



Investor Education 10-K

Chris Bloomstran of Semper Augustus is one of our favorite investors to follow. His Twitter bio reads, "Nothing here is advice. In fact, drop the phone and slowly back away from Twitter. Read a 10-K."

A 10-K is an annual report filed by a public company about its business and financial performance. The information inside of the 10-K includes the company's history, financial statements, compensation of executives, structure, risk factors, and much more. The Securities and Exchange Commission requires the report.

10-Ks are full of information and can be difficult for investors to sort through. Investors can find the 10-K through many different sources, including the sec.gov and company websites. The main sections of a 10-K for investors to read through are: Business, Risk Factors, Selected Financial Data, Management's Discussion and Analysis, and Financial Statements and Supplementary Data.

The Business section provides an overview of the company's operations. Simply put, it explains how the company makes money. The Risk Factors section gives investors a background of the risk the company faces or may face in the future. The Selected Financial Data shows specific financial information about the company and the company's recent performance. Management's Discussion and Analysis allow the company's executives to explain the business in their own words and talk about current performance. The Financial statements and supplementary Data contain the company's audited financial statements. The footnotes to those financial statements contain some of the most critical information for investors.

The 10-K contains letters signed by the company's CEO and CFO where they swear under oath that the information in the 10-K is accurate. For a good video on how to read a 10-K, [click here](#). And for a detailed primer on reading annual reports, [click here](#). Jim Chanos discusses "peeling the onion" of research [here](#).