
BOOK REVIEW



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BOOK REVIEW: *SMART(er) INVESTING – HOW ACADEMIC INSIGHTS PROPEL THE SAVVY INVESTOR*

Zachary Simon

“Smart(er) Investing” serves as a much needed summary of the state of the art in investment management. It is also a fantastic guide on how to efficiently sift through research papers for new ideas. I’d recommend this book to anyone interested in the field regardless of their level of expertise. Whether you are a professor of finance or just a casual enthusiast of investing, this is an excellent and worthwhile read.

Basilico and Johnsen’s work responds to the burgeoning amount of research within the field of investment management. The myriad of new papers all share the feature of being dense and difficult to read while varying drastically in terms of

quality and contribution. This is a tricky environment to trudge through for practitioners looking for the next big thing coming out of academic research. Thankfully this book provides a how-to for facilitating the process of digesting a paper, making it even more rewarding.

They have taken this process and applied it to the current mountains of research that exist, resulting in a catalog of the most relevant and important topics, including factor investing, women in finance, socially responsible investing, and many more. Each topic has a meticulously organized chapter devoted to it, including a complete overview, academic findings, and most importantly, the practical applications. The digestible style of writing is a merciful contrast to how the information is originally presented within the research papers themselves.

One of the most enjoyable aspects of “Smart(er) Investing” is the in depth look at some of the nascent fields that are exhibiting potential. In chapter 10 cryptocurrencies are discussed as a new possible asset class that could be used for diversifying portfolios. . . they also note it could also be the next example of a bubble. Either way very exciting to watch! While the academic findings say it is still too early to tell, it is stimulating to see research on completely new ideas with obvious applications.

Another boon that comes from this book is the amount of top quality papers referenced. Each paper effectively serves as a breadcrumb, leading the reader towards a deeper pursuit of whichever topics they find most interesting. Assuming you take the advice of the authors on how to absorb the

material, you should find the reads highly rewarding instead of getting lost in them.

The work in this book is important as investment management becomes yet another victim of

information overload. There is simply too much material for any mere mortal to go through and valuable information can become lost in the shuffle, while misinformation can

spread. Accurate summaries from trustworthy sources are a much needed response to the expanse of data, and you can find that conveniently in “Smart(er) Investing.”