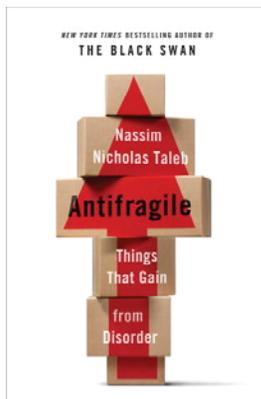




*As an important part of my investment process, I try to implement and reinforce a continual learning cycle through varied readings and by finding ways to be actively engaged with companies, industries, and key influencers. These thoughts often end up on the notepads around my office or under my arm. **From the Notepad** was developed to share thought-provoking reflections from this process.*

From the Notepad
The Three Best Books I Read This Year

I have heard Tom Gayner (Markel Corp.) expound on the benefits of reading books by contrasting how many man-hours an author devotes to writing a great book against how few it takes the reader to digest and benefit from the author's work. Whether you are looking for that one book to consume as your schedule slows over the holidays, something to add to your wish list, or a last-minute gift, here are the three best books I read this year.



Antifragile: Things That Gain from Disorder
Nassim Nicholas Taleb

This is one of those books that, as I dug into its early pages, I realized I should have read long before. It builds on Taleb's prior well-known books—*Fooled By Randomness* and *The Black Swan*—a collection, along with *The Bed of Procrustes*, that he considers his life's work and calls the Incerto. This one, though, he considers his “central work.”

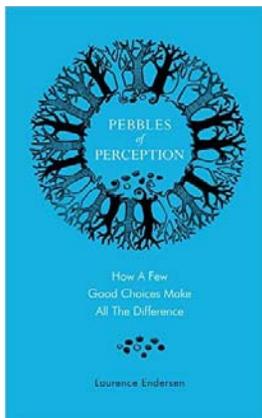
Taleb deals with some pretty weighty topics: How to live happily in a world you don't understand. How to deal with the unknown. How to make decisions under opacity. How to operate successfully without prediction or prognostication. How 'skin in the game' is the most important minimizer of fragility and crisis. How experience, and things that have survived and worked for a very long time, ought to be weighted more heavily than ideas

offered by academia or science.

Antifragile contains important and enlightening applications to investing. After all, what is investing but making decisions in the face of an uncertain future and with imperfect information? But its full range encompasses autobiography and personal essay, and philosophical, historical and scientific discussion.

And Taleb pulls no punches as he dutifully follows his own ethical guidepost laid out early in the book: “If you see fraud and do not say fraud, you are a fraud.” You will be surprised by some of the high-ranking and respected figures he calls out.

By far the longest and most challenging read on this list, it also offered me the most lasting value. It has a spot on my top shelf next to others that I will read again.



Pebbles of Perception: How a Few Good Choices Make All the Difference
Laurence Endersen

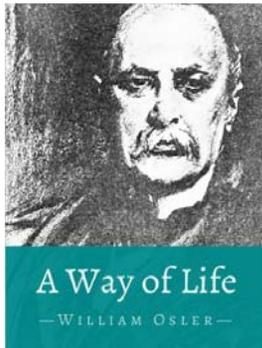
Endersen was inspired to write this book after reading *Poor Charlie's Almanack*, a collection of works by Charlie Munger and a personal favorite of mine. Through these works, he recognized the long-term advantages that result from getting a few big choices right. In fact, his explicit goal, as laid out in the book's introduction, is to avoid the “too soon old, too late wise” trap, and instead “...be a little more wise, a little earlier.”

This short and highly readable book is divided into three primary subsections—curiosity, character, and choice. Enderson provides a flyover of wide-ranging topics—who to marry, where to live, what we do, the importance of listening and lifelong learning, the role of adversity in life, and negotiation and influence—while amalgamating important thoughts of many intellectual giants, such as Munger, Einstein, Ben Franklin, C.S. Lewis and Mark Twain.

If you read it and let the concepts sink in, you likely will find yourself challenged towards self-improvement. I consider *Pebbles of Perception* an excellent introduction to some deep and important ideas, any one of which you could spend plenty of time pursuing individually.

My bonus picks for further reading on these same topics are *Seeking Wisdom: From Darwin to Munger* (Peter Bevelin), a deeper and more

technical exploration of many of the same concepts, and the aforementioned *Poor Charlie's Almanack*.



A Way of Life:

An Address to Yale Students, Sunday Evening, April 20, 1913

William Osler

This is not actually a book but a speech that Osler, a Canadian physician and co-founder of Johns Hopkins Hospital, delivered to a graduating class in 1913. Here, he offers a prescription for maximizing your own accomplishment and success: take your life in 24-hour increments, what he calls “the practice of living for the day only, and for the day’s work, *Life in day-tight compartments*.”

He offers this method as a way to combat fears and relegate worries: “The load of to-morrow, added to that of yesterday, carried to-day make the strongest falter. Shut off the future as tightly as the past.” Rather than being consumed by looking back at the past or forward to the future, the road to accomplishment requires forming the habit of consistently doing the day’s work with focus and rigor.

I am currently reading an excellent memoir by Bob Rubin, former co-head of Goldman Sachs and Clinton Administration Treasury Secretary. I couldn’t have been more surprised when I read that, to help his anxiety as a college freshman, Rubin’s dad sent him a copy of this “little inspirational book.”

I find Osler’s words retain their usefulness just as much today.

Wishing each of you peaceful final days of the year. I am grateful for the opportunity to continue to do work I so much enjoy.

With best regards,

Marshall

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P.S. I distributed a similar list last year. Shoot me a note if you would like to receive it.

Note: For two of these recommendations, I thank Shane Parrish, the author of my favorite blog, Farnam Street. His work makes me a little more intelligent each week.