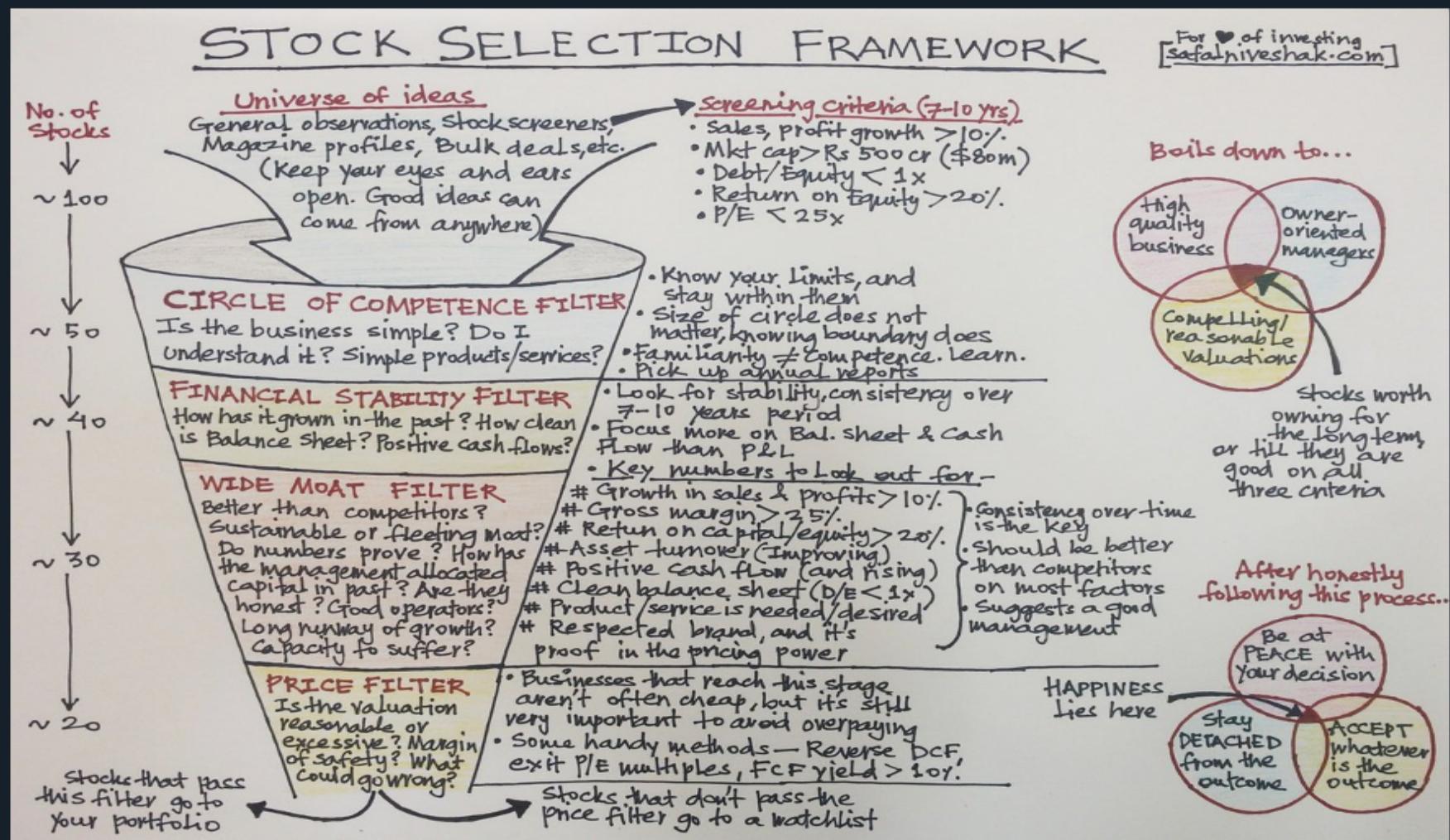
