

# Warren Buffett

**BOOK OF QUOTES**

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“**RULE #1,  
DON'T  
LOSE  
MONEY**”

Quotes and tips  
from one of the  
**world's greatest  
investing gurus.**



# RULE

# Buffett's Two Rules For Investing...

“Rule No. 1: Never lose money.  
Rule No. 2: Never forget rule No. 1.”

- Warren Buffett

Anybody who knows me for more than two seconds knows I am a huge Warren Buffet fan. Heck, I even named my business Rule #1 after the above quote! To me, his investing philosophy is brilliant because it's so simple. Don't lose money. Ever.

That's a rule I not only live by as an investor but as a financial educator. I have built my business and personal wealth around it. Everything I do is all about minimizing risk and maximizing reward. Like Buffett, I know the stock market doesn't have to be a big gamble. If you follow the quotes in this book you will begin to see that too.

At my free 3-Day investing workshops, I teach my students to invest Buffett style. We learn to find great businesses, buy them on sale and move money off of the table quickly. I walk you through advanced techniques to find and qualify businesses. Together, we determine what is the true value of a company and then all you have to do is hold out until it is "on sale." Or well under market value. If you want to learn these techniques, I'd love to have you. [You can apply to attend my Free 3-Day Transformational Investing Workshop here.](#)



The key to building lasting wealth is to take your time and invest with intelligence. I hope these quotes and tips help inspire you to start building the portfolio of your dreams.

Now...go play.  
**Phil Town**

# Price is what you pay. Value is what you get.



## **Phil's Tip:** The Market Can Price Things Wrong

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In other words, don't focus on short-term swings in price, focus on the underlying value of your investment. "Beware the investment activity that produces applause; the great moves are usually greeted by yawns." From a man who has made a fortune on companies like Apple, American Express, General Motors, UPS, Johnson & Johnson, Mastercard, and Wal-Mart, this is sage advice.





# Risk comes from not knowing what you are doing.

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## **Phil's Tip:** High Returns With Low Risk is the Key

Buffett says, "Never invest in a business you cannot understand." The advice here is obvious but often forgotten, particularly after investors have had some success. The temptation to believe that success in one area you know well allows you to easily analyze another is much greater once you've had some good returns, but should be resisted with vigor. Buffett himself has kept out of the technology sector for the most part, given his lack of knowledge of the sector.

It's better to hang out with people better than you. Pick out associates whose behavior is better than yours and you'll drift in that direction.

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**In the business world, the rearview mirror is always clearer than the windshield.**

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**It's far better to buy a wonderful company at a fair price, than a fair company at a wonderful price.**



### **Phil's Tip:** Buy Wonderful Companies

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This quote is very interesting, as frequently, “value investors” will pass on anything that they cannot get for a deeply discounted price. Berkshire Hathaway has taken a different approach and instead focused on investing in the right companies.

If you are interested in learning how to find wonderful companies using the Rule #1 technique, then [check out my intro webinar here.](#)

“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.”

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**I always knew  
I was going to  
be rich. I don’t  
think I ever  
doubted it for  
a minute.**

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“Only buy something that you’d be perfectly happy to hold if the market shut down for 10 years.”



# Our favorite holding period is forever.

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“The business schools reward difficult, complex behavior more than simple behavior, but simple behavior is more effective.”

“You do things when the opportunities come along. I’ve had periods in my life when I’ve had a bundle of ideas come along, and I’ve had long dry spells. If I get an idea next week, I’ll do something. If not, I won’t do a damn thing.”



Honesty is very  
expensive gift.  
Don't expect it  
from cheap people.



### **Phil's Tip:** Find Honesty in Others

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Buffett once said that "Wall Street is the only place that people ride to in a Rolls Royce to get advice from those who take the subway." In other words, be careful who you trust. Most of the financial "advice" offered by equity analysts, by any range of advisors, and in the media should be taken with a grain of salt. Buffett and his partner have long worked with the same people with whom they have long histories of trust and experience. Any good investor should do the same.

“Someone’s sitting in the shade today because someone planted a tree a long time ago.”

“If you’re in the luckiest 1% of humanity, you owe it to the rest of humanity to think about the other 99%.”

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There seems to be some perverse human characteristic that likes to make easy things difficult.



### **Phil's Tip:** Don't Make Investing Difficult

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Buffett has made the point that you don't have to be a genius to be a good investor, but there is a lot of hard work and due diligence involved. There are some basic investing rules that you need to learn, and if you follow those rules, you'll be successful.

