

## Forward and Introduction - 15 Matching questions

1.  What should be your goal as an investor?
2.  What has a direct influence on stock prices?
3.  What are the basic investing steps Morningstar advocates?
4.  Successful stock picking means having the courage to what?
5.  What did Joe Mansueto discover would help him understand a mutual fund managers strategy?
6.  What does picking individual stocks require?
7.  Successful investing is built on what 5 core principles?
8.  When you think of your stocks as businesses what do you focus on? What don't you focus on?
9.  What does Joe Mansueto (who started Morningstar) indicate is a common quality of successful investors?
10.  An understanding of what concept puts you ahead of most of your peers when it comes to investing?
11.  Minimizing what are the two most important things you can do to enhance your long term investment returns?
12.  Over the long haul what do stock prices track?
13.  Why does Joe Mansueto recommend you read many publications such as Barrons, The Wall Street Journal, Business Week, Forbes, Fortune etc. regularly?
14.  When you buy a stock what do you become?
15.  When should you change your opinion on the value of a stock?

## Answer Choices:

- a You'll focus more on the things that matter—such as free cash flow—and less on the things that don't—such as whether the stock went up or down on a given day.
- b The value of a business.
- c To build a "latticework of mental models for different investing styles.
- d
  1. Develop a set of investing principles
  2. Understand a company's competitive environment
  3. Analyze the company
  4. Value the stock.
- e Looking carefully at the stocks a fund owned.
- f Don't confuse a great company with a great investment.
- g Taxes and transaction costs.
- h Hard work, discipline, and an investment of time.
- i To find wonderful businesses and purchase them at reasonable prices.
- j Company fundamentals.
- k Only if the facts warrant doing so—not because you read a negative news article or because some pundit mouths off on TV and disagrees with you.
- l Take a stance that's different from the crowd.
- m The steadfast ability to think independently.
- n
  1. Doing your homework
  2. Finding companies with strong competitive advantages (or economic moats)
  3. Having a margin of safety
  4. Holding for the long term
  5. Knowing when to sell
- o Part owner in a business