# INVESTED MONTHLY PRACTICES

<table>
<thead>
<tr>
<th>Month 1</th>
<th>This Month</th>
<th>Practice</th>
</tr>
</thead>
</table>
| • Warren Buffett and value investing  
• Rule #1 Investing  
• Inflation  
• My Investing Practice | The investing process started for me when I realized I wasn't living my life how I wanted because I was so worried about money. Brainstorm and write down what you would do if you had financial freedom, whatever that means to you. Would you stay in your job, work less, volunteer, find a different job, pay off student loans or medical bills, support a family member, travel, donate to charity, or sleep more soundly? Be brave enough to write down how doing that would make you feel. |

<table>
<thead>
<tr>
<th>Month 2</th>
<th>This Month</th>
<th>Practice</th>
</tr>
</thead>
</table>
| • Primer on the Stock Market  
• Flavors of Abdiction  
• Calculating My Number  
• Investment Option Outside of the Stock Market  
• Maro - Thankfulness | I didn’t want to know my Number, but finding it out did make me feel that reaching it might be possible. Make your own choice to know your Number, and to have more control over it, play around with the different returns and other inputs to see all the different paths to financial freedom. To make finding your Number easier, I put a “Your Number” calculator on my website: www.danielletown.com. Most important, practice consciously and regularly acknowledging and being aware of your problems, and find a reason, however tiny, to be genuinely thankful for each of them. |

<table>
<thead>
<tr>
<th>Month 3</th>
<th>This Month</th>
<th>Practice</th>
</tr>
</thead>
</table>
| • Creating My Investing Office  
• Primer on Corporations  
• Finding Missions  
• Story of a Company | Spend ten minutes creating your investing office. What will create your own atmosphere of financial freedom? What will support you to keep going when your practice is difficult? Then, in your investing office, brainstorm how you already vote with your money. What are the values you’re supporting? Do you want to keep supporting them? From that, make a list of the Missions you choose to vote for with your investing money. |
| Month 4 | Events  
|        | Understanding the Business  
|        | Circle of Competence and the Three-Circles Exercise  
|        | Gurus  
|        | Investing Intensive  
| Practice | Starting research is hard, but this is the month to do it. It took me a few tries and some boredom before I started to find the good stuff, so be prepared with snacks and a sense of humor. Run through your own three circles exercise so you know where to focus your investing research, and then just . . . start. Choose a newspaper for business news and read it regularly. Maybe do your own Investing Intensive and read the Buffett Bible. Look at some 13F filings. Think about what would work best for you and your schedule, and then go for it. |
| Month 5 | Moat  
|        | Big Four Numbers and Growth Rates  
|        | Windage Growth Rate  
|        | Management  
|        | Checklist for Charlie’s First Three Principles  
| Practice | It’s crazy that it’s only the fifth month of practice, but we already know Charlie’s first three principles. Choose three companies you’ve gotten interested in from your reading and calculate the Moat and management numbers of each one, as well as the Windage Growth Rate and notice how you’re using financial statements and financial terms like a boss. |
| Month 6 | Wishlist  
|        | Brokerage Account Basics  
|        | Fantasy Investing  
|        | Family Tradition with Money  
| Practice | This month was really hard for me, but because I was willing to go through the emotional turmoil, it was also the month that I broke through my boundaries to become a true investor in myself and my financial freedom. Commit to your own breakthrough by facing, being thankful for, and transforming your family history with money—either by talking to family members or remembering your past and be kind to yourself if you discover your own Voldemort. |
This Month

Month 7
- Pricing Using Whole-Company Numbers
- Ten Cap Pricing Methods
  - Owner Earnings
- Payback Time Pricing Methods
  - Formula for Free Cash Flow
  - Windage Growth Rate

Make practicing pricing as easy on yourself as possible: choose three companies you like and calculate the Ten Cap price and Payback Time price for each one. Reward yourself by bragging to someone who will appreciate it that you just used Buffett’s special calculation of Owner Earnings to price a company.

Month 8
- Margin of Safety Valuation Method
  - Earnings Per Share
  - Windage Growth Rate
  - Windage P/E Ratio
  - Minimum Acceptable Rate of Return (MARR)

Calculate the Margin of Safety price of each of the three companies you have already valued. Compare the three prices you have calculated for each company and decide on your buy price. Most important: reward yourself with a treat.

Month 9
- Checklist of Expensive Errors
- Writing the Story
- Inverting the Story
- Practice Shares

Pick your favorite of the three companies you’ve been researching, and write the full Story and Inverted Story of that company. Be mean in the Inverted Story. Try to understand why you should not buy this company. What can go wrong?

Month 10
- Building an Antifragil Portfolio
- Writing a Wishlist Buying Plan
- Tranches
- Prepare to Manage Emotions During Events
  - Emotional Rule of Investing: the price will go down right after you buy it

Picking my favorite company puts a smile on my face. Pick your favorite, and write your own Wishlist buying plan for your antifragile portfolio. Then sit back and take a moment to appreciate that you have a list of companies you have researched on your own and want to buy—how different is that from just a few months ago?
Month 11

- Wishlist
- Brokerage Account Basics
- Fantasy Investing
- Family Tradition with Money

Check to see if any of the companies you’ve been researching have issued dividends or done buybacks. It might or might not be almost time to buy, so set up a method of tracking your purchases, adjusted basis, and sales of a company so that you’re completely ready. There’s no more math!

Month 12

- Checklist for Ongoing Investing Practice
- Maro - Thankfulness

You’ve done it: an entire year of Investing Practice. Take a few minutes to reflect on your practice over the last year. Notice how your life has changed. Have your problems changed? Develop your own plan to take charge of your Investing Practice going forward.