Kevin Carter of EMQQ Joins Us to Discuss Investing in China, India and Latin America, Part 1

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Dave

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All right, folks, welcome to Investing for Beginners Podcast. Today we have a very exciting show. We have Kevin Carter, here with us. He is the founder and CIO of EMQQ and emerging markets, internet and Ecommerce index. He's here to talk to us about international opportunities and other fun stuff.

So Kevin, thank you for joining us today. We really appreciate you taking time out of your day to come talk to us. So I guess maybe let's start with some of your background kind of tell us the how you got to where you are.

Kevin

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Sure. So thanks for having me. So I'm the founder of em QQ global. And I'm also the founder of three different ETFs em QQ which you mentioned, which is an emerging markets, internet, ETF, and then a similar product called FM QQ, which is the same without China. And we've also got an India version as well. But in terms of myself, I live and work in the Bay Area, as mentioned, and I worked in the investment business here for about 30 years now. And I started in December or January of 1991, I had an interview on my first interview with ignobly interview with a company called Robertson Stephens in company in San Francisco, which was the technology focused investment bank that we used to call it the Goldman Sachs of San Francisco.

But now, younger people think that that's an evil thing. So there was the you know, the leading technology investment bank, and my interview was 20 minutes long. And we talked about college basketball for 90 minutes. And then they told me, I could start Monday. And I said, Well, I don't know anything. How can I start Monday? And they said, go buy this book. And they wrote down on a piece of paper, A Random Walk Down Wall Street, I assume you guys know, Random Walk Down Wall Street? Heard of it? Yeah. So I went to the bookstore. And I've read it over the weekend. And I showed up on Monday morning. And as you guys know, this is a book that's all about indexing and efficient markets. It was first written actually 50 years ago, and in the first edition, the author Burt Malkiel, who's a Princeton economist and longtime Vanguard board member, he suggested somebody should make an index fund in 1972, because there were no index funds at that point.

And few couple years later, his friend John Bogle started an index fund and Vanguard was born. And so that's what this book is all about efficient markets indexing, and the author actually, Burt, he was also the chairman of the committee that launched the first ETF, the spider. So that's how I started my life in the investment world. But I very quickly gravitated towards Omaha, I think about every business and investment decision through an Omaha lens, first and foremost, but for the last 22 years, I've actually been partners with Burt Malkiel, the Princeton economist and Vanguard board members. So I've had sort of one foot in the active world and one foot in the indexing world for a while now. And the first thing that Burton and I did together was we started what basically the first fractional share brokerage company.

So I had decided that, you know, the problem with investing back then, was that if you were an average investor, it was really hard to diversify without buying a mutual fund. If you wanted to buy one stock, you had to buy 100 shares to get the 9099 Commission at Schwab, which was the cheapest. And so if the stock was $30, a share, you had to make $3,000 into one stock. And most people, you know, when you're starting investing, and you need to start investing, you got to invest whatever you can save every month. And that might be $300, it might be 500 $800. But you know, when you're 22, or three years old, you probably don't have $5,000 a month to put into stocks. And so you're stuck with mutual funds and all the problems they have. So we started off trying to save the world with a system for fractional share brokerage, which we built and sold to each trade. And then we moved on to another idea that we had that was sort of, well, it wasn't a thing yet, but it's now called direct indexing.

And this is the idea that you can build your own customized s&p 500 strategy using a subset of the stocks, so maybe 50 stocks for the s&p 500. And you can get by doing it in a separate account, you can, you don't have to have the mutual fund layer, you can have your own cost basis. And you can also, if you were against tobacco or firearms, you could say I don't want any of those stocks in my portfolio. So you could do those things. But the more importantly, if you're a taxable investor, you could actually beat the index on an after tax basis by systematic loss harvesting. At least that was the theory we had. And so we built this company, active index advisors to do that. And we ended up selling it to Texas, at the very end of 2004. But just before we sold the company to Texas, Google went public and they asked my partner Burton to be a speaker to their employees and tell them how they ought to invest or not invest their money. So he was part of this investor Planning Day for the Google employees. I didn't get invited to that event but I had dinner with Burton, the night before. And then a few months later, I got a call from a guy at Google. And this was after they'd gone public. And he said, Hey, I heard about this direct indexing, I want to build my own custom index portfolio. And I said, Well, okay, who's your advisor? Because we didn't work with individual investors. We were available at Morgan Stanley and Credit Suisse and Deutsche Bank. And I said, Well, you'll have to find an advisor at one of those places. And he said, I don't want an advisor. And I said, Well, I'll come have lunch with you. So I drove down to Mountain View one day, and I had lunch with this guy and kind of said, what we did and convinced me to become his financial advisor, basically.

