



## **IFB365: How to Handle Stock Market Losses + More**

Welcome to Investing for Beginners podcast. Today we have episode 366. Today we're going to answer 2 great listener questions and we may talk about a third potential mystery topic.

00:00:54 Dave

You will so first of all, let's dive into the first question. So this is hello Andrew and David, I'm an avid listener of the show and been listening to the pod for pretty much the beginning keep up the great work, it's excellent. Just wondering on what your thoughts might be on the following situation. I find myself on, I was new to investing during the pandemic.

00:01:14 Dave

And incredibly naive with the tools and tactics available in the trading platform. I'm not. I'm not much better now. To be fair. I don't know what a stop loss was and when the war in Ukraine started, I found myself of most of my stocks plummeted significantly, some as much as 80%.

00:01:31 Dave

Despite recent I'm sorry, despite decent recoveries in some of these, the reality is that if I stay invested at my current level, I'm never going to get my money back and the losses were.

00:01:41 Dave

Just too heavy.

00:01:43 Dave

Fundamentally, I like the companies, but my dilemma is whether to top up or just get out. Some will require significant top ups alongside a good tailwind.

00:01:51 Dave

And I'm really undecided. My heart says top up, but my head tells me to stop watering the weeds. Great question for Mick. So what are your thoughts on this awesome question?

00:02:02 Andrew

Yeah, it's that's a very tough situation and make just hopefully be comforted in the fact that.

00:02:10 Andrew

Hard mistakes are part of the game and consider this your tuition, so try not to be yourself up over it. I know it's hard, but that would be the first.

00:02:21 Andrew

Piece of you know advice I would.

00:02:23 Dave

Give. Yeah, exactly and.

00:02:26 Dave

I guess two things that kind of come to mind. Number one, you're not alone, Nick. Lots of people went through the same thing. Lots of people.

00:02:35 Dave

Struggle with what happened during the pandemic and the aftermath of that, and the fact that you are not running for the hills and saying things such as I'm never going to invest this is.

00:02:49 Dave

You know a.

00:02:50 Dave

Trap. This is fool's gold. This is.

00:02:54 Dave

You know, whatever.

00:02:55 Dave

You know.

00:02:57 Dave

It's not. It's not for me.

00:02:59 Dave

The fact that you're not saying that I think really speaks to your state of mind and what you're trying to get out of this instead of necessarily maybe a quick rich a get rich quick scheme, you're thinking more along term which you know I give you full credit for. That's awesome and your mindset will go a long, long ways through.

00:03:19 Dave

To you being successful in the stock market, just remember it's it, it's part game and it's part not game and the game part can make it very difficult. And when we're investing, we're kind of betting that we're going to be right and others are going to be wrong.

00:03:38 Dave

And to Andrew's point, when we're new, we all have to pay a tuition, whether it's in the markets, whether it's in our jobs, whether it's in our personal lives.

00:03:49 Dave

Think about what you know now versus what you knew 10 years ago. And if you think back on that, you'll you'll be.

00:03:55 Dave

Shocked. Wow, I really thought.

00:03:57 Dave

That so I think I think having that right mindset and understanding that you're not alone and also understanding that it is part of the game, there is no 100% winner. I was talking to somebody a couple days ago and and they very astutely pointed out if you see somebody that's touting that they're 100% right and all their investments, they're lying.

00:04:19 Dave

That does not happen. You know, there may be one or two people that have gotten lucky and they've been investing for seven months. But have you been doing it for a while? Not happening. It's just it doesn't. It doesn't work that way.

00:04:32 Dave

And so I guess don't try not to. Social media can blind us sometimes to the realities of what can really happen in life. And we see the pretty pictures we see all the comments about how awesome they're doing, or the Lamborghinis that they're driving or whatever. It's all illusion. Everybody goes through the same struggles every single day.

00:04:53 Dave

So that being said, you're on the right track, so kudos to you. So now that we've kind of established that, how would we, how would we help him in this particular situation with?

