

Twitter Thread by Edwin Dorsey



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How to become a **SUCCESSFUL** investor: a guide 1/n

- 1) Diversify but don't. Diversification is for idiots, but it is also a free lunch.
- 2) Stay consistent but don't. Have a consistent repeatable process, but also adapt to changing markets.
- 3) Read outside research but don't. The best investors think for themselves and are lone wolves but they also talk to others to learn and copy ideas.
- 4) Use the sell-side but don't. Your time is valuable and using the sell-side saves time, but it is also low quality and will add needless noise – don't use them.
- 5) Talk to management but don't. Meet with management and learn, but don't let management influence your thinking because management is promotional.
- 6) Play the quarters but don't. Stay up to date on current information and model every quarter, but also focus on the five-year performance and hold.
- 7) Ignore macro but don't. Analyze individual companies because macro evens out over time, but macro also drives most of the returns so always understand the bigger trends.
- 8) Average down but don't. If you like it and it falls buy more, but losers average losers so don't.
- 9) Trade a lot but don't. Stay active and move in and out of positions as new information comes in, but don't trade too much.
- 10) Have a margin of safety but don't. Make sure the balance sheet is strong enough to prevent any permanent capital impairment, but also buy high-quality businesses at fair multiples.
- 11) Short but don't. Shorting is a great way to get more long, but longs make more \$\$\$ and are less controversial so focus on them.

My point is that every great investor is different and you can't break down success into a few quotes. This thread is inspired by:

<https://t.co/Lg6dvdP0Fi>

How to become a SUCCESSFUL academic: a guide 1/n

— Maarten van Smeden (@MaartenvSmeden) [January 16, 2021](#)