And so now this is early 2005. And he starts introducing me to other Google people. So all of a sudden, we've sold the company to the Texas but I'm going back and forth to Mountain View every week to be a new Google person, and set them up with their custom s&p 500 strategy. But my partner Burton starts going back and forth to China, a couple of his Princeton colleagues were Chinese economist, and they had returned to Beijing to teach economics. And so Burton starts going back and forth to China, while I'm going back and forth to Google, and he ends up writing a white paper about investing in China, the Google people called me and said, Can Burt, come talk about China?

And I said, Sure. And then 16 years ago, we drove down to Mountain View, and Burton gave a talk. And when he finished his talk, all of these people looked at me and said, We want to invest in China. And literally, from the moment that talk ended until today, I've been trying to figure out what does that even mean? And how in the world do you invest in China, and more broadly, in emerging markets. And that's how I got involved with emerging markets.

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Andrew

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Such a great timeline, I think it's super cool to see you've gotten to interact, obviously, with one of the great heroes of Wall Street very intimately. And it's cool that you've had experience directly in lots of different places, whether we're talking about active or index, more passive investing. I feel like China seems like a little bit of a curse word lately. You've been in this emerging markets thing since 22,006, I think you had on the slide? Is it still considered an emerging market? Is it still a place people want to invest, especially lately?

Kevin

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Well, I mean, let me first start by saying that the one thing that's the most consistent part of my 16 years as a China person is that 90% of the people I talk to, most of which are professional investors, or advisors, 90% of them have never been to China. And 90% of them are afraid of China. They don't know why, or how they think that the Chinese are evil, like government is communist, and it must be bad, and they're making up all the numbers, and they're probably going to steal all my money. I mean, that's the most consistent thing I've heard over the years is people are just afraid, and it's foreign to them in a very big way. And yes, China has been very much in the news and very much in a negative way for investors been all sorts of noise D listings. And you know, government crackdowns, and so on and so forth.

And, frankly, all of that stuff, you know, every one of the regulatory things and the things that people have been worried about, I don't see them the same way I see a lot of what's happened, you know, the government is the same kind of things that are happening here. I mean, these technology platforms have grown so fast and become so big and so powerful that no regulators anywhere on the planet have been able to keep up with them. And you can see the Silicon Valley guys in Washington, DC, seems like every month defending something or getting fined. And who knows how much Google pays in fines every year in Europe?

I mean, it seems like every quarter, there's a some multibillion dollar payment to somebody. So. So there's been a lot of fear around China. And then, of course, you know, you do have another issue right now with China. And that's the COVID. And they somehow, you know, two years later, they're just now having the COVID come to town, and they're trying to keep it out with a zero COVID policy. And that's, you know, causing some real challenges for the economy. So people are, you know, generally afraid of China. And, you know, those fears have led, I think, to a lot of the declines that we've had, I'm not as concerned about the things that most people have concerned about. I've been concerned about the COVID issue since before the COVID. Got there, because it was pretty clear it was going to get there, especially after the Olympics. And then to your other question about is China and emerging market.

This is something people have asked me and we've talked about, since I first got involved with China, if you'll say, Well, China is so big, it's the second largest economy, it could be the first largest economy, if not now, maybe soon. And so how can that be an emerging market? Well, in a traditional way of, you know, measuring emerging markets, there's first of all, there's nobody that's officially in charge of defining what you are. The MSCI index is the index that most people refer to when they want to see how our emerging markets doing but the Vanguard emerging markets index is the footsie index. And they're not exactly the same. I mean, the performance is essentially the same, but Korea is not included in the vanguard of version. and and the way that you get classified in the traditional sense is the average GDP per person, right? What's the average per capita GDP? And to be developed, you need to have about $25,000 a year. And China's, you know, less than half that. So in a traditional sense, yes, China is an emerging market, but it's such a big market that you know, it dominates the emerging market indexes dominates the MQ queue. And the reason it dominates our investments, at least they're, you know, our flagship fund, we do have a product that's X China, it's because China's ecommerce market is the biggest in the world. And it China is the Jetsons, when we talk about smartphones, e commerce, technology, there is no country even close to being as developed as they are.