00:05:05 Dave

The stocks that it does own, we don't know the names, but how would we deal with that? Not watering the weeds as he put it.

00:05:11 Andrew

Yeah. And that's I love the way you play that make, you know, stop watering the weeds and the heart and the head being conflicted. I mean, yeah, I'm raising both my hands.

00:05:21 Andrew

On on this side.

00:05:21 Dave

Yeah, been there. Hallelujah.

00:05:25 Andrew

Been there and continue to struggle with lots of stocks with your heart and your head pulling in two different directions.

00:05:32 Andrew

And and I, you know, definitely I want to address that and address to your particular situation.

00:05:40 Andrew

But firstly.

00:05:44 Andrew

Just this is an assumption. I don't know which stocks you have and so I could be completely off on this.

00:05:50 Andrew

But I wonder if the bigger problem that you might be facing which could be hampering your future returns.

00:05:59 Andrew

Is maybe the stocks you are picking?

00:06:03 Andrew

Are not a good fit or the type of investor you're trying to be because.

00:06:10 Andrew

The war in Ukraine was tough for some stocks in the market and.

00:06:17 Andrew

There were a lot of other factors other than just Ukraine interest rates, I think started to move around that same time.

00:06:25 Andrew

But these, at least in the United States market, a lot of stocks that went down 80% were very expensive, very kind of growth. Your names maybe were not profitable. So those were the ones that had the most carnage.

00:06:43 Andrew

And I would caution you, if you don't feel like you have a special gift in that area, it could be a very painful area to be wrong.

00:06:54 Andrew

And so I would, I would.

00:06:57 Andrew

I would want to address the stocks, so they're down obviously, but I also would want to address that because I feel like it's a bigger issue.

00:07:04 Andrew

And I think if you can overcome that and mature as an investor, you can find a lot more success, not just in the next six months or the next year, but for the next five 10/15/20 longer if if you can, if you can figure out that good fit, do you have a long-term mindset searching for safe?

00:07:24 Andrew

Founders Solmi and I'm investing my entire life savings with the picks from [valuespotlight.com](https://valuespotlight.com).

00:07:33 Dave

Right. That I think that's a really, really good advice.

00:07:37 Dave

What we buy is almost as important as what we buy. Like, how does that fit into our?

00:07:44 Dave

Investment style and what works for us, what we can understand, it really comes down to what can you understand. And we also have to understand.

00:07:55 Dave

That during the pandemic was a very unique time and.

00:08:01 Dave

There was, you know, we all lived it. So we all remember not too distant, distant future. It was it was chaos and nobody knew up from down. Nobody knew where anything was going. And there was a lot of enthusiasm and a lot of.

00:08:18 Dave

I guess euphoria in the markets that maybe were unfounded and if you think about some of the pandemic darlings that most have failed since then in the sense that their stock.

00:08:33 Dave

Price got way.

00:08:34 Dave

Ahead of of where the business really.

00:08:37 Dave

Actually was.

00:08:39 Dave

And.

00:08:40 Dave

So a company like let's say zoom for example may not have been the greatest investment during that time, but it could potentially be now because it has a viable product, it makes money and it just may not. If your expectations are that it goes back to where it was during the pandemic, that's probably.

00:09:01 Dave

Very unrealistic, but there isn't anything to say that investing in the company today. Keep in mind I'm speculating here. I know nothing about the business. I have. No, I have no background or any fundamentals of the business other than I know what it is and I've.

00:09:17 Dave

Used the tool a few times.

00:09:19

Uh.

00:09:19 Dave

So that being said.

00:09:22 Dave

If you find that the business is actually profitable, making money has good growth prospects and can earn you a good return over the next 5 or 10 years. Then at the current level it's in and it could be a fantastic investment. I'm just using an example I'm not, I'm not sure if this is the company owns or not, but that's one of the things you have to kind of decide when you're thinking about.

00:09:44 Dave

Whether you water this weed or whether you're actually watering something that has good potential, I guess the other part of it too for me.

