IFB349: Stock Splits, Diversification, and European Markets

Dave [00:00:00]:

All right, folks, welcome to Investing for Beginners podcast. Today we have episode 349. Today we are going to answer four great listener questions we got recently. If you have a question you would love for us to answer on the air, please go to newletter@ investingforbeginners.com dot. I will put the link in the show notes. You can also send us questions at Spotify, and you can also send us questions at Twitter at IFB Underscore podcast. So with that, let's go ahead and dive on in. So here we go.

Dave [00:00:31]:

I got. Greetings. I have a few follow up questions from a recent investing for Beginners podcast. I am still in the accumulation phase of investing and have 20 plus years until retirement. While I have investments, I am new to taking moves in the market. I believe Dave talked about being with Wells Fargo and mentioning at one point having roughly 45% of his investments in Wells Fargo stock. He talked about wanting to diversify that into other investments. I am in a similar situation here with roughly 55% of my investments are in a single company.

Dave [00:01:04]:

The company I'm looking to diversify is cyclical and follows the economy fairly closely. I was hoping you could go through what approach you took to diversify your Wells Fargo stock into other investments and over what period of time. What would the amount change the time period, or would the percentage made the same? So his stock is down a little bit right now, and he's looking at kind of how he should move around all that. So finally, at this point, he's not comfortable with stock picking. Are there any ETF's or index funds you would recommend targeting for this money? Thank you for your help and sharing your knowledge. And this is from Steve. So great question, Steve. And I guess because it's kind of directed at me, I'll take first stab at it.

Dave [00:01:44]:

So, Andrew, say hi. So everybody knows you're here.

Andrew [00:01:48]:

I'm here. Okay.

Dave [00:01:49]:

All right, here we go. So kind of what I did was after I left Wells Fargo, I rolled over my 401k into a brokerage account, which is something you can do for free one time. And so I did that about two or so years after I worked at Wells Fargo, because I wanted to make sure that the money went with me, a good portion of it. I left in the funds that were already in there. So they had some, you know, several ETF's, a couple bond funds, and things of that nature. But the Wells Fargo stock, I did break up. So I ended up selling about two thirds of it after I rolled it over. And then I took that money and then started putting it into stocks that I wanted to put it into.

Dave [00:02:35]:

And kind of over time, I've been kind of chiseling away at the Wells Fargo stock as the kind of waiting for it to at least top my cost average, which was around $40 a share. So once every time, the stock has had some ups and downs since I left the company. And at one point, it got down to like $25 a share. And at that point, I was not looking to sell at a loss. And so I just sat on it, and then eventually it climbed above the $40. And then I started trimming some of it to use, to put it into other things. And so I basically kind of used it as a piggy bank, if you will, of things that I could use to start buying into companies that I really wanted to own. Not that I didn't want to own Wells Fargo, but I really didn't.

Dave [00:03:17]:

So that's kind of how I started to do it. And I did it over a long period of time. So it took me probably eight months to a year to use that money. And I bought a variety of things, including visa. And so it was very helpful during the pandemic because I had a little cash that I could use when the stock market kind of took a big crash. So that's kind of how I did it, I guess. What are your thoughts on my process, Andrew, and maybe how could we help, Steve, with a company that's maybe more cyclical that something like Wells Fargo is?

Andrew [00:03:49]:

That's a good question. Yeah. With a cyclical thing, it's tough. Right. Because at any point in time, stock can come down and, you know, you can argue that for every stock at a certain point in time, it can crash. And now all of a sudden, you're stuck holding something that you don't like.

Dave [00:04:06]:

Mm hmm.

Andrew [00:04:06]:

I do like the idea that you shared of kind of spreading it out over time. And I guess one way you can kind of look at it, maybe for us, like a very cyclical stock, it might not be a good apples to apples comparison. You mentioned visa, so just use that as an example. If Im holding visa, and Visa goes down 20%, theres a pretty decent chance the rest of the markets down 15 20%. Also, assuming this is, its a good company. Right. And so that kind of fills my mindset of like, ooh, I want to get out of this thing now because I don't like this company. There's some comfort in the idea that, like, if I wait, then, yeah, I might lose money on the stock.

