Intro:
Rule # 1 The Simple Strategy for Successful Investing in Only 15 Minutes a Week – Written by Phil Town

Phil Town is a successful investor and a great writer. I can tell you that this book made me money and if followed can work for you too. I am not a financial guru by any means but understanding how to evaluate a stock and determine its worth is priceless. Rule #1 shows you that a $5 stock may be too expensive while a $50 stock may be the value of the century. The good news is you can use free tools to figure it out.
Why is this important to me?

☐ Rule #1

☐ Rule #2

This is important simply because money is not the wheel that makes the world go around but it IS the grease. It is much easier to “Pursue Happiness” in this great county with some dough in your pocket. Rule #1 is the simple road map to secure your future. Everybody criticized Warren Buffet for not investing in Tech stocks in the 90’s Internet boom. Well, we all know what happened to most people’s life savings when that bubble burst. Guess what – if you read this book then you would not have been affected by it either.

Rule # 1 – Rule # 1 is simple: Don’t Lose Money. Think about this – if you invest $1,000 dollars and it goes up 50% then you now have $1,500. If you invest $1,000 and it goes down 50% then you have $500. To get back to even, your investment now has to go up 100% to break even. This is why this simple rule is so important.

Rule #2 – Rule # 2 is simple as well: Don’t forget Rule #1.
Rule # 1 is broken down into 16 excellent chapters. For the sake of time I will cover the 4M’s.

1. **Meaning** – This is really important. Question: Would you go to a chiropractor for open heart surgery? Probably not. So – Why would you invest blindly in something you don’t understand? Answer: You shouldn’t. This is the whole point of meaning. The companies you invest in have to have meaning to YOU. You have to understand their business. This makes it much easier to invest in. This is why Warren Buffet bought See’s Candy. He understands Candy but never understood Google. Understanding means that they have to have a long term competitive advantage as well.

2. **Moat** – Great companies have a sustainable Moat. Moat is their competitive advantage. Companies that have a moat can sustain good and bad economic times and can dictate a pricing premium. This means they earn more money and profit. Mr. Buffet just purchased Burlington Northern railroad. This company has a moat. They can ship a ton of coal from Wyoming to Georgia for $40. That is a huge competitive advantage.

3. **Management** – Always bet on the Jockey! Management can make or break a company. When management is corrupt then people get hurt. You need to evaluate management. Note: If there is a new CEO from outside the company
then be cautious. These white nights usually end up being wind bags that negotiate unbelievable salaries and leave the company while being paid millions to underperform. You want management that thinks like an owner. Remember they are investing YOUR MONEY.

4. **Margin of Safety** – You want to buy stock like you buy groceries. Would you pay 50 cents for a one dollar bill? That is what a margin of safety allows you to do. The good news is you will be able to figure out what that is on any stock you evaluate.
There is a ton of information in this book that is useful. You will need to read it and understand the big 5 numbers. Understanding them will tell you how big the MOAT and MARGIN of SAFETY is for your stock purchases. I really encourage you to take charge of your financial education. This book is a great start and is very easy to understand. I never understood why some people will focus their whole life around working and then simply give up their money to a financial person without knowing what is going on. That is ignorance. Don’t get trapped in that. Remember that Enron employees believed their management and if they would have simply read the financial statements then they would have known that the company was a house of cards.

I hope you have found this short video summary useful. The key to any new idea is to work it into your daily routine until it becomes habit. Habits form in as little as 21 days.

One thing you can take away from this book is NOT LOSE MONEY. Make Rule #1 a habit and good things will happen. I wish I could say I followed that all the time but I read the book after some horrible loses. This book would have saved me several years of re-work.

If you enjoyed this video then please do not hesitate to pass it along and if you want more detail then click on the link below and purchase Phil’s book “Rule #1”

Thanks for watching and have a great day!