00:09:56 Dave

You know the our ego.

00:09:58 Dave

Gets in the, gets in the way when we want, when we know that we should sell the company.

00:10:04 Dave

And it's really, really hard to wrap your brain around. I was wrong. And when you sell it.

00:10:11 Dave

At a big loss, you have to admit to yourself that I was wrong and none of us like to face that. I mean, none of us do. It's it's a hard, hard place to be and the only way to do it is just to RIP the Band-Aid off, cut, cut your losses and move on.

00:10:31 Dave

A lot of times you just have to admit that you made a mistake. Try to learn from the.

00:10:35 Dave

Mistake.

00:10:37 Dave

You know, RIP the Band-Aid off and then move on. Take the money that you use that you still have because it wasn't 100% loss and use that to find something else. And that's part of the markets and I think that's to me that's a really, really hard lesson to learn and it's. But it is an important lesson to.

00:10:57 Dave

I think most of us probably have held on to a company because we think it's someday it'll rebound to where it was before and we can sell it, but the the trick with that is there's an opportunity cost to doing that. You could have invested in.

00:11:14 Dave

Google and see 20% returns over the next seven years while you're waiting for your for your, you know, weed to get back to normal and that's lost dead money. You cannot get back.

00:11:27 Dave

That time you can't get back, and so that's where you really have to just weigh the the opportunity costs for, for waiting for the company to get back and.

00:11:36 Dave

Is it really worth?

00:11:37 Dave

Watering the weed on this? Or do I just cut my losses? It doesn't mean you can. You can sell the company now and get back in in six months or a year after you learn more about the business.

00:11:47 Dave

And figure out if this is actually a good investment or not. Maybe I was wrong. I was right in the business but wrong in the price. But maybe now I could be right on both and that's that's the way I try to look at it when I think about some of these companies and that I found that helpful.

00:12:05 Andrew

Oh yeah. I mean it is. It is definitely hard. I went through my own mistakes during the pandemic and.

00:12:16 Andrew

Bought these businesses that I always thought were going to be lower risk and when that turned out not to be the case.

00:12:24 Andrew

I had to take a hard look in the.

00:12:25 Andrew

Mirror and say.

00:12:27 Andrew

Might be doing something wrong here.

00:12:30 Andrew

And so part of ripping off that Band-Aid like they've gave the imagery for is cutting those losses. They have a particular stock up. It's like become therapy at this point mentioned them a million times.

00:12:44 Andrew

But.

00:12:45 Andrew

Franklin resources.

00:12:47 Andrew

Their revenues continue to drop year after year after year and it's like dude, take a hint right and and that's the other piece is we're so focused on our losses and the stock we own that today's point. If Google is sitting out.

00:13:04 Andrew

There and you could have sold what you had but made 20% or 15% or 12% whatever the number is in Google versus your dog that's in your portfolio that's that's.

00:13:17 Andrew

That's sometimes a a Band-Aid that's hurtful to RIP off, but can be very rewarding for you. And to me, the.

00:13:26 Andrew

The silver lining to the whole Franklin Resources story is I ended up buying some visa with with those shares and so I feel like a full redemption arc on that whole thing and.

00:13:32

Perfect.

00:13:39 Andrew

You know, it was painful at the time. It was very embarrassing. I still get embarrassed sometimes when I think about.

00:13:47 Andrew

Why I bought that stock and how blind I was on the blind spots I had around that stock.

00:13:54 Andrew



And how public it is, everybody gets to see you look at this mistake Andrew made. But it's a lesson that is so ingrained in my head now that I'm going to try my hardest not to make that mistake again. And I think I have a pretty decent chance because of how painful it was. And so Mick again.

00:14:13 Andrew

It might be painful to look at your portfolio like that. These are lessons you probably won't easily forget, and that can really help you become a good investor for a.

00:14:22 Andrew

Long long time.

00:14:24 Dave

Yep, I wholeheartedly agree. Is a great question, Mick and.

