



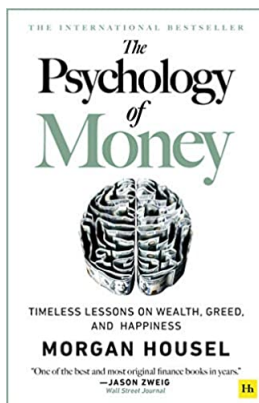
# SCHUTT CAPITAL MANAGEMENT

## *From the Notepad*

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### **The three best books I read this year.**

I enjoy writing this reflection every year, as it encourages me to revisit a few books that I loved.



*The Psychology of Money: Timeless Lessons on Wealth, Greed, and Happiness (2020)*

**Morgan Housel**

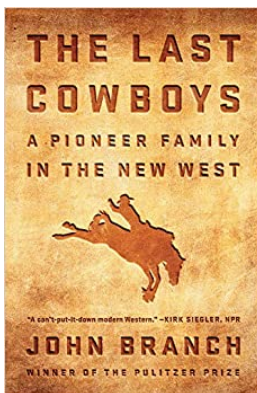
This is the best book that I know of on the topic of how to handle your own money, regardless of how much of it you have. Doing well with money is actually less about how much you make, or how smart you are, and more about how you behave. Investing and personal finance is often approached as a math-based field, when in reality our decisions in these areas are made around the dinner table and are loaded with influences from our own personal experiences, history, and view of the world, mixed with ego, marketing, and incentives.

Morgan Housel is a gifted writer and storyteller. He takes hard to articulate concepts and packages them into 19 short chapters to illuminate his points. These are a sampling of my favorites:

- **Save Money.** The only factor you can control generates one of the only things that matter. How wonderful!

- **Never Enough.** The hardest financial skill is to get the goalposts to stop moving.
- **Confounding Compounding.** \$81.5 billion of Warren Buffett's \$84.5 billion net worth came after his 65th birthday. Our minds are not built to handle such absurdities.
- **Freedom.** Controlling your time is the highest dividend money pays.
- **Room for Error.** The world isn't that kind to anyone. The most important part of every plan is planning on your plan not going according to plan.
- **Nothing's Free.** Successful investing demands a price. Its currency is volatility, fear, doubt, uncertainty and regret.
- **The Seduction of Pessimism.** Optimism is the best bet for most people most of the time because the world tends to get better for most people most of the time. However, pessimism holds a special place in our heart, and it also sounds smarter.

Any single chapter of this book would be enough to justify a purchase. As an interesting aside, Housel just joined Markel Corporation's Board of Directors, a company I deeply respect for its achievements, business model, and culture.



*The Last Cowboys: A Pioneer Family in the New West (2018)*

### **John Branch**

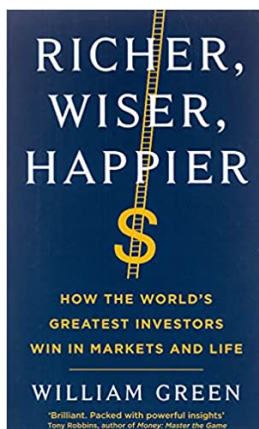
This book tells the true, and still unfolding, story of the Wright family, who are the sixth living generation raising cattle on land near Zion National Park in southern Utah. Their livelihood is threatened by a host of outside influences – rising land prices, developers, tourism, and conservationists. The sheer physicality of this profession and the risks taken daily to do the work is astounding. The stories about the work, usually staged on horseback, deliver a vivid drama in and of itself.

Alongside this storyline is a second, thrilling drama. The Wrights, a handful of them across two generations, are among the leading saddle bronc riders in the world. The family is to saddle bronc riding what the Manning family is to football – absolute royalty. Weaved throughout the ranching seasons, we

follow the family making long drives to compete in rodeos all over the West. Each competition presents a chance to return home with a few thousand bucks, or nothing. Or, in the case of the Las Vegas World Championships, several hundred thousand dollars in a weekend. This lifestyle, too, is immensely physically taxing with busted eye sockets, knocked out teeth, perpetually broken wrists, and fibula and tibia bones held together with plates and screws.

What I found instructive at the heart of this book is the example set by the Wrights as they face a future that looks to be closing in on their way of life. Will cattle ranching, and plowing excess rodeo winnings back in to buying more cattle, continue to make sense as a “new West” emerges? Patriarch Bill Wright and his family show some deeply admirable human traits in the face of this challenge. They provide a lesson in absolute grit and a continued willingness to persevere in the face of an uncertain future, a sober acceptance of the reality of their situation, and the instinct to use their unique circumstances to adapt along with the outside world.

Author John Branch is a Pulitzer Prize-winning reporter who spent about three years of sporadic days, nights, weekends, and holidays with the Wrights.



*Richer, Wiser, Happier: How the World's Greatest Investors Win in Markets and Life (2021)*

**William Green**

William Green visited and interviewed a slew of top investors over the course of some 25 years, and in this book unpacks aspects of their investment success and their character traits, habits, and worldviews. In many cases, we are exposed to the philosophies and tools they've used to endure hardships and dark times in their lives and careers, and the formulas that they have discovered, long after money is a concern, to achieve true fulfillment.

Though this work is far broader than an investment book, it is packed with distilled investment wisdom from a large group of accomplished investors. Green finds them to be “intellectual

mavericks” and “an idiosyncratic breed of practical philosophers.” Investors profiled include Bill Miller, John Templeton, Markel’s Tom Gayner, Joel Greenblatt, and a chapter on two low-profile but high-performing UK-based investors, Nick Sleep and Qais “Zak” Zakaria, called “Nick and Zak’s Excellent Adventure” that alone is worth the price of the book many times over.

Green, over the course of years, spent long periods of time with many of these subjects, not just visiting their offices but traveling with them or spending time in their homes. The author’s search for the deeper layers of each individual he profiles made this book so interesting and valuable to me.

No profile inspired me more than that of Arnold Van Den Berg. Jewish and living in Amsterdam on the same street as Anne Frank, Arnold was a few years old when the Nazis made their run on Europe. He rode out the war away from his parents after being smuggled into a Christian orphanage. Aside from the miracle of surviving, his childhood was brutal and difficult, lacking love and often basic provisions. We hear the unlikely story of how Arnold transformed himself, including founding a successful asset management firm based in Texas, but more importantly achieving a highly enlightened state. The transformation was an “inside job,” rebuilding his character and compassion from the inside out. Today, he dedicates himself to improving the lives of others, his ultimate “bank account” becoming a file drawer full of letters he has received from people he has helped.

For a deep conversation with Arnold packed with wisdom, I recommend his conversation with Bill Brewster on the [Business Brew Podcast](#) dated May 31, 2021.

Have a wonderful remainder of 2021. I am grateful for the work I get to do, and for each of you.

Best regards,

Marshall

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