goals such as wealth accumulation, income generation, and retirement planning. Hence, the idea of investment refers to the allocation of resources with the expectation of generating income or profit in the future. When individuals or entities invest, they commit their funds to assets or projects that have the potential to appreciate, generate income, or both. To be a successful investor, you need to combine two major factors like profound knowledge and luck (Graham & Dodd, 2008, p. 125, 427).

Since the establishment of the first official stock exchange in 1602 in Amsterdam, investors have contemplated the best way of increasing their portfolios value. From myriads of discussions a variety of ideas have arisen, ideas, not only to create value in portfolios, but also to minimize the risk associated with the act of fund allocation. One idea that became particularly popular is value investing, which involves analysis of company's financials, its surroundings and active picking of stocks, which are believed to be underpriced relative to their intrinsic value.

When it comes to diminishing risk, diversification is commonly used. It is based on purchasing shares of companies operating in different sectors – if one sector is underperforming, the portfolio should not be heavily affected, due to only a small part of it being in the discussed sector. Diversification is also often performed through investing in divergent assets, such as futures, options, ETF's etc.

In the world of value investing, few individuals truly stand out, and one of them is Benjamin Graham. A pioneer of value investing and a renowned figure in the investment world, Graham gained recognition for his influential books on the subject and for his mentorship of Warren Buffett. His groundbreaking approach to the stock market revolutionized active investing, shaping its landscape for the next 80 years.

In the article, the authors will discuss only the stock type investment, they do not focus on other assets of one's portfolio. It is because when you look at the results for the stock's biggest indices, they give one of the best annual returns compared to other assets. The authors assume that since stocks historically provide the highest rate of return (Damodaran, 2024), they will likely continue to do so in the future. By basing an investment strategy on the most profitable assets, one can achieve the best results.

In this paper the authors verify an investment strategy based on Benjamin Graham's approach from 80 years ago. Initially, they introduce basic assumptions presented by Graham, test the strategy following the mentioned assumptions over

a 2.5 year period and come up with adjusted assumptions created upon testing of this strategy, and observations made during the testing period. Next, the authors test strategies based on adjusted assumptions over a subsequent 2.5 years and present obtained results. The whole operation will take into consideration the years between 2018 and 2023. Lastly, the authors compare the strategy's results to the S&P500 index and conclude the examination. The goals of the research are to verify whether the Graham's approach is still valid, if active investing is worth trying for an individual investor (including time-consuming factor), and can the strategy be even more efficient after proposed modifications.

## **2. What is “Value Investing” and Why Is It a Good Strategy?**

Value investing is the practice of purchasing securities or assets for less than they are worth – the proverbial dollar for 50 cents (Graham & Dodd, 2008, p. 19). The idea involves three steps. First, identify possibly undervalued stocks by choosing stocks with low price-to-earnings (P/E), price-to-book (P/B) or other valuation related metrics, second, value in depth the stocks that pass the screening process to estimate their intrinsic value and third, make an investment decision to buy only if the stock price is below the intrinsic value by a predetermined margin of safety (Athanasakos, 2012).

Academic research showed that value investing, defined as buying stocks from the low P/E or P/B group, works. Value stocks (low P/E or P/B) outperform growth stocks (high P/E, P/B) in Canada, in the US and global markets (Fama & French, 1992, 1993, 1998). They outperform when the markets go down and when they go up, and in good and bad times and when news is good and when it is bad. And they do all this without having higher risk, as measured by beta or standard deviation or adverse states of the world.

According to M. Mittal and R. K. Vyas (2009), individual investors are driven by emotions, desires, goals, prejudices, thus they incur losses. In value investing theory, investors omit these biases by strictly maintaining their strategies. Discipline plays a significant role in this approach. It is to be noted that most investors on the market are not value investors. If the value investing strategy in the financial world is a niche, it is understood that it is easier to gain satisfactory profits with such an approach.