Andrew [00:04:48]:

But what I buy, I probably get a better deal on, like if the visa stock comes down, but I wanted to sell it, then if the rest of the market's down, then it's like, okay, I lost some money, but I'm kind of gaining it, quote unquote, because the market came down, so I'm getting a better deal. That's kind of how I would try to. It's not an easy answer at all, and particularly because we're talking about not wanting to be a stock picker, and that comes with its own completely different can of worms, right?

Dave [00:05:19]:

Yeah, for sure. Do you have any ETF's or index funds that you would probably recommend to Steve?

Andrew [00:05:26]:

If you don't want to be a stock picker, then trying to, like, survey the land for the very best. ETF is going to be potentially just as involved. And so I like to keep it simple. Something like Spy, which buys the S and P 500. I don't see any need for more complexity than that. If you're wanting to do an ETF or index fund.

Dave [00:05:48]:

Right. I've seen recently some ideas that spy is a great choice. VTI, I think, is in all worlds kind of, or maybe that's how little I know about index funds, is a VTI, is a ticker and that's an index fund. I think it tracks the S and P 500, but it might be an old world index as well. Either one of those choices are great. Other ones that

I've heard people talk about recently have been maybe a little bit splitting hairs, and you may be doubling up on some things. Is using something like spy for S and P 500, the Dow Jones, using one that tracks the Dow Jones and then QQQ, which tracks the Nasdaq, and then you cover all three major indexes in the United States. I've seen people do that.

Dave [00:06:35]:

The one caveat to that is that you would be doubling up on a company like Apple, for example, or Microsoft. In other words, you would have it in all three indexes. And so you would be weighting your portfolio kind of heavily towards those companies. So it really kind of depends on how involved do you really want this to be? We've talked about this before. There is a million and one plus two index funds out there that you could invest in if you really want to go down that road. But to Andrew's point, if you want to be a little more simple, hands off. Don't want to spend a lot of time, you know, messing around with this. You can easily just do the one or two index funds that track the S and P 500.

Dave [00:07:19]:

Find whichever one has the lowest fees, probably vanguard, and then just kind of go from there. And then as you get more comfortable, you could branch off into individual stocks if you want to. But again, that's if it's not your thing, that's okay, too. There's plenty of people that have made lots of money just investing in index funds. So it really comes down to what moves you and how that will work best for you and your situation. So hope that helps. Steve. All right, so let's move on to the next question.

Dave [00:07:49]:

So here we go. So we got. Hi, Andrew and Dave. My name is Belaz, and forgive me if I mispronounce that they're from the Netherlands. And first, I would like to share. Thank you for all the energy and effort. Try to put in as much knowledge as possible regarding investing. I started to invest three years ago, and your podcast has helped me tremendously to be able to be have a bigger and bigger picture in investing.

Dave [00:08:11]:

My question would be about portfolio allocation. Currently, I have 14 stocks in my portfolio roughly equal in size. I have a limited amount to invest, meaning I cannot buy each at the same time. Up until now, I was dollar cost averaging into all of them. During the year through this year, I'm thinking of defining a core for the portfolio and focusing on those. Also, I have two accounts from which one does not allow partial shares or portfolio transfers to the other portfolio, unfortunately. So the actual question is, in your opinion, is it worth focusing on a core part of a portfolio or just keep going dollar cost averaging into all of the handpicked stocks for the long term? Thank you in advance and have a great day. So this is from Bala.

Dave [00:08:55]:

So again, forgive me if I mispronounced your name, but this is a great question. Andrew, what are your thoughts on portfolio construction and maybe how we go about starting to set it up?

Andrew [00:09:06]:

Yeah, I have just kind of a weird opinion on a lot of things, so maybe I can express mine, and then, Dave, you can express a different one, and people can choose which one you know, better.

