



LATTICEWORK INVESTING

Mental Models

“ *It's kind of fun to sit there and outthink people who are way smarter than you are because you've trained yourself to be more objective and more multidisciplinary. Furthermore, there is a lot of money in it, as I can testify from my own personal experience.* – Charlie Munger

Best articles on Mental Models:

[Charlie Munger – A Lesson on Elementary, Worldly Wisdom As it Relates to Investment Management & Business](#)

[An Introduction to Mental Models by Farnam Street](#)

[A Dozen Things I've Learned from Charlie Munger about Mental Models and Worldly Wisdom.](#)

[A List of Top 100 Mental Models for Business by Rob D. Kelly.](#)

[Lattice Work of Mental Models by Safal Niveshak.](#)

[First Principles: Elon Musk and Bill Thurston on the Power of Thinking for Yourself](#)

[Mental Models: How Intelligent People Solve Unsolvable Problems](#)

Best articles on How not to be Stupid:

[a16z Podcast: The Best Way to Be Smart...Is To Not Be Stupid. With Tren Griffin](#)

[A Dozen Things I've learned from Charlie Munger about Inversion by Tren Griffin.](#)

[Inversion and the power of avoiding stupidity by Shane Parrish.](#)

Quotes on Mental Models:

“It doesn't help just to know them enough so you can [repeat] them back on an exam and get an A. You have to learn (The big ideas in all the other disciplines) in such a way that they're in a mental latticework in your head and you automatically use them for the rest of your life. If you do that **I solemnly promise you** that one day you'll be walking down the street and you'll look to your right and left and you'll think 'my heavenly days, I'm now one of the of the few most competent people in my whole age

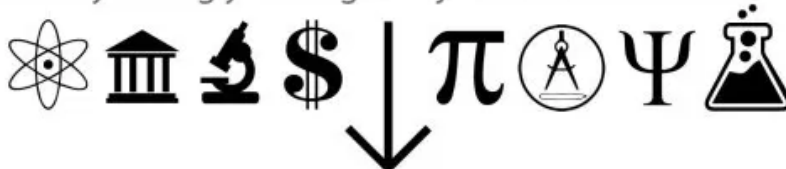
LATTICEWORK OF MENTAL MODELS APPROACH

x CHARLIE MUNGER

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Take a Multi-Disciplinary Approach.

"I'm really asking you to ignore jurisdictional boundaries."



Concentrate on the Most Important Models.

Only 80 to 90 Models carry most of the freight.

Social Proof	Compounding Interest
Inversion	Economies of Scale
Critical Mass	Margin of Safety
Pareto Principle	Poisson Distribution
Ecosystems	Lollapalooza Effect

Synthesize the Models.

"All reality has to respect all other reality.

If you find inconsistencies, they have to be resolved."

Learn Them to Proficiency.

They must come to mind automatically
for the rest of your life.

Use Them Routinely - All of Them, Not Just a Few.

Avoid "Man with the Hammer Syndrome"

Think Objectively.

Use Checklists. ☒



cohort.' If you don't do it, many of the brightest of you will live in the middle ranks or in the shallows."

Charlie Munger

"I went through life constantly practicing (because if you don't practice it, you lose it) the multi-disciplinary approach and I can't tell you what that's done for me. It's made life more fun, it's made me more constructive, it's made me more helpful to others, it's made me



enormou
sly rich.”
– [Charlie
Munger](#)

“Our
educatio

n was far too uni-disciplinary. Many problems by nature, cross many academic disciplines.” – **Charlie Munger**

“You don’t have to know everything. A few really big ideas carry most of the freight.” – **Charlie Munger**

“So I got a great reputation for doing integrals, only because my box of tools was different from everybody else’s, and they had tried all their tools on it before giving the problem to me.” – **Richard Feynman**

“Point of View is worth 80 IQ Points.” – **Alan Kay**