



MY NOTES ON A READING FRAMEWORK

My notes from different articles/blogs (Related on Reading) by Shane Parrish and Vishal Khandelwal – Venkatesh Jayaraman (@EWFA_)



Do visit my landing <https://www.linkedin.com/pulse/my-notes-compilation-value-investing-venkatesh-jayaraman/> for more such notes, presentation and compilations on Personal Finance and Stock Investing.

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DISCLAIMER

- This document is intended to share my notes on reading different blogs/articles on the subject
- I have share a high-level framework that has helped me to:
 - Read effectively
 - Retain/Remember what was Read
 - Implement the Retained and benefit from our Reads!
- There is no “One Fit for All” solution - Choose a system which works best for you feel free to modify the framework to suit your requirements
- Read further to understand list of readings are shared in “References” section
- I have made best efforts to ensure accuracy of contents in this presentation, however, errors could creep in beyond my best effort - Kindly bring to my notice and the same shall be rectified
- I shall in no way be responsible to any one (directly or indirectly) for any kind of loss that might arise from using or sharing the information in this document

ACKNOWLEDGEMENTS

This document primarily contains my notes from the readings of articles by Shane Parrish (@ShaneAParrish) and Vishal (@safalniveshak). I take this opportunity to personally thank Shane Parrish and Vishal for these articles.

I also thank Anshul Khare (@anshul81) for permitting me to share our email discussions.

BACKGROUND OF THIS WORK

Reading makes a person better. More the reading is better. But only reading does not help. *Reading is only like a boarding pass for a bigger journey and destination.* Good reading habits not only help to read more but also read better. **From this article and framework create a system/framework that works for you better.**

There are many articles quoting the volumes of contents read a day by Warren Buffett and Charlie Munger. But not many discuss:

- How to Retain and Remember what is Read
- Implement what was Retained and get benefitted

Key is not simply reading, but to be selective in what to read and how you read.

My investment related readings started in 2012 from the book “Security Analysis”. From there on, I had read close to 60-70 books on investing. I identified a few challenges:

- Initially when started, I did not take the notes properly. So, I started to re-read and take notes or make mark up on the books
- I found that I could not recall many of the readings, even to the extent that I could not remember which particular concept was picked from a particular work
- I started fixing targets to complete certain number of pages/number of blogs a month. I realized that this was also flawed. Reading is for my benefit and not to meet any target or a finish line where I compete with someone to read 500-1000 blogs. What use was a reading, if I don't recall when needed (or) not have some 'take-away' from these readings

- Somewhere last year in September, When I look back, I had read a huge number of blogs but was surprised (rather shocked!) that I don't recall the contents of many of the older read blogs. I don't even faintly remember. However, once I open and see that blog and read a few lines, I can recall and get the gist of the blog.

LOT OF QUESTIONS CLOUDED MY MIND

- Without recall, how am I going to implement when the situations demands?
- If, I am not able to use such readings when needed, is not all the effort on these 300 articles goes wasted?
- Is re-read needed to have effective recall?
- Would not such re-reads again take so much time (Could be years!)?
- If I am unable to recall contents after a few weeks, how best can I recall the contents after a few years?

All these lead to one theme and question **Would there be any principles/framework of reading?**

Approached Anshul Khare

With a quest for identifying a framework for reading, I discussed this problem with my friend Anshul Khare (@anshul81, Anshul has good command over Human Behaviour and Mental Models.) As suggested by him, I simplified the theme into three questions or priorities below:

1. What changes should I bring in my reading habits (i.e. How blog is read, what blog I read, Number of blogs I read a day, time taken to read a blog etc.) to enable me to successfully recall the gist (or take-aways) from my reads to implement in a situation occurring in distant future?
2. What should I do to benefit from reading such blogs of good quality? [How to make out the most from blog reading?]
 - One option could be to put in practice. But for every blog content, I may not readily have a situation to put in practice
3. Would there be a simpler (not easier) method to record the knowledge gained from such blog reading?
 - Considering the reading universe, there could be easily a few 1000 blogs. This volume is a challenge to record knowledge.
 - Notes is the current option made by copy/paste key paragraphs or lines from the original blog. This is not of much use as it becomes bulky.

Solution by Anshul

(Slightly edited and emphasis added)

Hi Venkatesh,

Your first concern, as I understand, is that you're not able to readily recall what you've read in hundreds of blog posts. And the recall is much better in case of books.

Try this — open any of the books that you've read and browse through the table of contents. Chances are that you won't be able to recall the insights chapter-wise. However, you do remember the big ideas discussed in the book, right?

Here's my hypothesis. A typical non-fiction book is anywhere between 50,000 words 100,000 words. Now, most books have just one big idea which wouldn't take more than a dozen pages to communicate. Nevertheless, the author makes the reader go through hundreds of pages. That would mean repeating the central idea hundreds of times — from multiple angles. The author is literally making you wrestle with his insights.

Imagine you were made to reach through a 2000-word blog post 50 times (that would be 100,000 words) and every re-read was slightly different (in terms of words, sentences, examples etc.) but it was the same idea being talked about. I bet that you'd be able to recall the central idea of that blog even after one year.

So that could be part of the reason why you feel that retention is better for books.

Now, coming to your next question. How to increase retention for blog posts? A simple answer based on the logic I gave above, is that you should read every blog post 50 times for a better retention. However, I wouldn't recommend that. So relax.

Before we address the question of retention, let's first answer a more important question. Do you want to retain everything you read? Put another way, **is everything you read worth retaining?**

In my case, I don't want to retain everything I read.

And one reason is that most blog posts don't deserve a second reading. For most bloggers, less than 50% of the content they write is of the quality they themselves would want to read. It's true even for the best bloggers. But they still publish regularly. Why is that?

Two reasons.

First, consistent writing is the most crucial factor in building an audience. And building an audience is an important incentive for most writers/bloggers. Moreover, popular bloggers have a large audience with a wide range of tastes and knowledge. To you and I, a post may seem a rehash of the old ideas but it would be refreshingly new for a young reader who has just started on the path of gaining worldly wisdom.

Second, in writing, quality is a byproduct of quantity. For a writer, it's very tough to judge beforehand if he has a winning insight to blog about. Writing as it turns out is as much about discovering as creating. A two-way process, writing is. It is not just an act of communicating what you know but also a process of figuring out ideas that are worth talking about. For regular bloggers, it rarely happens that they know what idea they're going to talk about. While getting the words out on the page, they figure out the ideas and then refine.

It's the secret of good writing. Write even if there's nothing to write. Write even if you don't feel like writing.

Of course, my observation doesn't apply to all the bloggers. **So, you'd have to be brutally selective.** Just because you like a writer doesn't mean you need to read everything written by him. And how do you know which posts to skip? Well, you'll have to skim through it or at least read it once to figure out if the post is worth re-reading deeply. If it's not, forget about it. Don't worry about including it in your log. Record only those posts which you found very thought-provoking and would like to read again. Now, this may not be easy initially because you might feel that every blog post has something important to offer. But that's how the FOMO bias (fear of missing out) makes a backdoor entry.

The more you read the better you become in filtering out what you should read next. Slowly raise your bar.

My biggest enemy — as far as reading is concerned — has been the sunk cost fallacy. After reading 50 pages from a book, it's maddeningly hard to fight the urge to finish the book even if I am not enjoying the book anymore. For a few years, even I kept a log (although not as detailed as yours) of the books I was reading. And seeing an unfinished book in that list would prick me in the eye. So I stopped that practice. Instead, I started keeping a record of the ideas I learned. I find Evernote is a good tool for this purpose.

There are a lot of bad books out there. And even if a book is good, you may not be ready for it. So, toss it aside. Pick up the next book. Ditto for the blogs.

The point is to **become really skillful at selecting what to read without being affected by the Authority Bias.**

So let's come back to the original question. How to retain what you read?

As I said, the straightforward answer could be to read the same thing again and again as it happens in a book. But that's an inefficient strategy. As you've already figured, the best way to retain an insight is to implement it. In the process of implementing you're forced to wrestle with the idea. And there lies the trick. Wrestling with the idea. And the most efficient way to do that is to teach it. Teaching is the best hack for learning.

So start a blog. Start writing. Start teaching.

A few months back I read a book *The Drunkard's Walk*. It profiles many philosophers and thinkers of the past few centuries. These were the stalwarts who made important discoveries in the field of mathematics, probability, and statistics. I was surprised to discover that these people had varied interests. They were not limited by categorization of knowledge like biology, physics, chemistry, literature, etc. They were experts in many disciplines. In fact, I suspect that in their minds they didn't segregate the bodies of knowledge in different compartments. And perhaps that was the secret sauce of their creativity. They were able to cross-pollinate ideas between different jurisdictions. Connecting the dots, finding relation between seemingly unrelated ideas — that was their superpower.

So based on that insight and an advice from Charlie Munger, the second suggestion that I can give you for better retention is this.

If your knowledge doesn't hang onto a bigger framework of interconnected ideas (the latticework), it's quickly forgotten.

Whenever I find a new insight I think hard and try to mentally reach out for related ideas. I may end up making some unfruitful connections leading to dead ends. But the process of reaching is more important than the result. It tattoos the ideas deeper into your brain and increases the odds that they will strike you at the time when you need them.

Let me know if you have any follow up questions.

Regards,
Anshul

A FRAMEWORK WAS BORN

- With these pointers shared by Anshul, I started my hunt for creating a proper framework for reading, which would suit me.
- During one such hunt, merely by luck came across an interesting article on reading at Farnam Street blog (<https://fs.blog/>) by Shane Parrish (@ShaneAParrish) and Vishal (@safalniveshak)

- On searching deeper, I found many articles related to reading at Farnam Street blog.
- Next 1 month, I read, re-read the articles, took notes, connected the dots between different articles and created my own framework that you find in this document.
- This reading framework was implemented in my reads, found it very effective and refined before rolling out in this document.
- Wish that I had this frame work 10 years back!

Below is a high level framework that I got from these reading. If you find this unsuitable, create one that suits you.

What to read?

Too much available content is junk. Time is limited. So, choose the reading material wisely. Select the ones that could have a positive impact in some areas your life.

- Choose your read – Before starting a book check the reviews, discuss with someone who read it, Read the TOC, Index, preface and skim contents for key words.
- Rather than new books, choose the old ones which have stood the test of time.
- Choose book on a subject that you would like to gain knowledge.
- Choose a book from an author who definitely has more knowledge on the subject than you.
- Make a list of books that had an impact/good feel when you read. Read the books in the list that you loved reading it earlier, atleast once a year. Sometimes it could be part of a book and identify those chapters. Update the chapters in your reading list.

When to read?

- If a chapter or blog is chosen, can it be completed in one sitting? Have you ear marked sufficient time to finish in single sitting?
- Early morning is preferable as your will power is maximum at this time. (But debatable... Some find evenings and night suitable. As said earlier, choose what suits you.

How to read?