00:14:28 Dave

I think if you take Andrew's message to heart, you will find solace that you're not alone, that we all make mistakes, and that you can recover from this and it's going to make you a better investor.

00:14:43 Speaker 5

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00:15:02 Speaker 5

NVIDIA and.

00:15:03 Speaker 5

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00:15:14 Dave

All right, let's move on to the next question. So this is hey, Andrew, just wondering if you could touch on the latest news about Crown Castle. I bought a significant amount of stock and I'm wondering if I need to sell after hearing news of them possibly selling parts of their business. And it's a great question.

00:15:32 Dave

Jessica, so maybe let's start off really quickly. Like I guess for those unaware, what is crown cast?

00:15:40 Andrew

Yeah. Crown Castle is one of my biggest positions. So I have some a little bit of skin in the game on this one and.

00:15:48 Andrew

It hasn't performed great for me. It hasn't been terrible, but it hasn't been great either, but they basically own a bunch of the equipment and cell towers that power the mobile networks that we all take for granted and use every single day. So it's a very concentrated industry, it's structured.

00:16:08 Andrew

As a REIT, which is a real estate investment trust, so the financials are different than your typical business.

00:16:19 Andrew

But they they have these a lot of rates have this where their revenues are contracted. So in the same way you might sign a lease agreement with an apartment landlord that says hey, for the next 12 months or 24 months, you're.

00:16:33 Andrew

Paying.

00:16:34 Andrew

Rent, right. Same thing with these cell tower companies.

00:16:38 Andrew

And the rent they might charge AT&T or Verizon. And so it's a.

00:16:44 Andrew

You you can see the revenues for a long time.

00:16:49 Andrew

And so that makes it kind of like one of those more margin of safety type of investments, but it's also.

00:16:56 Andrew

A industry that's going through a lot of change and uncertainty, and Crown Castle is going through even more uncertainty and drama and and you know the the rumors of selling parts of their business and all that and the activists. And so there's definitely a lot in there and I'll just have to lean on you, Dave, to like keep me focused. But that's kind of the.

00:17:17 Andrew

Broad overview, if you're not familiar with Crown Castle and the industry that.

00:17:22 Dave

Hopefully helps shine light at into that. Yeah, it does. All right. So maybe what is what are some of the things that are going on in the industry and and then maybe we could talk about how Crown Castle is being impacted by that?

00:17:38 Andrew

Yeah. I mean, there's a lot 5G has been something that.

00:17:44 Andrew

Feels like a huge disappointment. It was hyped up since 20/17/2018 and it's like year after year after year. This is the year of five.

00:17:53 Andrew

G.

00:17:54 Andrew

And for a while, T-Mobile was pretty aggressive and blasting.

00:17:59 Andrew

The.

00:18:00 Andrew

The TV commercials with their 5G.

00:18:01 Andrew

Network they were.

00:18:04 Andrew

And so a lot of that hasn't really been as fruitful as a lot of people might have expected.

00:18:10 Andrew

And so that's put pressure on the stocks that are 5G related, you have that and then you have a lot of consolidation in the industry.

00:18:15

MHM.

00:18:21 Andrew

I'm blanking on which of the big cell providers bought Sprint. You can go, right?

00:18:29 Andrew

Reference.

00:18:31 Dave

T-Mobile, right? They brought Sprint.

00:18:35 Andrew

Yeah, it was either T-Mobile or or AT&T. I'm. I'm pretty sure it was T.

00:18:39 Andrew

Mobile, I think it.

00:18:40 Dave

Was T.

00:18:41 Andrew

Mobile. So a lot of the contracted revenues, you know you have one last customer essentially and so of course as they absorb Sprint, they're going to consolidate some of their cell tower.

00:18:55 Andrew

Vendors and all that.

00:18:57 Andrew

So that's when putting profits pressure on the the rates.

00:19:02 Andrew

And then.