Nowadays the market is overtaken either by large financial institutes or private investors that do not keep their positions open for a long time, because a vast majority of traders want to get wealthy too quickly and financial funds have short-term goals. According to Zweig (2024), people hold their trades in current times much shorter than people in Graham's times. It is also undermined if short-term assets trading can be classified as an investment. Arthur et al. (2016) in their work show similarities between gambling and the world of investing. Speculation is

classified as “intermediate between gambling and investment” (Arthur et al., 2016). Value investing opposes the approach of uncut speculation, as Charlie Munger said, “The big money is not in the buying or the selling, but in the waiting”, hence one of the reasons why the authors decided to try to beat the market using value investing strategy.

Value investors know very well that on the market there are bull times and bear times. Most people, however, lose to a struggle with their own minds during the different market phases. They tend to lose themselves to positive trends and herd instinct which results in overbuying stocks at relatively high prices. Then, as the prices start to fall, panic selling begins. Value investors, however, have a different outlook on price fluctuations. If the market sentiment is positive, they see it as a confirmation of making a good analysis and investment decision. When markets turn to decline, value investors view it as a possibility to dollar cost average or simply to buy the stocks at a “discount” price.

### 3. Strategy Assumptions

This strategy is for people who know something about investing and want to sacrifice their time on active investing, which means actively conducting analysis of companies, adjusting position sizes etc. 10 to 30 companies will be included in portfolio at one time. Companies will be diversified sector-wise.

First and foremost, all profits gained from dividends and closing positions are to be reinvested, even though according to the research of Scholes and Wolfson (1989), many shareholders choose not to reinvest their dividends. Reinvestments ensure the possibility of opening bigger positions and having bigger gains.

In this research the hindsight bias is taken into consideration, therefore the time to rebalance the portfolio is pre-established. It happens every half a year.

To consider a company worthy of investment, it needs to be in the top 30% of its sector. The authors consider the best companies to be innovative, trustworthy, diversified, with their own history and culture. The firm must have competitive compensation, well prospering management and many more.

The company needs to have at least 100 million USD in sales to be included in the portfolio. To consider a company “large” its market capitalization must be greater than 10 billion USD. Companies should have assets larger than 50 million USD. Common shares should contribute to at least 30% of whole capitalization, after including debt. To ensure proper financial condition, current assets should be larger than 50% of current liabilities. Working capital must be larger than long term liabilities.

Companies in all sectors should have stable profits obtained by trading common shares in every year of the last 10. Dividend payouts ought to be undisturbed in at least 20 years’ time. It has been proven that companies regularly paying out

dividends have a higher return rate in the long-term (Shah, 2023; Saporoschenko, 1998). Profit growth must be larger than 1/3 of average profits for the last ten years. The current price needs to be lower than 15 times the average profits from the last 10 years. To guarantee good price to assets ratio, Price-to-book value (P/B) and Price-to-earnings ratio (P/E) must be lower than 1.5 and 15, respectively. When calculating P/E, earnings are an average of at least 7-year values. Earnings from a one-year period should not be looked at in a decisive manner. Apart from that, using an average reduces the impact of creative accounting, should it occur. Long term liabilities should account for no more than 1/2 of total equity. Liabilities need to be checked, if their interest rate is a fixed-rate or a variable interest rate. It will be important when the interest rates controlled by the FED change. The authors consider mostly companies with fixed-rate liabilities. When looking at the Quick Ratio and Current ratio companies should have more cash than liabilities.

Graham test will be conducted which goes as follows:

- Current assets should be larger than two times current liabilities.
- Long-term liabilities should be smaller than Working capital.
- Working capital should equal to current assets subtract current liabilities.
- Some of the ratios used in the research were measured for effectiveness by independent authors (Rashid, 2017).

When looking into non-measurable values, the board of directors needs to be efficient. A comparison analysis between different companies needs to be conducted, and the margin that the company achieves on its products should be one of the main factors when formulating a result. Also to provide for shareholders' interests being looked after, the company should offer information on its current actions. Board members should also have high stakes in the company, because when they do, they also manage their own wealth.