- Sit a distraction free environment – No to internet, mobile, email and TV
- Sit alone and use an ear jack, if the environment is noisy
- In case of books never start reading without a note and pen.
- Follow the reading with a pen in case of book – Alternatively use your finger
- In case of video material make sure that word file or notepad is open to put your thoughts and take notes as you listen.
- Take notes / High light in pdf
- Go to the next line/para only after understanding the current line/paragraph

Reading A Book

- Reading chapters
 - Read a chapter once from start with finish without pondering ideas that you don't understand
 - After reading without looking back at the book (1) Note key ideas and (2) Contents that you did not understand
 - Refer back to the chapter to note areas that you did not understand
 - Re-read patiently for clear understanding (Don't go to next line/para without understanding the previous one)

- Make notes / Create Mind map
- Revisit the notes
 - Update the notes / Insert the Mind map
 - Connect personally
 - Connect with other bigger ideas
- Identify implementation areas and an action plan to implement –Fight with the idea
- Feynman Technique: Write the contents with the flow in a piece of paper from beginning to end as if teaching someone who does not know anything – This can be after a few days
- Repeat above step for all chapters
- Go through the Bibliography to note related and further reads
- After reading the book make a summary of the book

Note: Have a “Note Sheet” template to record the notes of your reading. A sample is shown in the next page.

Re-Read

- You could have implemented, teach or created a mind map for the read contents. Though it is reinforced into the mind, it is always a good idea to re-read them again. Frequency of re-read would depend on how comfortable you can recall the main ideas
- When to re-read a book or blog?
 - In case of a good book or blog, the best time is immediately after your first reading!
 - Read after 1 week
- The second situation is where you could not do implementation or teaching. So, the imprints from the learnings come down over a period. Re-read after a few months.

Success lies not in completing the book, but in getting benefits from the reading

Sample Notes Sheet

Book Name / Chapter # / Blog	
Page Number	
URL	

Mind Map

- Create a Mind map of the idea/concept from this chapter to be tagged here.
- Helps you to support knowledge
- Help in teaching someone, remember learning, reinforcing the ideas for yourself and for quick recall of the idea

Notes

- Reading and writing go hand in hand, so write notes of what you read
- Notes from the chapter/blog – Put down in your own words, rather than copy paste from the blog
- This will help to check if you understand the idea well
- If you have understood the idea well, you must be able to explain the idea comfortably in your own words to anyone

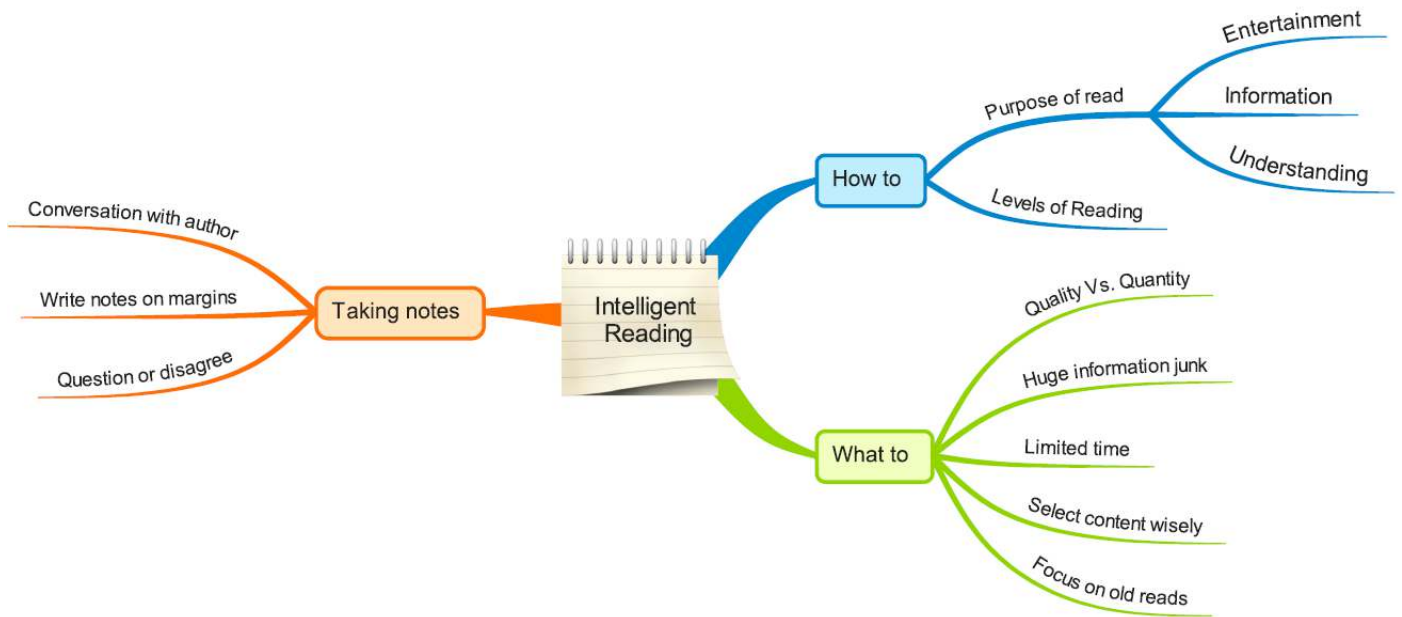
(Have this table below at the end of notes)

What is this all about	Existing idea / New idea: Extension of an existing idea: Similar idea from different discipline
Jargons / Meanings	List down the meaning of jargons and words that you came across in the chapter
Connect personally	Talk to your self and see how the idea or concept personally connect with you
What to implement	<ul style="list-style-type: none"> • Most powerful way of implementation is putting reading to practice • By this we are sowing the seeds of the read knowledge • More questions could come in mind and give opportunities to learn more if needed - Wrestle with the idea • Simple and small implementation may give visible immediate benefits leading to motivation (mental imprint). • So, put little time and effort to see what can be implemented in your life. • Which area of your life does this reading have an impact i.e. Personal, Professional and Financial?
Implementation plan	Create an action point for implementation. i.e. When you will complete the implementation or what habits you will bring/change in life
Tangible gains	<ul style="list-style-type: none"> • What gains would you have due to implementation of the idea • Try quantifying it • You will be motivated for a quick and near implementation
Connect with bigger ideas	Connect the present ideas, with other big ideas that you have already learned

FARNAM STREET BLOG

A guide to intelligent reading

<https://fs.blog/reading/>



- How you read? – Depend on the purpose of i.e. Entertainment, Information and Understanding. No to speed reading.
- What to read? Most available information a junk. Choose quality over quantity and pick the readings wisely. Revisit your old reads
- Takes notes when reading. Reading is a conversation with the author.
- Remembering the contents depend on how you read. Good reading habits help us to read more.

The Top 3 Most Effective Ways to Take Notes While Reading

<https://fs.blog/2013/11/taking-notes-while-reading/>

Start the book with a filter. Read through TOC, preface, Index and a few pages. You get to know where the author is going to. Start with pen with hand and take notes. Write on margins, Marginalia - A dying art, helps to capture the tiny thoughts that come to your mind when reading. It also helps to remember what was read.

Knowledge acquisition is a function of:

1. What is read,
2. How it is read,
3. What is chosen to be retained and connect back and
4. Ability to recall the information.

Three step note taking process.

Step 1

- Make notes as you read –
 - Circle words to look upon,
 - Star for the words or points that are critical to the argument and

- Underline things that are interesting
- Reading is like interacting with the author.
 - Write questions, tease and challenge assumptions on the margin.
- At the end of every chapter make a summary with a few bullet points. (Make a personal connect in the summary, applying to something in your life.)
- At the end write a brief about the entire book.

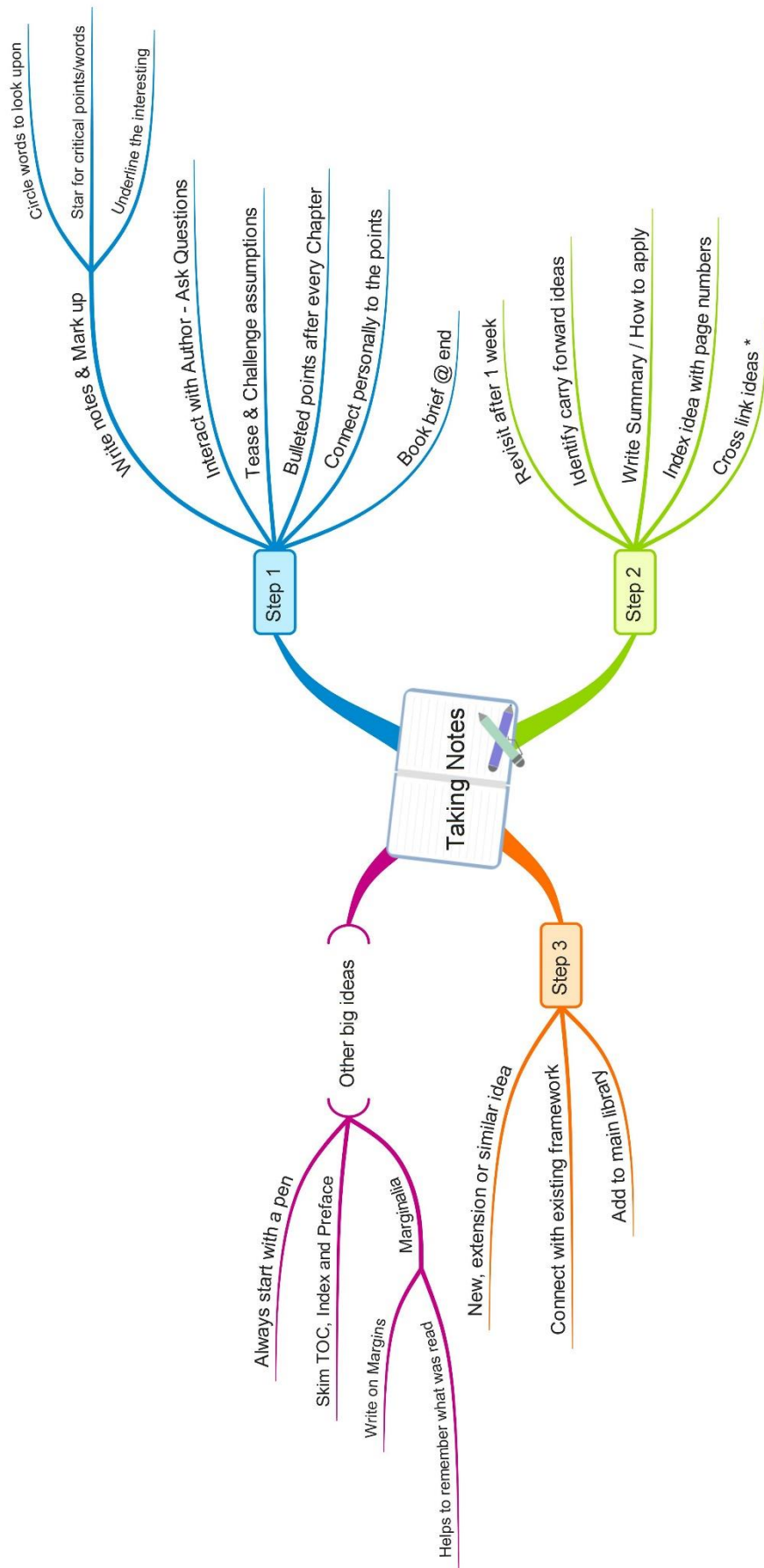
Step 2

- Revisit the notes and markings after a week. By now
 - You have read the book completely – Might have answers to many questions that you had in the firsts reading.
 - Given time to assimilate.
- Many things in the notes would be a junk.
- But some idea, are worth/important to carry forward.
- Summarize how you would apply this knowledge in the first few pages of the book.
- Index these ideas to the page numbers.
- Create a mental summary of the books main arguments and gaps.
- Cross link the learnings from other books.