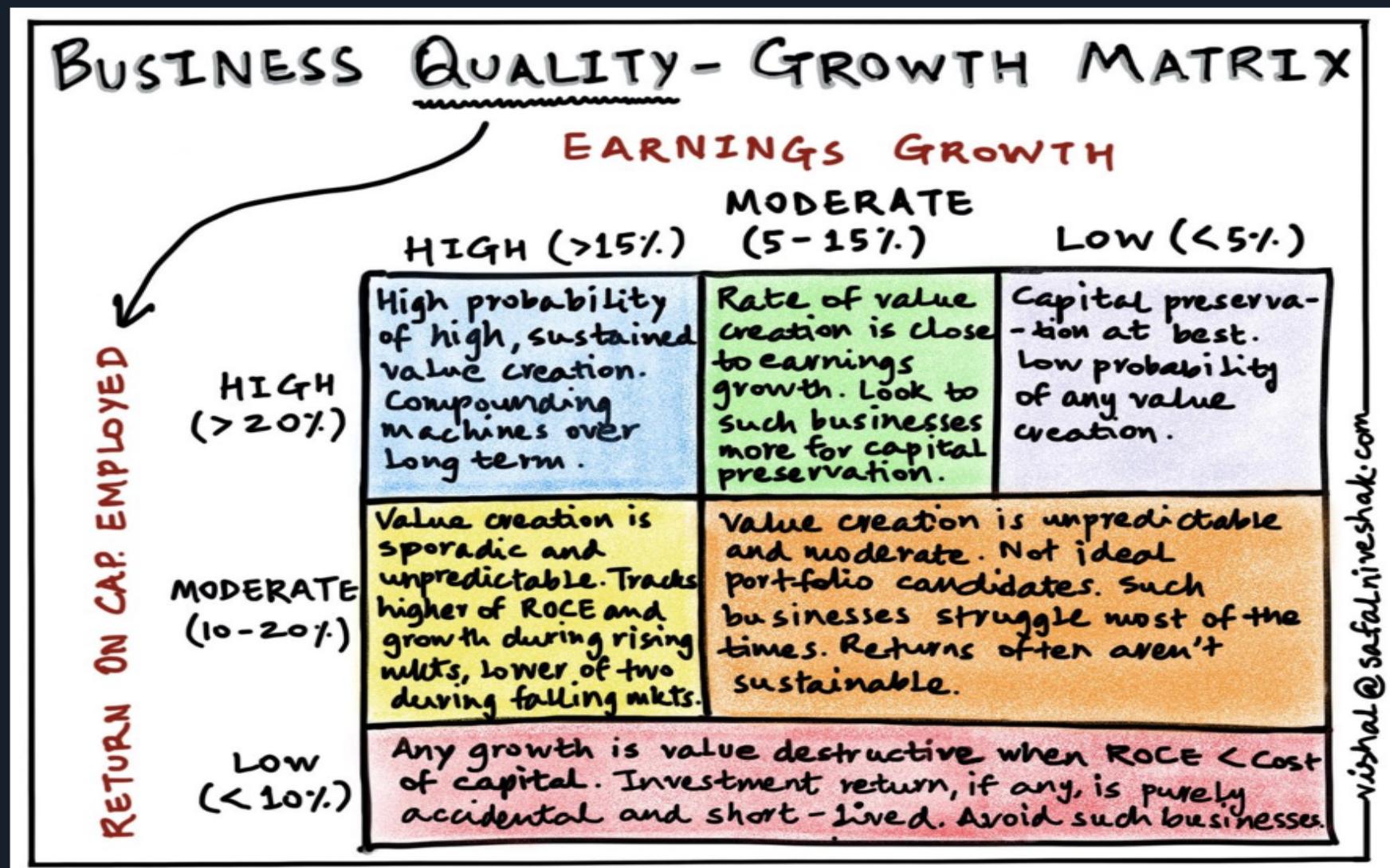