Dave [00:09:17]:

Yep.

Andrew [00:09:18]:

So maybe you can cover another point of view that I haven't covered on this, but I guess my opinion would be, it depends on what you're trying to do, like what your priorities are. So I think if you are trying to, and again, it's just my opinion, but I think if you're trying to maximize your returns, then I don't think focusing on 14 stocks is going to get you there. I also don't think focusing on 14 stocks is a terrible choice either. But, you know, if you're going to trade the convenience of, I'm just going to focus on like 14 of what I think are the very best businesses and ignore everything else. I think you can still make a lot of money doing that. But I also think that you would not earn as many returns as you could expanding that horizon, unless you're like the best stock picker that we've ever seen, and you've just been able to find the 14 best businesses that you can focus on that are going to stand the test of time.

Dave [00:10:13]:

So I guess my take on it would be, if you're thinking about your portfolio, you have 14 companies that you own currently. You're always going to have a mismatch in that. You're going to have some of the companies, not all of them are going to be performing at the top level all the time. So you're going to have some, maybe execution wise, maybe they will all. But the market may not all at the same time, depending on the cyclicality of the business, cyclicality of the markets, where we are in the economic cycle, you're going to have different companies that could go in and out of favor at different times. And I think one of the things that I try to do is I think I have 19 companies in my portfolio right now. My goal is 2025 ish in that range, give or take. But I think there's always going to be positions or companies that you have a bigger conviction in than others, and some of that will be earned conviction.

Dave [00:11:18]:

In other words, you spend a lot of time learning about the company. Maybe you work for the company. Maybe it's a product that you adore and use on a constant basis, or it's just something that you have just grown up using and you just really know it really well. And I think it's natural for some parts of the portfolio to become bigger positions in the portfolio as they earn that bigger position. Our friend Brian Ferraldi talked a lot about that and several times that we've asked him, and I think that's kind of a really good way to go about it. You mentioned that you kind of have a, everything is kind of equal weighted size. And I think over time you're going to have things that are going to naturally grow bigger, either because of execution or because you become better equipped to understand the business better. And I just have a better feel for it, and you're going to naturally want to put more money towards that.

Dave [00:12:10]:

Peter lynch talks sometimes about the best ideas are often the ones that are right in front of you. Other words? In other words, the ones that you already own. And so sometimes going out to try to find other ideas may be harder, but the ones that you own also could be the better choices for you. And so I have a bigger position in Berkshire Hathaway and visa, for example, partly because I trust Warren to manage a bigger chunk of my money. And number two, I really feel like I know visa and their business well. And so it makes a lot of sense for me to put more money in that than something else that I don't have quite the same conviction in. Doesn't mean I don't think Watsco is a great business. I certainly do.

Dave [00:12:54]:

But I don't feel I understand it quite as well as I do visa. And so naturally, I'm going to allocate more money to that. And I think that's probably natural as you get more comfortable with your portfolio. And I'm not sure which bias this falls under, but think about if you're into sports and you have a favorite. If he's in the other ones, guessing soccer or football is a big thing for them. You have a team that you follow. You get super familiar with the players. And I think that familiarity bias can sometimes lead to thinking that that team is way better or that player is way better than maybe they really are just because you're so familiar with it.

Dave [00:13:32]:

And that's one of the things that we have to fight with investing, is we come the longer you own a company, the more familiar you become with it. But that also can lead to some hindsight bias or some blindness on what actually may be going on with the company. So I think always trying to just reassess what it is you own is really good practice. And I guess I just try to follow the Brian Ferraldi idea that a certain size position and then kind of let gravity take care of the rest, it'll build itself and you'll naturally start putting more money to us. I think that's kind of how I would try to approach it. Do you have any thoughts on my thoughts, Sir Andrew?

Andrew [00:14:10]:
I have thoughts on my thoughts.

Dave [00:14:11]:
Okay, let's hear it.