Step 3

- After a few days go through the book, notes and summary.
- Synthesize with the central reading repository.
- Take picture if needed.
- To aid recall, connect it with something thing that is already in your mind.
 - Is it a new idea?
 - Extension of an existing idea,
 - Does it replace an idea?
 - Is that the same idea from a different discipline?

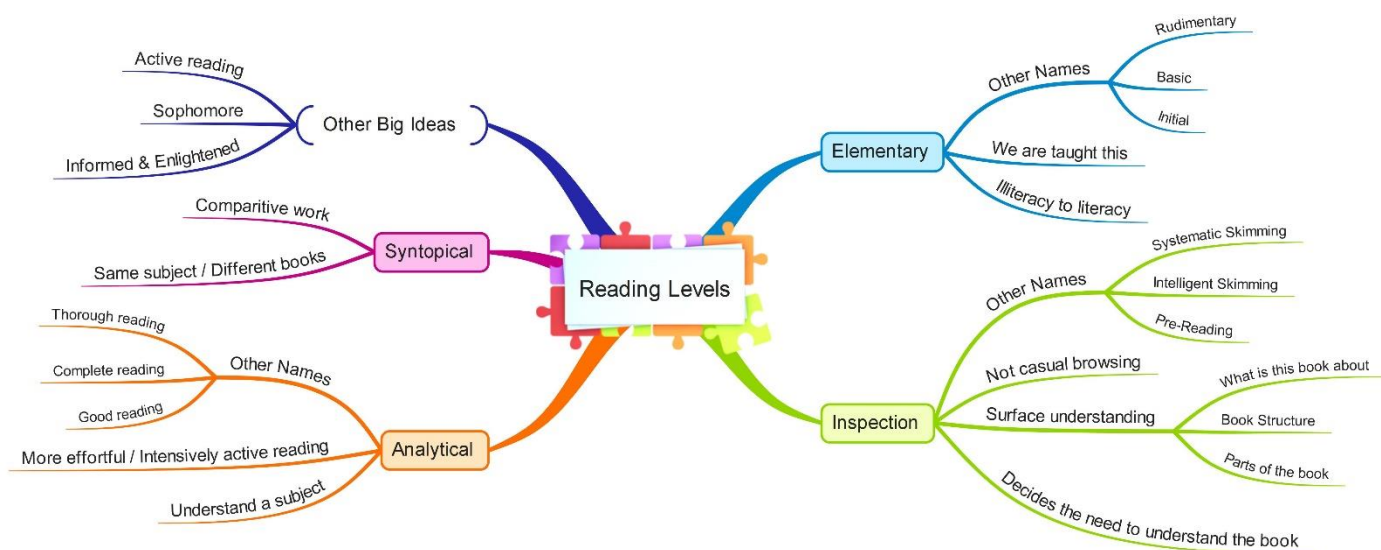
If listening to a video/audio, make a new note and type as you hear. Not a good idea to listen and later recall and take the notes. (Some people listen to videos when driving or travelling and later take notes.)



* Ideas from other books

The Four Levels of Reading: Improve Skills One Level At A Time

<https://fs.blog/2013/06/levels-of-reading/>



Active Reading:

- There is nothing called passive reading.
- All readings are active to some degree.
- The level of activeness depends on purpose of read i.e. Entertainment -> Understanding. (The kind of content decides our level of reading.)

Purpose of reading

- Entertainment – Nothing to add
- Information – Acquire information or facts. Media reads, easily digestible. They do not improve our understanding.
- Understanding – Changes our understanding (New idea, better understand an existing idea or altoist realize that our understanding is incomplete). This level will take care of other two levels, as they are less demanding.

Informed and Enlightened

- To be informed – Simply know something is a case
- To be enlightened – What is all about, why it is the case, connection with other facts, similarities and differences.
- If you remember what is in a book, you have learned fact about the book or world. You have gained information, but not enlightened.
- Enlightenment is a stage where you understand what the author means and why he said it.
- One cannot be enlightened without being informed, but one can be informed without being enlightened.

Levels of reading

Purpose of reading determines the level of reading required.

1. Elementary reading

- a. Other names: rudimentary, basic or initial reading.

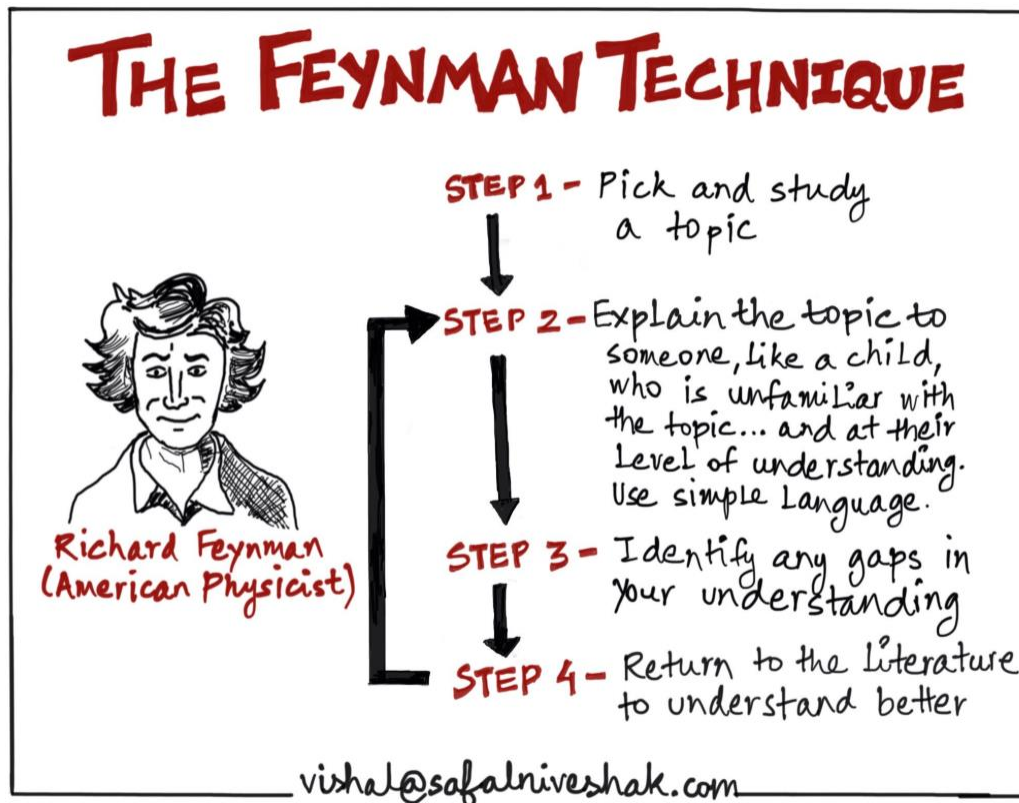
- b. Basic reading, we were thought and most of us are at this level.
 - c. This is like moving from illiteracy to at least beginning of literacy.
2. Inspectional reading
- a. Other names: Systematic/intelligently skimming or pre-reading.
 - b. Does not mean casual browsing
 - c. Done in a limited amount of time to prime our brain with contents of book
 - d. Helps to understand the book from the surface
 - i. What is this book about?
 - ii. What is the structure of the book
 - iii. What are the parts?
 - e. Without this level, we are faced with the challenge of superficial reading and in-depth understanding
 - f. This level helps to decide, if we need to read the entire book
3. Analytical reading
- a. Other names: Thorough, complete or good reading
 - b. Not required in case of reading for entertainment and information
 - c. This is intensively active and more effortful than the two other levels.
 - d. This kind of reading is needed to understand a subject.
 - e. While inspectional reading is achieving the best in limited time, analytical reading is achieving the best in unlimited time.
 - f. The reader makes the book their own.
4. Syntopical reading
- a. Other names: Comparative reading
 - b. Most complex of all levels of reading
 - c. Compares works in different books on the same subject.

Glossary:

- Sophomores – Read many things, but not well. Greek term!
- Abecedarian - arranged alphabetically.
- Rudiment - the first principles of (a subject).

The Feynman Technique: The Best Way to Learn Anything

<https://fs.blog/2012/04/learn-anything-faster-with-the-feynman-technique/>

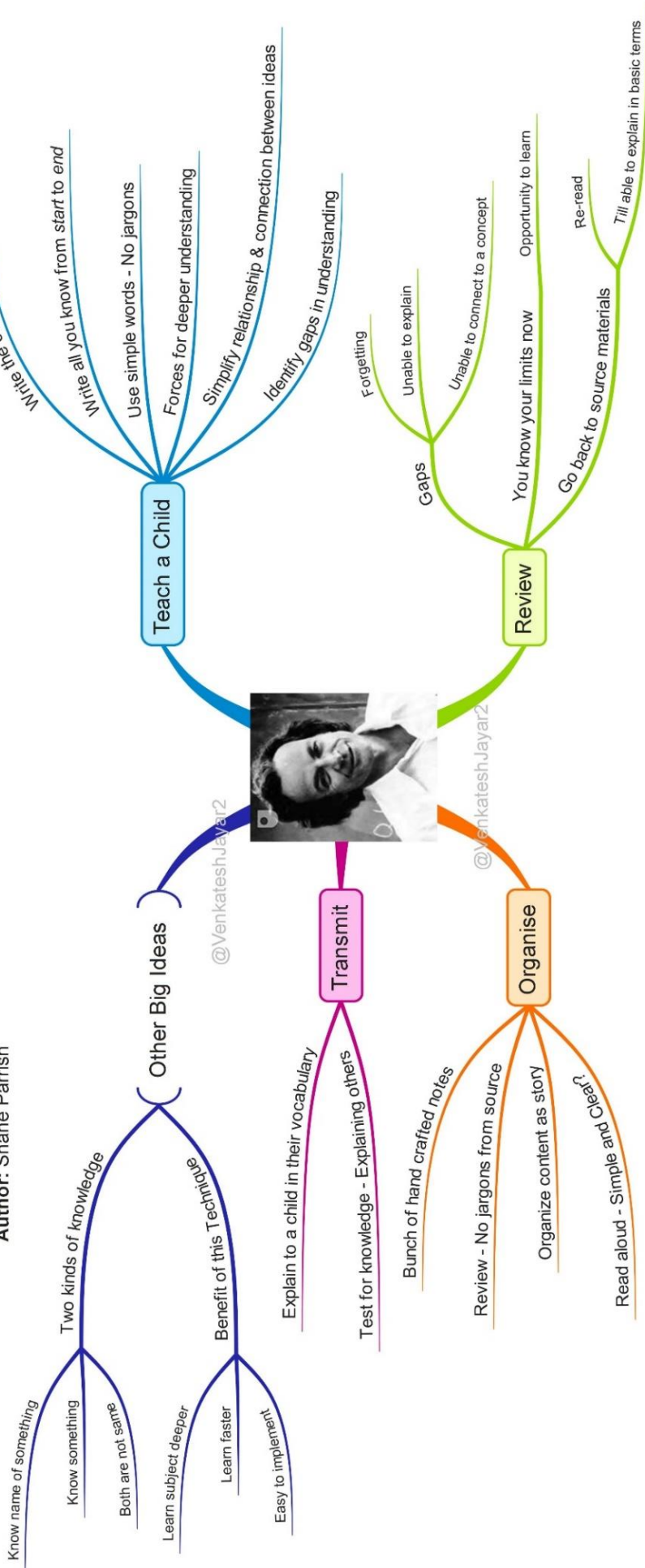


- Choose a concept
- Explain to Toddler
- Identify gaps and go back to source materials
- Review and Simplify