# 10 visuals every investor should memorize:

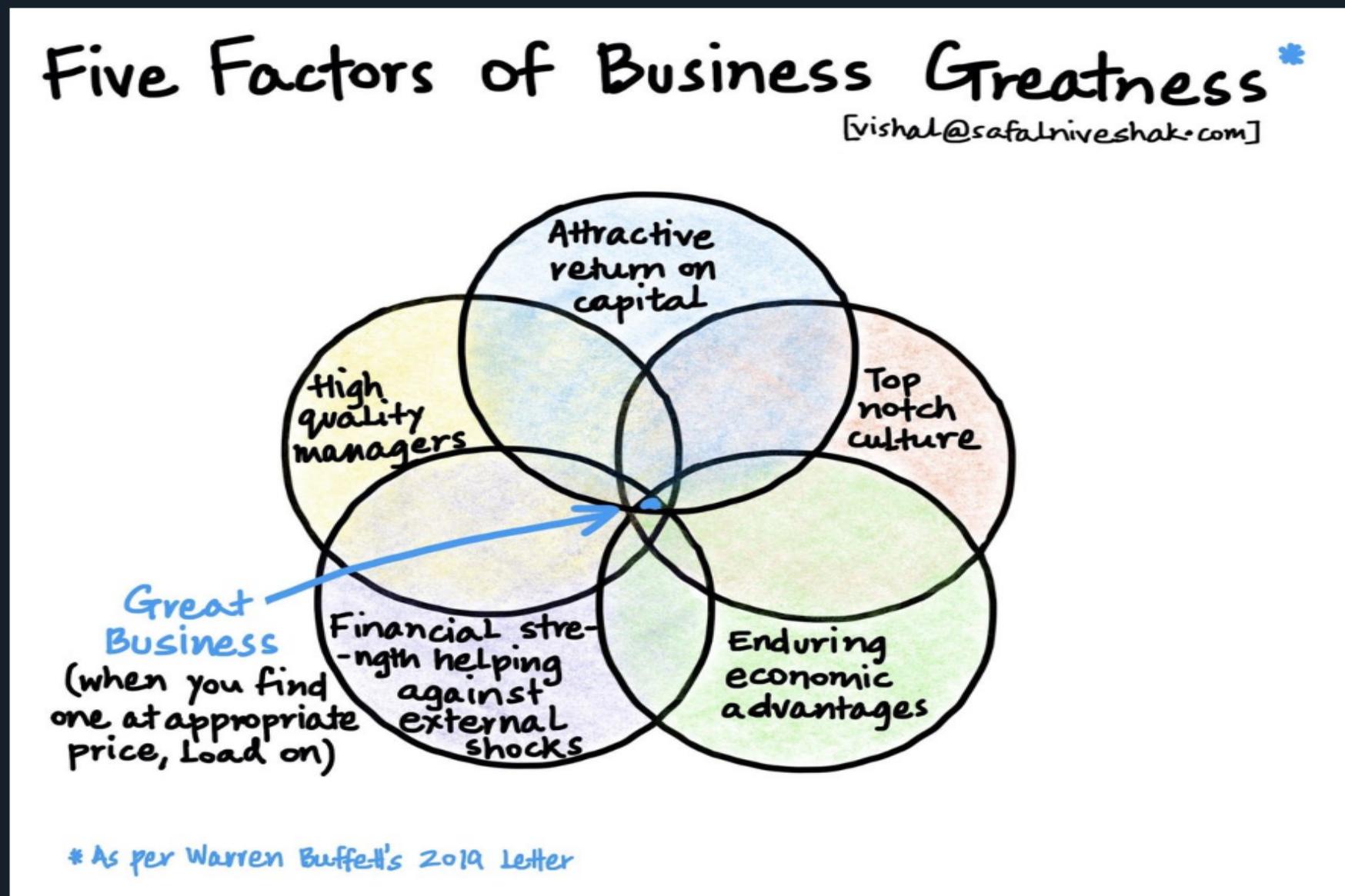
