

Characteristics of Successful Investors

Know what edge you bring to the table and capitalize on it to maximize returns.

Be willing to adapt and update an investment thesis or framework when faced with new information.

Thoughtfully construct portfolios and size positions (larger positions where there is greater edge).

Think probabilistically about the expected outcome and focus on the process.

Have a clear grasp of financial accounting to understand how portfolio companies make money, drive profits, and be able to follow the cash flow.

Understand the large role behavioral psychology plays in successful outcomes, and be humble.

Understand that fundamentals can — but do not always — get reflected in the price of an asset, and know to keep fundamentals separate from expectations.

Actively seek out learning (and reading) opportunities in fields far from finance and investing.

Have independent thought and the courage to stand alone.

Have discipline in each opportunity.

From *The Climb to Investment Excellence*, by Ana Marshall (Wiley, 2024), page 172.