00:19:04 Andrew

In Crown Counsel's case, and I guess this is less so for the other two, but in Crown counsel's case, they've.

00:19:12 Andrew

They've had a lot of investment in small cells.

00:19:16 Andrew

Which we can get into the basics of that, but it just that hasn't played out yet either. Small cells and fiber hasn't really played out. You're not seeing the return on investment or ROI on those on those capital outlays yet and so.

00:19:34 Andrew

A lot of people, including very smart investors, are saying that those were bad investments, that they had a lot of wasted capital. And so that's really been creating a lot of drama for Crown Castle in particular.

00:19:50 Dave

Yeah. Yes, it has. Let's let's back up for a second and talk about the small cells. Like what is that and how is how is that impacting, what's going on with Chrome Castle?

00:20:01 Andrew

Yeah. So if you've ever been in a.

00:20:06 Andrew

Stadium like a baseball stadium like baseball game. And you tried to pull up your e-mail or tried to go on Instagram or something, or you're at the airport. Then they don't have Wi-Fi and you're like, man, this is so slow. Like, what? What's going on with my data? It's because there's limited bandwidth and there's.

00:20:23 Andrew

Too many people trying to access the cell towers essentially, and I'm going to be technically wrong to be approximately right? Just keep it simple. So we'll just excuse me for any untechnical terms, but the small cells are a way to combat that. And so for whatever reason, the 5G.

00:20:42 Andrew

Technology in particular.

00:20:43 Andrew

There needs if you're going to serve, you know, downtown New York City or downtown LA.

00:20:52 Andrew

The technology needs those small cells which will be able to service many more cell phones.

00:20:59 Andrew

And so the idea being all right, we're crown castle. We have a lot of these huge towers already. Why don't we build out the fiber and the small cells? And so it's like we're moving up the chain or down the chain and we can provide you more of a complete service if you're AT&T or your T-Mobile, so.

00:21:18 Speaker 1

Hmm.

00:21:19 Andrew

Crown Council and T-Mobile have both been investing pretty heavily in small cells historically.

00:21:25 Andrew

And so that but again.

00:21:29 Andrew

The revenues and earnings from that haven't really filtered in yet, so people are.

00:21:35 Andrew

They're down. They're impatient. They're down on it. They think it's it's a waste and they could be.

00:21:40 Andrew

Right.

00:21:41 Andrew

And so, you know, for Crown Castle in particular, they have a heavy exposure to that.

00:21:46 Andrew

And so that's probably put pressure on.

00:21:48 Andrew

The stock price.

00:21:50 Dave

Yeah, that makes a lot of sense. Yeah, people.

00:21:53 Dave

Have been impatient about the allocation for the company, So what has been, I guess, some of the more recent drama than with with Crown Castle in particular.

00:22:06 Andrew

Yeah. So.

00:22:10 Andrew

Man, where do I start? Basically there's just like a lot of management drama. There's been a few investors that have come in and put in a bunch of money and they're trying to affect change. And so the, you know, activist investors and then they had a whole voting drama where somebody tried to come in and buy a bunch of call options to try to manipulate and get themselves.

00:22:35 Andrew

On the Board of Directors and, you know becoming a manager again. So that didn't play out like that person expected.

00:22:44 Andrew

And as a part of like all the drama of new investors coming in an old CEO leaving and then reshuffling of the Board of Directors and people trying to jump into the board of directors, there's just been a lot of attention on those small cell investments. And so to Jessica's question.

00:23:03 Andrew

She's heard rumors about them selling parts of their business. There's been a lot of talk about the small cell investments, the fiber investments.

00:23:12 Andrew

And.

00:23:13 Andrew

That you know the returns have not been great. It's not a good capital outlay, so.

00:23:20 Andrew

The Better Business is the core towers that that one's more profitable. So why don't we keep that and then sell the small cells and the fiber and that would be better for shareholders.

00:23:32 Andrew

So that's kind of been the consensus in the way of a lot of the people involved. So that's why you're hearing those rumors.

00:23:37

MHM.