Two kinds of knowledge

- One focus on knowing the name of something
- Other focus on to know something
- Both are not the same
- People focus on the wrong one
- Richard Feynman knew this difference and developed a technique (Formula) by which he could understand a subject much better than others
- Feynman Technique helps to (1) learn a subject much deeper, (2) learn faster and (3) easy to implement

Title: The Feynman Technique: The Best Way to Learn Anything
URL: <https://fs.blog/2012/04/learn-anything-faster-with-the-feynman-technique/>
Author: Shane Parrish



1. Teach to a Child

- Take a sheet of paper and on top write the subject (concept or Area of interest) that you want to learn.
- Write what all you know about the concept from *start* to *end* in simple words without jargons, because jargons:
 - We use them as a mask when we don't understand something
 - We fool our self by not knowing that what did not understand
 - Protect our ignorance from others
- By this exercise we are forced to understand deeper, simplify relationship and connection between ideas
- Clearly understand where our gap lies

2. Identify Gaps

- From previous step identify gaps – Forgetting, unable to explain or unable to connect to a concept
- Competence is knowing your limits. You now know your limits. This is an opportunity to learn.
- Identifying our limits increases chance of success when implementing knowledge
- You now know what you don't know
- Go back to source materials and re-read until you can explain in simple or basic terms

3. Organize

- There is now a bunch of hand-crafted notes
- Review them and make sure there are no jargons carried from the original content
- Organize content such that there is a story flow
- Read aloud – If it is not simple or unclear, it is an indicator that you still lag understanding and repeat the above steps

4. Transmit

- Explain to a child in their vocabulary
- Success lies in explaining others of what was learned – Test for knowledge

This habit is like a window to a much bigger technique (way of thinking) to tear ideas to fundamental ones and reconstruct them from basic ones, which Elon Musk calls as *Thinking from Basic Principles*. This leads to much deeper understanding of concepts and ideas.

A System for Remembering What You Read

<https://fs.blog/2014/05/remembering-what-you-read/>

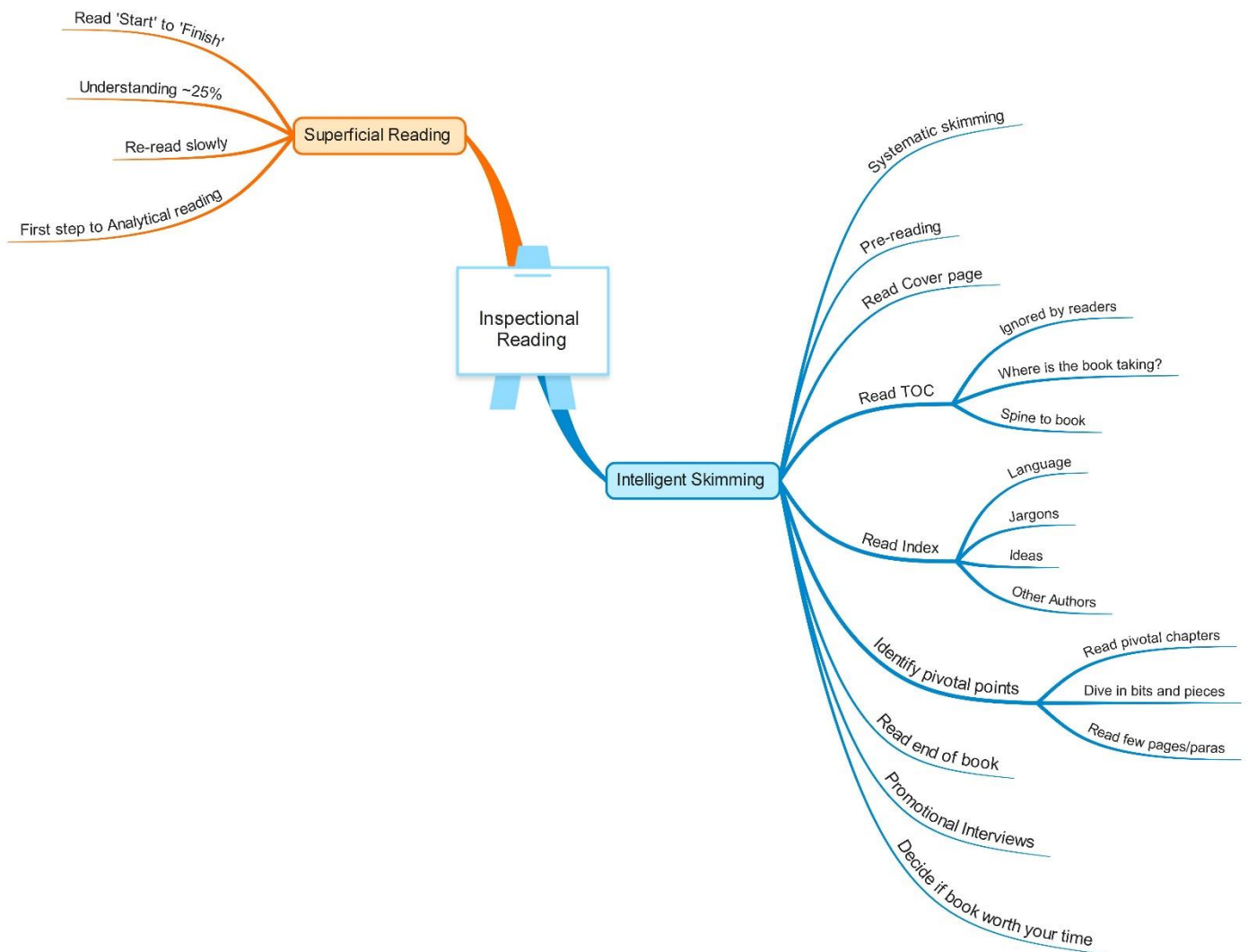
- Go through TOC, Index and Preface – Gives a good idea about the book
- It is ok to say NO to that book (atleast at that point of time)
- Read one book at a time – Put the reading down, if it does not interest
- Write notes as you read – Questions, thoughts, connection with other ideas and challenge assumptions
- At the end of each chapter, write down key ideas and take-aways in own words *without referring* to the chapter. Then refer the book to add missing points
- Check how you can implement the idea or concept.

- After reading the book write a summary on a sheet of paper to explain the core idea and concept to yourself. Refer your notes, if you face any difficulty.
- Put down the book for 1 week
- After one week, re-read all notes. Is there anything still important? Note them in the inside cover of the book and index them with page numbers
- Put the notes that you want to retain in a common book place

Our ability to remember depends on what we choose to read. We find difficult to remember, because we don't read to build on existing knowledge. We choose complex subjects (that change rapidly) without understanding the basics (Which changes slowly or seldom changes).

To overcome this problem, build a latticework of mental models (How to build lattice work of mental models). Form core knowledge or foundations from multi-disciplinary subjects. These are basics or foundation which does not change (or changes very slowly). This becomes the foundation and any further reading is build on this. The new ideas connected to the foundation helps to remember better, big picture of how things fit together and strengthen the connections.

“Speed Reading” That Works: How to Intelligently Skim a Book
<https://fs.blog/2013/06/the-art-of-reading-inspectional-reading/>



There are two kind of reading (1) Intelligent Skimming and (2) Superficial Reading

1. Intelligent Skimming

Also called as Systematic skimming or pre-reading. This reading takes maximum one hour.

- Read cover page and preface – Identify scope of book and place it in a category
- TOC:
 - Read TOC to identify, where is the book taking?
 - Most important part, but people ignore and go straight to reading the book.
 - This TOC is like a spine to the book
- Read Index – Understand language, jargons, ideas and other persons which this book connects
- Identify pivotal points
 - By now you can identify pivotal chapters
 - Dive in bits and pieces – How they are structured and connect with rest of the contents in the book
 - Read few paragraphs / Pages
- Read the end – Authors do a good work to summarize their main ideas in the last few pages
- Listen to interviews – Usually 30 minutes promotional videos

Decision: Does this book need your time?

Benefits

- Save valuable time in deciding. if further reading is needed
- You know books blue print and know where to look for a content in future if needed.
- The retention rate is higher, if you decide to read the book further as you have already primed your brain with the contents.

2. Superficial Reading

This is the second part of inspectional reading, after you decide to read a book considering.

- Read from start to finish without taking time to understand what you don't understand.
- You might understand only 25% of the contents.
- Go back and later re-read the things which was confusing earlier appear to be resolved.
- But if you pause and try to understand everything that you don't understand...You could be lost.
- This is the first step towards analytical reading.

Decision: What is the book about and its structure? Do you need to understand this book?

Glossary:

- Preface: Introduction to a book
- Primed: Make something ready for use
- Pivot - The center point of any rotational system.

The Art of Reading: Analytical Reading

<https://fs.blog/2013/06/the-art-of-reading-analytical-reading/>

Rule 1: What kind of book is being read?

- Practical or Theoretical – Used commonly, but many does not know the clear difference
- Practical focus on doing something that too in a correct way, whereas theory tries to push that a particular concept is “true”
- Have the distinction between “Knowledge” and “action”
- Books that focus on only sharing knowledge – One-way communication

Rule 2: A brevity of what the book is about?

- State what the book as a whole is about in a few words or one paragraph

Rule 3: What is the structure of the book?

- Analogy of a house
 - There is a difference between a heap of bricks and a built house
 - There is a difference between a single house and a collection of house
 - A house is like a mansion having multiple rooms
 - Each room has its own purpose, design, size and they are able to function independently
 - However, the rooms are connected through passages, stairs corridors etc
 - Thus, the partial function of the rooms contribute to the overall functioning (Usefulness) of house
 - Without these connections the house is not livable
- Relationship to the analogy
 - In the same way, book have a single main idea
 - But since it is complex, it is organized into multiple parts each connecting to the main idea
- The reader must identify the major parts and how they are organized
- This is closely related to Rule 2. You need to organize the different parts that form the unity.
- Writing and reading or same?
 - Readers try to uncover the contents upto the skeleton of the book
 - Writers to put flesh over bones and bring a structure

Rule 4: Define the problem(s) that the author is trying to address

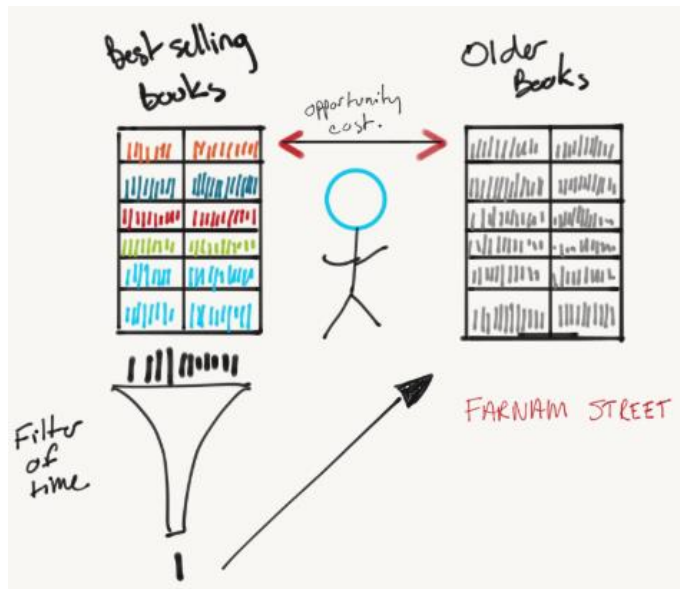
- The author starts with question(s) and answers in the later part of book
- If questions are not stated, we readers must intelligently identify the questions
- If making one question is complex, then there could subordinate questions

Glossary:

- Subordinate - a person under the authority or control of another within an organization.