So China is it's a puzzle for the investment world to deal with. And frankly, the whole emerging market asset class has so many problems with it. I mean, you've taken 46 countries from, you know, Aiza, Uruguay and Pakistan and, you know, places that have nothing really related to each other, other than that not developed. And so there's when you start digging in to emerging markets, you know, there's really two things to know. The indexes are totally broken, and the MSCI index is the biggest value trap in the world. And the reason that the indexes are broken is something I learned in the first five minutes after I got in after Burton's talk in Mountain View. 16 years ago, we had lunch there at Google that day. I think Mario Batali was I think the guest chef that day. And so there, Burton and Mario swapped the books, and we had lunch. And then we went up back to San Francisco. And I walked straight over to our portfolio managers that I said, the Google guys want to invest in China.

Give me a list of all the companies in the China ETF with the ticker F exci, which is an iShares fund. And that was the first and only China ETF and I wanted to see the list of companies because I'm an Omaha person. I don't care what the title of the fund is, I want to know what are the businesses we're going to become owners of. So I asked for the list of companies in the China ETF and before they gave me the list of Burton pulled me aside, he said, Kevin, when you see the list of the companies in the China ETF, you're gonna see that almost all of them are Chinese government owned banks and oil companies. That didn't sound very good to me. Many went on to give me some examples of how these companies work.

But, you know, imagine the Department of Motor Vehicles meets, you know, your bank, in addition to conflicts of interest and inefficiencies, poor corporate governance is putting it mildly. And in the case of the Chinese ETF, 16 years ago, it was 80%, state owned enterprises. And now it's not as bad in the broad indexes in the MSCI, it's probably about 30%. And you don't have to look very far to see the problems. You've had the country of Brazil thrown into, you know, years of turmoil, as it was uncovered that a third of their congressmen, and two, or maybe three of the last presidents were all systematically stealing billions of dollars from Petro bra and thus, from investors in the ice hairs are Vanguard funds that track this part of the world. So that's the real problem. I mean, the index is full of these not real companies, I mean, they're not trying to grow earnings in a way, which is how you grow your value. In Omaha, it's really simple. The way you make your company go up, you grow your earnings. And that is how you grow your value. And if the people running these companies don't care about that, why would you invest in them at all. And if you counted the chaebol in Korea and the oligarchs in Russia, it was more like 50% of the index.

And so that's why you can't use the index, you got to evolve and get more, you can't use the traditional approach, you got to get more targeted. And when it comes to emerging markets, what you want to target is the consumer. And it's the consumer sector. So that's the other thing that people need to know is that the traditional indexes are broken, and I think are not going to do very well for you. They haven't done anything over the last 15 years. So that's why you don't want to use the big indexes. And what you want to focus on is the consumer and that's the story. The thing that's emerging are the people there's billions of people and they want stuff, they are moving on up and they want more and better food, clothing, appliances, they want to take vacations, go to movies, get a car well realistically a motorcycle or a scooter.

And then they want their kids to go to college. And that's what you should be focused on. McKinsey calls it the biggest growth opportunity in the history of capitalism. And maybe they're wrong. And it's the second or third biggest opportunity, the history of capitalism. And either way, the billions of people in the developing world, China, India, Nigeria, Vietnam, Brazil, these people want the things that we take for granted. And the world's got some headwinds now, but they will continue to move on up. And I think McKinsey is right, there's going to be a huge amount of growth to consumer over the next 25 years in the developing world,

Andrew

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that numbers just kind of play out when you just think about the sheer number of people in the world. And it is super, super exciting. You know, investors should get excited about that, whether they're invested in companies here that are in the United States that are exporting to those countries or potentially countries abroad. If you don't mind, I'd like to stay on the China thing. Because I feel like this is an opportunity to get a bullish case for China, especially amid all the negativity. I'm one of those people who has never been to China, my fiance has been to China. And she told me how none of her apps worked there, there was like one app that she could download that would work while she was there. So just based on that limited sphere that already terrifies me. So what we've seen with Russia and how there's been conflict, which has led to investors who had assets in Russia, no longer have assets in Russia. Is that a big risk for investors here? Or are we overthinking it? When it comes to assets in China,

Kevin

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I don't think that Russia situation and the China situation are comparable in that way. Look, China is a communist government. And it has been for 75 or 80 years now. And they do things a different way. And one of the things that they've done over the last three decades is to embrace capitalism. And Deng Xiaoping led that charge, and it worked. And it worked incredibly well. And nobody has benefited from capitalism more in the last 30 years than China has. And so part of that is private enterprise and, you know, the ability to make a profit.