Andrew [00:14:13]:
I'll just say, like, you know, if you're a beginner and you're pretty new to this, this is probably a lot of information. And so two other things you can kind of think of is the action that will make you save and invest the most money is going to be the best portfolio action you take, most likely, especially if you're in the accumulation phase. And so when we start getting into this, like maximize, I use the word maximizing return and kind of like in this over optimization framework, if that causes you to invest less, then that's not going to be the right approach for you. So I would say like, if you're in a beginning stage and you're kind of getting your sea legs under you, I would try to do things that help you invest more. And then once you get to the luxury of having 14 stocks in your portfolio, then you can start to debate, do I want to make trade offs on what works best for my lifestyle or do I want to chase optimizing returns? And so in the attempt of making things more simple, I thought I threw people more confusing ideas out there so people can figure out what works for them.

Dave [00:15:24]:
Right. To Andrew's point, we did kind of open up the fire hose a little bit on this question. And if this is something you're newer to, we have done a few back to the basic episodes that you can find in our archives on any podcast app. You listen to that talk more broadly about portfolio diversification and structure and kind of how to start setting up a portfolio. So in the efforts to try to make things a little more simple, if you're like listening to this and going, whoa. But I would refer back to those two episodes to give you a little more clarification, you could come back and finish listening to this, and that might make a little more sense to you.

Andrew [00:16:00]:

You mentioned the familiarity bias. Right. And how it can make us feel like, kind of like our sports teams, right. We always treat portfolio management like we're a bunch of robots, but you know how many investors stick with it because they like the stocks in their portfolio?

Dave [00:16:16]:

Right.

Andrew [00:16:17]:

That's not something we can really measure in a spreadsheet. But it's just another interesting way to think of like how you deal with portfolio management.

Dave [00:16:27]:

Yeah.

Andrew [00:16:27]:

What's going to incentivize you to do the right things.

Dave [00:16:30]:

Right. I think that is something that probably doesn't get talked enough about, is what you know, how do you keep your interest in the game? And to your point, if you like all the players on your team, meaning your portfolio, that could lead to you continuing to, to play the game. And ultimately that's more important in the long run than optimizing our portfolio out of the gate, because we're not going to get it right all the time. We're going to buy or sell players that maybe not be the best fit for our team, whether it's performance wise or culture wise. Whatever can motivate you. And if that can be something that can motivate you to stick with the game, then, yeah, I'm all for it.

Andrew [00:17:11]:

Yeah. Nice.

Dave [00:17:12]:

All right, so let's move on to the next question. So we got, I, I just started a personal brokerage account in January of this year. I'm pretty new to all of this, and I've loved listening to your podcast. Every week I have a question about Chipotle and the upcoming stock split. For someone new like me, I am trying to understand what is happening. I would love to own Chipotle. So do you recommend waiting until after the split, or does it make any difference to try to buy one share now and get 49 more once it splits? Any help you could offer would be much appreciated. Thank you for what you do.

Dave [00:17:45]:

Thank you. And this is from Georgia. So great question, Georgia. So, Andrew, what are your thoughts on the Chipotle stock split?

Andrew [00:17:51]:

This is a really good question and important to understand and I think a big misconception and maybe I could start talking about what's going on with Chipotle. So they are doing a 50 to one stock split. So what that means if you own one share of Chipotle before the stock split, after the stock split, that one share that you own is going to turn into 50 shares. Now whats going on? In theory, nothing is changing about Chipotle's business or even the Chipotle stock. All were doing is were taking the whole pie that makes up Chipotle shareholders. And everybody has this fat pizza. Pizza. And thats why the chipotle is at like what, $3,300 a share?

Dave [00:18:37]:

Big number.

Andrew [00:18:38]:

The slices are pretty big for this particular stock. And were taking everybodys one slice and were just slicing it into 50. Thats basically whats going on now. Theres probably going to be move. There could be volatility. There probably will be a move up or a move down that has absolutely nothing to do with the plumbing of whats going on with the stock. But, you know, people will blog and write articles and tweet about how this meant this and that meant that. And it's really, you can't predict that part.

