

Lessons learned from over 50 years of investing: 1967-2018

Observations from Don Andersen of Red Pine Investment Counsel

Commit to excellence. *It's worth the effort. Pick capable partners to help you do the work.*

Learn from the best. *The best generously share their experiences, ideas and insights.*

Learn from history. *The past is a great teacher, but only if we apply its lessons wisely.*

Understand cause and effect. *It's important to know why as well as what is happening.*

Know what matters most. *Focus on the 'unemotional' specifics of your investments.*

Know what matters least. *Don't get caught up in the chatter of the media.*

Think businesslike. *Have a plan with quantifiable goals. Know what you're doing.*

Execute your plan. *A plan is only as good as its execution. The achievement is in the doing.*

Act rationally. *Make your decisions based on facts and values, not greed and fear.*

Differentiate price from value. *Prices in the marketplace often are over or undervalued.*

Invest, don't speculate. *Speculators are price-driven; investors are value-driven.*

Focus on value, growth and quality. *They are the key traits of 'best practice' investing.*

Know the math when you lose. *There's a big difference between big and small losses.*

Be defense-minded. *Minimizing losses is the best way to achieve exceptional long-term results.*

Understand volatility. *It's ups and downs in market prices, not risk. Treat it as your friend.*

Think long-term. *Being right long-term is more important than being right short-term.*

Avoid too simple or too complicated strategies. *Focus on high-quality and doing the work.*

Don't invest passively. *Low cost may not be low. Make excellence - not average - your goal.*

Avoid 'herd' mentality. *Crowd behavior often results in high emotions and irrational actions.*

Be unbiased. *Favor facts over opinions. Continually challenge your best-loved ideas.*

Focus on reality. *Separate truth from myth and see things as they really are.*

Cross-check sources. *Don't be fooled by appearances. Anyone can claim to be an 'expert.'*

Favor foresight over hindsight. *Ask yourself regularly - 'what am I thinking and why?'*

Think 'buy low, sell high.' *Control the urge to be optimistic or pessimistic at the wrong time.*

Be humble, stay humble. *Overconfidence or arrogance always lead to problems.*

Recognize your mistakes. *Accept them, learn from them and move on. It's healthy.*

Never stop learning. *To be a successful investor, curiosity is essential. Keep improving.*

Above all, be ready for the downturns. *The tough times separate the best from the rest.*