And I don't think the Chinese government I mean, you might have your feelings or not, you predict people may have different feelings about the Chinese government, probably more likely negative than positive, but I think that they may be whatever you think they are, they're definitely not stupid. And I don't think, you know, this is one of the fears building, oh, my gosh, they're gonna take over Alibaba, Jack Ma is missing. You know, they know that once. If they do that they've ruined it for themselves. They're evil or not, they're not dumb. And they know capitalism is works. Their economic leaders have gone to our best colleges they've taught at our best colleges are these people know how the world works. And I think it's highly unlikely that you'll see some sort of, you know, wholesale, you know, nationalization of the Chinese internet companies, which is what we invest in. Yeah, as well as the internet companies, of course, in you know, India, Brazil, etc,

Andrew

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which I'm glad you brought up, because I think it's one of those things that wasn't talked about at all. And that seems to be talked about a lot more with about for like a company like Tiktok, for example, where there have been concerns about the data that's been housed, whether it's here or over there. Are there risks in a company like that being completely state owned versus,

Kevin

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you know, for 16 years, people have said, I'll the charity, the government, they just take over companies, they just said, I've said to them, I've never seen that. I mean, I've been doing this for 16 years now. And I've never seen the Chinese government, you know, steal a company or take over a company or nationalize a company. Now, they've taken over a couple of highly leveraged real estate and financial empires that were crumbling, because they had to kind of the way we did with our bags, but I've never seen them go in and take over one of these companies that didn't do one thing last year that looked and felt like that, which was very unfortunate.

And that was changed in the regulations for the private tutoring companies, the online education companies, and they unfortunately, when they changed the laws around that, which I support that what they did, I'm not sure it'll work, but they had to do something because that for profit education business had become a real problem for the society. In China. The action they took was what they said it would no longer be illegal for companies to make a profit, teaching the kids the things they're supposed to learn in their public schools. Because you have this arms race with the Chinese parent because they are with the one child policy you had.

Every school children. He's got two sets of grandparents and two parents, and the hopes and dreams of those six people are all on this one child and that child's futures depend largely on how they do on the LSAT or the the Chinese version of the SATs. And so from the time they're young, they pour money into tutoring after school on weekends, 80% of the kids are doing it. And there's a feeling that you have to keep up with the Joneses. And if you're a rich person in Shanghai, you know, you can afford to pay for the tutoring. But if you're a farmer, and you're barely getting by well, and you've got to spend all your extra income, you can't buy the clothes you want, you can't get the protein you want, you can't go see a movie because you've got to send your daughter to private school when she gets home for regular school. So in an effort to address that, which had gotten out of control, they said,

You can't make a profit, teach them that you can teach them piano, you can teach them English, but you can't teach them the curriculum, we teach them in their free schooling. And unfortunately, the US, you know, the three of those companies were publicly traded in the United States. And while the Chinese government didn't actually steal anybody's money, it looked and felt enough like that, that people said, Aha, I knew it. They stole my money. And they didn't really do that. But but so I just never seen all you know, there's all these, lots of people talk about it. But I've never actually seen the Chinese government go in and take over a business of freely operated and successful and profitable company and none of the internet companies. But

Andrew

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yeah, those are all great points. I mean, do you have any advice for an investor who wanted to learn more to assuage their fears about investing in China, and the resources to learn about how business works there and how they can feel better about the risk factors of investing in China?

Kevin

21:39

To be honest, I would say no, not off the top my head. I mean, I, you know, Burton wrote a book called from Wall Street to the Great Wall, which helps put China into perspective. I mean, that's one of the things about China, that I think, helped me, I don't know what it helped me do. But the Chinese history, especially the last 200 years is fascinating. And, you know, people don't realize how it came to be. I mean, you know, China was the biggest economy in the world for 48 of the last 50 centuries. It was by far the biggest, most prosperous place, they had, by far the most advanced society and economy. And it was just a booming flourishing place hundreds of years before Europe, was anything and it was they know, the system was always, you know, with the Emperor.