## 1. Stock Selection Framework



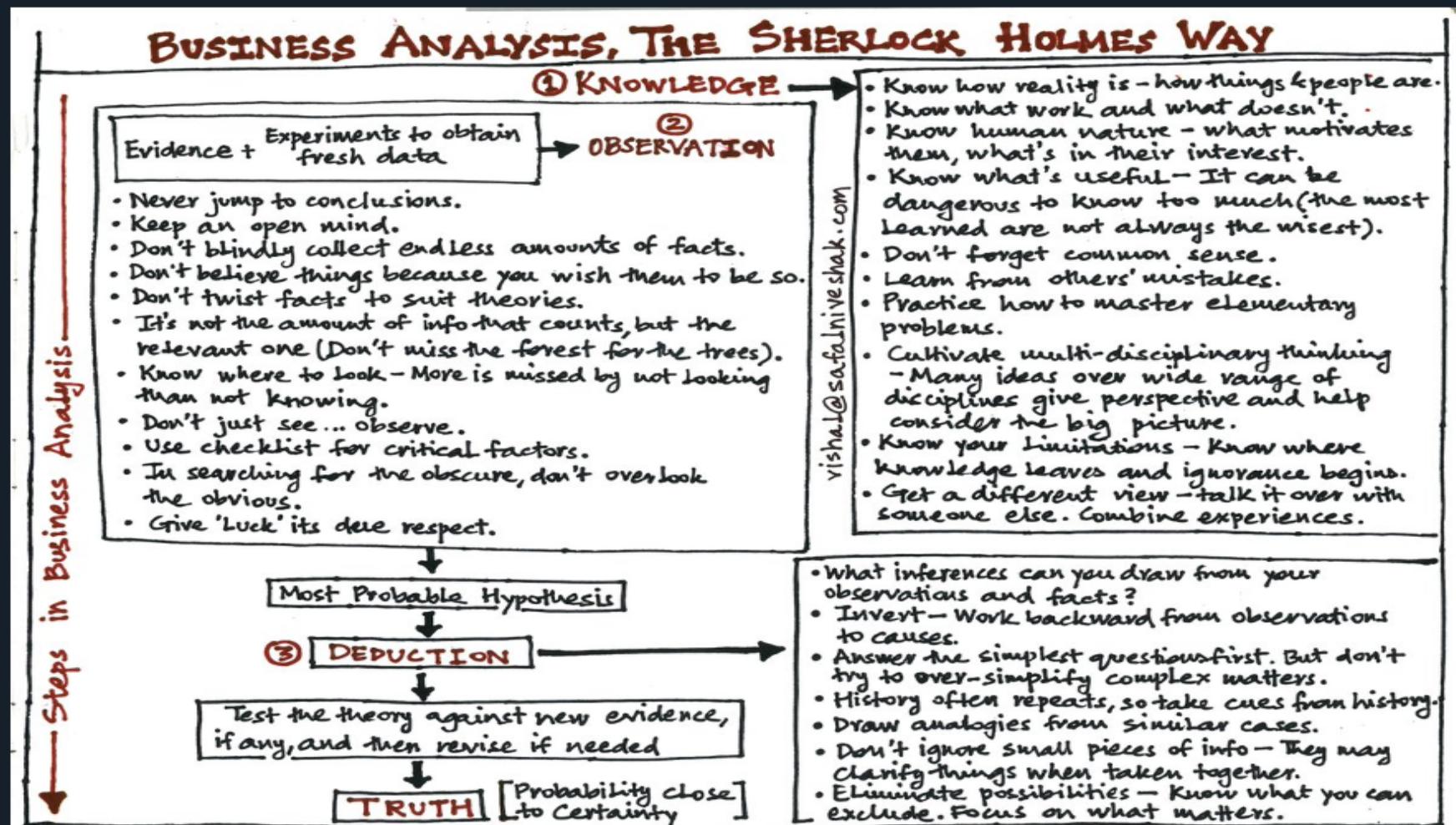
## 2. Business Quality