"This is a masterpiece."
- Morgan Housel, Author, The Psychology of Money

The Sketchbook of Wisdom
A HAND-CRAFTED MANUAL ON THE PURSUIT OF WEALTH AND GOOD LIFE

VISHAL KHANDELWAL

Vishal Khandelwal teaches and writes, and now also illustrates. He is the founder of SafalNiveshak.com, where he helps people learn to make better investment decisions.

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- Ramesh Damani, Member, BSE

INVEST IN YOURSELF. SEEK WISDOM. BE FREE.

Whether you are seeking ideas to become a better thinker, decision-maker, or to live in peace and happiness, The Sketchbook of Wisdom has it all. Packed with 50 timeless ideas from Lord Krishna to Charlie Munger, Socrates to Warren Buffett, Lao Tzu to Nassim Taleb, and Steve Jobs to Naval Ravikant – as it applies to our lives today, the book is a hand-crafted, illustrated manual on virtues, happiness, and the pursuit of wealth and good life.
TO VIDHI, THE WISER ONE,
WHO DID WHAT SHE HAD TO, TO MAKE SURE
I DID NOT GIVE UP ON MY DREAMS.

I WOULD NOT HAVE BEEN ABLE TO DO WITHOUT HER,
AND THERE IS NOTHING I CAN'T FACE WITH HER.
**A NOTE FROM MANISH CHOKHANI**

If you are reading this, you are probably someone motivated enough to improve yourself, and willing to invest time in doing so.

I am now in the ‘vanaprastha’ stage of my life, (the third of the four chapters of life) defined as the time to be ‘giving back’ as per the Indian scriptures. Vishal is a decade or more younger than me, but he has been selflessly giving back to society for well over a decade already. His website SafalNiveshak.com has around 100,000 dedicated subscribers and it has benefited innumerable common investors who may have received his writing through other sources.

As a teacher, Vishal is much sought after, as I can testify from the requests, we at Flame University receive, to bring him back for repeated lectures and courses.

Sticking to his own personal learnings, Vishal shares stories and musings that could be called life lessons, moral values, and common sense on the one hand, and money and investing basics on the other. In doing so, he has created a deeply personal manual for life. I can only wish that I had chanced upon a book such as this when I was entering adulthood, as it would have set me on an accelerated journey of self-discovery and exploration of the greatest minds who left their lessons for us.

The great Charlie Munger speaks about creating a latticework of mental models in one’s head early in life. You can then draw upon those models depending on the situations you face in a manner that then becomes your common sense. Indeed, that is the purpose of a liberal education: to expose minds to the widest possible variety of human thought, and to train one to think for himself or herself, becoming lifelong learners. In that sense, investing is the ultimate liberal art as one must comprehend factors from so many disciplines to become a successful investor.

Vishal’s book gets the young reader started on that journey. Imagine reading across philosophy, religion, history, economics, investing science, and technology, in a simple manner that can provoke or shape your own common sense and beliefs. Vishal presents fifty ideas about wisdom, common sense and investing ... that can be read individually, in no particular sequence by the casual browser, or collectively in one go by an avid reader. It is a book that can be kept by a bedside for daily reading and reflecting upon, or a book that a young reader could keep as a manual that points to the true north on a variety of topics. I would especially recommend the Sources and Additional Reading sections as they list some of the greatest books that one could ever read.

I recall finding my way over years through so many great books referenced by Vishal in this personal journey. He has summarized so many great thoughts in a simple, readable form in this book, along with hand drawn visualizations that make it easier for readers.

I do think this book will find a place on every bookshelf that will ultimately have a collection comprising Warren Buffet’s Snowball, Poor Charlie’s Almanack, Peter Lynch’s One Up on Wall Street, Mauboussin’s Think Twice, Tim Ferriss’s Tools Of Titans, Nassim Taleb’s Black Swan and Antifragile, Almanack of Naval Ravikant and Morgan Housel’s Psychology of Money on the one hand, and The Upanishads, The Gita, The Dhammapada or Yajur Vasistha’s seminal book Sapins, Daniel Kahneman’s Thinking Fast and Slow, Cialdini’s Influence and the musings of Steve Jobs, Elon Musk on the other.