And the Emperor's changed, you know, several times and the different families became the ruling families, but it was always an emperor. And even with that it was very prosperous place the Emperor, his job was to provide peace, which meant put up a wall, keep the Mongols from coming in and taking over stuff. And just leave us alone, right, give us a chance for prosperity. And that's the way the Chinese government relationship has been for most of the history of their existence, it was quite a long time. And that was the case at the end of the 1800s. They still had an emperor, but the British came in and basically colonized China in the middle of the 1800s. Because the Chinese wanted to outlaw opium sales. And the British said,

No, we need to sell opium to pay for all this stuff we're buying from you. So because the British had gotten a taste for tea, and porcelain and silk, and the only place that came from along with gunpowder, was China and the United States and the other Europeans got in on the act, and we all colonized in a certain way and took parts of Shanghai. And that's, you know, that was kind of mid 1800s. And that gave them dirted of 100 years of humiliation. So we took, we basically beat them down. And then the Japanese started coming in and taking the northeast, so the place was a mess. And then, you know, you have the Sun Yat Sen and Chiang Kai Shek come in in the early 1900s.

And take out the warlords that were running rampant because the boy ever was, you know, doing his job as he was five years old or whatever. And then they had a government, the Nationalist party that was in charge of the country when World War Two came. But they were battling with the communists, and generally Saba the guy that was the president and a general he was obsessed with finding the communists which Mao was part of the meanwhile, Japan was taking the northeast part of the country and then his own generals had to kidnap him and say, Look, they've you know, these communist guys are hiding in caves.

The Japanese are coming in from the Northeast and the United States got involved in the United States set their military up to the caves in the north where Mao was hiding and the United States military worked with Mao and brought him out to meet with Chiang Kai Shek and in Chong Ching and convinced them they had to work together to fight the Japanese and we armed Mao and then after the Japanese left, which they did because they were getting threatened by the Americans coming Across the Pacific, well, then the Communists were able to defeat the nationalists fair and square. And the nationalists took all the treasures and went to Taiwan and said, Alright, we're gonna hide here. So we helped the whole thing get where it is.

And it is what it is. It's the system has been very effective in terms of advanced their economy over the last several decades. And again, it's got some parts to it that are distasteful to, you know, our tastes and worldviews, but I, I think it's an amazing culture. And I think it's quite unfortunate that there's become this just intense war with them. You know, it's a technological war, it's, I think it's a terrible thing. I mean, this is our biggest trading partner. And we're the both the superpowers of the world that if we could find a way to work together, at least not be as hostile in our competition. And I personally think that a lot of that hostile Toad is originated from us. It's a puzzle, China is a complicated place, and then I'll remain that, you know, for the foreseeable future.

Dave

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That's all super interesting. And the history I think, is fascinating. So I guess a question that kind of springs to mind, when we're talking about this, is I understand you're looking at the consumer and whatnot. So if we're going to investigate a company, maybe in China, maybe in India, maybe in Brazil, what are our resources? You know, like, we have the SEC, and we have Edgar. So we have all those kinds of accounting things, is there a similar kind of system set up in emerging markets that we can use to read financials with the companies to to help us learn more about a company like Alibaba or, you know, somebody like new bank from Brazil,

Kevin

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most of these companies listed the United States and follow us accounting regulations, so you can get their annual reports, you know, on the web, a number of different places. So that's another issue on the Chinese side that I'd like to talk about the VR in China, Parkinson's, something very big happening. And beyond China. You know, one of the things that was always interesting to me when I got involved with China, was the the Google of China traded on, you know, in the United States. And that meant that almost everybody that used Baidu couldn't invest in the company, because mainland Chinese investors can't as certainly not back then and still now couldn't easily invest outside of the mainland.

And it was a strange situation. You think, what if Google traded in Shanghai and the a share market, right? And how strange would that be? Now the reality is, the reason it happened is because most of these internet companies in China and elsewhere, they were funded by us venture capitalists. And it might be Harvard's endowment, or Stanford's endowment fund, you know, invested through a fund. And so when these companies went public, they want them to trade on the best, most liquid exchanges in the world, which are ours. And unfortunately, I didn't talk about this. But the other problem with indexing in the traditional index is that none of these companies were included in the index. I mentioned how 16 years ago, we drove back from Mountain View to San Francisco, and I asked for the list of all the companies and Burton warned me about the standard enterprises. And I said, Okay, got it. And then I got the list. And I went through the list, and I saw all the banks, oil companies. And I got to the bottom and I said, Where's Baidu? Baidu wasn't in the China foot China index. So he called the iShares people and said, Hey, we're thinking about using this China, ETF of yours, where's Baidu?