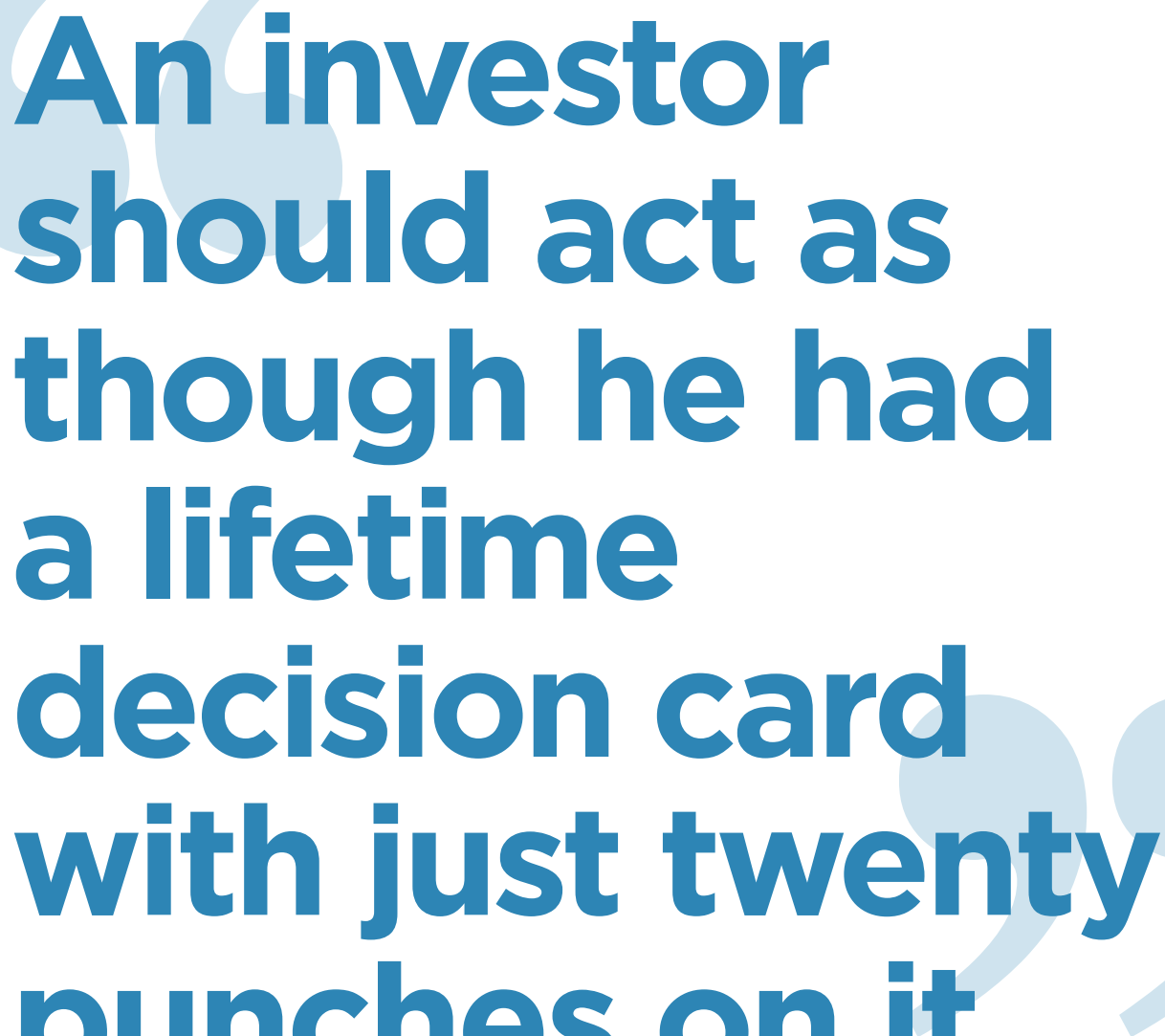
The background features a teal and blue color scheme with faint, stylized financial charts and candlestick patterns. Large, light-colored quotation marks are positioned behind the main text.

# Forecasts may tell you a great deal about the forecaster; they tell you nothing about the future.

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“The difference between successful people and really successful people is that really successful people say no to almost everything.”

“In the world of business, the people who are most successful are those who are doing what they love.”



**An investor  
should act as  
though he had  
a lifetime  
decision card  
with just twenty  
punches on it.**

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“You know... you keep doing the same things and you keep getting the same result over and over again.”

“You’ve gotta keep control of your time,  
and you can’t unless you say no.  
You can’t let people set your agenda in life.”





**Opportunities  
come  
infrequently.  
When it rains  
gold, put out the  
bucket,  
not the thimble.**

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“Diversification is protection against ignorance. It makes little sense if you know what you are doing.”

“If past history was all that is needed to play the game of money, the richest people would be librarians.”