Vishal’s Sketchbook is truly the starter kit you must read to get you started into the most wondrous journey to discovering the greatest minds that lived and benefiting from their learnings and wisdom. The book is an inviting accessible buffet of delicious brain and soul food. Devour it, enjoy it, ruminate on it ... and spread the word about it to all whom you love.

When you light a candle, you multiply the light. Pay it forward.

With my best wishes,

Manish Chokhani
Flame University Governing Board Member
Director, Enam Holdings Pvt. Ltd.
A NOTE FROM SANJAY BAKSHI

I have known Vishal for more than a decade. Over these years, I watched with admiration his evolution as an investor, a blogger, a teacher, a philosopher, and a human being.

In this Sketchbook of Wisdom, you will find another avatar of Vishal - that of an artist. People in the investment community have enjoyed studying many of his beautiful illustrations on topics ranging from materialism (how IPOs are priced) to spiritualism (how to become an investing Buddha.)

Like most students of Charlie Munger, Vishal too is a connector. He loves to synthesize ideas from multiple disciplines in everything he does. In this beautifully-crafted book, he has combined his worldly wisdom accumulated over the years with his love of art. You will find a synthesis between stoic philosophers and the Upanishads, between Prospect Theory in behavioral economics with Buddhism, and the ideas of Warren Buffett with the Japanese philosophy of finding your Ikigai. (As I read the manuscript that Vishal sent to me, I could not help but smile and think: "Vishal has truly found his 'Ikigai.'")

The best books are ones which inspire you by their content on whatever page you open. This is one of those books. You can open it on any page - and I encourage you to do that - and you will find meaning there.

It is often said that when thinking about success, one should be wary of ‘survivorship bias,’ and Vishal too points this out in his book. This is a good idea. However, I like to believe that quite often the opposite of a good idea is also a good idea. The opposite of ‘survivorship bias’ is the ‘Lindy effect’ - which predicts that the future life expectancy of some non-perishable things - ideas for example - is proportional to their current age, so that every additional period of survival implies a longer remaining life expectancy. Most of the ideas in Vishal’s book conform to the Lindy effect. They have stood the test of time - thousands of years, which is why they should be read again and again.

Get this book for yourself and your loved ones as gifts. I did just that.

Sanjay Bakshi
Adjunct Professor
Management Development Institute
INTRODUCTION: WHY I WROTE THIS BOOK, AND WHY NOW

On March 15, 1864, Leo Tolstoy, regarded as one of the greatest authors of all time, wrote in his diary: “I have to create a circle of reading for myself: Epictetus, Marcus Aurelius, Lao Tzu, Buddha, Pascal, The New Testament. This is also necessary for all people.” In 1885, he wrote to his assistant, describing his project: “I know that it gives one great inner force, calmness, and happiness to communicate with such great thinkers as Socrates, Epictetus, Arnold, Parker... They tell us about what is most important for humanity, about the meaning of life and about virtue... I would like to create a book... in which I could tell a person about his life, and about the Good Way of Life.”

Seventeen years later, Tolstoy, on his deathbed, finished that project that was titled A Wise Thought for Every Day. One insight from the Genevan philosopher and writer Jean-Jacques Rousseau that Tolstoy mentioned in this book was – “Real wisdom is not the knowledge of everything, but the knowledge of which things in life are necessary, which are less necessary, and which are completely unnecessary to know. Among the most necessary knowledge is the knowledge of how to live well, that is, how to produce the least possible evil and the greatest goodness in one’s life. At present, people study useless sciences, but forget to study this, the most important knowledge.”

He also quoted the Vedic Parana, one of the greatest ancient and medieval texts of Hinduism, that mentions: “There is only one real knowledge that which helps us to be free. Every other type of knowledge is mere amusement.”

The thoughts and ideas contained in this book have helped me learn about my life, and about the “good way of life.” The lessons from some of the wisest people I have written about in the book have helped me through my darkest hours and enabled me to walk on the journey to free myself from the chains of fear and anxiety, sorrow and worry, greed and envy. I will not claim to be living a perfect life. It is not just a book I wish I had read much earlier in my life, but one that I now wish my kids and other young people around me read, as they head into a world where age-old wisdom has taken a backseat to the cacophony of information, most of which is fake and that has caused enough confusion and anxiety in the minds of the young and all.