00:23:41 Andrew

And.

00:23:43 Andrew

We're on a podcast as far as like what my take is on all that. I'm just going to leave the 5th. But you know, some people could be right. Some people could be wrong at the end of the day, if you own Crown castle and you're worried about it, whether they sell part of the business or not.

00:24:03 Andrew

It's not like you're going to get nothing if they sell the business that's going to be either are going to do a spin off and so you'll get shares of something or they're going to receive the cash and then they could pay it out as a dividend. They could buy back stock, they could pay back, pay off debt, all things that should make the stock or the business more valuable.

00:24:23 Andrew

And help the stock price so you know the stock price can go up, it can go down. But just selling a a part of a business in general.

00:24:33 Andrew

Or a company or stock doesn't always mean it's a bad thing, so that's if that makes you nervous and you're kind of newer to the game, that's something I would advise to not get too worried per say. Obviously I want to stick your head in the sand, but it's not a huge cause of concern or.

00:24:37

MHM.

00:24:53 Andrew

Returns 10 years down the.

00:24:54 Andrew

Line.

00:24:55 Dave

Right. You know, I I have some skin in the game with with them as well. Not as much as you.

00:25:01 Dave

But I have followed this because I have been fascinated by the, I guess, Internet world and just the capabilities that we still haven't really, you know tapped. And so I think all that is just there's just a tremendous potential.

00:25:22 Dave

Out there and I think that's partly why I've been excited about it and I've always looked at it as the the tower.

00:25:32 Dave

Legacy, you know, core business, whatever adjective you want to attach to it. To me, that's always like the most valuable part of it. And the other stuff is like, these are investments in potential future growth for the company. And even if that doesn't pan out, I'm still going to get a really good return.

00:25:52 Dave

On the core of what Crown Castle is, you know, because of the structure of the company, they're always going to pay a pretty good dividend, which is awesome and it's going to get decent capital returns. And once the whole management.

00:26:09 Dave

You know, mumbo jumbo all kind of washes out with ownership and all that stuff. You know, there's still, you know, once the dust clears it basically, there's still a really good business here and you can get blinded by some of the smoke. It really comes down to, you know, does that smoke and all that noise making nervous. And I just, I can't deal with that.

00:26:30 Dave

Volatility and you get out which fair enough.

00:26:33 Dave

Or do you?

00:26:34 Dave

Have a longer.

00:26:36 Dave

You know, term mindset and a stronger stomach and see the the sun peeking over the horizon. At some point it may be a little dim, but it's still starting to to work its way up and then you know you can. You can continue to to hold the company and that's that's how I've tried to look at it through through all this.

00:26:57 Dave

And.

00:26:57

It's.

00:26:58 Dave

It's not easy, but no company that you invest in is just going to be up and straight to the right. NVIDIA, as awesome as they are and and King of The Hill now. Five years ago they were on deaths door and you know, 3 or 4 years before that they were on death door. So Fortune can turn around very quickly in the stock market.

00:27:18 Dave

And I think you just have to be, you just have to have a longer a long.



00:27:22

They're.

00:27:23 Dave

More patience, I guess is the best way of putting it and just realize that this is part of the game and sometimes with the with the management and drama, it could be a little bit like a.

00:27:33 Dave

Soap.

00:27:33 Dave

Opera, but on the other side of that is a good company. And so you just got to wait.

00:27:40 Andrew

Yeah, I love the way you kind of wrap that all up and make it simple for me to. You know, that would be a great conclusion to a write up.

00:27:47 Andrew

Of mine this.

00:27:48 Dave

Alright, that's great. That's awesome. Well.

00:27:49 Andrew

You just then use as a paragraph.

00:27:55 Dave

Maybe we could talk a little bit about our little mystery bonus here. One of the one of the other companies that's going through some drama that we both own is Google. And you recently wrote about some of the Department of Justice.

00:28:13 Dave

Comments or accusations if you will, and maybe.

00:28:17 Dave

You could share.

