

Bevelin, Peter – Seeking Wisdom: From Darwin to Munger

Post Scriptum AB, 2007 (3rd ed.), [Surrounding Knowledge] Grade ★★★★★

Seeking Wisdom is about the gathering of wisdom by studying the finest of what others have already figured out. The book is filled with quotes from some of the greatest thinkers in history from fields such as physics, mathematics, psychology, biology, chemistry, economics, business and investing. Charles Munger of Berkshire Hathaway is in the investing world often quoted as coming up with the concept of multidisciplinary thinking. By internalizing a range of mental models on how to think and behave, the theory is that you will make better decisions and stay out of trouble both in life and as an investor. In *Seeking Wisdom* Bevelin describes many of these models.

Peter Bevelin is the Swedish author and investor who wrote *Seeking Wisdom* in order to remember what he had learned and to transfer some of the knowledge to his children. The author has been greatly influenced by his friend Charles Munger who read and commented on the book before publication. Another friend of his, Nassim Taleb, has been quoted saying that "*Peter Bevelin is one of the smartest people around*". Bevelin has written three other books on related topics.

The book is structured in four parts. Part one introduces the reader to why humans make certain decisions by describing how the brain works and why it works as it does. Most of it is explained as survival instincts from having been hunter-gatherers for most of the existence. Humans are wired to seek pleasure and avoid pain. Part two describes the 28 most common psychological misjudgments that humans suffer from due to this ancient hardware of the brain. There is some overlap to Charles Munger's speech on *Psychology of Human Misjudgment* but the material is presented differently in the book and goes even further into detail. In part three the

author presents other situations where humans suffer from misjudgments, by taking examples from physics and mathematics and linking them to subjects as investing and business. The last part gives the reader some well-needed guidelines on how to improve his or her thinking habits. You could argue that the author doesn't add much to the content himself, but as this probably wasn't the intention the criticism would be a bit unfair.

Apart from presenting explanations to why we think the way we do, the author describes ways to act in order to make sure that we learn. For example, by always asking the question "why?" we force ourselves to understand the meaning and not just the name. By designing checklists for our investment procedure, we may reduce the probability of making silly mistakes. By writing post mortems we can learn from our mistakes and prevent them from happening again. In order for the post mortem to be effective we need to write down our decisions from the outset and how we felt emotionally at that point. Otherwise there is a risk that we will fool ourselves and according to Richard Feynman: "*the first principle is that you must not fool yourself and you are the easiest person to fool*".

This book has influenced me a lot and has taken me on the path of becoming a multidisciplinary thinker. Reading it once will hopefully get you on your path of learning but this is a book to be re-read on a frequent basis as it's difficult to take in all of the condensed wisdom the first couple of times. *Seeking Wisdom* is possibly an even greater source for further reading due to its vast bibliography.

Peter Bevelin's aim is to put the reader on the path to multidisciplinary thinking and for me he greatly succeeds.

Niklas Sävås, May 1, 2018