Companies should buy back their shares only when they are relatively inexpensive. When making a buyback, at a high price they lose cash, as it is an action performed only to increase board members' payouts. Board members sell their shares in the name of "enhancing shareholder value".

What also will be looked at is brand loyalty and factors which ensure the strength of the brand in the market, for example:

- strong affinity of customers to the brand (as an example, Harley Davidson fans get tattoos with brands logo),
- monopoly,
- Economies of scale (Gillette makes billions of razors, which helps lower the costs of production),
- know-how (Coca-Cola famous Cola recipe),
- irreplaceability (utilities are crucial to everyday functioning).

After the rejection of companies that fall short of the numerous ratios the next step is to define the company's intrinsic value. According to Graham and Dodd (2008), the intrinsic value of a business hinges on its earnings power, which necessitates

a strong expectation of consistent future performance. Mere knowledge of past earnings or identifiable trends is not enough; there must be credible reasons to trust that these averages or trends will reliably predict future outcomes. In this article the estimation of the intrinsic value of the company is done by an equation offered by S. Chee, R. Sloan, and A. Uysal in 2013. It is a dividend discounting valuation model that considers the Graham and Dodd's idea of earning power:

$$V_t = \sum_{\tau=1}^{\infty} \frac{E_t [d_{t+\tau}]}{(1+r)^\tau},$$

where:  $V_t$  – the intrinsic value of the investment at the end of period  $t$ ;  $d_t$  – the net cash distribution paid by the investment at the end of period  $t$ ;  $r$  – the appropriate discount rate;  $E_t[\cdot]$  – the expected value operator conditioned on information available at the end of period  $t$ .

The third step of value investing considers the aversion to risk measured when the price falls beneath its intrinsic value by a predefined safety margin. Graham and Dodd recognize the weakness of measuring relative value in such a way. It does not include factors such as liquidity, and cash distribution attributes. That's why they suggest creating a margin of safety for more illiquid stocks. Margin of safety helps in minimizing the losses occurring from purchasing an asset, to which estimates turned out to be incorrect. How low margin is supposed to be is up to the investor's choice, however it is important to remember that there needs to be room left for price fluctuations, which occur from market seasonality.

To calibrate the strategy there will be a 2.5-year test period, after which the strategy will be adjusted. Then, the strategy will run over a 2.5-year period, after which the results will be obtained.

#### 4. Strategy Verification

To verify the strategy the authors decided to use basic ratios. Initially, the most basic ratio that rates the strategy, which is a return rate. In this article, the base strategy will be compared to several variations of the strategy and to the S&P500 index.

According to Pichura (2013), risk in most cases is expressed by measures of variability. The most common ones include variance and standard deviation of returns. However, in the case of capital assets, risk is often measured as the variability of returns in the negative direction, with less emphasis on positive deviations. This perception of risk in the area of financial instruments is referred to as downside risk (DR). One of the indicators of investment efficiency that has emerged through the application of an appropriate DR measure is the upside potential ratio (UPR), which is calculated using the formula:

$$UPR = \frac{\frac{1}{T} \sum_{i=1}^T \tau^+ (r_i - E(r))}{\sqrt{\frac{1}{T} \sum_{i=1}^T \tau^- (r_i - E(r))^2}},$$

where:  $UPR$  –  $UPR$  ratio for  $T$  investment return rates;  $r_i$  – return rate of asset in the  $i$ -th period;  $E(r)$  – expected minimum return rate that equals to 10-year treasury rate at the time of this writing (4.62%);

$\tau^+ = 1$  for  $r_{ip} > E(r)$ ,  $\tau^+ = 0$  for  $r_{ip} \leq E(r)$ ;

$\tau^- = 1$  for  $r_{ip} \leq E(r)$ ,  $\tau^- = 0$  for  $r_{ip} > E(r)$ .