00:28:18 Dave

A few insights with us from your most recent write.

00:28:21 Dave

Up.

00:28:22 Andrew

Sure. Yeah, I'd love to.

00:28:27 Andrew

I mean, yeah, drama for sure. I don't necessarily want to speak on the.

00:28:33 Andrew

The verdict or the the kind of impact of it, but.

00:28:35

Hmm.

00:28:40 Andrew

There, there's a lot of attention on the fact that.

00:28:45 Andrew

If you were to buy an iPhone.

00:28:48 Andrew

And.

00:28:50 Andrew

You know, you pull up Safari or something. The first search option is Google.

00:28:57 Andrew

And so it's been widely publicized that Google has paid Apple for those privileges, and it's quite clear that.

00:29:06 Andrew

That arrangement is not going to continue.

00:29:10 Andrew

At least as far as I'm reading the tea leaves. And what what the judge is saying, right in in some of these documents. So, so that's that's something to.

00:29:24 Andrew

That could have the potential to change Google's dominance when we think of.

00:29:31 Andrew

And we think of search today, a lot of people think of Google. It's become a verb. I'm going to Google that. You should Google that. Did you Google that?

00:29:39 Andrew

Those are all things that we all all say and ask and.

00:29:45 Andrew

The question becomes and and really if you talk about the smoke around how people feel about this news item and Google and the alphabet stock in general.

00:29:55 Andrew

Is.

00:29:57 Andrew

If Google is not the default, search.

00:30:02 Andrew

Anymore. If you buy a new iPhone and you pull up Safari and you have to choose what you know and I can use Google, or am I going to use Bing or if they put Bing as the default instead of Google?

00:30:15 Andrew

Are people still going to use Google? And so to me, how you feel about that question determines how you feel about the smoke and whether you see it as a buying opportunity or a reason to sell.

00:30:28 Andrew

That's kind of how I hopefully tried to outline it in the write up and I focused a lot of the write up on Google and why I think it's more.

00:30:38 Andrew

A more useful tool and a more useful product and a better brand than just the default like I don't buy the idea that people only use Google because it's the default option. I kind of give people more credit than that. How do you look at some of the smoke?

00:30:56 Andrew

And.

00:30:56 Andrew

Like.

00:30:57 Andrew

How have you started to internalize some of this?

00:31:01 Dave

I my take away is similar to yours in that.

00:31:08 Dave

I feel like they are and again.

00:31:13 Dave

Take this for what it's worth. I feel like they're they are a monopoly, but they're monopoly because they created the best product and others have come along and tried to compete against them. And they have been unsuccessful in gaining traction or much traction.

00:31:32 Dave

No. And some of that, yes, could be from Googles policies. But I think the vast majority of it is because it's just simply a better product. And to me it's kind of.

00:31:50 Dave

Disingenuous. To threaten to break up a company or punish a company because they're good at what they do. Isn't that the whole purpose of?

00:32:00 Dave

A business or a product or a government? Are we going to punish the government for being really good at collecting taxes? You know? No. So I guess to to me, you know, your point about if they don't make it the default search on the phone, I'm still going to put Google.

00:32:20 Dave

You know Chrome on my phone, because that's what I'm going to use. I'm not going to use the other ones because I don't like them. I don't think they're as good and I don't like them and I want to use Google and it wouldn't matter whether I have an iPhone or an Android. I would want to use the Google search engine because to me it's the best.

00:32:39 Dave

Watching YouTube videos and it's also a search engine. To me, that's the best.

00:32:45 Dave

And whether it's or not the default or not to me makes no impact on how I choose. If I buy a new computer, I'm in the the the first or second thing I'm downloading is Chrome.

00:32:58 Dave

And putting it on my computer because that's the one I want to use. And you know our business is built on Google. And so all those things.

00:33:09 Dave

You know, kind of not force me, but they they reinforce the idea that.