Growth Matrix



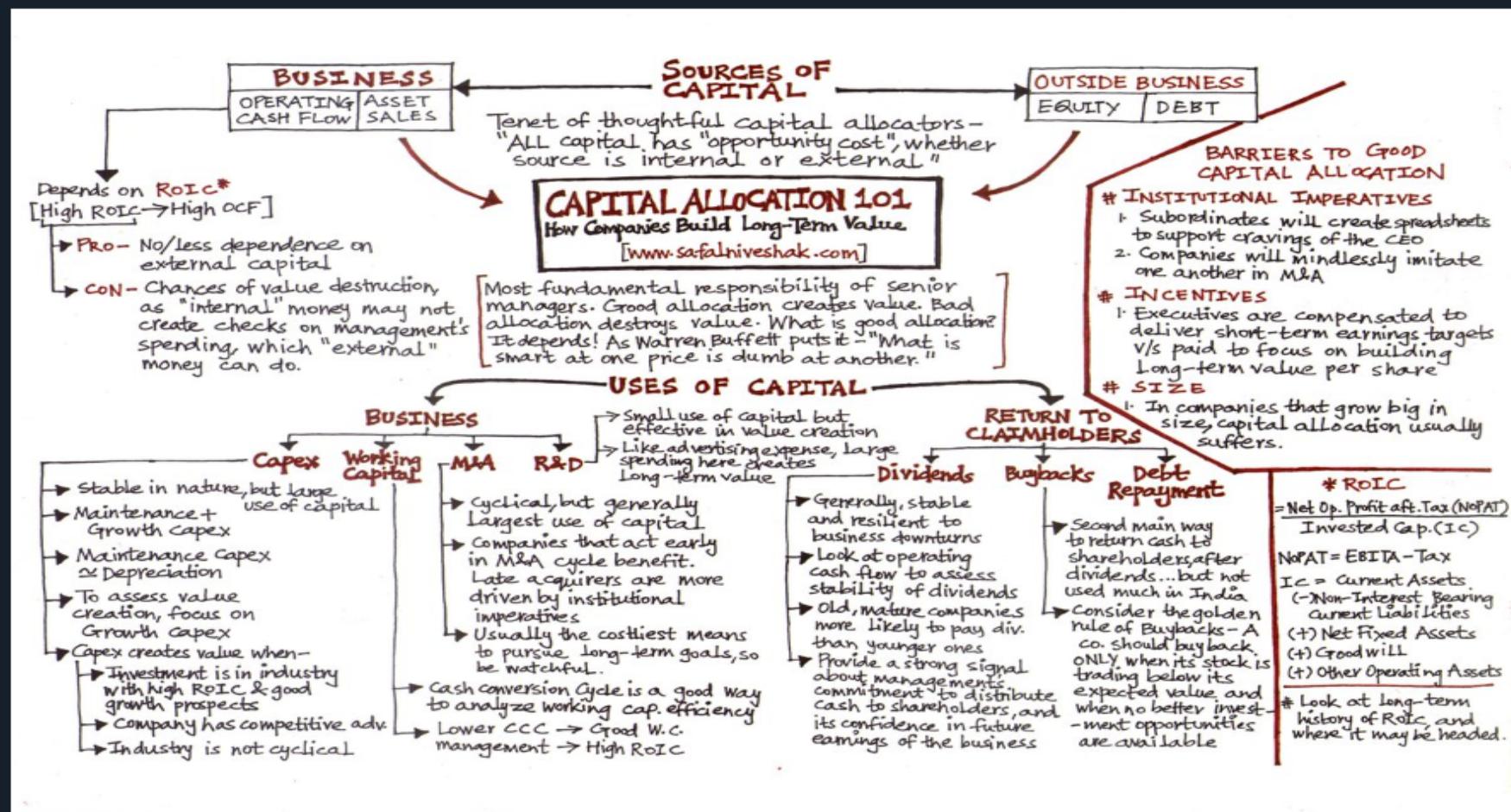
### 3. 5 factors of great businesses



