

You'll Never Know It All, But Know Enough

Don't try to be a know-it-all investor. Building a solid foundation on diversification, patience, value, and compound interest, has always worked for me, without having to "know it all."

In December 2003 I explained my deliberate method of focusing on dividends and interest to generate compound interest, writing:

Invest for Dividends & Interest

I'm not a speculator or trader, and I don't offer strategies for either group. Work hard, invest your hard-earned savings regularly for interest and dividends, and let your investments breathe. Let them take the air. Let them work for you as a long-term store of value keyed to the miracle of compound interest. Do you have a compound interest table? Please promise me that you will not start yet another year without the world's most valuable investment tool on your desk.

You need to be on a specific track in order to ensure your success as a consistent long term compounder of your savings. If I can do it, you can do it. This is especially so since I give you everything you need to be a winner in my monthly letters. As such, I'm darn deliberate about what I recommend to you. I clearly and consistently lay out strategies for both of us. I don't mince words. You know exactly where I stand. We are on the same team. I beat on a handful of topics to the point of badgering. That's because 40 years of experience have shown me what works and what doesn't. I'm excited to be reinforcing these concepts for you each month because I know you benefit from the consistency.

Key West-Style Consistency

As I've written in the past, my strategy for us both is not a know-it-all approach. Rather, it is know enough. I insist on keeping it easy and simple. Friends of mine own a neat restaurant here in Key West. This special place has won a Zagat Award for two consecutive years, which, I'm told, is quite rare. Located on the corner of Olivia and Elizabeth, the little white restaurant is the savored province of locals who try to keep good ideas to themselves. My friends' answer to how they have achieved such great success? Consistency.

Consistency is also the guiding light I shine for you each month, ad nauseum, I'm afraid. Consistency, of course, is about risk management and my basic investor tenet of diversification and patience built on a foundation of value and compound interest.