Finally, to estimate risk-return performance measure, the authors calculated an Omega ratio. It is similar to the UPR, but it is simpler to calculate. It informs about the total impact of the distribution of returns on the assessment of efficiency. Its application does not require determining or assuming the exact formal form of the distribution, but knowledge about the empirical distribution function of this distribution is necessary (Pichura, 2013). In the presented formula Omega coefficient assumes a discrete distribution of returns, and it is calculated using the formula:

$$\Omega(L) = \frac{\frac{1}{n} \sum_{i=1}^n \tau^+ (r_i - L)}{\frac{1}{n} \sum_{i=1}^n \tau^- (L - r_i)},$$

where:  $\Omega(L)$  – Omega ratio at threshold  $L$  for a given series of return rates;  $L$  – threshold (benchmark – S&P500 index) value of return rate considered profitable;  $r_i$  – return rate of the asset in the  $i$ -th period;  $n$  – number of observations in the return rate series;

$\tau^+ = 1$  for  $r_i - L > 0$ ,  $\tau^+ = 0$  for  $r_i - L \leq 0$ ;

$\tau^- = 1$  for  $r_i - L \leq 0$ ,  $\tau^- = 0$  for  $r_i - L > 0$ .

## 5. Methodology

The research was conducted with the use of GuruFocus platform. First, the authors created a stock screener which could efficiently show all stocks adequate to provided assumptions. Custom filters were created, which allowed checking if companies were fulfilling provided assumptions. The authors also verified non-quantitative presumptions, which had to be checked by hand. This means collecting external data, checking company's reports etc. After adjusting filters (each time for different strategy) back testing was performed and final results were recorded.

## 6. Results

### 6.1. Adjusted Assumptions Overview

**Table 1.** Assumptions

Strategy assumptions						
	Original strategy before calibration	Strategy 1	Strategy 2	Strategy 3	Strategy 4	Original strategy – Strategy 5
OTC market	Included	Included	Included	Excluded	Excluded	Excluded
Sectors	All	Utilities; Technology	All	All	All	All
Stocks count	[10-30]	[10-30]	[10-30]	[10-30]	[10-30]	[10-30]
Shiller P/E	<15	<15	<12	<10	<12	<15
P/B	<1,5	<1,5	<1,2	<1	<1,2	<1,5
Market cap (billion)	10	10	10	20	1	10
Sales (million USD)	100	100	100	1000	500	100
Dividend payout	20 years	20 years	20 years	20 years	Not required	20 years

Source: own elaboration.

Table 1 presents the following strategy's assumptions.

#### Strategy 1

As seen above only two sectors were included in Strategy 1. Proposed sectors provided hope for better growth, as the technology sector is one of the most volatile sectors. Utilities sector on the other hand, was supposed to account for risk induced by technology sector, by being crucial to the functioning of contemporaneous civilization. Additional assumptions remained unchanged.

Strategy 1 was hoped to present better performance, but with higher risk due to small diversification.

#### Strategy 2

For Strategy number 2, P/E assumptions were lowered as well as P/B. Proposed adjustments were supposed to allow less companies into the portfolio, and to include higher-value companies in the eyes of value investor. With given assumptions, diversification is expected to decrease, however the risk will be mitigated by including better valued enterprises.



Provided strategy is anticipated to have good performance with lower risk than originally suggested strategy.

### Strategy 3

For the third adjusted strategy, it was decided to include only the mightiest corporations. To provide such filtering, P/E and P/B were lowered to 10 and 1.2, respectively. Market capitalization could not be lower than 20 billion. Sales are required to amount to at least 1 billion. OTC markets were excluded. By following stricter filtering, strategy was presumed to yield less diversified portfolio, but as in strategy 2, portfolio with stocks of higher value. Excluding OTC markets is hoped to ensure lower risk, as OTC markets tend to be less regulated, and often less predictable.

The suggested strategy might not outperform the other strategies when it comes to return, however; it is expected to be the least risky.

### Strategy 4

Strategy 4 is calibrated to broaden its scope by incorporating additional companies, achieved by reducing the market capitalization threshold to 1 billion and sales to 500 million. Moreover, these selected companies are expected to demonstrate significantly improved value, as denoted by set P/E and P/B ratios of 12 and 1.2, respectively. This adjustment anticipates enhancing diversification while envisaging lower risk levels compared to the original strategy.