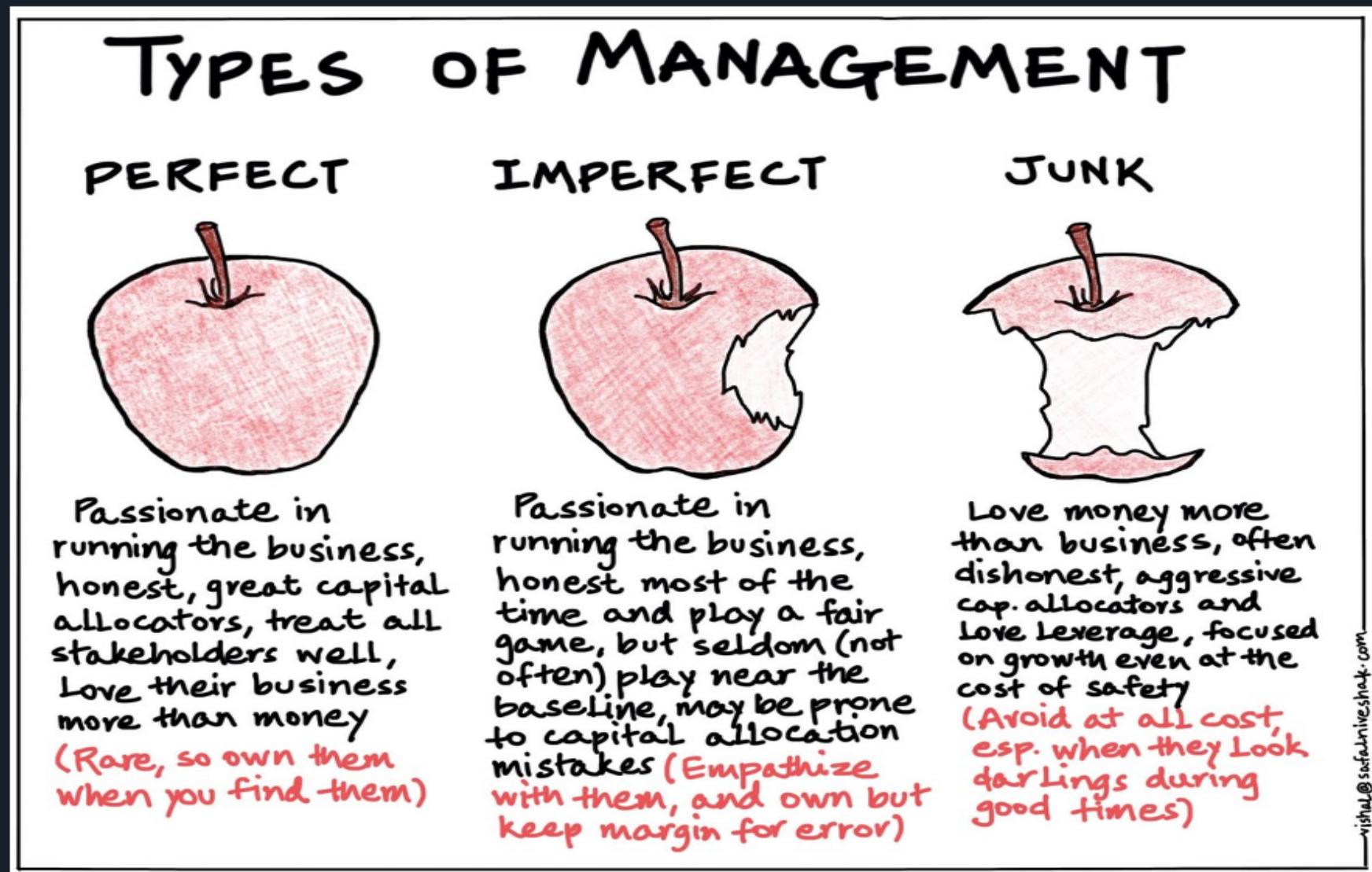
## 4. Business analysis - The Sherlock Holmes way