I have also written this book with a sense of hope - that the wisdom contained in these pages will guide the reader not just through the despair and vicissitudes of life but also provide him or her the necessary mental tools to grow in life. There could not have been a better time for me to start writing this book than in 2020 when the world was ravaged by disease and despair. It was a year of confusion, concern and consternation, and the scars remain. It is in times like these that we need to go within, quiet our monkey minds, and search the lessons from the wisest for answers, and for hope.

Charles Feynman, who said: “The true test of all books is the influence they have upon the lives and conduct of their readers.” I hope The Sketchbook of Wisdom passes this test and exerts a lasting influence on the way you live and conduct yourself. I hope this book, with its age-old and time-tested wisdom, from people who have weathered all kinds of storms, becomes your close companion as you move forward in your life with a renewed sense of hope.

Going back to Tolstoy, when he finally sent his book to the publisher, he wrote in his diary: “I felt that I have been elevated to great spiritual and moral heights by communicating with the best and wisest people whose books I read and whose thoughts I selected for my Circle of Reading. He added “To create a book, for the masses, for millions of people... is incomparably more important and fruitful than to compose a novel of the kind which diverts some members of the wealthy classes for a short time, and then is forever forgotten.”

I am tinier than even a speck of dust compared to the enormity of Tolstoy, but my aim through The Sketchbook of Wisdom is no different. Most of my readers have expected me to write a book on investing. But that would have been, as Tolstoy said, less important and fruitful than writing this book that may benefit a much larger section of the society - if not millions - than just investors.

I have tried to make this book easily comprehensible for even the simplest and least educated people, and young adults. Here, I found inspiration in the Feynman Technique, named after the great physicist Richard Feynman (1918-1988), which is a process to convey ideas using concise thoughts and simple language that even a child can understand. Feynman also believed that the mere action of writing something down allows for a more effective integration of the learning.

Given this, I find myself the biggest beneficiary of the entire exercise of crafting this book, including all its illustrations. Going back to the timeless wisdom contained in the following pages, discussing about them with my kids, and simplifying further and thus understanding them even clearly, has helped me in taking a better account of my life and purpose.

I now offer this book to you. Read through the pages ahead, but don’t just read to absorb information. Instead, reflect on what you read. Ask questions. Search for answers. Discuss the ideas with others, and discover the time-tested practical guidelines on how to live in peace and how to live a life filled with kindness, satisfaction, and happiness.

Make this book your own. Keep it by your side, and whenever anxiety, worry, or confusion rear their heads, turn to these pages. They would never disappoint you.

With gratitude and respect,
- Vishal
OPEN YOUR MIND TO A WORLD OF POSSIBILITIES

In the far outreaches of Japan lived a famous Zen master. People would travel from far to seek his advice and ask for his wisdom. One day, a haughty dignitary, one who was used to command and obedience, came to visit the master. He wanted to learn the Zen philosophy and started to talk about his existing knowledge of the subject. The master offered him a cup of tea. While serving, he poured the dignitary's cup to the brim and then kept pouring. Finally, the visitor could no longer restrain himself and blurted, "It's full! No more will go in!" The master stopped pouring smiled at his guest and said, "This is you, so full that nothing more can be added. Come back to me when your cup is empty. Come back to me with an empty mind, a beginner's mind."

Our inborn capacity for wonder, for seeing the world with a beginner's mind, is one of our most endangered faculties. We rarely carry it beyond our childhood. For most of us, that clear-eyed vision, that true instinct for what is magnificent, is dimmed and even lost before we reach adulthood. We often forget just what is at stake as we risk the extinction of this faculty from our lives as we grow up. It begins with our hopelessly unimaginative formal education system that rewards rote memorization over curiosity and measures achievement by standardized test scores rather than character-building. We stop searching and inquiring about topics that engage us and excite us. Sadly, it does not end there. The result is that we start considering ourselves overeducated, trade common sense for the illusion of knowledge, and cease to look at life with humility and wonder.

