



Image source: Poor Charlie's Almanack

**50 cult quotes
by Charlie Munger**

Through his speeches and writings, Warren Buffet's late 'right-hand man' left a legacy of real life and investment lessons. Excerpt below (source: Compounding Quality on X).

Charles-Henry Monchau
Chief Investment Officer



1. If investing were that simple, everyone would be rich.
2. Simplicity improves performance because it helps us better understand what we're doing.
3. Wanting to get rich quickly is very dangerous.
4. Like Warren (Buffett), I've always wanted to get rich, not to buy Ferraris, but to gain my independence. It's something I've always desperately wanted.
5. We are passionate about keeping things as simple as possible.
6. Investing is about identifying a few excellent companies and holding them patiently.
7. Many people with very high IQs are very poor investors because they lack the right attitude.
8. The most significant profits are not made in buying or selling but in the ability to hold positions.
9. Assume life is tough and ask yourself if you are willing to endure all the difficulties. If the answer is yes, you've won.
10. It is impossible to progress if you do not accept making mistakes.
11. You don't need to be brilliant; you just need to have a bit more discernment than others on average, and over time.
12. Never stop learning. It's the best way to progress in life.
13. Recognizing what you don't know is the beginning of knowledge.
14. No wise pilot, regardless of talent and experience, omits using a "checklist."
15. There is no better teacher than history for determining the future. There are answers worth billions of dollars in simple history books.
16. Whenever the commission level in transactions becomes significant, the risk of fraud increases.
17. Both Warren Buffett and I stress that you need to spend a lot of time—almost every day—taking a step back and reflecting. This is very rare in the American business world. We read and think a lot.
18. Become a lifelong self-learner by reading voraciously; cultivate your curiosity and strive to become a bit more educated each day.
19. Our investment strategy is to allocate capital to a good idea when it arises, which is rather rare...
20. Throughout my life, I haven't known a successful person who didn't read all the time. I have no counterexample. You would be surprised how much Warren reads. And how much I read. We are books on legs...
21. Remember that your reputation and integrity are your most valuable assets and can be lost in the blink of an eye.
22. If an investment idea seems too difficult to understand and analyze, we move on. What could be simpler than that?
23. The best thing a human being can do is help another human being learn more.
24. Most people are too anxious; they worry too much. To succeed, you need to be calm and patient, but also aggressive and opportunistic when a great opportunity arises.
25. The first rule of compounding gains and interest: never interrupt it unnecessarily.
26. I think you need to face reality even when it's not pleasant; in fact, especially when it's not...
27. People calculate too much and don't think enough. Reflection is an astonishingly underestimated activity in investing. People who can't stay alone with their thoughts for long are very poor candidates for becoming successful investors.
28. Spend each day trying to acquire more knowledge than you had when you woke up. Day after day, and at the end of the day, if you live long enough, like most people, you will get out of life what you deserve.
29. We are all constantly learning, modifying, or destroying ideas. The rapid destruction of your ideas at the right time is one of the most valuable qualities you can acquire. You need to force yourself to consider counterarguments.
30. I constantly see people who aren't the smartest but are learning machines. They go to bed each night a little more educated than when they got up, and that helps a lot, especially when you have a long journey ahead.
31. We classify investment opportunities into 3 categories: yes, no, and too difficult to understand.
32. Wall Street simply has too much money and political power.
33. Mozart is the most famous composer in the world, but he was very unhappy most of the time, particularly because he always spent too much money. If Mozart couldn't manage with such thoughtless behavior, it's unlikely you will get away with it if you do the same.
34. People in very high positions should not earn as much money. There is even a moral responsibility not to be paid so much.
35. Part of what you need to learn is how to handle mistakes and new facts that change the original investment thesis. Life is somewhat like a poker game where you need to know when to quit if you don't have a good hand.
36. You need to force yourself to consider opposing arguments, especially when they challenge the core ideas of your investment thesis.
37. It's not necessary to elevate your skill level to quantum mechanics. Just mastering a few simple ideas and knowing them thoroughly is enough.
38. We tend to spend much more time learning and reflecting than taking action.
39. I believe in the discipline of mastering and implementing what others have discovered. I don't believe in the need to reinvent everything oneself.

40. Most life errors are caused by forgetting what you're really trying to do (lack of focus). Simply having to organize your thoughts with the help of a third party is a very useful discipline.
 41. Generally speaking, being envious of others, holding grudges, and feeling sorry for oneself are modes of thinking that lead to disaster.
 42. Copying what others do inevitably leads to a return to the mean.
 43. Passion is more important than intellect.
 44. A very good company that you can buy at a fair price is a better deal than an average company that you can buy at a very good price.
 45. I try to distance myself from people who try to answer questions for which they don't really have the expertise.
 46. 99% of the troubles threatening our civilization come from an excess of optimism. Therefore, we should have a system where policymakers are held accountable to make them much more cautious in their decisions.
47. What's the secret to success? I am a rational person. That's my secret. I am rational. It is impossible to always outperform the market. Therefore, it is probably wiser to invest in a diversified portfolio of index funds or ETFs.
 48. Someone once told me: "I've compiled a list of 300 stocks that could potentially be invested in, and I track them regularly waiting for their prices to become attractive enough." That's a very good methodology. But how many people have that discipline? Maybe one in a hundred.
 49. Opportunities present themselves to those who are ready to consider them.
 50. Don't live beyond your means, save to invest, and learn what you need to learn.



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