And they said, We don't own Baidu, I said, I can see that why don't you own Baidu? They said, well, we don't consider it a Chinese company. And I said, What do you mean, it's the Google of China that they stole the dollar about these Google people are investing, it seems like being the Google of everything's a good idea. And they said, We don't own it, because it'd be considered Chinese because it trades in United States. So these companies, most of these internet companies seeking that have, you know, the highest listing standards possible, they get penalized by the index providers who don't include them. So to add insult to injury, you get all the Chinese are not just Chinese, but the state owned enterprises. But most of the internet companies are still missing. Now, let me see how I can say this lightly.

One of the things I've, you know, again, I'm an Omaha person, but I've been working in and around the indexing business for the last 22 years. And for whatever reason, it seems like the people and companies within the indexing world they don't maybe think about investing so much as they ought to, and have original thoughts or ask questions, but you'd be shocked how many of the internet companies are missing from the indexes and a lot of it comes down to the database in putting people in these companies in boxes, you got to put them in a box, what's their sector and you know that top level 11 gigs and then bid for every one of the and that's real estate or, you know, materials, those high level 11 Carry gorges, but then companies get categorized three more times in a more granular fashion. And they also get put into the database with a country, you have to have a country, what's your country?

And so what's happened typically in emerging markets is you take a company like Mercado Libre, which is the amazon.com of Brazil, and every other country in Latin America, well, its headquarters are Argentina. At least they have been. So you look at a fact sheet, they'll say, Oh, you've got 8% in Argentina? Well, the company is headquartered there. But more than half their revenue comes from Brazil, which is the biggest population in Latin America. Mexico is the second biggest. So some of those things, they don't translate properly. And what I've learned is the big index providers don't seem to check. You know, I used to tell people before I made em QQ when people would say, What's the best emerging markets ETF? I would say that's easy by econ by the emerging market, consumer ETF, right. If you believe McKinsey, that's what you want to own and, and that fund it. I had nothing to do with that ETF. By the way, I had been making some things with Guggenheim, but it owned the 30 largest emerging market consumer stocks, according to Dow Jones. And so I told people to you know, when they asked me what to buy, I said, buy that, you know, when I first heard about that, I went through all 30 of the companies that it owned, I printed up the annual reports and the first two companies, according to the fact sheet, there were South African companies, and they were both about 10% of the portfolio.

And one of them was a company called Naspers, which is basically it says South African newspaper company, but they made one of the greatest venture capital investors of all time investments of all time, they bought 43% of Tencent for $30,000,000.16 years ago. So now it's worth 100. When I was reading the report, I can see that the market value of the company was $100 billion. And the balance sheet had $120 billion of 10 cent stock. So the database said South African newspaper, but the financial statements said Chinese technology company. So I applauded the investment. But it got there accidentally, right because the people that nobody looks, what exactly are these companies and the second one, which was also a 10% weight from South Africa was called Steinhoff International.

And they traded in Johannesburg, they're headquartered in South Africa, it's a furniture maker, all the furniture gets sold in Western Europe. So you're trying to invest in the emerging market consumer. And the database says, well, here's an emerging market consumer stock. But if you open up and look at closely, the revenue is not coming from South Africa or any emerging markets, it's coming from Western Europe. So those are the kinds of problems that you find in emerging and frontier markets, you can index but you got to do rolling up some sleeves. And unfortunately, I don't think most of the traditional indexing outfits are situated or thinking or realize that even

Dave

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That's good to know. Well, Kevin, thank you very much for taking the time out of your busy day to come talk to us and help educate our listeners about the emerging markets. I found it fascinating and there was a lot of cool stuff that you were discussing and things that I didn't know and I always liked that. So my hands were kind of like this. It was super excited about everything you're talking about. So very, thank you very much and everybody go out there and invest with a margin of safety emphasis on the safety. Have a great week, and we'll talk to you next week.