Seeing life with wonder, with a beginner's mind, is known as Shoshin in Zen Buddhism. It refers to the idea of letting go of your expectations and preconceived notions about something, and seeing things with an open mind, just like a beginner or a child would see. As you develop knowledge and expertise, your mind becomes more closed. You tend to think, "I already know how to do this," and you become less open to new ideas. Your mind's cup, like that dignitary's, is overflowing. Nothing more can get into it. In contrast, when you live with the attitude of a true beginner, your mind is empty and open. You are willing to learn and consider all pieces of information like a child discovering something for the first time. Here, I remember what the noted French novelist Marcel Proust said, "The real voyage of discovery consists not in seeking new landscapes, but in having new eyes."

Brian Grazer wrote in his book, A Curious Mind, "You are born curious, and no matter how much battering your curiosity has taken, it is standing by ready to be awakened." When you are free from preconceived opinions, you are willing to learn. When you move away from the attitude of "I know how this works!" and "I wonder how this works?" you eliminate expectations about what may happen, open your mind to a world of possibilities, and start to understand things more deeply. Approaching the world with a sense of authentic curiosity is one of the keys of openness and beginner's mind. But before you begin, ask yourself, "How empty is my cup?" If it is not, first empty it. Then begin.

"WE LIVE ON AN ISLAND SURROUNDED BY A SEA OF IGNORANCE.

AS OUR ISLAND OF KNOWLEDGE GROWS, SO DOES THE SHORE OF OUR IGNORANCE."

~ J. A. WHEELER

"IN THE BEGINNER’S MIND THERE ARE MANY POSSIBILITIES, BUT IN THE EXPERTS THERE ARE FEW."

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~ SHUNRYU SUZUKI
“TO BE YOURSELF IN A WORLD THAT IS CONSTANTLY TRYING TO MAKE YOU SOMETHING ELSE IS THE GREATEST ACCOMPLISHMENT.”

~ RALPH WALDO EMERSON

Grigori Perelman, a Russian mathematician who solved a key piece in a century-old puzzle known as the Poincare Conjecture, was one of the four mathematicians awarded the Fields medal (mathematical equivalent of Nobel Prize) in 2006. But he refused to accept the medal, like he had other honours. The President of International Mathematical Union tried to persuade him to accept the prize. But Perelman told him, “The prize was completely irrelevant to me. If the proof is correct, then no other recognition is needed. I am not interested in money or fame.” As per people around him, Perelman single-mindedly dedicated, practically in isolation, seven years of his life to solving this problem. Absolutely nothing else mattered to him, not money not fame.

Perelman’s act of disregarding external validation for his work is a testimony to what Warren Buffett calls living with an ‘inner scorecard.’ As he told his biographer Alice Schroeder, “The big question about how people behave is whether they have got an Inner Scorecard or an Outer Scorecard. It helps if you can be satisfied with an Inner Scorecard. I always pose it this way: ‘Would you rather be the world’s greatest lover, but have everyone think you’re the world’s worst lover? Or would you rather be the world’s worst lover but have everyone think you’re the world’s greatest lover?’”

Interesting question, isn’t it? Most of us often want both things. Not only do we want to be good at what we do, but we also want people to see us that way. In fact, we often place a greater emphasis on how others think we are doing well than on actually doing well. Social media, that gives us the ability to freely and instantly broadcast what is going on in our lives to the entire world, has just taken this idea of ‘want to look good’ to a different level. Due to the increasing connectedness of the world, we are not only starving for recognition in person, but our biggest happiness and satisfaction now lie in how many followers we have and how many likes we get - even when these come from total strangers.

What drives this constant need for external validation is living with an outer scorecard, which is an external measure of success that attempts to answer elusive questions like, “What do people think of me, my success, my image?” Maintaining an outer scorecard means being concerned by how the world sees you and thinks of you, and then acting according to that. Inner scorecard is intrinsic. It defines who you are at the core of your values and beliefs. When you live with an inner scorecard, you focus on being the most authentic version of yourself and doing the right things, instead of what other people think you should do.

Thriving in the real world requires the mindset of knowing who you are and working with an inner scorecard. Even if you do everything right, the reaction you receive from others might be that of annoyance, disrespect, and jealousy. If you are not living with an inner scorecard, such a response will crush you. The world is often indifferent to what you do. But if you can find joy and satisfaction in your work because you are living with an inner scorecard - the only that matters - you do not need to look anywhere else for happiness but within.