It is projected that Strategy 4 will deliver substantial returns while maintaining an acceptable level of risk.

### Strategy 5

Strategy 5 constitutes an adaptation of the original strategy, characterized solely by the omission of OTC markets. This alteration is anticipated to yield superior outcomes by mitigating investment risks associated with less regulated securities markets.

The authors conducted backtesting (Gurufocus, 2024) from 2019 to 2021, and calibrated the strategy basing it on the received results and after the calibration, backtesting was performed once again. In the table are stated values of S&P500 that is considered a benchmark, original strategy, and all the other strategies are variations of the assumptions stated in the third paragraph. By comparing the strategy to the benchmark, results will be interpreted as follows:

**Table 2.** Final returns from strategies

	S&P500	ori. strat.	Strategy 1	Strategy 2	Strategy 3	Strategy 4	Strategy 5
Total return	14,98%	27,21%	2,44%	-3,44%	79,96%	31,89%	27,21%

Source: own elaboration.

In Table 3 the authors presented returns after every 6 months period as well as ratios that indicate certain characteristics.

**Table 3.** Returns through periods, UPR, OMEGA

No.	S&P	orig. strat.	Strategy 1	Strategy 2	Strategy 3	Strategy 4	Strategy 5
1	10.33%	-10.75%	-9.57%	1.76%	0.00%	1.10%	-10.75%
2	-19.74%	-16.76%	6.89%	-12.89%	-4.97%	-11.93%	-6.73%
3	0.37%	-9.31%	5.60%	15.09%	-2.79%	4.38%	8.95%
4	15.91%	4.71%	8.65%	9.61%	32.59%	30.32%	15.46%
5	7.17%	26.90%	-8.82%	0.97%	32.95%	17.50%	21.19%
6	4.14%	27.21%	1.31%	-14.48%	10.51%	-7.32%	0.24%
DR	12.84%	4.00%	6.00%	8.70%	2.49%	7.50%	5.56%
UPR	0.507	3.79	0.4	0.886	8.321	2.57	1.901
$\Omega$		1.091	0.693	0.543	4.714	1.767	1.4

Source: own elaboration.

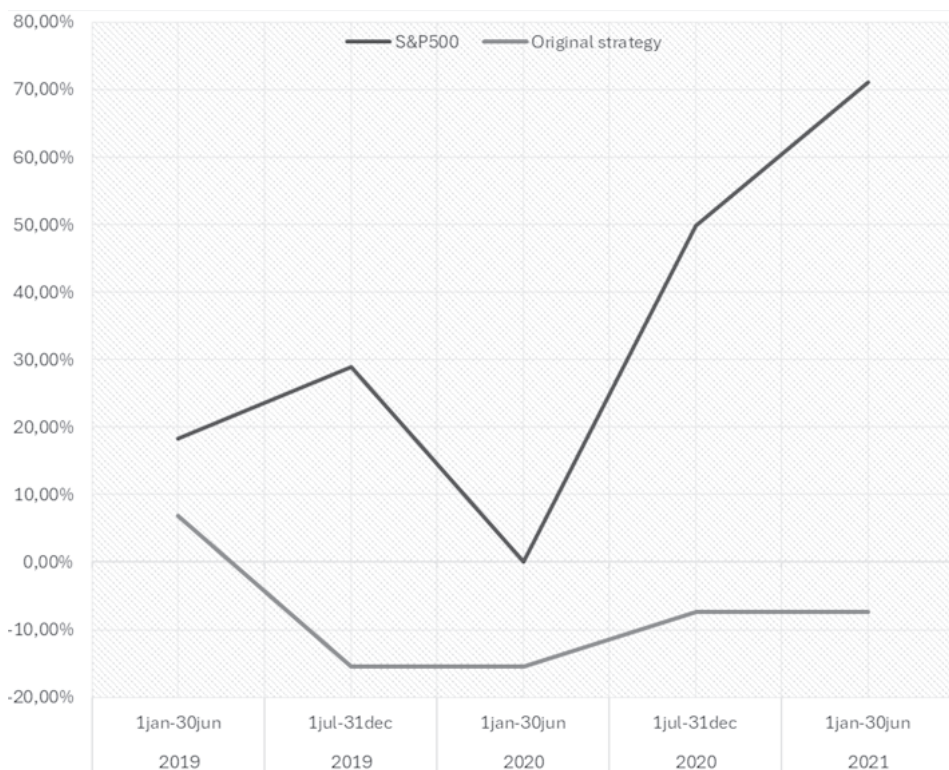
- Downside risk is a ratio of a portfolio's potential loss in value if market conditions precipitate a decline. Depending on the measure used, downside risk explains a worst-case scenario for an investment and indicates how much the investor stands to lose.
- The Upside Potential Ratio is designed to evaluate how well an investor is compensated for the risk taken. The higher the Upside Potential Ratio the better the instrument's performance.
- Similarly, the Omega is also interpreted as better when its value is higher. This ratio however measures risk of the strategy regarding both positive and negative return rate periods.