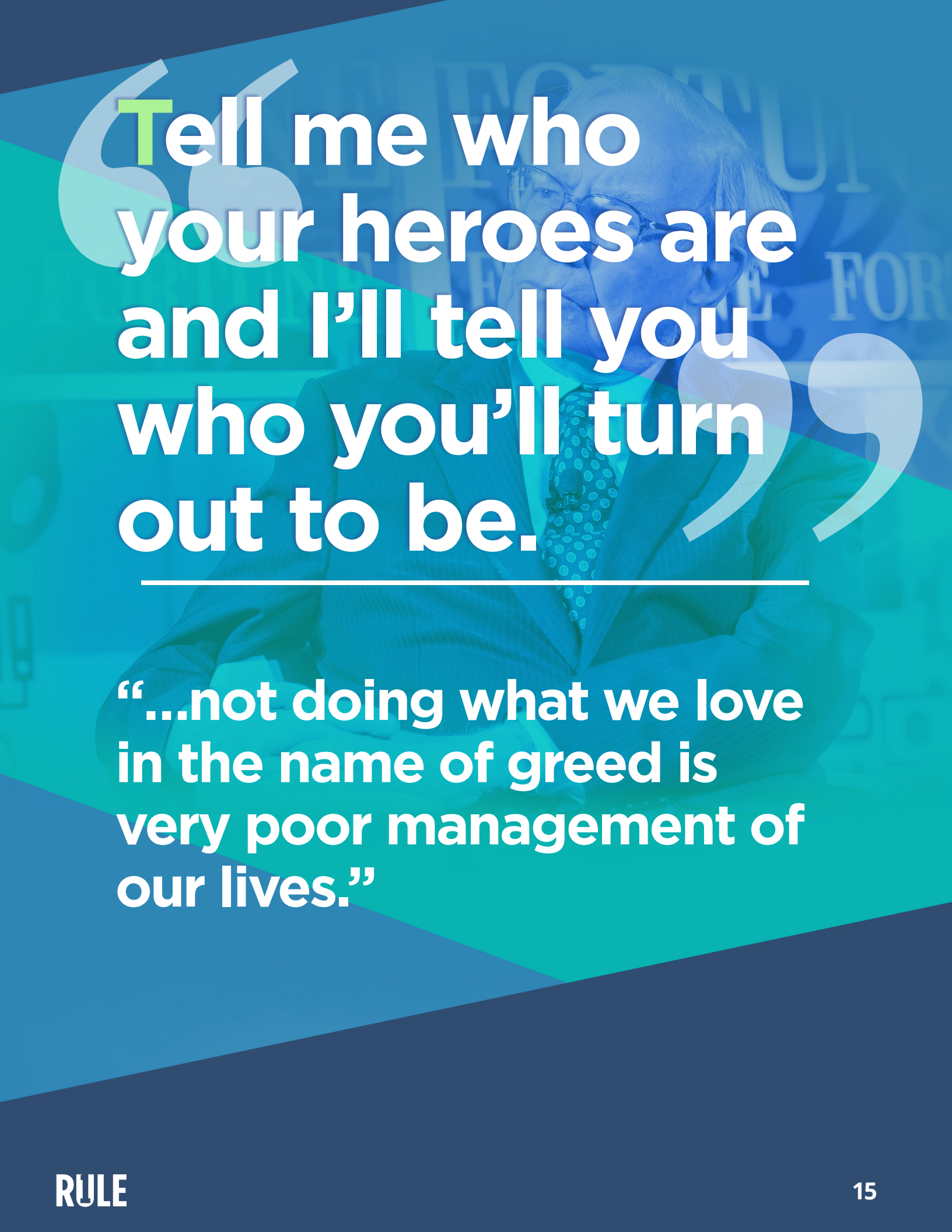
If you aren't thinking about owning a stock for 10 years, don't even think about owning it for 10 minutes.



**Phil's Tip:** Make Long-Term Investments Over Short Term Ones.

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Investing is not trading and it has a vastly different goal. When done well, trading is about taking measured risks for discrete periods of time with enough volume to generate profits, and it typically involves wild swings in profitability. Investing is about minimizing risk to generate wealth over the long term, not generating short-term profits. Another great Buffett quote in this vein: "The stock market is designed to transfer money from the active to the patient."



**T**ell me who  
your heroes are  
and I'll tell you  
who you'll turn  
out to be.

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“...not doing what we love  
in the name of greed is  
very poor management of  
our lives.”

# The most important investment you can make is in yourself.



## **Phil's Tip:** Spend Time on Personal Development

Success doesn't happen by itself. It takes hard work, dedication, focus and energy. But you also have to take the first step. If you're interested in learning how to invest like Warren Buffett join your fellow investors at my free 3-Day Transformational Investing Workshop. You'll learn how to research great companies, how long you should hold, how to find companies with Meaning, durable Moats, great Management and quality Margin of Safety prices all through my Rule #1 valuation method.

**Don't go your whole life saying "I would've, should've, could've," join us for our free workshop now, *I promise you will be very glad you did.***

**Apply to attend my Free 3-Day  
Transformational Investing Workshop**