Andrew [00:19:13]:

So I don't know where the price will be higher before or after. But in theory, as far as the whole picture of what's actually going on with the plumbing of the stock, nothing is changing. They're just taking the pizza slice and slicing it into smaller slices. And so with that in mind, to me it doesnt make any difference if you buy before or after the split because its the same business. And im not in the business of trying to tell you where stock prices go in the future. Its the stock price can do what the stock price is going to do. But if you want to be a long term investor with Chipotle, then you could buy before or after, and youre going to get a very similar result in 20 years.

Dave [00:19:57]:

Yep. Exactly. I think the misunderstanding is people don't realize that the share is trading at $3,300 or whatever it is right now. And after the stock split, that value of owning Chipotle is not going to change. If it's $3,300 on June 25, on June 26, it's still 3300. It's still valued at $3,300. Your ownership of the portfolio, it's just instead of, when you look at the stock ticker, instead of it being $3,300 a share, it'll be 60, $62 a share because of the split. But the value, if you look at your portfolio, you still own $3,300 worth of Chipotle.

Dave [00:20:36]:

So thats really the shares dandrus point. It becomes a really big piece of pizza to whole micro pieces of pizza, but its still worth the same amount. That part doesnt change. And as he put it, too, the value of the company doesnt change. If you want to own it before or after the stock split, it doesnt change the value of the company. Thats really more comes back to what you want. The only, I guess the advantage could be that down the road, if the company does well, and Chipotle has done really well over the last 510 years, its been 35% returns over the last five years and 20% over the last ten. So thats pretty darn good.

Dave [00:21:23]:

So that would be, you know, if it continues to grow at that value, you're going to grow that value. So it doesn't mean that those 50 shares are going to be worth 50 times more. It just means you're going to have more smaller pieces of the pie to grow. And when you go to sell it, at some point, you know, that could be, you know, a benefit as well. So that's kind of how I would look at it. And hopefully that helps maybe explain, Georgia, maybe how this works. Now, you do need to own at least one share. So let's say you bought a partial share on fidelity and you only own, I don't know, 0.02% of the share.

Dave [00:21:59]:

You're not going to get. It's not going to split the 0.02 into, you know, now I'm going to get, oh, 12.4 shares, it doesn't work that way. You have to own one whole share and then they'll break that down into the 49. So just to kind of make sure that we're, you know, crystal client, all that. And so that's really kind of how stock splits work. And would you say, what would you say the reason for a company doing this? Why would they do this?

Andrew [00:22:25]:

Yeah, that's a good question. Oh, and by the way, the, you don't like, lose the half share, you just get cashed out, right. So don't worry.

Dave [00:22:33]:

Yeah. It doesn't just disappear.

Andrew [00:22:35]:

Yeah, you missed the deadline. I think there can be multiple reasons why, and I don't know if there's a hard science to exactly what the exact reason would be, but a few I can think of is, and you could argue this is probably a negative, but encourages more options trading. So when options are traded, they're doing blocks of 100 shares. And so as you can imagine, it's a lot easier to make trades representing 100 shares of $62 versus 100 shares of 3030. You know, you're going to leave a lot of traders out if the stock price is so high, so the auctions activity can increase. Interpret that how you want. You wonder if liquidity, maybe because of the whole options thing, maybe liquidity also improves. And so, and there could be reasons around, like employee stock purchase programs, too.

Andrew [00:23:36]:

There could be a lot of reasons behind the scenes. But if I think of just kind of what I've seen as ive observed the markets, the biggest factor I can think of is it encourages more retail investment and then more options trading, which can increase the liquidity, which makes it easier for to buy and sell the stock, essentially. Trey.