If the results obtained by the strategy are worse than the ones obtained by passively investing in the S&P500 index, the authors will depict the strategy as a failure and will try to create a better strategy in next research works, possibly with the use of more complicated methods.

All figures in subsequent paragraphs present the deviations from nominal value. Results shown above as original strategy are calculated for adjusted original strategy (Strategy 5).

## 6.2. Original Strategy Results

The originally proposed strategy did not beat the market. Apart from that, finding stocks that would be compatible with strategy's assumption turned out to be extremely difficult. Assumption about portfolio consisting of 10-30 stocks was met only through 2 periods of 5 readjustments. Assumptions about dividend payment continuity were also extremely hard to fulfill.



**Figure 1.** Original strategy

Source: own elaboration.

- Omega score is 1.09 and UPR 3.79. UPR score is mediocre, with other strategies resulting in greater UPR score. Omega score is also objectively low.
- There is a need for strategy recalibration and testing various recalibrated strategies.

**Table 4.** Original strategy performance

No.	S&P500	Original strategy
1	18,25%	6,87%
2	28,88%	-15,41%
3	24,29%	-15,41%
4	49,83%	-7,43%
5	71,16%	-7,43%

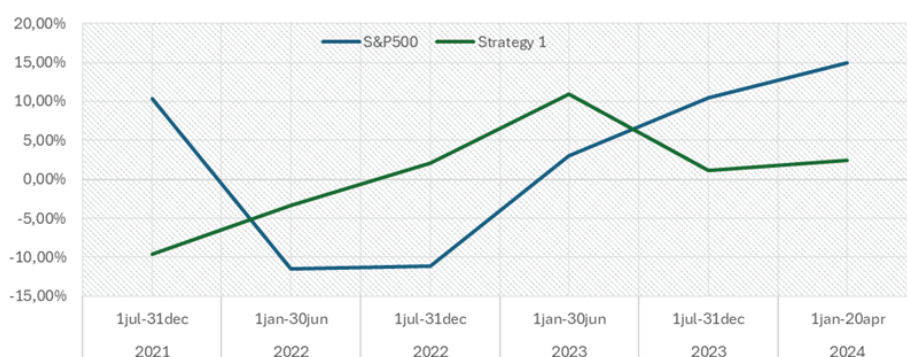
Source: own elaboration.

Due to low diversification, the results are not satisfactory. Unchanged values in  $t$  and  $t + 1$  periods are an indication of no investments made, due to no stocks fulfilling filtering assumptions.

### 6.3. Recalibrated Strategies' Results

#### Strategy 1

Presented strategy did not beat the market. Although in the end the strategy turned out to be profitable, the results are not convincing enough to spend time actively investing. UPR and OMEGA ratios were 0.4 and 0.69, respectively. Both scores present low values.



**Figure 2.** Strategy 1

Source: own elaboration.

#### Strategy 2

The suggested strategy proved to be not efficient. Although, beating the market through certain periods, finally a loss was obtained. Strategy should be tested over a longer time horizon, possibly without OTC markets. UPR and Omega ratios were 0.886 and 0.54, respectively. Both scores present low values, which means upside potential is not good enough.