## 5. Capital Allocation



## 6. 3 Types of management



## 7. Become an investing Buddha

### HOW TO BECOME AN INVESTING BUDDHA\*\*

Vishal Khandelwal, safalniveshak.com



#### ZERO DEBT

- Leverage often destroys

#### SATISFYING

- Capital preservation is key
- Aim for adequate (not supernormal) return

#### LONG HORIZON

- Give compounding time to work

#### MENTAL FRAMEWORK

- View the market not as a place to make quick money, but as means to achieve realistic financial goals
- Be willing to accept mistakes and fix them
- Be at peace with your decisions, stay detached from the outcome, and accept whatever the outcome is

#### WILLINGNESS TO HOLD CASH

- Cash equals optionality
- Cash equals antifragility

#### EQUANIMITY, ABILITY TO IGNORE NOISE

- Calmness and composure, especially in difficult situations
- Ability to control envy, fear of missing out



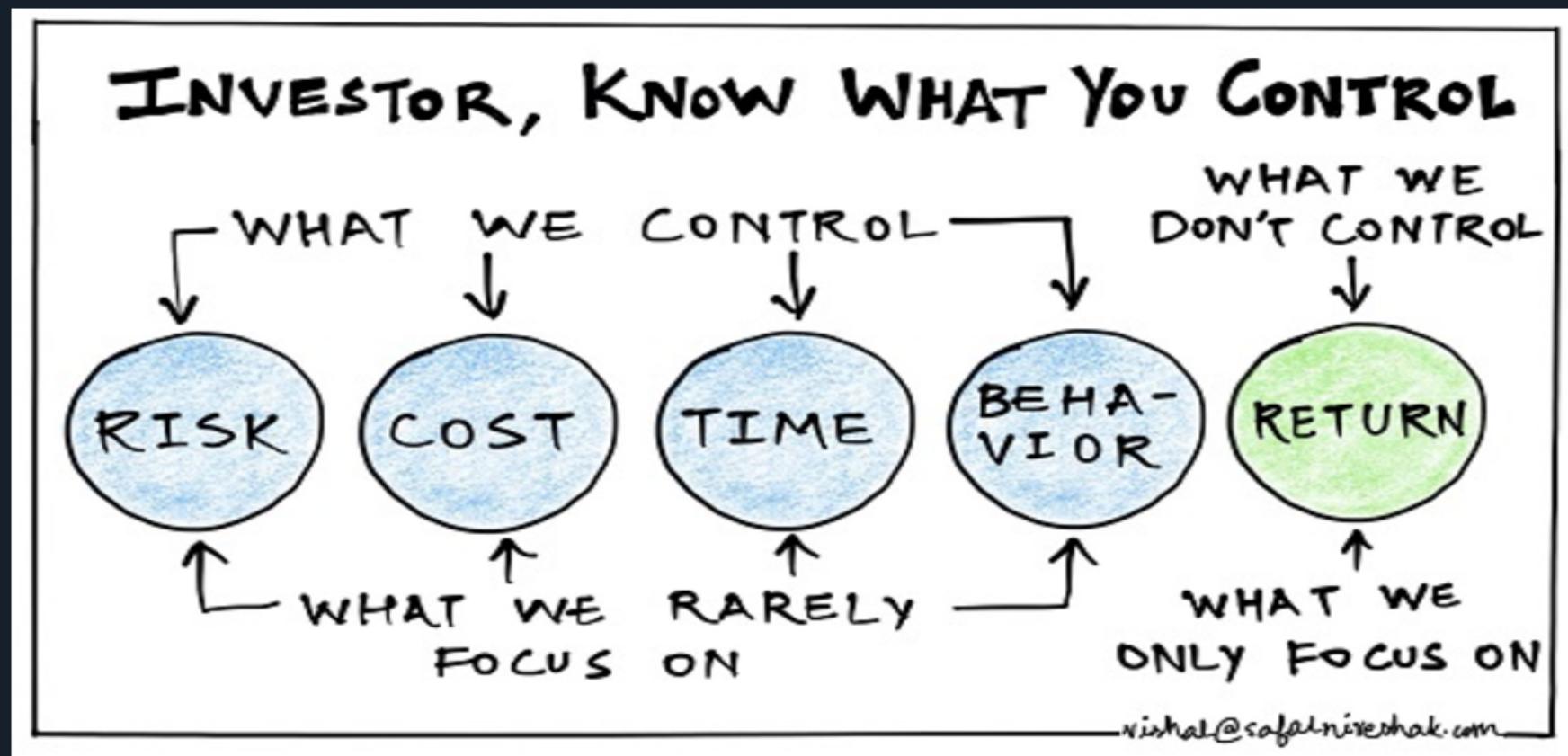
#### ENJOY THE GAME

- Work with inner scorecard
- Learn from your and other people's mistakes
- Do not aim to beat anybody at it

(\*\* Buddha - Awakened one)

Find more such ideas at - [safalniveshak.com/wall](http://safalniveshak.com/wall)

## 8. Focus on what you can control



## 9. Bull market killers

### BULL MARKET'S THREE SILENT KILLERS

**DESPERATION**  
... of acting at all times

**FEAR**  
... of missing out

**ENVY**  
... of others making money faster

Leads people to sadness and stress, and to big, dumb risk-taking.  
(Combine these with 'arrogance' and 'impatience', and you have a deadly cocktail prepared)

"The investor's chief problem - and even his worst enemy - is Likely to be HIMSELF."  
~ Ben Graham

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**SURVIVAL TIPS**

- \* Avoid noise/news.
- \* Avoid stock tips. Seek disconfirming evidences.
- \* Avoid checking stock prices daily.
- \* Avoid Whatsapp groups.
- \* Get busier with life, family, etc.

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## 10. When to sell