Dave [00:23:58]:

Yeah, I agree. I think those are all perfectly good reasons. If you want to go down the maybe more, not darker side, but maybe more cynical side, you could say that they do this because it could offer them the ability to air quote, buy more shares back and affected their earnings per share. And if they're being, if management is being compensated on that, then that could be further down the road. That could be a way that they could try to air quote, benefit from that. I think it also probably definitely plays into the retail investing because there are a lot of people out there that either don't have brokerages that allow partial shares or some people don't kind of understand how the game works, works. And so they'll think, oh, hey, Chipotle is now at $62 a share. I can buy a whole bunch of it.

Dave [00:24:46]:

And don't really realize that the value is one 50th of what it was before, if you look at it that way. So I'm sure, I know Amazon did that recently and they were trading at a couple thousand bucks a share, give or take, and they did a big stock split and then it went, dropped down to like $80 a share. And then I think they saw a lot of retail investors pile in because it was air quote, now cheaper. The dollar amount is cheaper, but the actual value, it didn't change at all. So I think that's probably one way that companies will do this.

Andrew [00:25:17]:

Yeah. I think it's even more devious when they do the reverse splits.

Dave [00:25:21]:

Oh, yeah. You get, oh, yeah, that's terrible.

Andrew [00:25:26]:

If you ever wonder, like, oh, my stock is at a dollar and it used to be at $10. There's no way it can go any lower. Surprise, surprise, reverse stock split. Why don't you give me your shares and I'll give you a fraction of it. And then now it can go from $100 to $1 again.

Dave [00:25:44]:

Right.

Andrew [00:25:44]:

That's the scary side of the other side of the whole stock split thing.

Dave [00:25:48]:

Yeah. My ex wife owned Citibank right around the time of the financial crisis, and they did a stock split. So not only did you have the share price drop, like, I don't know, 50, 60, 70%, something ugly, and then they did a reverse stock split off of that. And so they went from 13 to one. So, you know, they, she lost so much value. And that investment, it was kind of gross.

Andrew [00:26:13]:

Yeah.

Dave [00:26:14]:

So, yeah, the reverse stock split is not your friend. Bottom line, if you see that run, run far away. All right, so here we go. Last question. So, dear Dave and Andrew, greetings from Switzerland. First of all, as a beginning investor, would very much like to extend my appreciation and gratitude to both of you for wonderful podcasts, especially for resurfacing episodes from the back to basics series every now and then. I am a frequent listener and a subscriber, so he has two questions. So, number one, do you have any episodes or posts where you specifically talk about the european stock market? If yes, can you please let me know? Best way to find them? And number two, how can I structure my day, week, month and year as a novice investor? Essentially, what does a typical day, week, etcetera entail? Thank you very much.

Dave [00:27:01]:

So this is a great question from Ashish. So all the way from Switzerland. So thanks, Ashish.

Andrew [00:27:06]:

Yeah, thanks for the questions. I'm not familiar with us doing a specific episode about the european stock market. We don't tend to talk about it in general. That's not like on purpose. It's not like Andrew hates Europe or something more. So just the, my personal circle of competence and kind of the opportunities I'm looking at tends to draw me to the us market. But I know you looked at companies in Europe several times. So you're not against Europe in any way or fashion either.

Dave [00:27:38]:

No. No. Italy is one of my favorite countries in the whole world. Eat their wine and drink their food every day of the week for the rest of my life, if I could. Yeah. I own two companies from Europe, Ajin, which is a payments company, which we've talked about in the past, as well as Topicus, which was a spinoff from constellation software. And so, and they're based out of the nether ones as well. So I am moderately familiar with the european market.

Dave [00:28:03]:

I've read stuff about the London stock market, I've read things about the french stock market and some about the Netherlands markets and whatnot. But it's not anything that I'm intimately involved with. And we have not, to my knowledge, done any posts or episodes about that. But that is certainly something that we would be open to. So if there are people out there that maybe know, have some guests, that we would be a good guest for us to come on and be an expert that we could interview and help you listeners out, that would be awesome. So by all means, send us any information you might have. You can do that at newsletter@investingforbeginners.com dot and that's probably the easiest way to do that. So I guess what are your thoughts on the second question?

