

players



Taking it on the chin: Black admits he's been "humbled" of late.

Oracle of Delphi

Scott Black still believes he's a man for all seasons.

YOU DON'T INTERVIEW SCOTT BLACK, THE PROMINENT value investor with \$700 million under management in his firm, Delphi Management. Rather, you assume an interested expression and sit back as he conducts a nonstop, stat-filled, question-and-answer session with himself. Not only does this 45-year-old master of the universe have all the answers, he has all the questions, too.

"We are strictly a Ben Graham- and Warren Buffett-style shop," he begins in a nasal monotone that seems to have come from somewhere around Flatbush but actually originated in Portland, Maine, where his father was a grocery wholesaler. Eschewing trendy growth stocks, Black sticks to stocks with old-fashioned virtues like low price-to-earnings ratios, steady growth, and sound management.

Black, a Harvard Business School graduate, made investing a sideline as an executive for Xerox, Seagram's, and Merrill Lynch. He did so well that, at Merrill, then-CEO Don Regan would skip the company's research department and query Black when seeking stock tips. Black set up Delphi with Sunkist as his first big

client, then added Stanford, Yale, Johns Hopkins (his alma mater), and 15 other clients to the list. From its inception in 1979, through 1988, Boston-based Delphi performed wonderfully, earning itself high marks among value investors. Since then, the S&P has beaten Black by a heart-stopping 16 points.

"This is probably the most speculative bull market we've had since 1972-1973," he rages. "How can we compete with an Amgen that doubled and tripled last year? Or a Home Depot? Or a U.S. Surgical?" None of these bears the value investor's hallmarks of excellence, yet they all went through the roof.

Spare time? Black says there isn't too much of it. Still, he donates 15% of his whopping \$5 million-or-so income to various charities (some that he's founded), buys Monet, Degas, Léger, and Toulouse-Lautrec paintings at auctions ("I go for genius," he says), and follows the Celtics as only a stock technician can, reciting Larry Bird's shooting percentage both from the foul line and the floor to three decimal places. And, whatever the market does, he sleeps well. "I'm hired for a certain style," he says. And he'll keep it, thank you.

—JOHN SEDGWICK