Haruki Murakami on Reading What Everyone Else is Reading

<https://fs.blog/2013/04/reading-what-everyone-else-is-reading/>



- We read the best selling book (or what everyone is reading) because of mental model – Social Proof (One of the six principles of persuasion)
- If you read what others are reading, then you will think only what others are thinking.
- Reading is to give you advantage over others– So be smart in picking

How to Remember What You Read

<https://fs.blog/2017/10/how-to-remember-what-you-read/>

- Some can remember details of a book till life, but many cant recall the title even after a few days
- Remembering depends on “How we read” and not “What we read” – **This is contradicting**

Active and Passive Readers

	Active Reader	Passive Reader
Retention	Retains bulk of what was read	Forgets everything as soon as they read them
Reading benefits	More they read, the more they get better	Reader who reads more is no better than a passive reader who reads less
How reading helps	They form latticework of mental models – Helps to better retain that was studied	

Advantages of active readers:

- Differentiate good arguments from bad ones
- Make better decision
- Avoid problems
- The more they read, the faster they read

Effective Reading Habits

If you are spending lot of time into something, then it is sensible that we do it effectively and get much better. For which one needs a deliberate strategy to record, reflect upon and put into practice our readings.

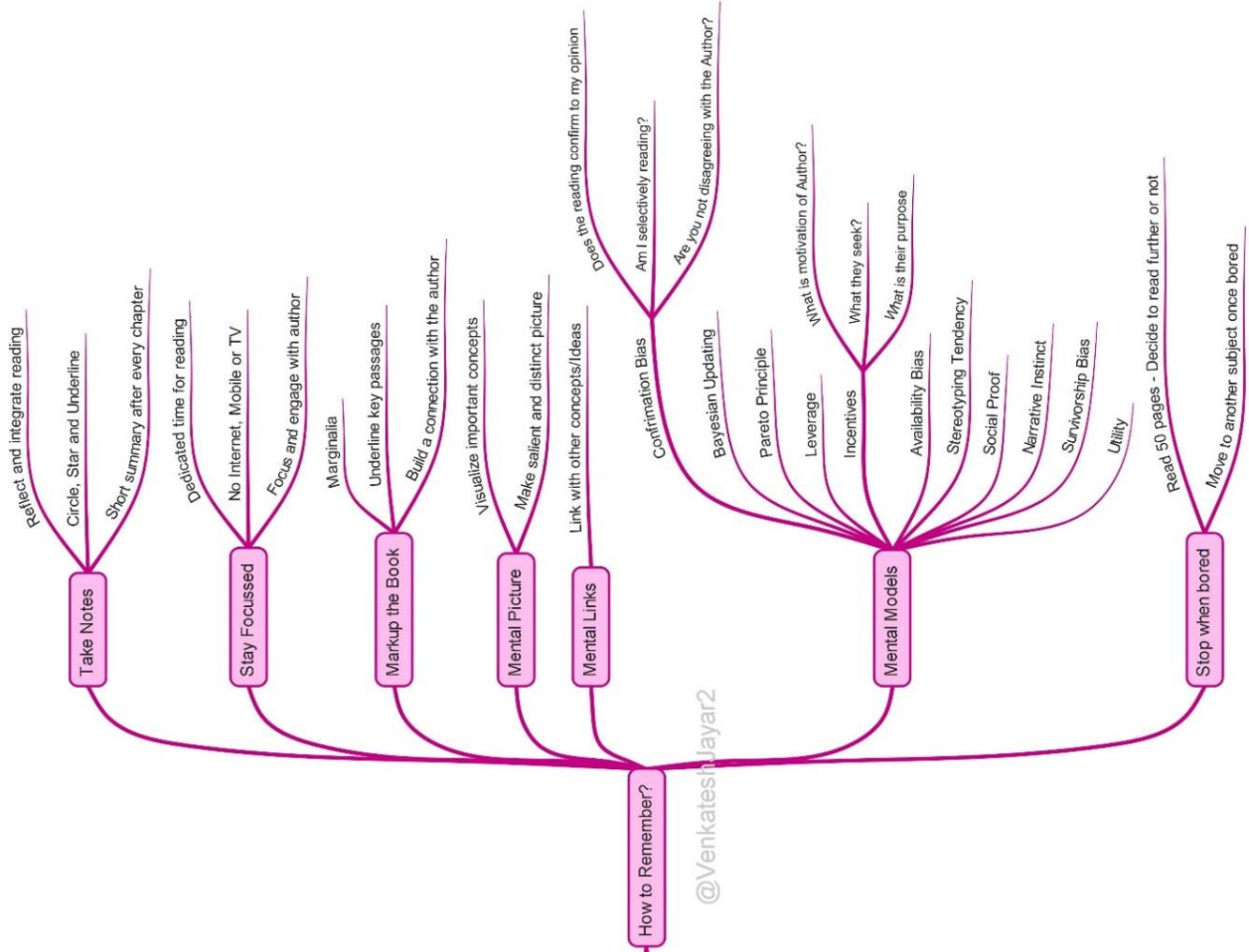
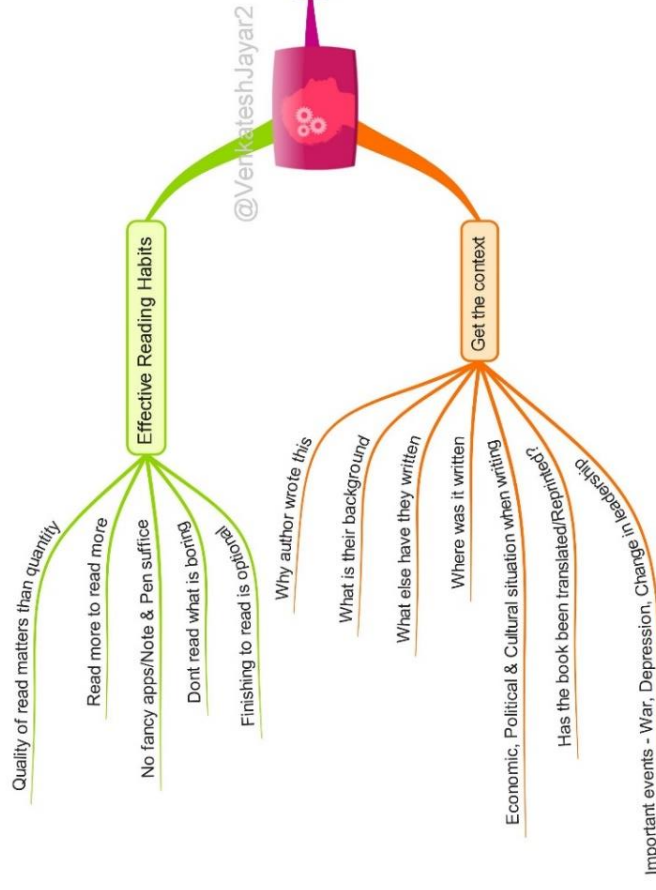
- Quality Matters: Better to read a book slowly, understand and implement...rather than skimming a book in a hurry
- No to speed reading. Read more to read faster
- No need of advanced technology. Paper and pen would suffice. Evernote is ok.
- Do not read into any topic that is boring

- Not necessary that you complete every book that you take up for read

How to Remember What You Read

Author: Shane Parrish

URL: <https://fs.blog/2017/10/how-to-remember-what-you-read/>



Filtering your Reading

- No rules to choose book, not a school with compulsory reading list! (Would others reading list help?)
- Not necessary to read, what every one is reading – Then you think like every one
- Pick books that (1) Stood test of time (2) Interesting to you (3) Connecting with current situation
- Reading something that interests you will help to remember contents into future

Get the context

For older books understand historical context and foreign books understand cultural context. Some pointers are:

- Background of the author
- Has the author written other books?
- Where was this book written?
- What is the cultural, economic and political situation when the book was written?
- Was the book translated and reprinted?
- Was there any major event when the book was written? i.e. Recession, War, Change of leadership, new technology etc.

Know your Why

- You must know the purpose of your reading – Entertainment, Information and Knowledge
- Are you looking: to know something or someone? To get better in career? To get a job? A learn new skill? Run a business?
- You must have some idea of what to get from the book
- Don't collect endless amount of useless information...it does not stick

Intelligent Skimming

- Before reading go through the TOC, preface, cover page and Index.
- Bibliography shows the tone of the book.
- To write a book, an author refers to hundreds of other books (or other works) that are referred in Bibliography.
- A well-researched book will have a Bibliography of interesting text
- After reading the book go through the Bibliography to note other interesting and related reads for further reads.

Remembering what you read

1. Taking Notes:

- Taking notes is very important to reflect and integrate the readings in your mind
- There are many ways and choose the one that best suits you
- Write short summaries after you finish a chapter
- Imagine that a friend has come near you asking to explain what you just read – How would you explain them?
- If you happen to stop you read, then when you start later, read the short summaries of 1-2 earlier chapters before starting with the new chapter
- This will help to prime your mind where you were on the book
- How would you then explain simple words?