### WHEN TO SELL A STOCK

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SELL FOR ONE OR MORE OF THESE REASONS

<b>WRONG FACTS</b> Bad management, bad business, weak moat	<b>CHANGING FACTS</b> Deteriorating business, poor capital allocation, worsening management quality	<b>NO CASH FOR BETTER OPPORTUNITY</b> Found a better opportunity, but do not have cash to invest	<b>NEED CASH</b> Need cash for meeting a financial commitment
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Do not invent new reasons to continue when the original reasons are no longer available. If you realize you made a mistake, accept it. Swallow your pride, and move on.

DO NOT SELL FOR ANY OF THESE REASONS

<b>STOCK IS OVERPRICED</b> <ul style="list-style-type: none"><li>- What is 'overpriced'? A good business with expanding earning power will mostly look overpriced. Stop looking at price to earnings multiples etc. only. Consider expected returns over the next 10 years from current levels.</li><li>- Your original purchase cost does not matter. What matters is where the stock may go from today over the next decade or more.</li><li>- If the company might quadruple in size in 10 years, does it matter if the stock is overpriced by 50% or 100%?</li><li>- No one can say with any precision what is 'overpriced' for an outstanding business that earns return on capital more than cost of capital.</li></ul>	<b>OTHER REASONS</b> <ul style="list-style-type: none"><li>- Stock has gone up from my buying price.</li><li>- Stock has surged 50% in last one month.</li><li>- I expect a correction. Sell now and buy again at lower price.</li><li>- Sell before I lose my paper profits.</li></ul>
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"If the job has been correctly done when a common stock is purchased, the time to sell it is - almost never." ~ Philip Fisher



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# 10 amazing visuals by Vishal Khandelwal.

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