~ RALPH WALDO EMERSON

“If the proof is correct, then no other recognition is needed. I am not interested in money or fame.”

~ GRIGORI PERELMAN

“Most people get it backwards and seek the admiration of the collective and something called a good reputation at the expense of self-worth for, alas, the two are in frequent conflict under modernity.”

~ NASSIM TALEB

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In the 1960s, researchers at Stanford University led by psychologist Walter Mischel conducted a series of experiments in which children were asked to sit alone in a room with a marshmallow. If they could refrain from eating the marshmallow for 15 minutes, they were promised a second marshmallow to go with it. The studies found that children who could resist the urge to eat the first marshmallow were found to have better outcomes later in life, including academic success, physical health, psychological health, and social competence.

Now, I do not completely agree with the outcome of these experiments, having seen many impatient kids grow up into patient, successful, happy, and healthy adults (plus a person’s future cannot just be determined by a marshmallow). But I agree with the broader findings that delaying gratification - resisting the temptation of a smaller but more immediate reward in preference for a larger or more enduring reward later - is one of the keys to long term success in life, business, investing, and almost everywhere. A person’s ability to delay gratification relates to other similar skills such as patience, impulse control, and willpower, which are all required for success.

Contrast this with the general culture of today that teaches us that ‘the more the merrier.’ We want progress and we want growth quick and fast. However, with this comes a heavy price to pay. We give up our time on unnecessary items, we spend our resources on things that we do not need, and we accumulate mess for the next generations to handle. We live selfishly and seek what we are living for today - instant gratification, or the need to experience fulfillment without any sort of delay or wait. But as Jeff Bezos, the founder of Amazon said “seek instant gratification - or the elusive promise of it, and chances are you will find a crowd there ahead of you.”

Now the biggest problem with instant gratification is that it does not grant lasting satisfaction to us. Its entire purpose is to substitute the deep pleasure of earned enjoyment with the fleeting pleasure of instant enjoyment. It is easy for us to be blinded by what we really want now versus what we need over time. We forget that there is a mountain of ‘marshmallows’ waiting for us - and when we may need them the most - if we can just keep our heads down, do the work, and resist the immediate reward of, say, spending our money on things that offer us instant gratification but do not fit into our category of needs. Tying this in with the ideas of frugality and compounding, we must save money and delay some gratification if that does not compromise on our living today.

At the same time, it is always good to remember the counter idea about ‘how much is enough?’ Here, I am reminded of what Warren Buffett advised a 13-year-old in 2019 when the latter asked him how kids can develop the delayed gratification skill. Buffett replied, “If you aren’t happy having 50 thousand dollars, you’re not going to be happy if you have 50 million...a certain amount of money does make you feel better, just in terms of being more secure. I probably know as many rich people as just about anybody...I don’t think they’re happier because they get super rich. I think they are happier when they don’t have to worry about money...you don’t see a correlation between happiness and money, beyond a certain place. So, don’t go overboard on delayed gratification.” The long and short of this is that you must learn to delay gratification, just not all. Strike a balance. If you have ten marshmallows, save five or six for tomorrow, but enjoy the rest today.

~ WARREN BUFFETT

“SOMEONE’S SITTING IN THE SHADE TODAY BECAUSE SOMEONE PLANTED A TREE A LONG TIME AGO.”

~ ARISTOTLE

“PATIENCE IS BITTER, BUT ITS FRUIT IS SWEET.”

~ ARISTOTLE
“SLOW DOWN AND ENJOY LIFE. IT’S NOT ONLY THE SCENERY YOU MISS BY GOING TOO FAST - YOU ALSO MISS THE SENSE OF WHERE YOU ARE GOING AND WHY.”

~ EDDIE CANTOR


~ JIDDU KRISHNAMURTI
"The template on how to lead a happier and fuller life."
- Ramesh Damani, Member, BSE

"When Vishal speaks, writes, or illustrates, pay attention."
- Brent Beshore, Founder, Permanent Equity

"Perfect guide for all of us who aspire to rational thinking and 'living the good life.'"
- Sanjoy Bhattacharyya, Partner, Fortuna Capital

"With straightforward prose and delightful drawings ...a first-class education in philosophy."
- Barry Ritholtz, Chairman, Ritholtz Wealth Mgt.

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