2. Stay Focused:

- Decide the time when you will be reading without any distraction
- You focus only on the book and nothing else - No to Twitter, Email, Mobile, TV or starring at mid air
- Active reading is essential to understand a complex subject
- For active reading, one must focus and engage with the author
- Before the times of internet, people used to read in a distraction free environment and used to come out with their own inferences and analogies
- The deeper they read, the more deeper they thought
- If it is difficult to read a big book with focus read a few pages (25 pages)
- You may take months to complete a book but you have read it well

3. Build a Vivid Picture

- Visualization and creating a vivid image is a most effective method to remember anything
- When reading something important, pause and try to visualize the context
- Make the image as vivid and distinct as possible

4. Build Mental Links

- Books don't exist in Vacuum
- Every fact or concept can be connected to countless other things
- Make efforts to form your own links

5. Keep Mental Models in Mind:

Mental Model	Details
Confirmation Bias	<ul style="list-style-type: none">○ Does the content confirm with your opinions?○ It actually confirms or you selectively pick what you would like to see?○ Which part of the book am I ignoring?○ If you are NOT disagreeing with at least 1 point of the writing, then you are in the influence of confirmation bias
Bayesian Updating	<ul style="list-style-type: none">○ Should my opinions change based on the contents of the book?○ When facts change, I change my mind – John Maynard Keynes
Pareto Rule	<ul style="list-style-type: none">○ If 99% of the contents were to be removed what would you like to retain?○ This helps to decide which part is the most important○ Many authors or publishers might have a threshold for number of pages/chapters – so there is some amount of fluff and padding○ This is not applicable to fiction books
Leverage	<ul style="list-style-type: none">○ How can I use this knowledge for a disproportionate gain?○ Can I leverage knowledge for tangible gains?
Incentives	<ul style="list-style-type: none">○ What motivates the character or author?○ What they need? (They refers to character or author)○ What is their purpose?
Availability Bias	<ul style="list-style-type: none">○ Is my recent experience shaping my reading○ Am I aligned to some contents based on ease of memorizing and familiar?
Stereotyping	<ul style="list-style-type: none">○ Am I unconsciously fitting the character, author or book in a particular category?○ Is the author trying to Stereotype the characters?○ There is nothing called good stereotyping

Social Proof	<ul style="list-style-type: none"> ○ What is affecting my perception of the book? Number of copies sold, Best seller status others opinions? ○ Is the author trying to manipulate the readers through social bias? ○ A mediocre book can end up as a best-selling book
Narrative Instinct	<ul style="list-style-type: none"> ○ Is the author trying to distort a real event with a narrative? ○ This could be common in readings related to histories, memoirs and biography
Survivorship Bias	<ul style="list-style-type: none"> ○ Is the author considering the base rates? ○ There is survivorship bias in business, self-help and biographical books. ○ A particular case of a individual or a company may be held as a rule rather than exception.
Utility	<ul style="list-style-type: none"> ○ Does the book offer practical advice? ○ What is the utility or time when the returns could set in?

6. *Stop when bored:*

- Life is too short to finish a bad book
- Make a decision in the first 50 pages to read or not read the book further.
- Nassim Taleb – The moment you get bored in a subject, change the book rather than stopping reading. The trick is to get bored on the book and not about reading.

7. *The learning process:*

- Consuming information is not same as learning information
- We learn from reflections and feedback
- Many ideas are gained from experience of our self and others, which are unchallenged till we reflect on them
- Reading goes waste with shaken conclusions unless we don't put time, think about and reflect on it

Apply what was learned

- After reading the book, take time and think what can be implemented and make a plan for implementing
- Contextualize the knowledge – When does it work, when does it not, What are key variables and so on
- By implementing *immediately* you reinforce the learning and add context and meaning!

Feynman Technique

- When we read something, the thinking part is already done by some one and we merely repeat the mental process. To escape this, one has to reflect on their views
- This technique covered in another earlier article

Make your notes searchable

- Notes can be organized in a variety of ways: By author, topic or book or year of read
- The system used does not matter, as long as we can retrieve in future
- A catalogue or list of learnings from our readings will help to get ideas or motivation or confirm a thought
- Over the years, it is a big repository of wisdom that can be used to refer at times of (1) crisis, (2) uncertainty or (3) need
- Digital options like Evernote, onenote or even MS Word would help

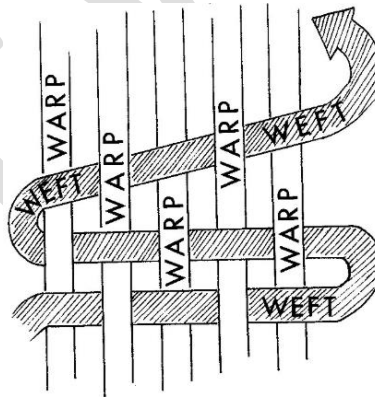
- Such a list is very valuable which cannot be measured
- Schedule time to review the notes

Reread (If necessary)

- Good books must be read more than once
- But this could be seen as waste of time as there are many other new books to be read
- This is a misunderstanding – The aim is not to read more pages but to gain more wisdom
- The best time to reread a good book is immediately after the first read
- Rereading good books is important, if we need to have everlasting memories of the contents
- Repetition helps in creating these memories
- Rereading is like spending more time with great writers who are genius in their subjects
- This will enable to gain constant nourishment from them

Glossary

- Bibliography – A bibliography is a list of all of the sources you have used in the process of researching your work. In general, a bibliography should include: the authors' names. the titles of the works. the names and locations of the companies that published your copies of the sources.
- Epiphany – Epiphanies are relatively rare occurrences and generally follow a process of significant thought about a problem. Often they are triggered by a new and key piece of information, but importantly, a depth of prior knowledge is required to allow the leap of understanding.
- Tapestry – a piece of thick textile fabric with pictures or designs formed by weaving coloured weft threads or by embroidering on canvas, used as a wall hanging or soft furnishing.
- Weft – Warp and Weft are two components that are used for weaving



- Vivid – Producing powerful feelings or strong, clear images in the mind.
- Analogy – a comparison between one thing and another, typically for the purpose of explanation or clarification.
- Fluff – Make (something) appear fuller and softer by shaking or brushing it.
- Padding – Soft material such as foam or cloth used to pad or stuff something.
- Stereotype – A widely held but fixed and oversimplified image or idea of a particular type of person or thing.

The Necessity of Marginalia in the Age of the Ebook

<https://fs.blog/2015/01/marginalia/>

“Some books are to be tasted, others to be swallowed and some few to be chewed and digested” – Francis Bacon

- Reading and writing go hand-in-hand
- One way to chew and digest is writing comments over what someone has written
- Marginalia – Fragment of thoughts that we write on the book when reading, which helps to:
 - Connect ideas
 - Translate jargons and
 - Trigger critical thinking
- This makes it difficult to share the book with others
- In case of E-book the future of reading and marginalia is appearing different
- It is difficult to highlight and key in the thoughts...The thoughts get diluted by then.
- E-books help in searching
- Buying a book does not give ownership, but only when we read and make the book your own
- Benefits:
 1. It helps the reader to be awake – not merely conscious
 2. Reading is thinking. Thinking comes out as spoken words or writing. If thinking does not translate to expression, then there is no clarity in thoughts
 3. Helps in remembering the reader’s thoughts
- Reading a book is conversation with the author, who knows the subject better than us
- Understanding it two way – Question self and author
- The end results: Question the author, agreements and differences with author – This is the highest respect to the author

The Pleasures of Reading in an Age of Distraction

<https://fs.blog/2013/01/the-pleasures-of-reading-in-an-age-of-distraction/>

- Are we doing well in critical reading in an age from distraction from our devices
- Read what you like - Don't force yourself into a read just because it is a famous book or many are read it
- If you can't concentrate on a reading, the reason could be that it does not delight you now, but may be in future, you don't understand the jargons or you lack concentration on that particular date
- Think of Maybe's before you put down a read
 - Maybe no concentration from your end
 - Maybe you are not understanding the jargons
 - Maybe it is starting slowly by will eventually pickup
- In a restaurant, you pick what you would like to eat – Same with books!
- The views of Alan Jacobs and contradict the structured way of reading by Adler

Source: *The pleasures of reading in an age of distraction* – Alan Jacobs

The Most Effective Way to Retain What You Read

<https://fs.blog/2013/05/how-to-retain-more-of-what-you-read/>

Read a lot to get smarter. How you read matters. Reading is only one part of the equation, retaining it is important. Three suggestions from experts:

- Robert Cialdini – Read a chapter, create a single summary in a paper and file it for re-read. This gives a deeper understanding and future reference.
- Daniel Coyle – Strategy B helps to retain 50% more material
 - Strategy A: Read 10 pages four times in a row and trying to memorize it
 - Strategy B: Read 10 pages once and summarize in a paper
- Nasseem Taleb – Don't create summaries. Make Bulleted points.

How to Read a Book: The Ultimate Guide by Mortimer Adler

<https://fs.blog/how-to-read-a-book/>

- There is a difference between reading for knowledge and information
- Anything that is easily digestible (Like newspaper) is information
- By reading for information we just parrot the opinion of the author as if we have done the research. The author might not be even an expert on the subject.
- There is a difference between knowing *something* and knowing the *name of something*.
- Reading without understanding the context is of lesser use to us and does not help to learn anything new.

Understanding a subject requires an insightful work. Need to read something above our current level from an author who knows something more or better than you on the subject. By reading the book, you narrow down the gap between the yourself and the author.

Four Levels of Reading

The purpose of reading determines how you must read. Reading for entertainment and information is much different than reading for knowledge or understanding. We need to improve our reading skills to read for gaining knowledge. For which it is important to understand the four levels of reading. They are called levels as they are cumulative as we cannot move to the next level without understanding the current level.

1. Elemental Reading – Basic reading that we were taught in our schools

2. Inspectional Reading

- Skimming or superficial reading is not bad as we were told
- Using this level effectively will help to improve our understanding
- Inspectional reading allows to understand the author's blueprint and decide on the merits of further reading
- There are two sub levels of inspectional reading

Intelligent Skimming

- Read through (1) Preface, (2) TOC, (3) Index and (4) Inner Cover (Called as inside jacket)
- This gives sufficient input to identify the chapters pivotal to the main argument of the author
- Dip here and there in those pivotal chapters – read one or two paragraphs
- Decision point: If this book needs your time? If No, put down the book

Superficial Reading

- Just read - Read from start to end without pondering over things that is not understandable
- Move on if something is not understandable
- Don't do any marginalia work

- This quick read will help when you go back and put more effort to read the book for further understanding
- Decision point: You now know the book's structure/contents. Do you want to understand this book?

Many a times this is all what you need. Sometimes we would want more and understand the subject. This is when you go to the level of Analytical reading.

3. Analytical Reading

- This is thorough reading of the book
- If inspectional reading is doing the best in the limited time, analytical reading is doing the best in unlimited time
- You engage your mind and do all the work that this is needed to understand the book
- Engage with the author, take notes and use marginalia
- Four rules:
 1. Classify the book in a category according to a subject.
 2. Describe the book in absolute brevity.
 3. Describe the different major parts in order and relationship between them. Outline these parts as you outlined the book (In the previous step)
 4. Identify question(s)/problem(s) that the author is trying to address
- While the above appears easy, it involves a lot of work and inspectional reading has primed you for this level
- This level of reading gives good understanding of the book, but not a subject as a whole... For which a comparative study to synthesize the knowledge from different books of the same subject is needed.

4. Syntopical Reading

- This is also called as comparative reading.
- This is the most demanding of all levels of readings.
- The focus here is not mastery about a book, but a concept.
- So, the reading is not to one book, but multiple books on the same subject and comparing and contrasting the ideas, vocabulary and arguments.
- There are five steps

Find relevant passages

- Identify relevant books and within that identify passages that address your need
- This step needs a inspectional reading of the relevant books

Bring the Author to terms

- During analytical reading you would have seen some keywords used in a context.
- Which is not the case when you read multiple books by different authors.
- This is because different authors use different words to frame the arguments.
- The task is to see how different words are used and bring to a common platform by defining your own words.
- This is essentially the task of translation and synthesizing.

Identify questions

- Different authors would have addressed different problems.
- Instead of focusing on problems bring your own questions in such a way you get answer from all or most of the authors.
- Sometimes you might not get any answers, because the authors would not have seen those questions.