Andrew [00:28:44]:

It's tough. I love the kind of like the mindset behind it, you know, trying to find something that's a good system and try to be efficient around things. But when I look at my journey as a novice investor, I feel like there were just different seasons where I had one rhythm and then I moved to another rhythm. And even today, I would say my rhythm today is different than it was two years ago. Some things stay the same, but a lot of things change and your level of learning changes. And maybe sometimes that means the medium where you learn also changes. So I would say I don't know how to tell you how to structure your schedule because I feel like for me, it's always been in flux. What about you, Dave?

Dave [00:29:29]:

Yeah, I definitely think it, there's been different seasons of my life where I've been able to focus more or less on investing, kind of depending on what goes on your life and where you are with your life, you know, if you're single, your life is different than if you're married. And then your life is different if you're married with kids. And so all those things can play a part. I can tell you what I did, you know, maybe in the past to give some suggestions. So when I was working in the restaurant business and I had a daughter, a young daughter, one of the ways that I did it was I would read. I would get up about an hour before my daughter would and try to read. So I would set aside time that I could go sit on the couch and I could read whatever it was that I needed or wanted to read, whether it was either focused on specific companies or whether it was more general knowledge, or whether it was maybe a blog post about a particular company or, you know, reading Michael Mobison, you know, work, whatever it may be. You know, I tried to have at least an hour a day, and then in the evening, I would try to do the same thing before I go to bed.

Dave [00:30:40]:

And periodically during the course of the day, I would be on my phone looking at different things. So. And that was less structured, more just, you know, entertainment value, if you will. But I tried to structure it at least a couple hours a day that I could fit in. When I worked at the bank at Wells Fargo, I did similar, but instead of reading at night, I read it my lunch time. So I had an hour for lunch every day. And so. And I brought my lunch.

Dave [00:31:08]:

So I would go in the lunchroom, sit there with my brown bag, and read emails from Andrew and read other stuff. And that's what I would do. So I would do it in the morning before I go to work, and then I would do it at work.

Andrew [00:31:20]:

Why?

Dave [00:31:20]:

I didn't do it while I was working. Well, sometimes I did, but that's a whole other conversation. That's how I structured it. And so I didn't think of it, per se, like, okay, I'm going to spend this many hours this week and this many hours a day and a month and a year. To me, it was more like just trying to have those consistent times that I marked out that were important for me to do the things that I wanted to do. And by just consistently staying with that knowledge compounds on itself. And so that's how it helped me build up my knowledge base over time. Now that I get to do this for a living, my time is different.

Dave [00:31:56]:

But when I was new, that's how I do it. And, you know, for me anyway, I was curious, like a cat. I still am. And so I was looking. I was always just kind of gobbling up knowledge wherever I could find it. Now I'm a little more, I guess, picky or specific about things that I want to learn. But back then, I just, I gobbled it up. Didn't matter what it was.

Dave [00:32:17]:

I didn't know this. I got to read it. And so that's what I would recommend you do, is find what works for you and your time commitments and how much time you have, and then follow your curiosity. I think that is never a bad thing to do.

Andrew [00:32:29]:

No, not at all.

Dave [00:32:32]:

All right. Well, with that, we will go ahead and wrap up our conversation for today. I wanted to thank everybody for taking the time to send us those fantastic questions. Please keep them coming. If you do have questions and you're dying to have them read on the air, please send them to us at newsletter@ianvestingforbeginners.com dot. That will be in the show notes. You can also go to Spotify when you're listening to the podcast on there. You can ask questions there, and you can also send us the questions at Twitter podcast.

Dave [00:33:00]:

So with that, I'll go ahead and sign us off. You guys go out there and invest with a margin of safety. Emphasis on the safety. Have a great week, and we'll talk to you all next week. Bye.