Figure 3. Strategy 2

Source: own elaboration.

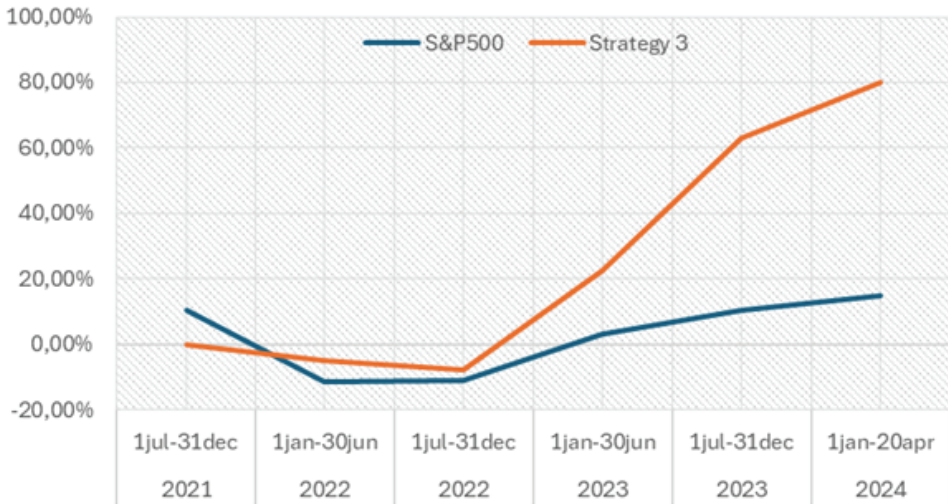


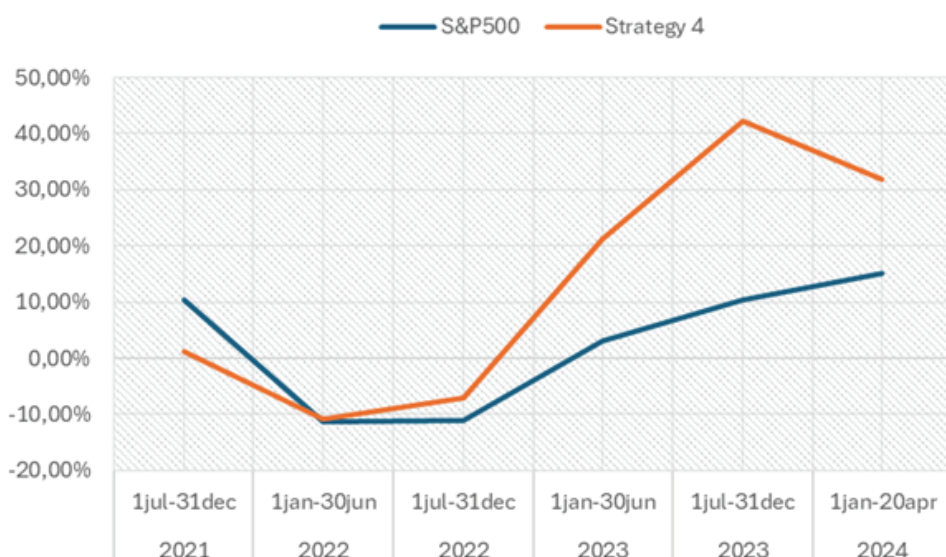
Figure 4. Strategy 3

Source: own elaboration.

The recalibrated strategy created an extremely unbalanced portfolio, which while giving great results, involved an unacceptable amount of risk, coming from lack of diversification. Diversification became almost no existent. At the highest echelon, the portfolio included 3 stocks. UPR and Omega ratio were 8.32 and 4.71, respectfully. Suggested strategy shows the highest ratio values, which may indicate, that strategy is worth investor's time and attention.

Although producing promising results, following the suggested strategy is related to high risks.

#### Strategy 4



**Figure 5.** Strategy 4

Source: own elaboration.