Define issues

- A clear question might give multiple answers – A issue is defined.
- Order the answers and in relationship to one another
- Understanding multiple perspectives help to form an intelligent opinion

Analyse the Discussion

- Our answer is conflict of opposing answers
- Add value by discussing with authors
- You can now have a informed opinion

Glossary:

- Regurgitate - If you regurgitate facts, you just repeat what you have heard without thinking about it.

The Buffett Formula: Going to Bed Smarter Than you Woke Up
<https://fs.blog/2013/05/the-buffett-formula-how-to-get-smarter/>

Life is not about going back home after work, watching TV till going to bed. By this we do not get any smarter. We need to get smarter every day. There is a way which is simple, but not easy. Lot of hard work is needed.

Buffets Formula

- Named after Warren Buffet and his long time investment friend Charlie Munger.
- They both are called as learning machines.
- They did not become smart because they were billionaires, but they became one because they are smart

How to get Smarter?

- Warren spends nearly 80% of his time in office for reading and thinking.
- Warren Buffett reads 500 pages a week.
- This continuous reading grows knowledge like compound interest.
- All of us build knowledge, but we must put the required effort.
- Charlie was witted as two legs and hands from a book.
- Warren Buffett feels that he not need to read other's opinion but rather read facts, think and then form an opinion.
- Charlie Munger can give a solution to any problem in 30 seconds. He attributes this success to silently read and think other times.
- Todd Comb, a legendary investor took Warren Buffett's advice seriously and started reading 500-1000 pages daily.

- Todd kept track of what he read and how many pages he read.

Finding time to read

- Pick one hour for yourself daily
- Charlie used to get up early in the morning for some of his activities. He saw himself as the most important client.
- See the opportunity cost in spending time in other activities and reading.
- We do multi-tasking by reading Twitter, online news, replying to Email when finishing a memo. This is nothing but dopamine-laced rush and multitasking, which excites in short term.
- But investing time for some skills helps in a long term.
- Need to be the best in something that you do often. Even if income is reduced for one year (Set aside time to lead the best of what you do)

Only Reading does not help

- Need to critical think and do the work needed for form an opinion
- WB says he gathers information and see if they lead to action
- Reading is only one part of the equation, grab ideas and do sensible things.
- Many don't grab the right idea and does not know what to with them.

Another way to get smarter is surround with people who are not afraid to challenge your ideas.

Glossary:

- Corraling – gather together and confine (a group of people or things).
- Numbing – Depriving one of feeling or responsiveness.
- Posit – put forward as fact or as a basis for argument.
- Twosome – a pair of people considered together.

Reading a Book is a Conversation Between You and the Author

<https://fs.blog/2015/05/reading-a-book-is-a-conversation/>

Marginalia – Writing the tiny down on the margin of the book, the tiny fragment of thoughts that come up while reading. Some view it as:

- A essential process of reading
- A Sacrilege
- A Contentious issue

Does buying the book along gives ownership?

- Unlike clothes, buying a book along does not give ownership.
- Buying a book just help in possession and not in actual ownership
- Make the book your own – Best way is writing on it.

Why Marginalia is important?

1. Keep awake – Conscious while reading
2. If reading is active, thoughts come to our mind. These thoughts must expressed (flow out) as words, spoken or written. Without expressing there may not be clarity of thoughts!
3. Writing down the reaction, helps to understand the thoughts of author

What more?

- Reading is like a conversation between yourself and author
- The author presumably knows more than you on the subject
- Understanding is two way: Question self and author
- After you understand, argue with the author
- Writing your thoughts (Agreements or disagreements) is the respect to the author

It is your Book...

- Fold the pages
- Write on the pages
- Rip apart the pages

The ultimate aim is to transfer the knowledge from the author to yourself

Glossary:

- Contentious - causing or likely to cause an argument; controversial.
- Sacrilege - violation or misuse of what is regarded as sacred.
- Prelude - an action or event serving as an introduction to something more important.

The Best Way to Find More Time to Read

<https://fs.blog/2013/09/finding-time-to-read/>

When read more, people wonder if he does not have a life or he speed reads. In case of Shane Parrish, he has life and does not speed read.

Finding time to read

- How to get time for reading is the simplest thing – No secret.
- Allocate time for reading. Allocating time is one of the ways successful people improve their productivity.
- See the amount of we allocate for TV, Travel, Shopping etc.
- The author shows it sums to 28 hours a week. With one minute to read a page, one can read close to 1600 minutes.
- Author uses a variation of “How to Read System” developed by Adler Mortimer.
- Short bursts of times can come from waiting for bus, airport, queue etc.
- Pick simple reads that fit this short time and easily digestible (Read in the train when travelling).
- Book should always be close by (soft or physical copy) to utilize such short burst of times.
- When not reading, think over the idea that you read recently... say waiting in a check out line (Thinking and reflecting upon what is read, is equally important)
- Read peacefully at night without any distraction.
- Before going to bed, read something what might need more thoughts, so that your brain can ponder the idea when sleeping (Connect with brain function of forming connections at night)

Why to read

- Entertainment, Knowledge or both
- Better knowledge and understanding
- Understand self and others (Get better at job, improve soft skills)

- Mastering the best what other people have already figured out – This is not possible without reading.

Use Library – Should you waste money

- Reading from library saves money instead of buying them. But what if you need to go back to the book?
- Think of the time you must take to drive to and back the library. (There could be a small laziness element added which prevent from drive all the way to library)
- How do you value your time? You can make money but not time
- Poor Invest in Money, Rich Invest in Time - WB
- You can't write on the margins or take notes

You either read or don't read. If you read – You will read more and more.

Warning – By reading more

- You become intelligent
- More silent
- Better ideas and
- Increased understanding of self and others.

Glossary:

- Plop – Make a sound of something falling or dropping in water.

VISHAL – SAFALNIVESHAK

Latticework of Mental Models: Active Reading

<https://www.safalniveshak.com/latticework-mental-models-active-reading/>

- Author goes Nostalgic of reading comics during summer holidays, which later replaced by Novels in adult age. These readings were mainly for pleasure.
- Reading for pleasure is a passive activity.
- However, when studying something for academics (Where his thinking would be challenged), the retention was very less.
- Many times, it so happens that we read something, thought it was understood, but could not explain it someone.
- Faced challenge when the same syle of reading continued for investing books
- Choose the read wisely due to limited amount of time available.

Active Reading

- Active reading is reading for thought.
- This reading is intended to increase our understanding on a subject.
- It stimulates thought and merely not focus on gathering knowledge.
- Active reading is a way to read thoughtfully.
- This skill has to be developed by deliberate practice
- Active reading helps in many ways, including improving our critical reading skills.
- Critical reading skills are needed to analyze a book to decide if it needs to be read further or not.
- Critical reading helps to separate out wheat from chaff and signal from noise

- Imagine the amount of time that could be saved by 20-30 minutes of critical reading of a book.

Collective Vs Understanding

- New information does not lead to new insights.
- Reading for information is different from reading for understanding.
- Litmus test:
 - Anything that is easily grasped is reading for information. We are just cataloguing information.
 - If a reading needs to stop, re-read the context, then the reading could be for understanding
- Many of us over the years have read for gathering information without gaining any real knowledge.
- We have merely been a superficial learner.

Read, Think and Discover

- Read a bit and pause deliberately to think over whatever was read.
- This improves our understanding.
- Think what the author is telling and try to connect with any of your existing knowledge.
- Read-Think loop helps to build connections and develop our own insights
- We are learning from two channels:
 1. From Author
 2. Our own discover of new insights – Such re-discover on our own tend to last longer and in a usable form
- Gaining understanding is not easy, it needs us to *work* and *think*.
- Journaling – After reading a book, try to write your learnings on a paper in simple words.
- By doing so, we not only read better, but make the book our own.
- We make the book our own by not paying for it... but by adding our interpretations and notes.
- Good readers are good thinkers and, in the process, read more.

Investing:

- Critical reading is important in investing, because of the available volume of information.
- Most of the available information would be of marginal value.
- Good investors are good receptors of ideas i.e. thinkers.
- Thinking is a skill needed to do any work better, including investing.
- Better investors can think better, there by separate facts from opinions – helping to avoid costly mistakes in the market.
- Choosing investments needs the same skill of choosing our reads.

Robert Hagstrom Quotes

- “We need to develop the skill of discrimination”, writes Robert Hagstrom, in his book *Latticework*, “learning to select, from the sea of information that threatens to drown us, that which will truly add to our knowledge.”
- The mental skill of critical analysis is fundamental to success in investing. Perfecting that skill – developing the mind-set of thoughtful, careful analysis – is intimately connected to the skill of thoughtful, careful reading.
- “Good readers are good thinkers;”, reasons Hagstrom, “good thinkers tend to be great readers and, in the process, learn to be even better thinkers.”

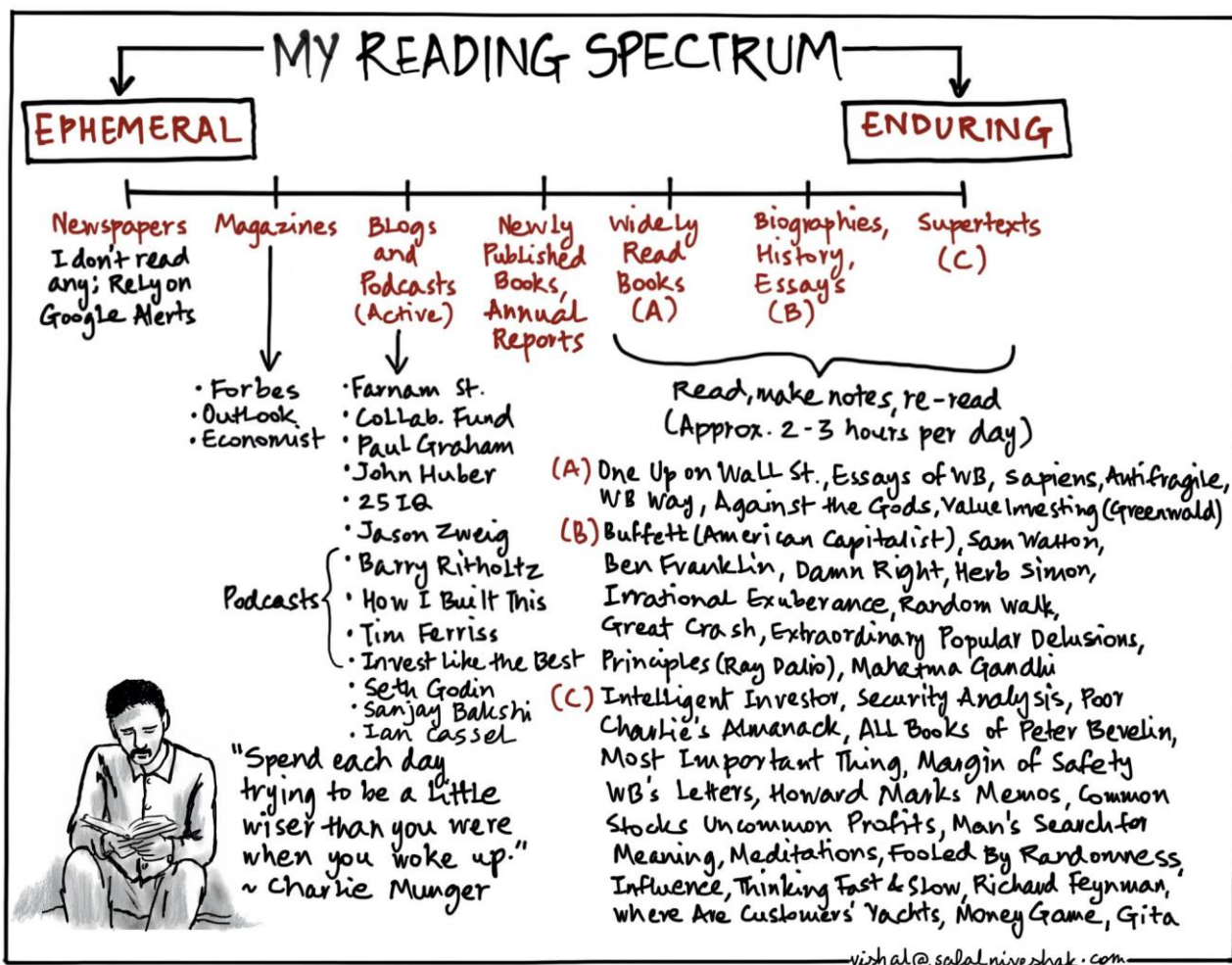
Glossary:

- Cognitive – connected with thinking or conscious mental processes.
- Superficial - existing or occurring at or on the surface.

