

New Year's Resolutions 2019

I've never been a big New Year's Resolution person. If there's a big change you want to make, I always thought using the flip in the calendar as a "catalyst" to make the change was pretty silly. Why not just go out and make the change immediately?

But for some reason I'm more into resolutions this year. Maybe it's because I'm getting older and more mellow. Maybe it's because investing is generally judged on a yearly basis (i.e. most people care about your calendar returns, incentive fees are generally determined on a calendar basis, taxes are determined based on realized gains / losses in the calendar year so December can create some incentive to reassess the portfolio and spur you to sell your losers, etc.) so the change in the calendar has a much more profound impact on my life versus previous years. Maybe it's because I tend to take a vacation between Christmas and New Year's and the longer vacation makes me eager to get back to work more focused and productive than ever. Probably a combination of all of the above.

Anyway, one of the great things about having a blog is the interaction with a variety of readers. Below are my (mainly work / investing focused) resolutions for the year. These are a bit more personal, so don't feel the need to read them if you're not interested (I'm putting these in writing to make myself more accountable; investing specific posts will be coming back soon!), but if you have any advice for achieving any of these goals, please feel free to slide into my DMs.

- Overall Work Resolutions

- Write more, particularly "work in progress" articles. I understand I'm pretty rare in the "professional" buyside community for writing a pretty open blog, but I love writing. It helps me focus on what I'm researching and refine my

thoughts on investments / potential investments. A lot of times I'll think I'll have an idea fully fleshed out and when I start writing it up I'll hit a potential hole in my knowledge base / a question that I can't answer, and that will force me to dive deeper into the idea to answer the question. So I want to spend more time writing up ideas. To date, I've mainly tried to publish fully fleshed out ideas, but I want to get a bit more comfy with doing some work on an idea and then publishing it with outstanding questions to answer on the off chance some readers may have already answered those questions / have more specialized knowledge in that field.

- More work focused on general knowledge / less work focused on specific investments. Most of the investments I make tend to straddle the line between special situations (which are generally more one-off and have specific catalysts) and general value investments. Investing in special situations generally involves a semi-fire drill where you immediately drop everything to read up on a specific company, the actors involved in the situation, etc., and while all of that is interesting, it tends to be very situation specific knowledge that doesn't have huge amounts of carry over for subsequent investments. For example, investing in the Dell (disclosure: long) tracker after Michael Dell's first take private offer didn't require a crazy amount of industry research; your time was much better spent understanding the incentives for Dell to take out the tracker and the vote dynamics for getting him to bump his offer. Thinking through those incentives are interesting but thinking through them doesn't provide a ton of knowledge that carries through to future investments. In

contrast, spending a week diving deep into an industry offers a bunch of knowledge that can be useful for thinking through future investments (for example, if you spend a week researching the cable industry, you can use the takeaways from that week to go look at a bunch of media companies, or telecom companies, or maybe even cable equipment suppliers), but it's often not immediately applicable (I think the cable companies are all very attractively priced right now, but you could do a similar exercise with wireless companies, video game companies, etc. and possibly not find anything interesting to do). The issue is that the special situation investments tend to be time sensitive and there's always another one to research, so looking at them can crowd out time / energy for more generalized research. This year I want to spend more time diving deep into industries and dial back the urge to constantly hop from researching one special situation to the next.

- Work on taking better notes / improving knowledge retention- One of the biggest issues I run into is retaining knowledge. I might spend a full three days reading about an industry / company, and while I'm generally good at retaining overall ideas, a lot of the key interesting nuggets tend to slip away from me and I haven't figured out a good way to retain them / take notes. I've tried writing notes as I read up on a company and have found that helps overall retention, but I've found the notes end up too long for me to really go back and refer to and the note taking dramatically slows my reading time, so I'm still looking for a good balance of note taking to ability to revisit said notes.

- My current solution? As I read on a company,

I'll form an "outline investment thesis" where I'll write one sentence on a piece of a potential investment thesis / idea and then clip screenshots of quotes / articles supporting the investment thesis. Sometimes I'll just do this in a personal word doc, or I've actually found twitter threads are pretty useful for this: for example, here's a recent thread on KKR. By threading each tweet with one or two lines on what the takeaway is and then a screenshot of a quote or image, I can build out a quick investment thesis or idea on a company / industry and be able to come back to it pretty easily later (added bonus: every now and then someone will like a tweet from a few months ago and I'll revisit an interesting nugget I had started to forget).

- Basic "finance bro" resolutions (resolutions that I feel like just about everyone involved in finance / investing makes)
 - Spend more time on "focused" work: Sometimes I'll be "working" for two hours and stop to grab a coffee or something. When I look back at the previous two hours, I realize I can't remember exactly what I was doing or learning. I'll know I responded to some emails and maybe looked at a news story or two.... but was I really working or was I just being mindless? Probably the later. I want to eliminate those hours and make sure more of my time is spent on mindful work. A big piece of this will come from spending less time checking emails, twitter, stock movements, etc. My goal is to batch email checking / responding to ~twice a day, checking twitter to ~twice a day, and checking the portfolio to three times a day (at market open, around lunch, and after market

close). I know some people might argue checking any of those more than once a day is too much / still a pretty large distraction from getting really focused, but I've been attempting those ratios for ~a month and (when I have successfully stuck to it) it worked well for me.

- I mentioned emails / twitter here, but any mindless internet or phone time qualifies. I've started trying to work with my cell phone out of reach to avoid the urge to pick it up mindlessly, and I've deleted a lot of mindless apps that create the urge to check them even when they don't really add anything (Instagram and Snapchat are the headliners, but there were several others that I found myself opening now and again for no real reason that I deleted and haven't missed. I'd like to do facebook but the ability to log into other apps with it makes it a tough delete).
- Be better about unplugging from work when I'm not working: A really bad habit of mine is to think about work when I'm on leisure time (i.e. thinking about it when I'm on vacation, hanging out with friends, etc.). Those "thoughts" tend to take on more unproductive forms (what happens if stock XYZ reports bad earnings next week? what if company X's deal to buy company Y breaks?) that qualify more as general worrying and not actually trying to increase understanding / knowledge of companies. When I'm working, I want to be focused, and when I'm not working, I want to be unplugged and enjoying myself / my friends and family.
- Personal Health resolutions (feel free to skip these; again, I'm just putting them down to make myself more accountable).
 - Whole 30- I'm starting a Whole 30 tomorrow (Jan.

- 2). Complete it without dying or killing someone.
- Assuming successful completion, resist urge to post shirtless photos or evangelize the Whole 30 and how it changed my life (I'm just assuming those go along with a Whole 30 based on how friends I know who've done it have reacted).
 - **Fran-** complete a Fran workout in under 3:30 (current best: just over 4 mins)
 - I was thinking about going with an improvement to my max squat number here (my back squat has been stubbornly stuck under 400 lbs and I'd love to break that barrier!), but I've had some back troubles and I don't feel like tempting fate with that / focusing too much on squats will get in the way of other goals. I think this is a nice balance.
 - Rowing- row a 2k in under 6:56
 - I was a super competitive rower in college and would have laughed at that goal.... but I'm not in college anymore and I'd like to get my mental toughness for handling more grueling endurance workouts up and I think this goal is a nice blend.
 - Yoga- once a week. Flexibility is important too!

In total, that's nine resolutions. Some are vaguer and some have specific goals, but all of them are achievable and I think hitting all of them would make me a better / happier version of me.

Assuming I remember to, I'll post an update on progress (but not shirtless photos!) halfway through the year and at the end of the year.

Happy New Year!