The fourth strategy beat the market and obtained satisfactory results. UPR and Omega ratios were 2.57 and 1.76, respectively. The strategy did not meet requirements for having more than 10 stocks in the portfolio, but comparatively, the diversification was good enough for received results. With UPR and Omega scores being relatively high, authors conclude obtained results as satisfactory, and call proposed strategy a potentially promising one.

#### Original strategy – Strategy 5

Initially, the authors tested originally proposed strategy, but without OTC markets, as they proved to be very unstable.



**Figure 6.** Original strategy

Source: own elaboration.

It is to be noticed that the original strategy outperformed the Benchmark significantly. The return in percentage points was almost twice as high as those of the S&P500 index. The authors conclude that the initially suggested strategy can be useful after excluding OTC markets.

## 7. Conclusion

The goal of this paper was to verify the enduring relevance of Benjamin Graham's value investing approach over an 80-year span in the context of modern markets. The goal has been partially achieved because of the high returns of most of the strategies that prove that value investing works.

The analysis demonstrates that stocks, as an asset class, continue to offer high historical returns, making them a critical component of any investment portfolio. In this working paper the authors estimated strategies' performance using backtesting on a GuruFocus platform. In total six strategies were presented, four of which were able to beat the S&P 500 index, including the original strategy before calibrations. It is understood that one cannot claim that value investing in most of cases beats the market, because that would be a huge understatement.

In this article the authors used return, downside risk (DR), upside potential ratio (UPR) and Omega ratio for the verification of the six strategies. According to the DR ratio, four outperforming strategies seem to be less risky than the S&P 500 index. The DR, however, does not consider the diversification factor which is

usually considered to be essential when speaking about risk. UPR ratio is high for all the outperforming strategies, which is natural, due to their better performance. Omega ratio, which provides information about the risk related to strategy, is the highest for strategy 3. It is because of its high return, Omega ratio treats deviations as risky, no matter in which direction the return goes.

This paper proves that by using Graham's strategy, investors can beat the market. Value investing has both pros and cons, but it is considered as one of the best active investment approaches in the financial world. It is not a rule in any case that following such a strategy will in 100% cases be successful, because financial markets are in many ways unforeseeable, thus it is impossible to always claim that once tested strategy, that turned out to be good, will always behave as such. The approach described in this paper requires a lot of discipline and time for either daily analysis or the profits awaiting.

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## Inwestowanie wartościowe w dzisiejszych czasach

**Streszczenie:** Celem niniejszego badania jest analiza znaczenia strategii inwestowania w wartość we współczesnym, dynamicznym środowisku rynkowym. Praca dostarcza najcenniejszych informacji na temat strategii inwestowania w wartość, jej założeń, korzyści, wad oraz wyników sugerowanej strategii, opartej głównie na podejściu Benjamina Grahama do rynków finansowych. Badanie przeprowadzono poprzez testy wsteczne na próbie obejmującej łącznie 5 lat, przy użyciu platformy GuruFocus. Założenia do badania opierają się na przeglądzie literatury z zakresu finansów, wykorzystaniu danych historycznych oraz obliczeniu stopy zwrotu z różnych wariantów strategii, a także na obliczeniach wskaźników takich jak Upside Potential Ratio, Downside Risk i Omega. Praca pokazuje, że strategia inwestowania w wartość nadal pozostaje ważnym podejściem inwestycyjnym na współczesnym rynku. Wyniki sugerują, że skupienie się na podstawach finansowych firm i wybieranie akcji, które zgodnie z przeprowadzoną analizą są niedowartościowane, może nadal przynosić zadowalające wyniki inwestycyjne w porównaniu do głównego indeksu S&P500. Inwestorzy powinni nadal rozważać użycie tej nieco starej strategii, ale muszą być świadomi wyzwań i ryzyk związanych z inwestowaniem.

**Słowa kluczowe:** inwestowanie wartościowe, zasady inwestowania wartościowego, weryfikacja strategii, analiza inwestycyjna, strategia Benjamina Grahama