What to Read in Investing? Lesson from A 2,000-Year-Old Stoic Philosopher

<https://www.safalniveshak.com/what-to-read-in-investing-lesson-from-stoic/>

- Many in investing read only news papers and no book or even long articles
- A suggestion for investors - Do not read newspapers. Move to reads in the enduring part of the below spectrum.
- Do not waste precious time in the ephemeral part of the spectrum
- No need of speed reading... Read 1-2 books a month and assimilate it.
- Super Texts – Read again and again. Every time you read, will get new insights that had been missed earlier



Lessons from Seneca

- A well-ordered mind is man’s ability to remain in place in lone company of himself
- No to read many books from authors – You become discursive and unsteady.
- Analogies
 - After a foreign travel you don’t have friends, but only acquaintances
 - In a banquet, tasking different (or every) food gives a cloy but not nourishment

- What is the use of food that is pushed out immediately without being digested
- Cure does not happen if medicines are frequently changed
- A plan that is moved often cannot grow
- Everywhere is nowhere
- Read standard authors, but when you feel bored pick up the earlier old reads.

Lessons from Sherlock

- In an Attic, we cannot have woods of every size. It has a limited space and have only the desired furniture.
- Same is the Brain, which initially is empty. We need to which is not like a room with elastic walls.
- A skillful workman has all the desired or required tools in his tool box. In a similar manner have only the required knowledge. He knows what to keep in his Brain attic.
- There would be a time when addition of very new knowledge leads to the loss of existing knowledge – So have the important ones and not the useless ones.

Don't Read...Re Read

- Reading a laborious task left to right, line after line and page after page
- This complicated physical work prevents from artistically appreciating the book
- We can do this only after the 3rd or 4th read

Glossary:

- Ephemeral – lasting for a very short time
- Discursiveness – moving from topic to topic without order
- Efficacious – (if something inanimate or abstract) successful in producing a desired or intended result; effective
- Cloy – disgust or sicken (someone) with an excess of sweetness, richness, or sentiment.
- Reckon – establish by calculation
- Attic – Sometimes referred to as a loft, is a space found directly below the pitched roof of a house
- Unleash - A leash is a rope or similar material used to control an animal by attaching to it or to a separate object on it. Unleashing is letting the leash go and dog becomes free
- Acquaintance - a person one knows slightly, but who is not a close friend
- Covet - Yearn to possess (something, especially something belonging to another)
- Contemplate - look thoughtfully for a long time at (Think deeply and at length.)
- Seneca – A stoic philosopher who lived in 4 BC at the times of emperor Nero - During his last years, he had writing a lot on variety of subjects to his friend

[A Guide to Reading for Investors](https://www.safalniveshak.com/guide-to-reading-for-investors/)

<https://www.safalniveshak.com/guide-to-reading-for-investors/>

Avoid news/newspapers, for variety of reasons. They are designed and paid to get our attention. It is not only about choice of words that misguide us, but also that they decide what we should read (Cover story) or what we should not read. They position the news in such a way, i.e. News in third page.

Newspaper gives information of past and not about future. One spends around 30 hours time spend on newspapers, but that would not impact the predictive ability for the activities one in the month or their current knowledge about the world.

Nassim Taleb

- Reading news does not give any edge as a investor, because the same news is shared with millions of readers. Odds are high that a huge chunk of readers already have brought the stock on the news and further pushed the price up.
- Two people should have minimum exposure to media (1) People who make decisions in uncertainty and (2) Participants in financial markets.

Creativity does not come from a Twitter feed. But from (1) Deep thought (2) Enthusiastic reading for books that require focused attention.

Reading is like a time machine where you can read a work of someone in the past and understand their vision of future. This is the fuel for creativity engine.

Don't plan to do your reading, when you have become wealth and when you have plenty of time. Time time of from internet, newspapers and television and dedicate it to reading.

Views from Sanjay Bhakshi

- Reading newspaper deals with stuff that is temporary and not important, but reading book is permanent (long-term) and important.
- Connect information from different disciplines – It is real fun.
 - Structures – This is used in building structures and any collapse kills people. The same can be related to investing as “Strong Capital Structure”
 - Literary Fiction – Not much is known about the CEOs who run company. People get fleeting glimpses about their leaders. Very little is exposed through interviews. Literature fiction helps to see other side of their life. They are not designed to always created “Shareholder Value”. They can also make mistakes.
 - Unusual Patterns – A detective checks for abnormal occurrence (unusual patterns) in a situation. Same is the case with investment. There would be something abnormal, which will open us opportunities. In a industry, where a raw material increase hits margins...but one company is not getting affected, then something is going on there.
- Getting wiser at all times
 - Go to bed a bit wiser than you got up.
 - That can happen by reading.
 - Can't this idea be extended such that we wake up bit wiser than we went to bed?
 - This also happens by reading!
 - The answer lies in the science of sleep.
 - Read some passage from a 'Super Text' before going to bed and wake up with fresh insights.
 - During sleep, our Brain makes memories and connections.
 - Learning is about making right connections.
 - We sleep for 1/3rd of our life. Why not use it a bit to become wise while sleeping.
- Annual Reports
 - Another source of news about the industry
 - Comes from companies of both portfolio and non-portfolio companies
 - Relate the fundamental performance of the company with what is written in letter from CEO and MDA – This is a incredible source of knowledge.

- In case the company is a subsidiary of a MNC, read the parent company annual reports, attend their investor calls and ask about their plans for India.
- Good news is not served on platter. We need to find and dig out the information. There would be no headlines that “Prem Watsa...took a xx company that would create long term wealth”. This can be sought only from Annual Reports and transcript of annual meeting.

Glossary:

- Repertoire - a stock of plays, dances, or items that a company or a performer knows or is prepared to perform.
- Voracious – Engaging in an activity with great eagerness or enthusiasm.
- Exult - Show or feel triumphant elation or jubilation.

How to Read

<https://www.safalniveshak.com/how-to-read/>

Two questions:

1. Why is a site on investing, teach about reading?
2. Why should anyone learn to read?

Answers:

1. To start investing, one must read
2. To read, one must know how to read well

Though we have read in our school, this is not real reading.

Why Read:

- Don't read for the sake of talking about it or outshine in a dinner party.
- Body gets old after certain number of years, but mind is not.
- There is not limit to amount of growth that mind can sustain
- Mind do not grow only when brain itself loses its power.
- Like how a unused muscle of a body goes waste, so is our mind.
- Atrophy of our minds can be a dangerous disease – That is the reason why many busy people die after retirements (appears to be a loose statement not backed by sufficient evidence)
- Reading well helps to keep our *minds alive and growing*.
- Warren Buffett and Charlie Munger are living examples. They are smarter today, because of their reading habits.

Four levels of reading:

Elementary Reading

- We were taught of this level in our schools.
- This is the transition from illiteracy to literacy.
- Helps to differentiate a collection of black marks and words
- We can understand what a sentence means

Inspection Reading

- Also called scanning or skimming.
- This is not casual browsing but intelligent systematic skimming.
- It is a quick review of the book to evaluate the need for a deeper reading (Analytical reading)
- This is trying to get the most about the book in a limited time.
- While elementary reading helps to understand a sentence, inspection reading helps to understand what the book is all about.
- This helps to understand the book at the surface level

Analytical Reading

- This is the thorough or best or complete reading.
- This kind of reading is more demanding.
- If inspection reading is doing the best in limited time, analytical reading is doing the best in unlimited time.
- The reader asks a series of questions in the reading.
- The reader makes the book his own.

Syntopical Reading

- In this level of reading, multiple book on the same subject is read.
- A given concept is in focus, rather than a book or author.
- Read 5 books on a subject analytically, you can become an expert in those 5 books
- Read 5 books on a subject Syntopically, you can become an expert in the subject.
- At this stage create mental models and new insights.
- Most rewarding of all reading levels
- Steps in Syntopical Reading:
 - Identify relevant books – Identify 5-10 books on the same subject, Do a level of analytical Reading and Make notes
 - Bring Author to terms – Different authors use different jargons. Bring your own words or jargons
 - Frame Intelligent Questions – Identify problems that you like to solve from these books i.e. How smart managers allocate cash
 - Identify Issue – Good question leads to an issue. Different authors could have given different *perspectives*.
 - Create latticework – Previous four steps, you analyze the different authors said about the issue. In this step, you bring out your *perspectives* gained from the readings, experience and intelligence

Making notes of reading

- Underline and circle key messages.
- If an entire paragraph is important, add a vertical line beside that paragraph.
- Star, Asterick symbol for emphasis
- Add numbers to bring out a sequence of some points
- Write questions (and if possible answers) on the top or bottom of the page.

Glossary:

- Atrophy - (of body tissue or an organ) waste away, especially as a result of the degeneration of cells.
- Sophomore - The ancient Greeks called a person who was widely read but not well (sophos or wise + moros or foolish).
- Syntopical - Referring to a type of analysis in which different works are compared and contrasted.

FURTHER READINGS

"*How to Read a Book*" by Mortimer Adler

"*The pleasures of reading in an age of distraction*" by Alan Jacobs

<https://www.collaborativefund.com/blog/how-to-read/>

<https://fs.blog/2015/12/twenty-five-pages-a-day/>

<https://fscourses.com/learn/the-art-of-reading/>

<https://fs.blog/2013/04/the-work-required-to-have-an-opinion/>

<https://fs.blog/2013/09/finding-time-to-read/>

<https://fs.blog/2015/01/richard-feynman-knowing-something/>

<https://fs.blog/2017/01/schopenhauer-dangers-clickbate/>

<https://fs.blog/2013/08/choose-your-next-book/>

<https://www.safalniveshak.com/reading-learning-for-investors/>.

<https://fs.blog/2015/08/schopenhauer-on-reading/>