00:33:15 Dave

Yes, it's monopoly. Yes, they may have done a few things here or there that have been anti competitive, but they're being punished. I think they're being punished for being good at what they do and there are probably people out there that disagree with me and that's fine, but that's that's how I that's how I view it. And so as somebody that does own Google and wants to buy more.

00:33:35 Dave

When I see this kind of stuff, it just makes me more excited because.

00:33:40 Dave

The stock market reacts not as well as I do, and so it it could. It could give me another opportunity to invest in the company and to Andrew's earlier point, let's say, God forbid, they do decide to break up some of the parts of of Google.

00:33:56 Dave

Who wouldn't want to own a spin off of YouTube? Yeah.

00:34:00 Andrew

I mean, yeah.

00:34:01 Dave

Yeah. Yeah, yeah, yeah. I get 2.

00:34:05 Dave

You know, so.

00:34:08 Dave

To me.

00:34:09 Dave

It's, you know, to go back to Manish Proprio, right, it's, you know, heads, I win, tails. I don't lose that much. That's really how I feel about an investment in Google. And I think about the DOJ and this, you know, all all the, all the attention they've been getting lately.

00:34:25 Andrew

Yeah, those are those are good insights.

00:34:29 Andrew

A few data points that I tried to highlight in the write up I did about this recently. One of the documents said that Google did a competitive analysis. Granted, this was in 2020.

00:34:44 Andrew

So take that for what it's worth. But basically they had an analysis they had done that estimated if Apple wanted to create their own search engine to compete against Google, it would cost them \$10 billion and \$4 billion annually to maintain the technical infrastructure and also another data point.

00:35:03 Andrew

That Microsoft has invested almost \$100 billion into Bing.

00:35:10 Andrew

To date and.

00:35:12 Andrew

You know, we can have our anecdotal opinions about being, but.

00:35:18 Andrew

You can't deny that Google has done very well despite the competitive pressures from Microsoft's being so.

00:35:26 Speaker 1

M.

00:35:29 Andrew

That that's something that kind of speaks out to me that I tried to highlight is it's Google is not just a magical website where you just.

00:35:41 Andrew

Put it in and it magically gives you what you want. There's a lot of technical infrastructure behind it. There's the engineers that are supporting it, and there's the data they are collecting, which drives and feeds the good results that you get and makes them better than other options. More relevant to you.

00:36:02 Andrew

Get you your answers faster. All those things take capital expertise and really have been brewing behind the scenes for a very long time. And so that's why I feel so strongly about.

00:36:17 Andrew

The default thing might be an issue, but longer term I think better product wins in this case.

00:36:24 Andrew

And so it's it's hard to unseat that when Google has reinvested in itself.

00:36:30 Andrew

So much and continues to do so.

00:36:33 Dave

Yep, totally agree. Totally agree. So if people were interested in learning more about your insights into Google, where could they go to find out more about that?

00:36:44 Andrew

Yeah, thanks for that. They can go to [valuespotlight.com](https://valuespotlight.com) monthly write ups on there. There's several write ups about Google and there's several write ups about Crown Castle, especially when the drama happened. So, so you get my updated thoughts on the companies I own and.

00:37:02 Andrew

Again, monthly ideas.

00:37:04 Andrew

That show what I'm buying every month.

00:37:07 Dave

Yeah. Awesome. Awesome. All right. I will make sure to put that in the show notes so people can easily find that if they need to. So with that, we'll go ahead and wrap up our show for today. Thank everybody for

sending us those two fantastic questions. Please keep sending them to us. You can send them to us at newsletter at investing.

00:37:24 Dave

For beginners.com or you can go on Shopify. No, sorry did it wrong. Sorry. I always do that. You can go to Spotify and you can. When you listen to the podcast on the show, you can leave comments or questions.

00:37:38 Dave

On the app. So it's a great way to connect with us or you can reach out to us on the socials and Twitter in particular. So with that, I'll go ahead and sign us off. You guys go out there and invest with the margin of safety and says on the safety have a great week and we'll talk to you on next week.

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