

THINGS TO REMEMBER WHEN INVESTING

1. Never stop learning. Always do your own research, do not buy things you do not know. Do not be irrational.
2. Seek value in relationship to price. Look to pay \$0.50 for \$1. "Price is what you pay. Value is what you get". Price alone is useless. High P/E stocks can be dangerous.
3. Seek the NCAV minus total debt to be positive, preferably bigger than the total market cap or per share value. This is usually found in small or medium caps, and "boring" businesses.
4. Seek companies with strong moats and hold them for the long run. Preferably, ones with little to no total debt, and positive free cash flow. Be careful of deteriorating fundamentals and value traps. Seek "Lollapaloozas".
5. Be honest, control your emotions and be rational. "The investor's chief problem- and even his worst enemy, is likely to be himself". Admit when you are wrong; excessive ego will do more harm than good.
6. In the short run, being early and being wrong may be hard to differentiate. It can be a lonely road, but have the courage to standby an excellent stock pick through downturns. Change when the facts or fundamentals change.
7. Value takes longer to change than price. Patience is a virtue; make time your friend, not your enemy. Always have a margin of safety.
8. Leverage is a double-edged sword. Use with extreme caution, avoid as much as possible.
9. A good place to start is with the balance sheet. Do not depend on a single metric or ratio.
10. There is no such thing as get rich quick; nobody can predict the future with accuracy. Avoid hot "tips" and hot stocks.
11. It is not easy to find a good stock; it's not suppose to be. There is no universal golden rule. Know yourself. Find an investing style that works for you. Nothing of value comes easy.
12. Ultimately, value is the human perception of what is important. The most precious and significant types of values are measured in the creation of memories, loving relationships and happiness. Never compromise these rarities for mere money.